

**Interlocal Risk Financing Fund of North Carolina**  
**Property and Liability Insurance Trust administered by the NC League of Municipalities**

**COMMON POLICY DECLARATIONS**

ILDEC (07/2010)

**Policy Number:** PL-P-61003-2023

**NAMED INSURED & MAILING ADDRESS:**

City of Gastonia  
 PO Box 1748  
 Gastonia, NC 28053-1748

**FUND ADMINISTRATOR:**

North Carolina League of Municipalities  
**Risk Management Services**  
 P.O. Box 1310  
 Raleigh, NC 27602

**POLICY PERIOD:** From: 07/01/2023 To: 07/01/2024  
 At 12:01 a.m. Standard Time at your mailing address shown above.

**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
COMMERCIAL GENERAL LIABILITY COVERAGE PART	\$180,478.65
EMPLOYEE BENEFITS LIABILITY COVERAGE PART	\$1,057.14
LIQUOR LIABILITY COVERAGE PART	\$343.59
BUSINESS AUTOMOBILE COVERAGE PART	\$226,768.44
POLICE PROFESSIONAL LIABILITY COVERAGE PART	\$94,821.80
PUBLIC OFFICIALS LIABILITY COVERAGE PART	\$48,679.42
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART	\$68,702.34
CRIME COVERAGE PART	\$2,149.34
INLAND MARINE COVERAGE PART	\$23,374.94
PROPERTY COVERAGE PART	\$165,443.89
TOTAL PREMIUM	\$811,819.55
NET PREMIUM	\$811,819.55

**FORMS APPLICABLE TO ALL COVERAGE PARTS:**

Refer to "IRFFNC Forms and Endorsements Schedule"

**Interlocal Risk Financing Fund of North Carolina  
COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS**

GLDEC (07/2005)

**Policy Number:** PL-P-61003-2023

**NAMED INSURED & MAILING ADDRESS:**

City of Gastonia  
PO Box 1748  
Gastonia, NC 28053-1748

**POLICY PERIOD:** From: 07/01/2023 To: 07/01/2024  
At 12:01 a.m. Standard Time at your mailing address shown above.

Limits of Insurance	
Each Occurrence Limit	\$5,000,000
Products and Completed Operations Aggregate Limit	\$5,000,000
Personal and Advertising Injury Limit	\$5,000,000
General Aggregate Limit	Not Applicable
Damage to Premises Rented to You Limit	\$1,000,000 Any one fire
<hr/>	
Deductible (Each Occurrence)	\$100,000
Premium	\$180,478.65

**Optional Coverages**

**Forms and Endorsements:**

Refer to "IRFFNC Forms and Endorsements Schedule"

**Interlocal Risk Financing Fund of North Carolina**  
**EMPLOYEE BENEFITS LIABILITY COVERAGE PART DECLARATIONS**

EBDEC (07/2005)

This coverage is a **CLAIMS MADE** Policy

**Policy Number:** PL-P-61003-2023

**NAMED INSURED & MAILING ADDRESS:**

City of Gastonia  
PO Box 1748  
Gastonia, NC 28053-1748

**POLICY PERIOD:** From: 07/01/2023 To: 07/01/2024  
At 12:01 a.m. Standard Time at your mailing address shown above.

Retroactive Date: 7/1/2015

This insurance does not apply to acts which occur before the Retroactive Date shown above.

Limit of Insurance	
<b>Each Claim Limit</b>	<b>\$5,000,000</b>
<b>Annual Aggregate Limit for all Claims</b>	<b>\$5,000,000</b>
<b>Deductible (Each Claim)</b>	<b>\$100,000</b>
<b>Premium</b>	<b>\$1,057.14</b>

**Forms and Endorsements:**

Refer to "IRFFNC Forms and Endorsements Schedule"

**Interlocal Risk Financing Fund of North Carolina  
LIQUOR LIABILITY COVERAGE PART DECLARATIONS**

LLDEC (07/2005)

**Policy Number:** PL-P-61003-2023

**NAMED INSURED & MAILING ADDRESS:**

City of Gastonia  
PO Box 1748  
Gastonia, NC 28053-1748

**POLICY PERIOD:** From: 07/01/2023 To: 07/01/2024  
At 12:01 a.m. Standard Time at your mailing address shown above.

Limit of Insurance	
<b>Each Common Cause Limit</b>	<b>\$5,000,000</b>
<b>Aggregate Limit</b>	<b>\$5,000,000</b>
<b>Deductible</b>	<b>\$25,000</b>
<b>Premium</b>	<b>\$343.59</b>

**Forms and Endorsements:**

Refer to "IRFFNC Forms and Endorsements Schedule"

**Interlocal Risk Financing Fund of North Carolina  
PUBLIC OFFICIALS LIABILITY COVERAGE PART DECLARATIONS**

POLDEC (07/2010)

This coverage is a **CLAIMS MADE** Policy

**Policy Number:** PL-P-61003-2023

**NAMED INSURED & MAILING ADDRESS:**

City of Gastonia  
PO Box 1748  
Gastonia, NC 28053-1748

**POLICY PERIOD:** From: 07/01/2023 To: 07/01/2024  
At 12:01 a.m. Standard Time at your mailing address shown above.

Retroactive Date: 7/1/2015

This insurance does not apply to wrongful acts which occur before the Retroactive Date shown above.

Limits of Insurance	
<b>Each Claim Limit</b>	<b>\$5,000,000</b>
<b>Annual Aggregate Limit for all Claims</b>	<b>\$5,000,000</b>
<b>Deductible (Each Claim)</b>	<b>\$100,000</b>
<b>Premium</b>	<b>\$48,679.42</b>

**Forms and Endorsements:**

Refer to "IRFFNC Forms and Endorsements Schedule"

**Interlocal Risk Financing Fund of North Carolina**  
**EMPLOYMENT PRACTICES LIABILITY COVERAGE PART DECLARATIONS** EPLDEC (07/2010)

This coverage is a **CLAIMS MADE** Policy

**Policy Number:** PL-P-61003-2023

**NAMED INSURED & MAILING ADDRESS:**

City of Gastonia  
PO Box 1748  
Gastonia, NC 28053-1748

**POLICY PERIOD:** From: 07/01/2023 To: 07/01/2024  
At 12:01 a.m. Standard Time at your mailing address shown above.

Retroactive Date: 7/1/2015

This insurance does not apply to wrongful acts which occur before the Retroactive Date shown above.

Limits of Insurance	
<b>Each Claim Limit</b>	<b>\$5,000,000</b>
<b>Annual Aggregate Limit for all Claims</b>	<b>\$5,000,000</b>
<b>Deductible (Each Claim)</b>	<b>\$100,000</b>
<b>Premium</b>	<b>\$68,702.34</b>

**Forms and Endorsements:**

Refer to "IRFFNC Forms and Endorsements Schedule"

**Interlocal Risk Financing Fund of North Carolina  
POLICE PROFESSIONAL LIABILITY COVERAGE PART DECLARATIONS**

PPLDEC (07/2005)

**Policy Number:** PL-P-61003-2023

**NAMED INSURED & MAILING ADDRESS:**

City of Gastonia  
PO Box 1748  
Gastonia, NC 28053-1748

**POLICY PERIOD:** From: 07/01/2023 To: 07/01/2024  
At 12:01 a.m. Standard Time at your mailing address shown above.

Limits of Insurance	
<b>Each Occurrence</b>	<b>\$5,000,000</b>
<b>Annual Aggregate</b>	<b>\$5,000,000</b>
<b>Deductible (Each Occurrence)</b>	<b>\$100,000</b>
<b>Premium</b>	<b>\$94,821.80</b>

**Forms and Endorsements:**

Refer to "IRFFNC Forms and Endorsements Schedule"

**Interlocal Risk Financing Fund of North Carolina  
GOVERNMENT CRIME COVERAGE PART DECLARATIONS**

CRDEC (07/2012)

**Policy Number:** PL-P-61003-2023

**NAMED INSURED & MAILING ADDRESS:**

City of Gastonia  
PO Box 1748  
Gastonia, NC 28053-1748

**POLICY PERIOD:** From: 07/01/2023 To: 07/01/2024  
At 12:01 a.m. Standard Time at your mailing address shown above.

<b>Limits of Insurance</b>			
<b>Other Insurance: Coverage Is Written On Excess Basis</b>			
<b>Employee Dishonesty</b>	\$250,000	Limit - per Occurrence	
	\$50,000	Deductible - per Occurrence	
	\$1,358.24	Premium	
<b>Forgery Or Alteration</b>	\$250,000	Limit - per Occurrence	
	\$50,000	Deductible - per Occurrence	
	\$285.35	Premium	
<b>Inside the Premises - Theft of Money and Securities</b>	\$250,000	Limit - per Occurrence	
	\$50,000	Deductible - per Occurrence	
	\$361.25	Premium	
<b>Outside the Premises</b>	\$250,000	Limit - per Occurrence	
	\$50,000	Deductible - per Occurrence	
	\$144.50	Premium	

**Public Official Scheduled Bond for Definite Term**

If "Coverage Not Provided" is inserted above opposite any specified Insuring Agreement, such Insuring Agreement and any other reference thereto in this policy is deleted.

**Forms and Endorsements:**

Refer to "IRFFNC Forms and Endorsements Schedule"

**CANCELLATION OF PRIOR INSURANCE ISSUED BY US:**

By acceptance of this Coverage Part you give us notice cancelling all prior policies. The cancellation to be effective at the time this Coverage Part becomes effective.



**Interlocal Risk Financing Fund of North Carolina  
INLAND MARINE COVERAGE PART DECLARATIONS**

IMDEC (07/2005)

**Policy Number:** PL-P-61003-2023

**NAMED INSURED & MAILING ADDRESS:**

City of Gastonia  
PO Box 1748  
Gastonia, NC 28053-1748

**POLICY PERIOD:** From: 07/01/2023 To: 07/01/2024  
At 12:01 a.m. Standard Time at your mailing address shown above.

Limits of Insurance		
<b>MUNICIPAL EQUIPMENT</b>	\$5,978,338	Limit
	\$50,000	Deductible per Occurrence
	\$14,917.17	Premium
<b>COMPUTER EQUIPMENT &amp; MEDIA</b>	\$9,493,500	Limit
	\$50,000	Deductible per Occurrence
	\$7,093.96	Premium
<b>FINE ARTS</b>	\$5,734,968	Limit
	\$50,000	Deductible per Occurrence
	\$1,363.81	Premium
<b>PORTABLE EQUIPMENT</b>	<b>Coverage Not Provided</b>	

**Forms and Endorsements:**

Refer to "IRFFNC Forms and Endorsements Schedule"

**Interlocal Risk Financing Fund of North Carolina  
PROPERTY COVERAGE PART DECLARATIONS**

PRDEC (07/2023)

**Policy Number:** PL-P-61003-2023

**NAMED INSURED & MAILING ADDRESS:**

City of Gastonia  
PO Box 1748  
Gastonia, NC 28053-1748

**POLICY PERIOD:** From: 07/01/2023 To: 07/01/2024  
At 12:01 a.m. Standard Time at your mailing address shown above.

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**BUILDING AND PERSONAL PROPERTY**

**LIMITS**

\$505,176,577 Limit  
Blanket Coverage for Buildings and  
Personal Property as listed on Property  
Schedule  
\$50,000 Deductible per Occurrence

Special policy provisions may apply to Flood, Earthquake, Equipment  
Breakdown and Named Windstorm

\$165,443.89 Premium

Refer to Property Schedule for Valuation Basis

**OPTIONAL COVERAGES**

**Forms and Endorsements:**

Refer to "IRFFNC Forms and Endorsements Schedule"

**Interlocal Risk Financing Fund of North Carolina  
BUSINESS AUTO DECLARATIONS**

BADEC (07/2005)

**Item One**

**Policy Number:** PL-P-61003-2023

**NAMED INSURED & MAILING ADDRESS:**

City of Gastonia  
PO Box 1748  
Gastonia, NC 28053-1748

**POLICY PERIOD:** From: 07/01/2023 To: 07/01/2024

At 12:01 a.m. Standard Time at your mailing address shown above.

