

Comparison for Powell County Board of Education

Builders Risk for construction of New Stanton Elementary School

	Liberty Mut	CNA
Term Premium	\$31,201.00	\$44,808 Estimate
KY Taxes	NA	NA
KY Surcharge	NA	NA
TRIA	\$374.00	\$692
TOTAL PREMIUM	\$31,575.00	\$45,500.00
	Policy Term	Policy Term
	01/25/2024-25	01/25/2024-25
LIMITS:		
Builders Risk at Site	\$24,712,422	\$24,712,422
Deductible	\$25,000	\$25,000
Builders Risk in Temporary Storage	\$10,000	\$10,000
Earthquake	\$5,000,000	\$5,000,000
Deductible	\$25,000	\$25,000
Flood	None	None
Deductible		
Named Windstorm Damage	Included	Included
Deductible	\$25,000	\$25,000
Fire Dept Service Charge	\$50,000	\$50,000
Landscaping	\$250,000	\$100,000
Pollutant Cleanup/Removal	\$100,000	\$25,000
Soft Costs	\$5,397,654	\$5,397,654
Blanket Additional Insured	Yes	Yes
Water Damage	Included	Included
Deductible	\$25,000	\$25,000

Subjectivities	Protective Safeguard endorsement that should be in place during construction previously forwarded	Unknow at this time/ just estimate
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Quote Accepted: _____

TRIA Coverage: Accept_____ Reject_____

Signature: _____

Date: _____

PROTECTIVE DEVICES SCHEDULE

Please check all that apply:

☒ Fenced, fully enclosing job site with a chain link fence (or similar like alternative) at a minimum of at least six feet in height and the gates locked during nonwork/non-operational hours.

☒ Dedicated stand-by firefighting equipment will be provided at the cutting or welding area.

☐ The insured shall install and employ a water flow alarm on all active water lines. The insured shall exercise due diligence in maintaining the water flow alarm in good working order.

☐ Video Surveillance monitoring that is: (1) Around the perimeter and interior of the building or structure; and (2) Supervised by an independent security service at all times during which normal operations usual to the conduct of your business are not being performed.

☐ There will be an operating fire hydrant operating under adequate water pressure within 100 feet of the premises, within days after policy inception.

☒ Proper lighting around the entrances of the building, jobsite, or structure, including fence gates

☐ Private Watchperson, that you employ for duty to guard the job site during non-work hours making at least hourly rounds.

☒ Other: The Insured must post water valve maps throughout project/jobsite and review with sub-contractors prior to work beginning. The Insured must also maintain water cleanup/mitigation kits on the project/jobsite.

All other terms and conditions of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUILDERS' RISK EXTENSION PLUS ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDERS' RISK COVERAGE – SCHEDULED JOBSITE FORM – BROAD FORM
SOFT COST AND RENTAL INCOME ENDORSEMENT

The following is a summary of increased limits of insurance and additional coverages provided by this endorsement. This endorsement is subject to the provisions of "your" policy which means that it is subject to all limitations and conditions applicable to this Coverage Part and Coverage Forms unless specifically deleted, replaced or modified herein.

If loss or damage is covered elsewhere in this policy and under this endorsement, the amount payable under this endorsement will apply excess over the amount payable elsewhere in this policy, unless otherwise stated. Regardless of the amounts payable elsewhere in this policy and under this endorsement, "we" will not pay more than the actual amount of the covered loss or damage.

<u>Coverage Description</u>	<u>Limit of Insurance</u>
Additional Limit - Debris Removal	\$ 250,000
Emergency Removal – Time Limit	30 Days
Emergency Removal Expenses	\$ 50,000
Limited Fungus Coverage	\$ 100,000
Waterborne Property	\$ 100,000
Contract Penalty	\$ 50,000
Expediting Expenses	\$ 250,000
Re-Erection Of Scaffolding, Forms, And Falsework	\$ 50,000
Fire Department Service Charges	\$ 50,000
Ordinance Or Law, Increased Cost to Repair and Cost to Demolish/Clear Site	
Building Is Repaired Or Replaced	\$ 500,000
Building Is Not Repaired Or Replaced	\$ 500,000
Personal Property	\$ 50,000
Pollutant Cleanup And Removal	\$ 100,000
Rewards	\$ 25,000
Sewer Backup	\$ 50,000
Storage Locations	\$ 500,000
Testing	\$ 100,000
Transit	\$ 500,000
Trees, Shrubs, And Plants	
At A Covered Jobsite	\$ 100,000
Away From A Covered Jobsite	\$ 10,000
Blueprints And Construction Documents	\$ 50,000
Inflation Increase	5%
Contract Change Order	5%
Claims Preparation Expense	\$ 50,000
Construction Trailers And Contents	\$ 250,000
Equipment Breakdown	\$ 100,000
Fire Protective Equipment Recharge	\$ 25,000
Green Building Construction Costs	\$ 50,000
Blanket Additional Loss Payees, Additional Insureds And/Or Mortgagees	Included