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

**Forms and Endorsements attached to this policy:**

Refer to "IRFFNC Forms and Endorsements Schedule"

**Item Two Schedule of Coverages and Covered Autos**

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos". "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the Covered Autos Section of the Business Auto Coverage Form next to the name of the coverage.

Coverages	Covered Autos  (Entry of one or more of the symbols from the Covered Autos Section of the Business Auto Coverage Form shows which autos are covered)	Limit  (The most we will pay for any one accident or loss)  Deductible  (per accident)	Premium
Auto Liability	1	\$5,000,000 Limit \$100,000 Deductible	\$171,153.00
Uninsured Motorists		Limit Deductible	
Physical Damage Comprehensive Coverage	7,8	Actual Cash Value or cost of repair whichever is less, minus the deductible for each covered auto as indicated on Business Auto Schedule. See Item Four for Hired or Borrowed "Autos".	\$21,790.20
Physical Damage Collision Coverage	7,8	Actual Cash Value or cost of repair whichever is less, minus the deductible for each covered auto as indicated on Business Auto Schedule. See Item Four for Hired or Borrowed "Autos".	\$33,795.24

**Item Three Schedule of Covered Autos You Own - Refer to Business Auto Schedule**

**Item Four Schedule of Hired or Borrowed Covered Auto Coverage and Premiums**

Coverages	Limit of Insurance  (The most we will pay for any one accident or loss)	Deductible  For each covered auto	Premium
Hired or Borrowed Comprehensive	Actual Cash Value or cost of repair whichever is less, minus the deductible for each covered auto.	\$1,000	\$15.00
Hired or Borrowed Collision	Actual Cash Value or cost of repair whichever is less, minus the deductible for each covered auto.	\$1,000	\$15.00

Property and Liability Insurance Trust administered by the NC League of Municipalities

IRFFNC Forms and Endorsements Schedule

Fund Year: 2023 - 2024

NAMED INSURED City of Gastonia  
PO Box 1748  
Gastonia, NC 28053-1748

POLICY NUMBER PL-P-61003-2023

EFFECTIVE DATE 7/1/2023 to 7/1/2024 At 12:01 a.m. Standard Time at your mailing address.

**COMMON COVERAGES**

The following forms and endorsements are applicable to the Coverage Parts indicated on the form and endorsement:

- CC-01 (07/2020) IRFFNC Common Policy Conditions
- IL-03 (07/2006) Additional Exclusion - Fungus, Wet Rot, Dry Rot and Bacteria
- IL-04 (07/2010) Additional Exclusion - Chemical, Biological and Radiological
- IL-05 (07/2010) Terrorism Exclusion Endorsement
- IL-06 (07/2020) Additional Liability Exclusion - Communicable Disease Exclusion
- IL-07 (07/2020) Additional Property Exclusion - Communicable Disease Exclusion
- IL-08 (07/2023) PFAS Exclusion Endorsement
- IL-09 (07/2023) Cyber Exclusion Endorsement
- IL-200 (07/2010) Additional Exclusion - Nuclear, Biological, Chemical or Radioactive Terrorist Activity
- IL-40 (07/2005) IRFFNC Forms and Endorsements Schedule
- IL-83 (07/2010) Terrorism - Physical Loss or Physical Damage Endorsement
- ILDEC (07/2010) Common Policy Declarations

**GENERAL LIABILITY**

The following forms and endorsements are applicable to the IRRFNC General Liability Coverage Part:

- GL-01 (07/2023) IRFFNC Commercial General Liability Coverage Form
- GLDEC (07/2005) Commercial General Liability Coverage Part Declarations
- GLEND-05 (07/2004) Watercraft Liability Coverage
- GLEND-14 (07/2014) Additional Insured - Designated Person or Organization
- GLEND-18 (07/2006) Firing Range Coverage
- GLEND-20 (07/2004) Hazardous Materials Emergency Response

**EMPLOYEE BENEFITS**

The following forms and endorsements are applicable to the IRRFNC Employee Benefits Coverage Part:

- EB-01 (07/2016) IRFFNC Employee Benefits Liability Coverage Form
- EBDEC (07/2005) Employee Benefits Liability Coverage Part Declarations

Property and Liability Insurance Trust administered by the NC League of Municipalities

IRFFNC Forms and Endorsements Schedule

Fund Year: 2023 - 2024

NAMED INSURED City of Gastonia  
PO Box 1748  
Gastonia, NC 28053-1748

POLICY NUMBER PL-P-61003-2023

EFFECTIVE DATE 7/1/2023 to 7/1/2024 At 12:01 a.m. Standard Time at your mailing address.

**BUSINESS AUTO**

The following forms and endorsements are applicable to the IRRFNC Business Auto Coverage Part:

- ALEND-02 (07/2012) Additional Insured - Automobile
- ALEND-03 (07/2012) Loss Payable Clause
- ALEND-14 (07/2002) Exclusion - Year 2000 Computer - Related and Other Electronic Problems
- ALEND-16 (07/1999) Emergency Vehicles - Volunteer Firefighters and Workers Injuries Excluded
- ALEND-17 (07/1999) Professional Services Not Covered
- BA-01 (07/2016) IRRFNC Business Auto Coverage Form
- BADEC (07/2005) Business Auto Declarations

**POLICE PROFESSIONAL**

The following forms and endorsements are applicable to the IRRFNC Police Professional Liability Coverage Part:

- PPL-01 (07/2016) IRRFNC Police Professional Liability Coverage Form
- PPLDEC (07/2005) Police Professional Liability Coverage Part Declarations

**LIQUOR LIABILITY**

The following forms and endorsements are applicable to the Liquor Liability Coverage Part:

- LL-01 (07/2016) IRRFNC Liquor Liability Coverage Form
- LLDEC (07/2005) Liquor Liability Coverage Part Declarations
- LLEND-01 (07/2004) Exclusion - Year 2000 Computer - Related and Other Electronic Problems

**PROPERTY**

The following forms and endorsements are applicable to the Property Coverage Part:

- PR-01 (07/2021) IRRFNC Building and Personal Property Coverage Form
- PRDEC (07/2023) Property Coverage Part Declarations
- PREND-10 (07/2005) Exclusion of Certain Computer-Related Losses
- PREND-12 (07/2020) Flood Coverage Endorsement
- PREND-14 (07/2003) Earthquake and Volcanic Eruption Endorsement
- PREND-21 (07/2003) Exclusion - Electronic Property and Virus
- PREND-500 (07/2013) Equipment Breakdown Coverage

Property and Liability Insurance Trust administered by the NC League of Municipalities

IRFFNC Forms and Endorsements Schedule

Fund Year: 2023 - 2024

NAMED INSURED City of Gastonia  
PO Box 1748  
Gastonia, NC 28053-1748

POLICY NUMBER PL-P-61003-2023

EFFECTIVE DATE 7/1/2023 to 7/1/2024 At 12:01 a.m. Standard Time at your mailing address.

**INLAND MARINE**

The following forms and endorsements are applicable to the Inland Marine Coverage Part:

- CE-01 (07/2011) IRFFNC Computer Equipment and Media Coverage Form
- FA-01 (07/2016) IRFFNC Fine Arts Coverage Form
- IM-01 (07/2011) IRFFNC Inland Marine Conditions Form
- IMDEC (07/2005) Inland Marine Coverage Part Declarations
- IMEND-01 (07/2004) Exclusion of Certain Computer-Related Losses
- IMEND-02 (07/2012) Loss Payable Provision
- ME-01 (07/2023) IRFFNC Municipal Equipment Coverage Form

\* Inland Marine Conditions Form applies to ME, PE, CE & FA

**CRIME**

The following forms and endorsements are applicable to the Crime Coverage Part:

- CR-01 (07/2023) IRFFNC Government Crime Coverage Form
- CRDEC (07/2018) Government Crime Coverage Part Declarations
- CREND-10 (07/2005) Exclusion Of Certain Computer-Related Losses
- CREND-30 (07/2011) Add Faithful Performance Of Duty Coverage For Government Employees

**CYBER**

The following forms and endorsements are applicable to the Cyber Coverage Part:

- CY-01 (07/2020) IRFFNC Cyber Certificate of Coverage

**PUBLIC OFFICIALS LIABILITY**

The following forms and endorsements are applicable to the IRFFNC Public Officials Liability Coverage Part:

- POL-02 (07/2019) IRFFNC Public Officials Liability Coverage Form
- POLDEC (07/2010) Public Officials Liability Coverage Part Declarations



## IRFFNC COMMON POLICY CONDITIONS

All Coverage Parts included in this Policy are subject to the following conditions.

### I. CANCELLATION

A. The first Named Insured shown in the Declarations may not cancel this Policy after the effective date of the policy per the Interlocal Agreement.

#### B. Policy In Effect Less Than 60 Days

If the insurance policy has been in effect for less than 60 days, we may cancel the insurance policy by mailing or delivering written notice of cancellation to the member or First Named Insured at least:

- (1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 45 days before the effective date of cancellation if we cancel for any other reason.

#### C. Policy In Effect More Than 60 Days

If the insurance policy has been in effect for 60 days or more or is a renewal of an insurance policy we issued, we may cancel the insurance policy prior to the:

- (1) Expiration of the policy term; or
- (2) Anniversary date stated in the insurance policy for one or more of the following reasons:
  - (a) Nonpayment of premium;
  - (b) An act or omission by the member/insured or his or her representative that constitutes material misrepresentation or nondisclosure of a material fact in obtaining the insurance policy, continuing the insurance policy, or presenting a claim under this the insurance policy;
  - (c) Increased hazard or material change in the risk assumed that could not have been reasonably contemplated by the parties at the time of assumption of the risk;
  - (d) Substantial breach of contractual duties, conditions, or warranties that materially affects the insurability of the risk;
  - (e) A fraudulent act against us by the member/insured or his or her representative that materially affects the insurability of the risk;
  - (f) Willful failure by the member/insured or his or her representative to institute reasonable loss control measures that materially affect the insurability of the risk after written notice by us;
  - (g) Loss of facultative reinsurance, or loss of or substantial changes in applicable reinsurance as provided in G.S. 58-41-30;
  - (h) Conviction of the member/insured of a crime arising out of acts that materially affect the insurability of the risk;
  - (i) A determination by the Commissioner of Insurance that the continuation of the insurance policy would place us in violation of the laws of North Carolina; or
  - (j) Failure to meet the requirements contained in the Interlocal Agreement.



## IRFFNC COMMON POLICY CONDITIONS

We will mail or deliver written notice of cancellation to the first Named Insured at least:

1. 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  2. 45 days before the effective date of cancellation if we cancel for any other reason.
- D. Cancellation for nonpayment of premium will not become effective if you pay the premium amount due before the effective date of cancellation.
- E. We may also cancel this policy for any reason not stated above provided we obtain your prior written consent.
- F. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, 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 we have not made or offered a refund.
- G. Notice shall be deemed delivered: (a) when received if delivered in person, (b) three business days after being deposited with the United States Postal Service, postage prepaid, properly addressed to the party to whom such notice is intended to be given at the address on file (c) on the date sent if given by facsimile, provided that an electronic confirmation of delivery has been received by the sender and that a copy of such notice was also sent on such date by mailing, or (d) on the date sent if given by electronic mail, provided a copy of such notice was also sent on such date by mailing and receipt of the electronic mail is acknowledged by the receiving party by return electronic mail.
- A certified copy of the notice will be mailed to the member or First Named Insured on the policy if delivery methods “(a)”, “(b)”, “(c)”, or “(d)” noted above are used.

## II. NONRENEWAL

- A. If the first Named Insured shown in the Declarations elects not to renew this policy, the first Named Insured will mail or deliver written notice of non-renewal to us and must be received by May 30 of the policy period.
- B. If we elect not to renew this policy we will mail or deliver to the first Named Insured shown in the Declarations written notice of non-renewal at least 45 days prior to the:
1. Expiration of the policy if this policy has been written for one year or less; or
  2. Anniversary date of the policy if this policy has been written for more than one year or for an indefinite term.
- C. We need not mail or deliver the notice of nonrenewal if you have:
1. Insured property covered under this policy also covered under any other coverage or insurance policy;
  2. Accepted replacement coverage; or
  3. Requested or agreed to nonrenewal of this insurance policy in accordance with SECTION IX of the INTERLOCAL AGREEMENT.
- D. If notice is mailed, proof of mailing will be sufficient proof of notice.
- E. This written notice of cancellation or nonrenewal will:
1. Be mailed or delivered to the first Named Insured and any designated mortgagee or loss payee at their addresses shown in the policy, or if not indicated in the policy, at their last known addresses; and
  2. State the reason or reasons for cancellation or nonrenewal.

## **IRFFNC COMMON POLICY CONDITIONS**

- F. Notice shall be deemed delivered: (a) when received if delivered in person, (b) three business days after being deposited with the United States Postal Service, postage prepaid, properly addressed to the party to whom such notice is intended to be given at the address on file (c) on the date sent if given by facsimile, provided that an electronic confirmation of delivery has been received by the sender and that a copy of such notice was also sent on such date by mailing, or (d) on the date sent if given by electronic mail, provided a copy of such notice was also sent on such date by mailing and receipt of the electronic mail is acknowledged by the receiving party by return electronic mail.

A certified copy of the notice will be mailed to the member or First Named Insured on the insurance policy if delivery methods “(a)”, “(b)”, “(c)”, or “(d)” noted above are used.

### **III. NONPAYMENT OF PREMIUM**

A. The insurance policy shall expire and be cancelled automatically for nonpayment of premium. Nonpayment of premium shall include but is not limited to:

- (1) Invoiced Premium not paid in full or received by the due date posted on the invoice;
- (2) Remitting partial payments and not the full amount posted on the invoice by the posted due date;
- (3) Member making any manual adjustments to the amounts reflected on the invoice

### **IV. CHANGES**

The policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### **V. EXAMINATION OF YOUR BOOKS AND RECORDS**

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### **VI. INSPECTION AND SURVEYS**

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.

## **IRFFNC COMMON POLICY CONDITIONS**

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports, or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### **VII. PREMIUMS**

The first Named Insured shown in the Declarations:

- A. Is responsible for the payment of all premiums; and
- B. Will be the payee for any return premiums we pay.

### **VIII. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

### **IX. IRFFNC LIMIT FOR PROPERTY LOSSES**

Regardless of the number of (1) property coverage lines (Building and Personal Property, Inland Marine, Auto Physical Damage and related endorsements), (2) Insureds, (3) persons or organizations sustaining damage, or (4) claims made or suits brought on account of such damage, in no event shall the total liability to IRFFNC for property damage exceed \$100,000,000 for each occurrence.

### **X. IRFFNC LIMIT FOR FLOOD**

Regardless of the number of (1) coverage lines, (2) persons or organizations sustaining damage or (3) claims made or suits brought on account of such damage, in no event shall the total liability to IRFFNC for flood damage for each IRFFNC member exceed \$5,000,000 for each occurrence or \$5,000,000 annual aggregate. Regardless of the number of (1) coverage lines, (2) Insureds, (3) persons or organizations sustaining damage, or (4) claims made or suits brought on account of such damage, in no event shall the total liability to IRFFNC for flood damage exceed \$50,000,000 for each occurrence or \$50,000,000 annual aggregate.

The total liability to IRFFNC for flood damage does not increase the total liability of \$100,000,000 to IRFFNC for property damage as stated in Section VIII. IRFFNC LIMIT FOR PROPERTY LOSSES.

### **XI. IRFFNC LIMIT FOR EARTH MOVEMENT**

Regardless of the number of (1) coverage lines, (2) Insureds, (3) persons or organizations sustaining damage, or (4) claims made or suits brought on account of such damage, in no event shall the total liability to IRFFNC for earth movement damage exceed \$50,000,000 for each occurrence or \$50,000,000 annual aggregate.

Earth movement means (1) earthquake, including any earth sinking, rising or shifting related to such event; (2) landslide, including any earth sinking, rising or shifting related to such event; (3) mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased; (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface; or (5) Volcanic eruption, explosion or effusion. Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by: (a) airborne volcanic blast or airborne shock waves; (b) Ash, dust or particulate matter; or (c) lava flow.

## **IRFFNC COMMON POLICY CONDITIONS**

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence. Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

The total liability to IRFFNC for earth movement does not increase the total liability of \$100,000,000 to IRFFNC for property damage as stated in Section VIII. IRFFNC LIMIT FOR PROPERTY LOSSES.

### **XII. DEDUCTIBLE AND RETENTION AMOUNTS**

Notwithstanding anything herein to the contrary, IRFFNC will not be responsible for any risk retained by the Insured. This applies to all coverages. The amount of risk retained by the Insured, and for which IRFFNC assumes no liability or responsibility, is the amount listed on the Declarations of Coverage Form as "Deductible."

IRFFNC has the right to advance payment of a deductible or retention in order to expeditiously settle an outstanding claim. When this occurs, the Insured remains obligated to reimburse IRFFNC for the deductible or retention amount.

### **XIII. CALCULATION OF PREMIUM**

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect. Whenever an IRFFNC coverage form refers to premises, objects, vehicles, equipment or other scheduled items shown on the Declarations, such references mean the most recent schedule on file with IRFFNC.

### **XIV. POLICY PERIOD**

The coverages provided by this policy are effective from 12:01 A.M. of the effective date shown in the Declarations to 12:01 A.M. of the expiration date shown in the Declarations. If coverage is cancelled for any reason, cancellation will be effective at 12:01 A.M. of the cancellation date. If any coverage provided under this policy replaces a policy expiring at any time on the effective date of this coverage other than 12:01 A.M., this coverage will be effective at the time of expiration of such other policy.

### **XV. WAIVER OF GOVERNMENTAL IMMUNITY**

The Laws of the State of North Carolina waive and exclude Governmental Immunity of Political Subdivisions to the extent of coverage provided herein by the Interlocal Risk Financing Fund of North Carolina pursuant to N.C.G.S. 160A-485.

### **XVI. UNINTENTIONAL ERROR OR OMISSION**

It is agreed that failure of the Insured to disclose all hazards existing as of the inception or renewal date of the policy shall not prejudice the insurance with respect to the coverage afforded by this policy, provided such failure or omission is not intentional.

### **XVII. KNOWLEDGE OF OCCURRENCE**

It is agreed that knowledge of an occurrence by an employee of the insured shall not in itself constitute knowledge by the insured unless the mayor, manager, town clerk or authorized designee with claim reporting responsibilities shall have received such notice from its employee. However, issuance of a right to sue letter by the EEOC, upon the mayor, manager, town clerk or authorized designee with claim reporting responsibilities shall constitute knowledge of an occurrence.

### **XVIII. NOTICE OF OCCURRENCE**

It is agreed that if the insured reports an occurrence to its Workers' Compensation carrier which later develops into a liability claim, coverage for which is provided by the policy to which this endorsement is attached, failure to report such occurrence to IRFFNC at the time of occurrence shall not be deemed in violation of the coverage terms and conditions, as long as the insured gives notice to IRFFNC as soon as practical.

## **IRFFNC COMMON POLICY CONDITIONS**

### **XIV. YOUR RIGHT TO CLAIM INFORMATION**

We will provide at the request of the first Named Insured shown in the Declarations loss occurrence information. Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values. You must not disclose this information to any claimant or any claimant's representative without our consent. We compile claim and "occurrence" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representation or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured.

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

**ADDITIONAL EXCLUSION – FUNGUS, WET ROT, DRY ROT AND BACTERIA**

This endorsement modifies insurance provided under the following:

IRFFNC BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
IRFFNC BUILDERS RISK COVERAGE FORM  
IRFFNC COMPUTER EQUIPMENT AND MEDIA COVERAGE FORM  
IRFFNC MUNICIPAL EQUIPMENT COVERAGE FORM  
IRFFNC PORTABLE EQUIPMENT COVERAGE FORM  
IRFFNC FINE ARTS COVERAGE FORM  
IRFFNC BUSINESS AUTO COVERAGE FORM (SECTION III PHYSICAL DAMAGE  
COVERAGE)

A. The following Exclusion is added:

Exclusion – "Fungus", Wet Rot, Dry Rot and Bacteria

We will not pay for loss or damage caused directly or indirectly by the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply when "fungus", wet or dry rot or bacteria results from fire or lightning.

B. The following is added to the Definitions:

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

**Interlocal Risk Financing Fund of North Carolina**

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

**ADDITIONAL EXCLUSION – CHEMICAL, BIOLOGICAL AND RADIOLOGICAL**

This endorsement modifies insurance provided under the following:

IRFFNC BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
IRFFNC BUILDERS RISK COVERAGE FORM  
IRFFNC COMPUTER EQUIPMENT AND MEDIA COVERAGE FORM  
IRFFNC MUNICIPAL EQUIPMENT COVERAGE FORM  
IRFFNC PORTABLE EQUIPMENT COVERAGE FORM  
IRFFNC FINE ARTS COVERAGE FORM  
IRFFNC BUSINESS AUTO COVERAGE FORM (SECTION III PHYSICAL DAMAGE  
COVERAGE)  
IRFFNC GOVERNMENT CRIME COVERAGE FORM  
EQUIPMENT BREAKDOWN COVERAGE ENDORSEMENT

A. The following Exclusion is added:

This policy does not insure against any loss, damage, cost or expense caused by or resulting from any of the following, regardless of any other cause or event contributing concurrently or in any other sequence thereto:

1. The unlawful possession, use, release, discharge, dispersal or disposal of any **chemical, bacteriological, viral, radioactive or similar agents or matter** regardless of who is responsible for the act and whether war has been declared or not, and regardless of any other cause or event contributing concurrently or in any other sequence thereto.
2. The unlawful possession, use, release, discharge, detonation, dispersal or disposal of any device or material capable of producing a **nuclear reaction or the spread of radioactivity**, regardless of who is responsible for the act and whether war has been declared or not, and regardless of any other cause or event contributing concurrently or in any other sequence thereto.

**Interlocal Risk Financing Fund of North Carolina**

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

**TERRORISM EXCLUSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

IRFFNC BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
IRFFNC BUILDERS RISK COVERAGE FORM  
IRFFNC COMPUTER EQUIPMENT AND MEDIA COVERAGE FORM  
IRFFNC MUNICIPAL EQUIPMENT COVERAGE FORM  
IRFFNC PORTABLE EQUIPMENT COVERAGE FORM  
IRFFNC FINE ARTS COVERAGE FORM

**A. The following exclusion is added:**

This insurance does not cover loss, damage, injury, expense, cost or legal obligation directly or indirectly resulting from or arising out of or in any way related to any:

1. "Terrorism Act"; or
2. Actions taken by or on behalf of any government or any branch or division thereof (including, without limitation, the uniformed armed forces, militia, police, state security and anti-terrorism agencies) in responding to, preventing, combating, defending or retaliating against any "Terrorism Act."