Coverage Description	Limit of Insurance
Interests Of Subcontractors, Sub-Subcontractors And Suppliers	Included
Soft Costs And Rental Income – Added Expenses	\$ 100,000
Delay In Completion - Extra Expense	\$ 100,000

The following changes apply to the **COVERAGE EXTENSIONS** section of the BUILDERS' RISK COVERAGE - SCHEDULED JOBSITE FORM - BROAD FORM unless otherwise noted:

1. **Additional Limit - Debris Removal**

The "limit" in paragraph 1.d. **Additional Limit** is increased from \$5,000 to \$250,000.

2. **Emergency Removal – Time Limit**

The time limit in paragraph 2.b. **Time Limitation** is increased from 10 days to 30 days.

3. **Emergency Removal Expenses**

The "limit" for **Emergency Removal Expense** in paragraph 3.c. **Limit** is increased from \$10,000 to \$50,000.

4. **Limited Fungus Coverage**

The "limit" for **Limited Fungus Coverage** in paragraph 5.c. **Limit** is increased from \$15,000 to \$100,000.

5. **Waterborne Property**

The "limit" for **Waterborne Property** in paragraph 6.b. **Limit** is increased from \$10,000 to \$100,000.

The following changes apply to the **SUPPLEMENTAL COVERAGES** section of the BUILDERS' RISK COVERAGE - SCHEDULED JOBSITE FORM - BROAD FORM unless otherwise noted:

1. **Contract Penalty**

The "limit" indicated in paragraph 1.c. **Limit** is increased from \$10,000 to \$50,000.

2. **Expediting Expenses**

a. The "limit" in paragraph 3.b. **Limit** is increased from \$10,000 to \$250,000.

b. The following expediting expense is added to paragraph 3.a. **Coverage**:

- 5) expenses to re-erect scaffolding, forms and falsework. A per occurrence limit of \$50,000 applies for these expenses separately from and in addition to the limit shown for other expediting expenses.

3. **Fire Department Service Charges**

The "limit" in paragraph 4.c. **Limit** is increased from \$1,000 to \$50,000.

4. **Ordinance Or Law, Increased Cost to Repair and Cost to Demolish/Clear Site**

a. The "limit" in paragraph 7.d.2). **What We Pay If The Building Is Repaired Or Replaced** is increased from \$50,000 to \$500,000.

b. The "limit" in paragraph 7.e.2). **What We Pay If The Building Is Not Repaired Or Replaced** is increased from \$50,000 to \$500,000.

5. **Personal Property**

The "limit" in paragraph 8.c. **Limit** is increased from \$10,000 to \$50,000.

6. **Pollutant Cleanup And Removal**

The "limit" in paragraph 9.d. **Limit** is increased from \$25,000 to \$100,000.

7. **Rewards**

The "limit" in paragraph 10.b. **Limit** is increased from \$1,000 to \$25,000.

8. **Sewer Backup**

The "limit" in paragraph 11.b. **Limit** is increased from \$10,000 to \$50,000.

9. **Storage Locations**

The "limit" in paragraph 12.b. **Limit** is increased from \$10,000 to \$500,000.

10. **Testing**

The "limit" in paragraph 13.b. **Limit** is increased from \$10,000 to \$100,000.

11. **Transit**

The "limit" in paragraph 14.b. **Limit** is increased from \$10,000 to \$500,000.

12. **Trees, Shrubs, And Plants**

a. Paragraph 15.a. is replaced with the following:

- a. **Coverage** – "We" cover direct physical loss including debris removal expenses, to trees, shrubs, plants and lawns that are a part of "your" construction project at or away from a covered "jobsite", except when such trees, shrubs, plants and lawns are in storage locations or while in transit. Refer to paragraph 12.a.3) **Storage Locations - Coverage** for coverage for trees, shrubs, plants and lawns while at storage locations. Refer to paragraph 14.a.3) **Transit - Coverage** for coverage for trees, shrubs, plants and lawns while in transit.

b. Paragraph 15.b. is deleted in its entirety.

c. Paragraph 15.d. **Limit** is replaced with the following:

- d. **Limits** - The most "we" will pay in any one occurrence is:

- 1) \$100,000 for loss to trees, shrubs, plants and lawns at a covered jobsite and,
- 2) \$10,000 for loss to trees, shrubs, plants and lawns away from a covered jobsite, but not including trees, shrubs, plants and lawns at storage locations or while in transit.