This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in any sequence to the loss, damage, injury, expense, cost or legal obligation.

This exclusion applies whether or not the "Terrorism Act" was committed in concert with or on behalf of any organization or government.

**B. As used in this endorsement:**

"Terrorism Act" means any act, preparation in respect of action or the threat of action that:

1. Involves threat of force, violence or is dangerous to human life or tangible or intangible property (including electronic, communications, information or mechanical systems or infrastructure), and
2. Reasonably appears to be intended, in whole or in part, to:
  - a. Intimidate or coerce a government or the civilian population or any segment thereof; or
  - b. Disrupt any segment of the economy of one or more nations; or
  - c. Overthrow or influence the policy or conduct of a government; or
  - d. Respond to any government action or policy.



“Terrorism Act” shall also include any incident determined to be such by an official, department or agency that has been specifically authorized by federal statute to make such a determination.

“Terrorism Act” includes the dispersal or application of pathogenic, or poisonous biological or chemical materials and shall also include any incident determined to be such by an official, department or agency that has been specifically authorized by federal statute to make such a determination.

**C. Exception Covering Certain Fire Losses**

If the "Terrorism Act" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements that apply to those coverage forms.

**D. 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 coverage form, coverage part or policy.

**E. Application in Regards to Terrorism – Physical Loss or Physical Damage Endorsement.**

This exclusion does not apply to the extent that coverage is provided by the Terrorism – Physical Loss or Physical Damage Endorsement.

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

**ADDITIONAL LIABILITY EXCLUSION – COMMUNICABLE DISEASE  
EXCLUSION**

This endorsement modifies insurance provided under the following:

IRFFNC BUSINESS AUTO COVERAGE FORM  
IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
IRFFNC EMPLOYEE BENEFITS LIABILITY COVERAGE FORM  
IRFFNC EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM  
IRFFNC LIQUOR LIABILITY COVERAGE FORM  
IRFFNC POLICE PROFESSIONAL LIABILITY COVERAGE FORM  
IRFFNC PUBLIC OFFICIALS LIABILITY COVERAGE FORM

A. The following Exclusion is added:

**Communicable Disease**

“Bodily injury”, “property damage”, or “personal injury and advertising injury” liability, loss, claims, damages, costs, fines, penalties, or expense of whatsoever nature directly or indirectly caused by, arising out of, resulting from, or occurring concurrently or in any sequence with, or in connection with:

- a. Any actual, alleged, or threat of infectious or communicable disease resulting from any virus, bacterium, parasite, or other microorganism (whether living or not) that induces or is capable of inducing physical distress, illness or disease, including but not limited to diseases arising out of coronavirus (COVID-19), severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), and any mutations arising from or relating to infectious or communicable disease;
- b. Allegations of negligence or other wrongdoing against the insured arising from or relating to any action taken or failure to take action in discovering, controlling, preventing, suppressing or in any way relating or responding to such actual, alleged, or threat of communicable or infectious disease or illness, including but not limited to actions taken or failure to prevent the spread of the disease;
- c. Allegations of negligence or other wrongdoing against the insured of any kind arising from, relating or responding to orders or directives of any government, governmental agency, civil authority, or national or global public health agency relating to any actual, alleged, or threat of infectious or communicable disease or illness resulting from any virus, bacterium, parasite or other microorganism (whether living or not) that induces or is capable of inducing physical distress, illness or disease.
- d. Allegations of negligence or other wrongdoing against the insured in connection with the supervising, hiring, employing, training, testing, or monitoring of persons that may be

infected with and spread an infectious or communicable disease, or actual or alleged failure to prevent the spread of disease, or failure to report the disease to authorities.

B. The following is added to the Definitions:

**“Communicable disease”** means any infectious or contagious disease:

1. Caused by any communicable disease agent; and
2. Regardless of the method of transmission, whether direct or indirect, including, but not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between humans, animals, or from any animal to any human or from any human to any animal.

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

**ADDITIONAL PROPERTY EXCLUSION – COMMUNICABLE DISEASE  
EXCLUSION**

This endorsement modifies insurance provided under the following:

IRFFNC BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
IRFFNC BUILDERS RISK COVERAGE FORM  
IRFFNC COMPUTER EQUIPMENT AND MEDIA COVERAGE FORM  
IRFFNC MUNICIPAL EQUIPMENT COVERAGE FORM  
IRFFNC PORTABLE EQUIPMENT COVERAGE FORM  
IRFFNC FINE ARTS COVERAGE FORM  
IRFFNC BUSINESS AUTO COVERAGE FORM (SECTION III PHYSICAL DAMAGE  
COVERAGE)  
IRFFNC GOVERNMENT CRIME COVERAGE FORM  
EQUIPMENT BREAKDOWN COVERAGE ENDORSEMENT

The exclusion set forth below applies to all coverages, coverage extensions, supplemental coverages, optional coverages, and endorsements that are provided by the policy to which this endorsement is attached, including, but not limited to, those that provide coverage for property or time element losses (including, but not limited to, gross earnings, gross profits, business interruption, extra expense, rental value, contingent business interruption, contingent time element, leader or attraction property, and interruption by civil or military authority).

IRFFNC does not insure any loss, cost, damage or expense, directly or indirectly caused by, resulting from, arising out of, attributable to, contributed to, or occurring concurrently or in any sequence with a **communicable disease** or **communicable disease agent**.

This exclusion applies to, but is not limited to, any loss, cost, damage, or expense as a result of:

- a. any contamination by any **communicable disease** or **communicable disease agent**;
- b. any denial, restriction, or impairment of access to property because of the existence, threat, or suspected presence of any **communicable disease** or **communicable disease agent**; or
- c. any deterioration, loss of value, loss of marketability, or loss of use to tangible or intangible property insured hereunder directly or indirectly caused by or arising out of any **communicable disease** or **communicable disease agent**.

No coverage extension, additional coverage, exception to any exclusion, endorsement, or any other coverage grant shall afford coverage that would otherwise be excluded through this exclusion. Additionally, the phrase “loss, cost, damage or expense,” as used herein includes, but is not limited to: (a) any cost to clean-up, detoxify, remove, monitor or test: (1) for a **communicable disease** or **communicable disease agent**; or (2) any tangible or intangible property insured hereunder that is

affected or suspected to be affected by such **communicable disease** or **communicable disease agent**; and (b) any time element losses, including any time element coverage extensions, directly or indirectly caused by, resulting from, arising out of, attributable to, or contributed to by such **communicable disease** or **communicable disease agent**.

As used herein, words in bold have the following meanings:

**“Communicable disease”** means any infectious or contagious disease:

1. Caused by any communicable disease agent; and
2. Regardless of the method of transmission, whether direct or indirect, including, but not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between humans, animals, or from any animal to any human or from any human to any animal.

**“Communicable disease agent”** means any infectious or contagious agent, including, but not limited to: a virus, bacterium, parasite, or other organism, or any mutation thereof, whether deemed living or not, that causes or could cause disease, illness, or physical distress to human health.

All other terms and conditions of the policy remain the same.

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

**ADDITIONAL LIABILITY EXCLUSION – PERFLUORINATED COMPOUNDS  
(PFAS) EXCLUSION**

This endorsement modifies insurance provided under the following:

IRFFNC BUSINESS AUTO COVERAGE FORM  
IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
IRFFNC EMPLOYEE BENEFITS LIABILITY COVERAGE FORM  
IRFFNC EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM  
IRFFNC LIQUOR LIABILITY COVERAGE FORM  
IRFFNC POLICE PROFESSIONAL LIABILITY COVERAGE FORM  
IRFFNC PUBLIC OFFICIALS LIABILITY COVERAGE FORM

A. The following Exclusion is added:

Liability, including all loss, cost or expense, directly or indirectly arising out of, resulting as a consequence of, or related to "Perfluorinated compounds" whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss. "Perfluorinated compounds" means perfluoroalkyl or polyfluoroalkyl substance (PFAS), including but not limited to: perfluoroalkyl acids (PFAAs), perfluorooctanoic acid (PFOA), perfluorooctane sulfonate (PFOS), perfluoroheptanoic acid (PFHpA), perfluorononanoic acid (PFNA), perfluorohexanesulfonic acid (PFHxS), GenX, "C8", "ADONA", perfluoroalkane sulfonyl fluoride (PASF), perfluorobutanesulfonic acid (PFBS), polytetrafluoroethylene (PTFE), perfluoropolyethers (PFPEs), or ammonium perfluorooctanoate, or any associated salts, acids, alcohols, precursor chemicals, or related higher homologue chemicals that are identified as hazardous through federal, state, or local law or regulation.

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

**ADDITIONAL LIABILITY EXCLUSION – CYBER LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

IRFFNC BUSINESS AUTO COVERAGE FORM  
IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
IRFFNC EMPLOYEE BENEFITS LIABILITY COVERAGE FORM  
IRFFNC EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM  
IRFFNC LIQUOR LIABILITY COVERAGE FORM  
IRFFNC POLICE PROFESSIONAL LIABILITY COVERAGE FORM  
IRFFNC PUBLIC OFFICIALS LIABILITY COVERAGE FORM

A. The following Exclusion is added:

Any loss, liability cost, damage, expense, fine or penalty resulting from or arising out of or related to, either directly or indirectly, in whole or in part, by an occurrence, or by the act, error or omission of any person resulting in:

Unauthorized access, theft, alteration, corruption or disclosure of confidential, intellectual, proprietary or personal information and data including but not limited to customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion also excludes any liability for any loss, cost, damage, expense, fine or penalty, loss of use of, corruption of, inability to access, reduction in functionality, directly or indirectly caused by or contributed to or resulting from the following non-exhaustive list of events regardless of any other cause or other event contributing concurrently or in any other sequence to the loss, liability cost, damage, expense, fine or penalty:

- a) damage to or loss of data occurring on computer systems, or
- b) an unauthorized access of computer systems, or
- c) computer malware on computer systems, or
- d) human error affecting computer systems, or
- e) system failure occurring on computer systems, or
- f) a defect of computer systems, or
- g) social engineering, or
- h) cyber extortion

This exclusion applies even if damages are claimed for notification costs, credit monitoring and repair expenses, forensic expenses, public relation expenses or any other loss, damage or expense incurred arising out of any access to or disclosure of any person's or organization's confidential, intellectual, proprietary or personal information and data.

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

**ADDITIONAL EXCLUSION – NUCLEAR, BIOLOGICAL, CHEMICAL OR  
RADIOACTIVE TERRORIST ACTIVITY**

This endorsement modifies insurance provided under the following:

IRFFNC BUSINESS AUTO COVERAGE FORM  
IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
IRFFNC EMPLOYEE BENEFITS LIABILITY COVERAGE FORM  
IRFFNC LIQUOR LIABILITY COVERAGE FORM  
IRFFNC POLICE PROFESSIONAL LIABILITY COVERAGE FORM  
IRFFNC PUBLIC OFFICIALS LIABILITY COVERAGE FORM  
IRFFNC EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

A. The following Exclusion is added:

All loss, cost or expense arising out of or related to, either directly or indirectly, any "Nuclear, Biological, Chemical or Radioactive Terrorist Activity" as defined herein, and any action taken to hinder, defend against or respond to any such activity. This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in any sequence to such loss, cost or expense.

B. The following is added to the Definitions:

"Nuclear, Biological, Chemical or Radioactive Terrorist Activity" shall mean any deliberate, unlawful act that includes, involves or is associated with, in whole or in part, the use or threatened use of, or release or threatened release of, any nuclear, biological, chemical or radioactive agent, material, device or weapon, that:

1. is declared by any authorized governmental official to be or to involve terrorism, terrorist activity or acts of terrorism; or
2. is related, in whole or in part, to any intention to
  - (a) promote, further or express opposition to any political, ideological, philosophical, radical, ethnic, social or religious cause or objective;
  - (b) influence, disrupt or interfere with any government related operations, activities or policies;
  - (c) intimidate, coerce or frighten the general public or any segment of the general public; or
  - (d) disrupt or interfere with a national economy or any segment of a national economy.



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

**Terrorism - Physical Loss or Physical Damage Endorsement**

This endorsement modifies insurance provided under the following:

IRFFNC BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
IRFFNC BUILDERS RISK COVERAGE FORM  
IRFFNC COMPUTER EQUIPMENT AND MEDIA COVERAGE FORM  
IRFFNC MUNICIPAL EQUIPMENT COVERAGE FORM  
IRFFNC PORTABLE EQUIPMENT COVERAGE FORM  
IRFFNC FINE ARTS COVERAGE FORM

**Cover and location**

Subject to the exclusions, limits and conditions hereinafter contained, this insurance insures property as shown in the property schedule or inland marine schedule against physical loss or physical damage occurring during the period of this policy caused by an act of terrorism or sabotage, as herein defined.

For the purpose of this insurance, an act of terrorism means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public or any section of the public in fear for such purposes.

For the purpose of this insurance, an act of sabotage means a subversive act or series of such acts committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

**Exclusions**

This policy does not insure against:

1. Loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused.
2. Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or local government entities, civil war, rebellion, revolution, insurrection, martial law, usurpation of power, or civil commotion assuming the proportions of or amounting to an uprising.
3. Loss by seizure or legal or illegal occupation unless physical loss or damage is caused directly by an act of terrorism or an act of sabotage.
4. Loss or damage caused by confiscation, nationalization, requisition, detention, embargo, quarantine, or any result of any order of public or government authority which deprives the insured of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade.

5. Loss or damage directly or indirectly arising from or in consequence of the seepage and or discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.
6. Loss or damage arising directly or indirectly from or in consequence of chemical or biological emission, release, discharge, dispersal or escape or chemical or biological exposure of any kind.
7. Any fine or penalty or other assessment which is incurred by the insured or which is imposed by any court, government agency, public or civil authority or any other person.
8. Loss or damage by electronic means including but not limited to computer hacking or the introduction of any form of computer virus or corrupting or unauthorized instructions or code or the use of any electromagnetic weapon.

This exclusion shall not operate to exclude losses (which would otherwise be covered under this policy) arising from the use of any computer, computer system or computer software program or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

9. Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes, labor unrest riots or civil commotion.
10. Loss or increased cost occasioned by any public or government or local or civil authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder.
11. Loss or damage caused by measures taken to prevent, suppress or control actual or potential terrorism or sabotage unless agreed by us in writing prior to such measures taking place.
12. Loss of use or loss of income unless specifically provided elsewhere in this insurance; delay or loss of markets; depreciation; reduction in functionality; increased cost of working; any other consequential loss or damage except ensuing physical loss or physical damage which is not otherwise excluded by this policy and is directly caused by an act of terrorism or sabotage, as insured by this policy.
13. Loss or damage caused by factors including but not limited to cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications or any type of service.
14. Loss or increased cost as a result of threat or hoax.
15. Loss or damage caused by or arising out of burglary, house - breaking, looting, theft or larceny.
16. Loss or damage caused by mysterious disappearance or unexplained loss.
17. Loss or damage arising directly or indirectly from or in consequence of asbestos emission, release, discharge, dispersal or escape of asbestos or asbestos exposure of any kind.
18. Loss or damage directly or indirectly caused by mold, mildew, fungus, spores or other microorganism of any type, nature or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

## **Property excluded**

This policy does not cover physical loss or physical damage to:

1. land or land values;
2. power transmission, feeder lines or pipelines not on the insured premises;
3. any building or structure, or property contained therein, while such building or structure is vacant or unoccupied or inoperative for more than 30 days, unless the property is intended to be unoccupied in its normal operations;
4. aircraft or any other aerial device, or watercraft;
5. any land conveyance (except municipal equipment listed on inland marine schedule), including vehicles, locomotives or rolling stock, unless such land conveyance is declared hereon and solely whilst located at the property insured herein at the time of its damage;
6. animals, plants and living things of all types.

## **Conditions**

### **Limits of Insurance**

Our total liability for any loss or losses sustained by any one or more of the insureds under this insurance will not exceed the sum insured shown in the property schedule or inland marine schedule. We shall have no liability in excess of the sum insured whether such amounts consist of insured losses sustained by all of the insureds or any one or more of the insureds.

### **Other insurance**

This policy shall be excess of any other insurance available to the insured covering a loss covered hereunder except such other insurance which is written specifically as excess insurance over this policy. When this policy is written specifically in excess of other insurance covering the peril insured hereunder, this policy shall not apply until such time as the amount of the underlying insurance, (whether collectible or not), has been exhausted by loss and damage covered by this policy in excess of the deductible with respect to each and every covered loss.

### **Sum insured**

We shall not be liable for more than the insured values shown on the property schedule or inland marine schedule in respect of each occurrence and in the policy aggregate.

Regardless of the number of (1) property coverage lines (Building and Personal Property, Inland Marine, and related endorsements), (2) Insureds, (3) persons or organizations sustaining damage, or (4) claims made or suits brought on account of such damage, in no event shall the total liability to IRFFNC for property damage exceed \$100,000,000 for each occurrence or \$100,000,000 annual aggregate.

### **Deductible**

Each occurrence shall be adjusted separately and from each such amount; the deductible stated in the declaration shall be deducted.

### **Occurrence**

The term 'occurrence' shall mean any one loss and/or series of losses arising out of and directly occasioned by one act or series of acts of terrorism or sabotage for the same purpose or cause.

The duration and extent of any one 'occurrence' shall be limited to all losses sustained by the insured at the property insured herein during any period of 72 consecutive hours arising out of the same purpose or cause. However no such period of 72 consecutive hours may extend beyond the expiration of this policy unless the insured shall first sustain direct physical damage by an act of terrorism or an act of sabotage prior to expiration and within said period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the attachment of this policy.

### **Debris removal**

This policy also covers, within the sum insured, expenses incurred in the removal from the insured location of debris of property shown in the property schedule or inland marine schedule damaged by an act of terrorism or an act of sabotage.

The cost of removal of debris shall not be considered in determination of the valuation of the property covered.

### **Experts fees**

This insurance includes, within the sum insured, the necessary and reasonable fees of architects, surveyors, consulting engineers and other professional experts which are incurred in reinstating or repairing the insured property following damage insured under this policy.

### **Due diligence**

The insured (or any of the insured's agents, sub or co-contractors) must use due diligence and do (and concur in doing and permit to be done) everything reasonably practicable, including but not limited to taking precautions to protect or remove the insured property, to avoid or diminish any loss herein insured and to secure compensation for any such loss including action against other parties to enforce any rights and remedies or to obtain relief or indemnity.

### **Protection maintenance**

It is agreed that any protection provided for the safety of the property insured shall be maintained in good order throughout the currency of this policy and shall be in use at all relevant times, and that such protection shall not be withdrawn or varied to the detriment of the interests of us without our consent.

### **Valuation**

1. It is understood that, in the event of damage to property listed on the property schedule, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) property on the same site, or nearest available site (provided there is no increased cost) with material of like kind and quality without deduction for depreciation, subject to the following provision;
  - a. The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;
  - b. Until replacement has been effected the amount of liability under this policy in respect of loss shall be limited to the actual cash value at the time of loss;
  - c. If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this policy.

Our liability for loss under this policy shall not exceed the smallest of the following amounts:

- a. 150% of the amount shown on the property schedule,
- b. the replacement cost of the property or any part thereof which was intended for the same occupancy and use, as calculated at the time of the loss
- c. the amount actually and necessarily expended in replacing said property or any part thereof.

We will normally expect the insured to carry out repair or replacement of the insured property, but if the insured and we agree that it is not practicable or reasonable to do this, we will pay the insured an amount based on the repair or replacement costs, less an allowance for fees and associated costs which are not otherwise incurred.

2. It is understood that, in the event of damage to property listed on the inland marine schedule, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) property subject to the following provision;
  - a. The repairs, replacement or reinstatement (all hereinafter referred to as "replacement") must be executed with due diligence and dispatch;
  - b. Until replacement has been effected the amount of liability under this policy in respect of loss shall be limited to the actual cash value at the time of loss;

Our liability for loss under this policy shall not exceed the smallest of the following amounts:

- a. the value of that property stated in the Inland Marine Schedule,
- b. the amount actually and necessarily expended in replacing said property or any part thereof.

#### **Incorrect declaration penalty**

If the values declared in the property schedule are less than the correct insured values as determined in the Valuation clause above, then any recovery otherwise due hereunder shall be reduced in the same proportion that the values declared bear to the values that should have been declared, and the insured shall co-insure for the balance. In the event of a loss under this policy, the liability of us shall be limited to 150% of the stated values in the property schedule as respects each location on the latest statement of values or other documentation on file with us.

**Inland Marine Blanket sublimit:** \$1,000,000 per location

#### **Notification of claims**

The insured, upon knowledge of any occurrence likely to give rise to a claim hereunder, shall give written advice as soon as reasonably practicable to us and or the representative, who is to advise us within seven days of such knowledge of any occurrence and it is a condition precedent to the liability of that such notification is given by the insured as provided for by this policy.

If the insured makes a claim under this insurance, they must give us such relevant information and evidence as may reasonably be required and co-operate fully in the investigation or adjustment of any claim. If required by us, the insured must submit to examination under oath by any person designated by us.

### **Proof of loss**

The insured shall render a signed and sworn proof of loss within 60 days after the occurrence of a loss (unless such period be extended by the written agreement from us) stating the time, place and cause of loss, the interest of the insured and all others in the property, the sound value thereof and the amount of loss or damage thereto.

If we have not received such proof of loss within three years of the expiration date of this policy, they shall be discharged from all liability hereunder.

In any claim and/or action, suit or proceeding to enforce a claim for loss under this policy, the burden of proving that the loss is recoverable under this policy and that no limitation or exclusion of this policy applies and the quantum of loss shall fall upon the insured.

### **Subrogation**

Any release from liability entered into in writing by the insured prior to loss hereunder shall not affect this policy or the right of the insured to recover hereunder. The right of subrogation against any of the insured's subsidiary or affiliated companies or any other companies associated with the insured through ownership or management is waived.

In the event of any payment under this policy, we shall be subrogated to the extent of such payment to all the insured's right of recovery therefore. The insured shall execute all papers required, shall cooperate with us and, upon the underwriter's request, shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, attaining the attendance of witnesses and in the conduct of suits and shall do anything that may be necessary to secure such right. We will act in concert with all other interests concerned (including the insured) in the exercise of such rights of recovery. If any amount is recovered as a result of such proceedings, such amount shall be distributed in the following priorities:

- a. any interest, (including the insured's), exclusive of any deductible or self insured retention, suffering a loss of the type covered by this policy and in excess of the coverage under this policy shall be reimbursed up to the amount of such loss (excluding the amount of the deductible);
- b. out of the balance remaining, we shall be reimbursed to the extent of payment under this policy;
- c. the remaining balance, if any, shall inure to the benefit of the insured, or any insurer providing insurance primary to this policy, with respect to the amount of such primary insurance, deductible, self insured retention, and/or loss of a type not covered by this policy.