"We" will not pay more than \$1,000 for any one tree, shrub, or plant.

The following **SUPPLEMENTAL COVERAGES** are added to the BUILDERS' RISK COVERAGE - SCHEDULED JOBSITE FORM - BROAD FORM unless otherwise noted:

1. Blueprints and Construction Documents

- a. **Coverage** - "We" will pay for the cost of research or other expenses necessary to reproduce, replace or restore lost information due to direct physical loss or damage caused by a covered peril to blueprints and construction documents which are located at a covered "jobsite" and/or in "your" direct care, custody or control. Blueprints and construction documents include, but are not limited to valuable papers, records, specifications, construction drawings, construction contracts, maps, deeds, abstracts and models.
- b. **Limitation** - "We" will only cover blueprints and construction documents that directly relate to a covered building or structure as described in the BUILDERS' RISK COVERAGE - SCHEDULED JOBSITE FORM - BROAD FORM.
- c. **Valuation** - "We" will value blueprints and construction documents at the full cost necessary to research, plus the cost of the blank materials on which they reside. However, we will only pay for costs of research and reproduction if "you" reproduce the blueprints and construction documents.
- d. **Limit** - The most "we" will pay in any one occurrence for loss to blueprints and construction documents is \$50,000.

2. Inflation Increase

The "limit" in the declarations is automatically increased by 5% to compensate for increases in prices due to inflation between the time of the contract and the date of a loss. This increase in "limit" will also be taken into consideration when contemplating Coinsurance. The amount of increase will be:

- a. the "limit" that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the "limit", times,
- b. the 5% increase, expressed as a decimal (.05) times the number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the "limit", divided by the number of estimated days of the project's total duration.

This supplemental coverage does not apply to any expenses covered by Soft Costs or Rental Income coverage.

3. Contract Change Order

- a. **Coverage** - When a covered peril occurs to a covered building or structure, "we" pay for increases in construction costs related to changes in construction specifications.
- b. **Coverage Limitations**
 - 1) "We" only cover increase in construction cost related to changes in construction specifications when:
 - a) changes in construction specifications have been submitted, approved, and signed by the construction manager prior to the occurrence of the covered peril; or
 - b) increases in construction costs for changes in construction specifications are required by an applicable escalation clause in the original construction contract
 - 2) "We" only pay for increased in construction costs related to changes in construction specifications after covered property has been repaired or replaced.
 - 3) **We Do Not Pay** - "We" do not pay for any increases in construction costs related to the enforcement of any code, ordinance, or law regulating the use, construction, or repair of any building or structure.
- c. **Limit** - The "limit" in the declarations is increased up to 5% in any one occurrence for increases in construction cost related to changes in construction specifications.

4. **Claims Preparation Expense**

- a. **Coverage** - "We" pay for reasonable and necessary expenses for claim preparation expenses incurred by "you" at "our" request to assist "us" in the determination of the amount of a covered loss.
- b. **Claim Preparation Expenses Means** -- Claim preparation expenses means the cost of:
 - 1) taking inventory;
 - 2) acquiring independent appraisals; or
 - 3) services provided by accountants, contractors, or engineers, but only for the purposes of determining the extent or amount of a covered loss.
- c. **Coverage Limitations** -
 - 1) Claim preparation expenses must be a direct result of loss or damage by a covered peril to a covered building or structure.
 - 2) "We" only cover claim preparation expenses if "you" have submitted a notice of loss to "us", and "we" have determined that the loss is covered in accordance with the provisions described in the BUILDERS' RISK COVERAGE - SCHEDULED JOBSITE FORM - BROAD FORM.
- d. **We Do Not Pay For** – "We" do not pay for any:
 - 1) expenses incurred under the Other Conditions, Appraisal section of this coverage;
 - 2) public adjusters' or claim consultant fees including fees for any person acting for or on behalf of a public adjuster or claim consultant;
 - 3) attorneys' fees or other legal fees;
 - 4) insurance broker or agent fees including fees for any person acting for or on behalf of an insurance broker or agent;
 - 5) costs incurred by "you" in establishing that a loss or part of a loss is covered in accordance with the provisions described in the BUILDERS' RISK COVERAGE - SCHEDULED JOBSITE FORM - BROAD FORM;
 - 6) costs incurred by "you" in the negotiation or presentation of a loss or part of a loss that "we" have notified "you" is in dispute or denial; and
 - 7) costs for "your" overhead or other operating expenses.
- e. **Deductible** – Covered claim preparation expenses are included as part of the deductible provisions described in the BUILDERS' RISK COVERAGE - SCHEDULED JOBSITE FORM - BROAD FORM;
- f. **Limit** – The most "we" will pay in any one occurrence is \$50,000.