The expense of all proceedings necessary to the recovery of any such amount shall be apportioned between the interests concerned, including that of the insured, in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are instituted solely on the initiative of us, the expense thereof shall be borne by us

### **Salvage and recoveries**

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to the said settlement and all necessary adjustments shall be made by the parties hereto.

**False or fraudulent claims**

If the insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this policy shall become void and all claims and benefit hereunder shall be forfeited.

**Misrepresentation**

If the insured has concealed or misrepresented any material fact or circumstance relating to this insurance, this insurance shall become void. If the insured is unsure what constitutes material fact(s) or circumstance(s), they should consult their broker or agent.

**Abandonment**

There shall be no abandonment to us of any property.

**Inspection and audit**

We or our agents shall be permitted but not obligated to inspect the insured's property at any time.

Neither our 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 insured or others, to determine or warrant that such property is safe.

We may examine and audit the insured's books and records at any time during the policy period and extensions thereof and within two years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

**Assignment**

Assignment or transfer of this policy shall not be valid except with the prior written consent of us.

**Material changes**

The insured shall notify us of any change of circumstances which would materially affect this insurance.

**Law**

This insurance shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the service of suit clause below.

**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 coverage form, coverage part or policy.

# IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us" and "our" refer to the Interlocal Risk Financing Fund of North Carolina, hereinafter called "IRFFNC."

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

## SECTION I - COVERAGES

### COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement.

a. We will pay those sums that the insured becomes legally obligated to pay as compensatory damages because of "bodily injury" or "property damage" to which this insurance applies. This insurance does not apply to punitive damages or exemplary damages. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in **Section III - Limits of Insurance**; and

(2) Our right and duty to defend or settle ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payment - Coverages A and B**.

b. This insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.



## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

### 2. Exclusions.

This insurance does not apply to:

#### a. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of any insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

#### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purpose of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

#### c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you:

- (1) Manufacture, sell or distribute alcoholic beverages;

## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

- (2) Serve or furnish alcoholic beverages for a charge, whether or not such activity:
- (a) Requires a license;
  - (b) Is for the purpose of financial gain or livelihood; or
- (3) Serve or furnish alcoholic beverages without a charge, if a license is required for such activity.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol.

### **d. Workers' Compensation and Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

### **e. Employer's Liability**

"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:

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

This exclusion does not apply to liability assumed by the insured under an "insured contract".

### **f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests; or
    - (ii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible; or

## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".
- (3) The Pollution Exclusion does not apply to Property Damage to a building or its contents caused by actual exposure to sewage resulting from:
- (a) The reverse flow of such sewage from within any sewage facility that you own, operate or maintain; or
  - (b) The escape of sewage from any fixed conduit that you own, operate or maintain but only if the escape occurs away from land you own or lease; but this exception from this exclusion does not apply to any property damage to the extent it is increased by, or would not have occurred but for, the presence in such a sewage of material that is:
    - (i) Radioactive; and or
    - (ii) Toxic; and or
    - (iii) Caustic or Corrosive

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The most we will pay under (3) above is \$250,000, regardless of the number of:

- (1) Insureds;
  - (2) Claims made or suits brought; or
  - (3) Persons or organizations making or bringing "suits".
- (4) The Pollution Exclusion does not apply to Bodily Injury or Property Damage resulting from the application of pesticides or herbicides by licensed or certified employees of the Named Insured, if such application meets all standards of any statute, ordinance, regulation or license requirement of any federal, state, or local government.

The most we will pay under f.(4) is \$250,000, regardless of the number of:

- (1) Insureds;
- (2) Claims made or suits brought; or
- (3) Persons or organizations making or bringing "suits".

The most we will pay as an annual aggregate under f.(4) is \$500,000 for the policy period shown on the General Liability Declarations Page.

### **g. Aircraft, Auto or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (including "unmanned aircraft"), "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading."

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
  - (b) The operation of any of the machinery or equipment listed in paragraph f.(2) or f.(3) of the definition of "mobile equipment".
- (6) Watercraft not propelled by a gasoline or electric device.

## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

### **h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for or while being prepared for, any prearranged racing, speed, demolition contest or any stunting activity.

### **i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Martial law, invasion, bombardment or warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or confiscation, nationalization or damage of property or action taken by government, military or other authority in hindering or defending against any of these.

### **j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to **Damage To Premises Rented To You** as described in Section III – Limits of Insurance.

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

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

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

### **k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

### **l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

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

### **m. Damage To Impaired Property or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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

### **n. Recall of Products, Work or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

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

### **o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

### **p. Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability**

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

### q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

### r. Employment-Related Practices

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

### s. Sexual Acts

Any claims or suits for "bodily injury" arising from or relating in any way to any alleged acts of sexual assault, sexual battery, sexual abuse, rape, molestation, or any other sexual acts of any nature, kind or description, by whatever name used, by any employee, agent, officer, director, official, board member, commissioner, or representative of the Named Insured public entity shown in the Declarations.

For the limited category of claims or suits against the Named Insured public entity shown in the Declarations itself for any alleged vicarious liability, respondeat superior, or negligent hiring, training, or supervision arising from or relating in any way to any unexpected, unintended, and unanticipated "bodily injury" arising from or relating in any way to any alleged acts of sexual assault, sexual battery, sexual abuse, rape, molestation, or any other sexual acts of any nature, kind or description, by whatever name used, **a defense only will be provided for the Named Insured public entity shown in the Declarations itself, but without providing any coverage or**

## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

**indemnification** for any claims, suits, judgments or settlements which might be entered against, into, by or on behalf of the Named Insured public entity shown in the Declarations or any employee, agent, officer, director, official, board member, commissioner, or representative of the Named Insured public entity shown in the Declarations.

Exclusions **c.** through **n.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in **Section III - Limits of Insurance.**

### COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

#### 1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. This insurance does not apply to punitive damages or exemplary damages. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" or offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in **Section III - Limits of Insurance**; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments - Coverages A and B.**

b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

#### 2. Exclusions.

This insurance does not apply to:

##### a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

##### b. Material Published With Knowledge of Falsity

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

##### c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period.

##### d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.



## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

### **f. Breach of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

### **g. Quality of Performance of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

### **h. Wrong Description of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

### **i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

### **j. Insureds in Media and Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of websites for others; or
- (3) An internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 18.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

### **k. Electronic Chatrooms or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

### **l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your email address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

### **m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

### **n. Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

### **o. War**

"Personal and advertising injury" , however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war;
- (2) Martial law, invasion, bombardment or warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or confiscation, nationalization or damage of property or action taken by government, military or other authority in hindering or defending against any of these.

### **p. Employment-Related Practices**

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

### **q. Sexual Acts**

Any claims or suits for "bodily injury" arising from or relating in any way to any alleged acts of sexual assault, sexual battery, sexual abuse, rape, molestation, or any other sexual acts of any nature, kind or description, by whatever name used, by any employee, agent, officer, director, official, board member, commissioner, or representative of the Named Insured public entity shown in the Declarations.

For the limited category of claims or suits against the Named Insured public entity shown in the Declarations itself for any alleged vicarious liability, respondeat superior, or negligent hiring, training, or supervision arising from or relating in any way to any unexpected, unintended, and unanticipated "bodily injury" arising from or relating in any way to any alleged acts of sexual

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assault, sexual battery, sexual abuse, rape, molestation, or any other sexual acts of any nature, kind or description, by whatever name used, **a defense only will be provided for the Named Insured public entity shown in the Declarations itself, but without providing any coverage or indemnification** for any claims, suits, judgments or settlements which might be entered against, into, by or on behalf of the Named Insured public entity shown in the Declarations or any employee, agent, officer, director, official, board member, commissioner, or representative of the Named Insured public entity shown in the Declarations.

### **r. Access Or Disclosure Of Confidential Or Personal Information**

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

### **s. Recording And Distribution Of Material Or Information In Violation Of Law**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

t. "Personal and advertising injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (including "unmanned aircraft").

## **ADDITIONAL EXCLUSIONS - COVERAGES A AND B**

The following exclusions apply under Coverages A Bodily Injury and Property Damage Liability or B Personal and Advertising Injury Liability of the IRFFNC Commercial General Liability Coverage Form to "bodily injury," "property damage," "personal and advertising injury":

### **1. SPONSORED ACTIVITIES OR DESIGNATED OPERATIONS**

- a. Automobile, motorcycle, watercraft (except for canoe, kayak or paddleboats) or aircraft racing or stunting activity or automobile burnout;
- b. Aircraft or aircraft parts necessary for safety, flight, navigation, or other operation including equipment associated with ground support or control of aircraft.

Liability, including all loss, cost or expense, arising out of the ownership, maintenance, operation, use or entrustment to others of any airfield, runway, hangar, equipment associated with ground support or control of aircraft, buildings or other properties used in connection with "aviation activities" or airports;

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- c. All swimming pool facilities and operations within the boundary or barrier around the pool unless a person with responsibility for the pool(s) operation has successfully completed either the "Certified Pool Operator" course sanctioned by the National Swimming Pool Foundation or the "Pool Operator on Location" course developed by the Y.M.C.A. or the AFO (Aquatic Facility Operator certification course through the National Recreation and Park Association);
- d. Traveling carnivals, circuses, or temporary mechanically operated amusement devices owned, operated, supervised, or regulated by the insured;
- e. Fireworks displays, except that we will provide a defense for the insured, but no indemnification, if the insured is sued for negligence of a fireworks operator who is licensed to use pyrotechnics under North Carolina General Statutes 14-413;
- f. Airplane, helicopter, or ballooning rides or shows;
- g. Parachuting or hang gliding;
- h. Bungee Jumping of any description;
- i. Skateboard Facilities of any description;
- j. Archery Ranges;
- k. Firing Ranges;
- l. Water Slides that are over 25 feet in height from where the base of the slide shoot begins to the waterline;
- m. Trampolines, moon bounces, inflatable amusement devices, rebounding equipment and other similar type equipment. While IRFFNC is under no duty to provide any indemnification for any judgment which might be entered against an insured, a defense will be provided for suits or claims made against an insured arising from use of such equipment;
- n. Ski lifts or ski resorts;
- o. Rodeos;
- p. Hospital or health clinic operations or activities;
- q. Horse farms and horse training facilities;
- r. Bicycle facilities or trails. However, bicycle trails or tracks without elevated trails/tracks are not excluded from coverage;
- s. Bicycle competitions, races, or related special events are excluded from coverage;
- t. Motorcycle facilities, trails, activities or events. Motorcycle competitions, races, or related special events are excluded from coverage;
- u. (1) Activity and/or operations utilizing railroad main line or active tracks;  
(2) Utilization of railroad equipment while the equipment is in motion; or  
(3) Any activity using sidings with access to main line or hot rail with speeds for trains in excess of ten miles per hour.

### 2. MALPRACTICE AND PROFESSIONAL SERVICES

The rendering of or failure to render any professional service by anyone other than insureds while acting in the course of their employment as such, or any matter covered by any Public Official Liability or Police Professional Liability policies.

### 3. MEDICAL SERVICES

To any claims or suits for damages due to:

- a. The rendering of or failure to render:
  - (1) medical, surgical, dental, x-ray or nursing service, treatment, advice or instruction, or the related furnishing of food or beverages in connection therewith;

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- (2) any health or therapeutic service, treatment, advice or instruction; or
  - (3) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming.
- b. the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or
  - c. the handling or treatment of dead bodies, including autopsies, organ donation or other procedures;
  - d. any liability of any Named Insured or insured arising out of the Named Insured's ownership, operation, control or direction of any hospital or other premises providing medical services where overnight bedcare is provided, asylum, convalescent nursing home, home for the aged, mental-psychopathic institution, mission or settlement house or sanitarium.

Sections a, b, and c of 3. **Medical Services** above shall not apply to "bodily injury" that arises from the rendering or failure to render:

- (1) Emergency Care at the scene of any emergency by an insured so long as it is rendered without receipt of or expectation of remuneration; or
- (2) Medical services by a First Responder, Emergency Medical Technician (EMT), or Paramedic (all certified by the State of North Carolina); and Registered Nurse (RN) (licensed by the State of North Carolina) and their aides only if providing assistance under the direct supervision of a duly certified First Responder, EMT, Paramedic or by an Registered Nurse while employed by the insured for claims arising out of a "medical incident" resulting from the rendering or failure to render Professional Health Care Services by an "employee" and arising out of the course of duties of that "employee" on behalf of the Insured.

This insurance does not apply if the insured is performing these actions on behalf of another medical organization, medical service or health care provider. Further, this insurance does not apply if the medical services are performed at any location specifically designed or used for the purpose of providing such medical services including hospitals, clinics, or where any overnight medical care is provided except for claims arising out of the insured's negligence during the training of a First Responder, Emergency Medical Technicians (EMT), Paramedics (all certified by the State of North Carolina); Registered Nurse (licensed by the State of North Carolina) and their aides while performing under the direct supervision of a duly certified First Responder, EMT, Paramedic or Registered Nurse while employed by the insured. The unloading of persons, believed to require medical treatment, from a vehicle to a medical facility is not covered except as excess of any other insurance available.

#### 4. FAILURE TO SUPPLY

This insurance does not apply to "bodily injury" or "property damage" arising out of the failure of any insured to adequately supply gas, oil, water, electricity or steam.

Except for those insureds generating their own electric power, 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 the gas, oil, water, electricity or steam.

This exclusion does not apply if the failure to supply results from incidents in which the interruption is solely due to the negligence of the insured in improperly disconnecting service to a customer.

The most we will pay is \$250,000 for sudden and accidental injury to tangible property owned or used by any insured to procure, produce, process or transmit the gas, oil, water, electricity or steam, regardless of the number of:

1. Insureds;
2. Claims made or suits brought; or
3. Persons or organizations making or bringing "suits".

#### 5. LAW ENFORCEMENT ACTIVITIES

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This insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" arising out of any act or omission resulting from law enforcement activities of your police department or any of your other law enforcement agencies, including their agents or "employees".

This exclusion does not apply to "bodily injury" or "property damage," arising out of the ownership, maintenance or use of your premises, which are not ordinarily incidental to law enforcement activities.

This exclusion does not apply to "bodily injury" or "property damage" arising out of the ownership, maintenance or use of any watercraft for which coverage is provided in the IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM or its endorsements.

### **6. EMINENT DOMAIN HAZARD EXCLUSION**

Liability imposed upon the insured or his Indemnitee by any Statute, Ordinance, or Provision of the Constitution of the State of North Carolina relating to Condemnation, Eminent Domain or Adverse Possession.

### **7. RIOT, CIVIL COMMOTION AND MOB ACTION**

- a. Riot, civil commotion or mob action; or
- b. Any act or omission in connection with the prevention or suppression of a riot, civil commotion or mob action.

### **8. NUCLEAR ENERGY LIABILITY EXCLUSION**

- a. This insurance does not apply:
  - (1) Under the Liability Coverage, to "bodily injury" or "property damage":
    - (a) with respect to which an insured under this policy is also an Insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability, or
    - (b) resulting from the "hazardous properties" of "nuclear material" and with respect to which
      - (i) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or
      - (ii) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - (2) Under any Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material," if:
    - (a) the "nuclear material":
      - (i) is at any "nuclear facility" owned by or operated by or on behalf of an insured or
      - (ii) has been discharged or dispersed therefrom:
    - (b) the "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, possessed, stored, transported or disposed of by or on behalf of an insured; or
    - (c) the "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility," but if such facility is located within

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the United States of America, its territories or possessions or Canada, this exclusion (c) applies only to "property damage" to such "nuclear facility" and property thereat.

b. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material," "special nuclear material" or "byproduct material".

"Source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material:

- (1) containing "byproduct material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and
- (2) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility."

"Nuclear facility" means:

- (1) Any "nuclear reactor";
- (2) Any equipment or device designed or used for
  - (a) separating the isotopes or uranium or plutonium,
  - (b) processing or utilizing "spent fuel," or
  - (c) handling, processing or packaging "waste";
- (3) any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof of more than 250 grams of uranium 235,
- (4) any structure, basis, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"Property damage" includes all forms of radioactive contamination of property.

### 9. ASBESTOS

Liability, including all loss, cost, or expense directly or indirectly arising out of, resulting as a consequence of, or related to asbestos, whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss, as described in paragraphs a. through d. below:

a. "Bodily Injury", "property damage", or "personal and advertising injury" arising out of, resulting from, caused by, or contributed to by asbestos, exposure to asbestos, or the use of asbestos;

b. Any damages or any loss or expense arising out of any:

- (1) claim or suit by or on behalf of any governmental authority or any other alleged responsible party because of, or

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- (2) request, demand, order or statutory or regulatory requirement that any insured or any other person or entity should be, or should be responsible for:
  - (a) Assessing the presence, absence or amount or effects of asbestos;
  - (b) Identifying, sampling or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating asbestos; or
  - (c) Responding to asbestos in any way other than as described in **9.b.(2)(a)** and **9.b.(2)(b)**.
- c. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with any of the subsections above; or
- d. Any obligation to share damages with or repay someone else in connection with any of the subsections above.

### 10. SILICA OR SILICA-RELATED DUST

Liability, including all loss, cost, or expense directly or indirectly arising out of, resulting as a consequence of, or related to silica or silica-related dust, whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss, as described in paragraphs a. through d. below:

- a. "Bodily Injury", "property damage", or "personal and advertising injury" arising out of, resulting from, caused by, or contributed to by silica or silica-related dust, exposure to silica or silica-related dust or the use of silica or silica-related dust;
- b. Any damages or any loss or expense arising out of any:
  - (1) claim or suit by or on behalf of any governmental authority or any other alleged responsible party because of, or
  - (2) request, demand, order or statutory or regulatory requirement that any insured or any other person or entity should be, or should be responsible for:
    - (a) Assessing the presence, absence or amount or effects of silica or silica-related dust;
    - (b) Identifying, sampling or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating silica or silica-related dust; or
    - (c) Responding to silica or silica-related dust in any way other than as described in **10.b.(2)(a)** and **10.b.(2)(b)**.
- c. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with any of the subsections above; or
- d. Any obligation to share damages with or repay someone else in connection with any of the subsections above.

### 11. DAMS

Claims or suits for damages of any kind or character arising out of the bursting, breach, failure or structural defect of any dam or water reservoir disclosed each coverage year in the application for coverage and for which coverage would otherwise be provided under this policy, where such bursting, breach or failure occurs while the dam owner or insured is under a dam safety order or other civil penalty pursuant to the Dam Safety Law of 1967, and as amended, whether or not received by the dam owner or insured.

### 12. BLASTING OR EXPLOSION HAZARDS

It is understood and agreed that any and all blasting operations performed by the Named Insured are specifically excluded.



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### 13. BUILDING INSPECTIONS

This insurance does not apply to, and we shall not be obligated to make any payment for, any SUIT or CLAIM made against any insured arising out of or relating to any alleged or threatened negligence, breach of duty, failure to perform, malfeasance, misfeasance, malpractice, improper conduct, failure to inspect, failure to detect, vicarious liability, respondeat superior, or negligent hiring, training, supervision, retention, or any similar "claim" or "suit" against the insured, or any other alleged duty owed or any alleged failure or breach of any duty, regardless of its nature, type or kind, arising from, arising out of, or relating in any way to any alleged acts or omissions by any type of building inspector, whether it be a commercial, residential, fire or any other type of building inspector, by whatever title or name referred to, regardless of whether the building inspector is or was an "employee" of the insured, is or was retained by the insured, or is or was serving in the capacity of an independent contractor.

### 14. FUNGI OR BACTERIA EXCLUSION

This insurance does not apply to:

Fungi or Bacteria

- a. "Bodily injury", "property damage" or "personal and advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

### 15. INTERNET SERVICE PROVIDERS AND INTERNET ACCESS PROVIDERS ERRORS AND OMISSIONS

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

- a. An error, omission, defect or deficiency in any evaluation, consultation or advice that is given by or on behalf of any insured concerning Internet service or Internet access; or
- b. The failure of any insured to adequately provide Internet services or Internet access.

### 16. LEAD

Liability, including all loss, cost, or expense directly or indirectly arising out of, resulting as a consequence of, or related to lead, whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss, as described in paragraphs a. through d. below:

- a. "Bodily Injury", "property damage", or "personal and advertising injury" arising out of, resulting from, caused by, or contributed to by lead, exposure to lead, use or existence of lead, contact with lead, or the actual, alleged or threaten ingestion, inhalation or absorption of lead in any form;
- b. Any damages or any loss or expense arising out of any:
  - (1) claim or suit by or on behalf of any governmental authority or any other alleged responsible party because of, or

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- (2) request, demand, order or statutory or regulatory requirement that any insured or any other person or entity should be, or should be responsible for:
  - (a) Assessing the presence, absence or amount or effects of lead;
  - (b) Identifying, sampling or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating lead; or
  - (c) Responding to lead in any way other than as described in **16.b.(2)(a)** and **16.b.(2)(b)**.
- c. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with any of the subsections above; or
- d. Any obligation to share damages with or repay someone else in connection with any of the subsections above.

### 17. COMPUTER – RELATED AND OTHER ELECTRONIC PROBLEMS

This coverage does not apply to “bodily injury”, “property damage”, or “personal and advertising injury” arising directly or indirectly out of:

- a. Any actual or alleged failure, malfunction or inadequacy of:
    - (1) Any of the following, whether belonging to any insured or to others:
      - (a) Computer hardware, including microprocessors;
      - (b) Computer application software;
      - (c) Computer operating systems and related software;
      - (d) Computer networks;
      - (e) Microprocessors (computer chips) not part of any computer system; or
      - (f) Any other computerized or electronic equipment or components; or
    - (2) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **17.a.(1)**.
- due to the inability to correctly recognize, process, distinguish, interpret or accept the year 2000 and beyond.
- b. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **17.a.**

- 18.** Any liability or obligation of the insured under the Jones Act, general maritime law, the Federal Employers Liability Act, Federal Employee Compensation Act, the Defense Base Act or the U.S. Longshoremen and Harbor Workers' Compensation Act.

### 19. INJURY TO VOLUNTEER FIREFIGHTERS

This insurance does not apply to “bodily injury” or “personal and advertising injury” to any volunteer firefighters whether or not they are members of your organization, while in the course of their duties as such.

## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

### 20. PUNITIVE OR EXEMPLARY DAMAGES

Any claim or "suit" seeking punitive or exemplary damages. If a "suit" shall have been brought against the insured for a claim falling within the coverage provided by this policy, seeking both compensatory and punitive or exemplary damages, we will afford a defense to such action, but we shall not have an obligation to pay for any cost, interest, or damages attributed to punitive or exemplary damages.

### SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

We will pay, with respect to any claim or "suit" we investigate or settle, or any claim or "suit" against an insured we defend:

1. All expenses we incur.
2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
4. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$250 a day because of time off from work.
5. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
6. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any pre-judgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

### SECTION II - WHO IS AN INSURED

1. You are an insured.
2. Each of the following is also an insured:
  - a. Your elected or appointed directors, officers, officials and members of any boards or commissions, but only with respect to their duties as your directors, officers, officials, or board or commission members.
  - b. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than your "executive officers", but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
    - (1) "Bodily injury" or "personal and advertising injury":
      - (a) To you, to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
      - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker"

## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or

(d) Arising out of his or her providing or failing to provide professional health care services. This exclusion does not apply to first responders, ambulance attendants, EMTs, nurses or paramedics who are your "employees" or "volunteer workers".

(2) "Property damage" to property:

(a) Owned, occupied or used by,

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers" or any other insured.

c. Any person (other than your "employee" or "volunteer worker") or any organization while acting as your real estate manager.

3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-"employee" of the person driving the equipment; or

b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

4. Any member of a Volunteer Fire Department which is under the control and supervision of the insured, but only while such member is acting within the scope of his or her duties. However, no member is an insured with respect to "bodily injury" or "property damage" which is the expected or the intended result of the act of the member, except as required by that member's duties.

5. With respect to any athletic contest, event, or exhibition that the Named Insured sponsors, volunteer coaches, referees and umpires are considered insureds while acting in the role of coach, referee or umpire. However, no person is an insured with respect to "bodily injury", "property damage" or "personal injury" while practicing for or participating in any sports or athletic contest or exhibition.

### SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits."

2. The General Aggregate Limit is the most we will pay for the sum of:

a. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and

b. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit, which is one times the Per Occurrence Limit shown in the Declarations, is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard."

## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

4. Subject to Paragraph 2. above, the Personal and Advertising Injury Aggregate Limit, which is one times the Per Occurrence Limit shown in the Declarations, is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit shown in the Declarations is the most we will pay for damages under Coverage A because of all "bodily injury" and "property damage" arising out of any one "occurrence," except as otherwise specified in this section.
6. Subject to 5. above, the Damage to Premises Rented to You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

### SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS

#### 1. **Bankruptcy.**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligation under this Coverage Part.

#### 2. **Duties In The Event Of Occurrence, Offense, Claim Or Suit.**

- a. Notice must be given as soon as practicable after the "occurrence," offense, or possible claim has been brought to the attention of a person with claim or reporting responsibilities. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or a "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or "suit" or defense against the claim or "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

### 3. Legal Action Against Us.

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured, or
  - b. To sue us on this Coverage Part,
- unless all of its terms have been fully complied with.

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

### 4. Other Insurance.

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

#### a. Primary Insurance

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

#### b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

- (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
- (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
- (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverages, Coverage A Bodily Injury and Property Damage Liability.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

(2) When this insurance is excess, we will have no duty under Coverage A or B to defend the insured against any claim or "suit" if any other insurer has a duty to defend the insured against that claim or "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of loss, if any, that exceeds the sum of:

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

## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

- (4) We 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 Insurance shown in the Declarations of this Coverage Part.

### **c. Method of Sharing**

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

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each pool's or insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all pools and insurers.

### **5. Premium Audit.**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

### **6. Representations.**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

### **7. Separation Of Insureds.**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

### **8. Transfer Of Rights Of Recovery Against Others To Us.**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help enforce them.

## SECTION V - DEFINITIONS

- 1. "Advertisement"** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

2. "**Aviation activities**" shall mean any activity connected with the ownership, operation, take-off or landing control operations, maintenance, use, servicing, fueling, loading or unloading of any aircraft.
3. "**Auto**" means:
- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.
- However, "auto" does not include "mobile equipment."
4. "**Bodily Injury**" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
5. "**Coverage territory**" means:
- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communicationprovided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
6. "**Employee**" includes a "leased worker". "Employee" does not include a "temporary worker".
7. "**Executive Officers**" means managers, administrators, department heads, division heads and other management personnel.
8. "**Fungi**" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.
9. "**Hostile fire**" means one which becomes uncontrollable or breaks out from where it was intended to be.
10. "**Impaired property**" means tangible property, other than "your product" or "your work," that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
  - b. You have failed to fulfill the terms of a contract or agreement;  
if such property can be restored to use by:
    - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
    - b. Your fulfilling the terms of the contract or agreement.



## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

**11. "Insured contract"** means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies any person or organization for "bodily injury" or "property damage" arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
  - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, field orders, change orders or drawings, designs or specifications; or
  - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for injury or damage arising out of the insured's rendering or failing to render professional services, including those listed in (2) above and supervisory, inspection architectural or engineering services;

**12. "Law Enforcement Activities"** means operations or activities engaged in or conducted in furtherance of your obligation to prevent and control crime and the apprehension of persons believed to have or alleged to have violated criminal laws, including ordinances and/or resolutions.

**13. "Leased worker"** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

**14. "Loading or unloading"** means the handling of property:

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

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than hand truck, that is not attached to the aircraft, watercraft or "auto."

## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

**15. "Medical Incident"** means any act or omission in the furnishing of Professional Health Care Services including the furnishing of food, beverages, medication or appliances with such services and the post-mortem handling of human bodies.

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

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

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

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

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**17. "Occurrence"** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

**18. "Personal and advertising injury"** means an injury, including consequential "bodily injury," arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;

## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

- b. Malicious prosecution;
  - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
  - d. Oral or written publication, in any manner, 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, in any manner, of material that violates a person's right of privacy;
  - f. The use of another's advertising idea in your "advertisement";
  - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- 19. "Pollutants"** means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed. Waste also includes sewage.

**20. "Products-completed operations hazard"**

- a. 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:
    - (1) Products that are still in your physical possession; or
    - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
      - (a) When all of the work called for in your contract has been completed.
      - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
      - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:
  - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

**21. "Property damage"** means:

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

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

## IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

22. **"Silica"** means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
23. **"Silica-related dust"** means a mixture or combination of silica and other dust or particles.
24. **"Suit"** means a civil proceeding in which damages because of "bodily injury," "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- An arbitration proceeding in which such damages are claimed and to which you must submit or does submit with our consent; or
  - Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.
25. **"Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave or the meet seasonal or short-term workload conditions.
26. **"Unmanned aircraft"** means an aircraft that is not:
- Designed;
  - Manufactured; or
  - Modified after manufacture;
- to be controlled directly by a person from within or on the aircraft.
27. **"Volunteer worker"** means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
28. **"Your product"**
- Means:
    - Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      - You;
      - Others trading under your name; or
      - A person or organization whose business or assets you have acquired; and
    - Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
  - Includes:
    - Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product";
    - The providing of or failure to provide warnings or instructions.
  - Does not include vending machines or other property rented to or located for the use of others but not sold.
29. **"Your work":**
- Means:
    - Work or operations performed by you or on your behalf; and
    - Materials, parts or equipment furnished in connection with such work or operations.
  - Includes:
    - Warranties or representation made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
    - The providing of or failure to provide warnings or instructions.

# IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

## SECTION VI - DEDUCTIBLE

IRFFNC shall only be liable for those amounts payable hereunder in settlement or satisfaction of claims, judgments, or awards, defense costs, charges and expenses which are in excess of the deductible stated in the Declarations. This deductible shall apply separately to each occurrence and shall be borne by the insured and remain uninsured.

The deductible amount shall be subtracted from the total amount of money damages and claim expenses including 1) loss payments and 2) investigation, adjustment, defense and/or appeal expenses, whether or not loss payment is made, resulting from each occurrence. IRFFNC shall be liable only for the amount in excess of the Deductible stated in the Declarations.

In the event of any recovery on a loss which has been paid hereunder, such recovery shall accrue entirely to the benefit of IRFFNC until the sum paid by IRFFNC has been recovered.

**GENERAL LIABILITY COVERAGE FORM ENDORSEMENT**

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

**WATERCRAFT LIABILITY COVERAGE**

This endorsement modifies coverage provided under the following:

IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

**Section I, Coverage A, Exclusions**, item **2(g)** is amended to read:

g. Aircraft, Auto or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading."

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft owned or not owned by the insured that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraph f.(2) or f.(3) of the definition of "mobile equipment".

**GENERAL LIABILITY COVERAGE FORM ENDORSEMENT**

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

**ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION**

This endorsement modifies coverage provided under the following:

**IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

**SCHEDULE**

Name of Additional Insured Person(s) or Organization(s):

**The Additional Insured as referenced in the Description on the Certificate of Insurance**

Description of Contract:

**Refer to Description on the Certificate of Insurance**

**A. Section II - Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with your premises owned by or rented to you.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance available under the applicable Limits of Insurance shown in the Declarations;

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**Interlocal Risk Financing Fund of North Carolina**

**GENERAL LIABILITY COVERAGE FORM ENDORSEMENT**

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

**FIRING RANGE COVERAGE**

This endorsement modifies coverage provided under the following:

**IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

**Section I. Coverages, Additional Exclusions Coverages A and B, 1. Sponsored Activities or Designated Operations, k. Firing Ranges** is deleted with respect to the following:



**GENERAL LIABILITY COVERAGE FORM ENDORSEMENT**

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

**HAZARDOUS MATERIALS EMERGENCY RESPONSE**

This endorsement modifies coverage provided under the following:

IRFFNC COMMERCIAL GENERAL LIABILITY COVERAGE FORM

**Section I. Coverage A. Bodily Injury and Property Damage Liability, 2. Exclusions, f.(1)d(iii)** is added as noted below, but only as respects the Named Insured's Hazardous Materials Emergency Response Operation:

"(iii) if the operations are to clean up the effects of pollutants."

# IRFFNC EMPLOYEE BENEFITS LIABILITY COVERAGE FORM

## THIS POLICY PROVIDES CLAIMS MADE COVERAGE PLEASE READ THE ENTIRE FORM CAREFULLY

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

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under SECTION II - WHO IS AN INSURED. Other words and phrases that appear in quotation marks have special meaning. Refer to Section VII - DEFINITIONS.

### SECTION I – EMPLOYEE BENEFITS COVERAGE

#### 1. Insuring Agreement.

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any "negligent act, error or omission", of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. The "negligent act, error or omission" must be committed in the "administration" of your "employee benefit program". No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS. This insurance does not apply to any "negligent act, error or omission" which occurred in whole or in part prior to the Retroactive Date or which occur after the policy period. If no retroactive date is shown in the declarations, the retroactive date will be the effective date of this coverage part.

This insurance applies to any "negligent act, error or omission" which results in a claim first made against any insured during the policy period or an Extended Reporting Period we provide under Section VI of this coverage form providing the insured at the effective date of this insurance had no knowledge of or could not have reasonably foreseen any circumstances which might result in a "claim" or "suit." The "negligent act, error or omission" must take place in the "coverage territory".

We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of a "negligent act, error or omission" and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in SECTION III -LIMITS OF INSURANCE; and
  - (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements.
- b. This insurance applies to a "negligent act, error or omission" only if a claim for damages arising out of a "negligent act, error or omission" is first made in writing against any insured during the policy period.
    - (1) A "claim" by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:
      - (a) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or
      - (b) When we make settlement in accordance with paragraph a. above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

## IRFFNC EMPLOYEE BENEFITS LIABILITY COVERAGE FORM

- (2) All "claims" for damages causing loss to the same person or organization as a result of a "negligent act, error or omission" will be deemed to have been made at the time the first of those claims is made against any insured.
- (3) All "claims" based on or arising out of the same or related "negligent act, error or omission" or offenses by one or more insureds will be deemed to have been made at the time the first of those "claims" is made against any insured.

### 2. Exclusions.

This insurance does not apply to:

#### a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

#### b. Bodily Injury, Property Damage, Personal and Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

#### c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insured.

#### d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

#### e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" or "suit" based upon:

- (1) Failure of any investment to perform;
- (2) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program";
- (3) The investment or non-investment of funds; or
- (4) Errors in providing information on past performance of investment vehicles.

#### f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

#### g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

#### h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

#### i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.