5. Construction Trailers and Contents –

- a. **Coverage** – “We” pay for direct physical loss or damage by a covered peril to construction trailers and their contents, other than blueprints, construction documents, valuable papers and records, and miscellaneous personal property of others, but only while they are located at a “jobsite” of a covered building or structure.
- b. **Valuation** – “We” will determine the amount of covered direct physical loss or damage:
 - 1) at the actual cash value for construction trailers owned by “you” up to the “limit” shown in paragraph c. – **Limit** in this supplemental coverage;
 - 2) for construction trailer’s leased rented or borrowed by “you”, the lesser of:
 - a) the cost to repair or replace construction trailers with materials of like, kind, quality and capability at the time and place of direct physical loss or damage;
 - b) the amount “you” are legally liable to pay for direct physical loss or damage as agreed to in a written contract executed prior to the loss or damage;
 - c) the “limit” shown in paragraph c. – **Limit** in this supplemental coverage.
 - 3) for the contents of construction trailers, at the cost to repair or replace the covered property at the location of the loss or damage with similar property intended to perform the same function;
 - 4) for contents of construction trailers that is not replaced, the actual cash value, at the location of the loss or damage.
- c. **Limit** – The most “we” will pay in any one occurrence is \$250,000.

6. Equipment Breakdown

- a. **Coverage** -- “We” pay for direct physical loss to covered property caused by:
 - 1) **Explosion, Rupture, or Bursting** -- Explosion, rupture, or bursting of steam boilers, steam or gas turbines, steam pipes, or steam engines. This Supplemental Coverage applies only to loss or damage to the steam boilers, steam or gas turbines, steam pipes, or steam engines in which the loss occurred.
 - 2) **Mechanical Breakdown** -- Mechanical breakdown including centrifugal force.
 - 3) **Electrical Currents** -- Arcing or by electrical currents other than lightning.
- b. **Perils Excluded** - The exclusion for Explosion, Rupture, or Bursting; Mechanical Breakdown; and Electrical Currents under paragraph 2.e. **PERILS EXCLUDED** of the BUILDERS’ RISK COVERAGE - SCHEDULED JOBSITE FORM - BROAD FORM is deleted.
- c. **Limit** -- The most “we” will pay in any one occurrence is \$100,000.

7. Fire Protective Equipment Recharge

- a. **Coverage** -- “We” pay for reasonable and necessary expenses “you” incur to recharge or refill fire protective equipment which has been discharged:
 - 1) by the intended operation in the course of preventing or controlling a covered peril to covered buildings or structures; or
 - 2) accidentally.
- b. **Limit** -- the most “we” will pay in any one occurrence is \$25,000.

8. Green Building Construction Costs

ADDITIONAL DEFINITIONS

- a. "Green Certification" means certification of a building based on an environmental rating system established by LEED or Green Globes to determine the performance and sustainability of buildings through positive environmental design, operation, and management. Green Globes is an environmental assessment, education, and rating system of the Green Building Initiative, developed to advance the overall environmental performance and sustainability of buildings.

LEED means Leadership in Energy and Environmental Design. Leadership in Energy and Environmental Design is a voluntary national certification system (Green Building Rating System) for the development of high performance, sustainable buildings. The rating system was developed by the United States Green Building Council.

- b. "Renewable Energy Generating Equipment" means electrical generating equipment using renewable resources including, but not limited to a solar, wind, or geothermal energy system; low impact hydro system; or biomass or bio-gas system.
- c. "Water Conservation System" means a water reclamation and conservation system consisting of a plumbing system, below ground pipes and pumps, reservoirs, holding tanks, and structures to collect rainwater and/or groundwater all at or within 500 feet of a covered building or structure designed for the circulation of gray water, ground water or rain water to:
- 1) a building's non-potable water supply;
 - 2) an onsite water treatment facility; or
 - 3) a holding facility for outdoor irrigation.

"Water Conservation System" does not mean underground pipes or sprinkler heads intended solely for the purposes of landscape irrigation and that are not integrated into the water reclamation and conservation system.

COVERAGES

Green Construction Costs -- The following coverages are added to the BUILDERS' RISK COVERAGE - SCHEDULED JOBSITE FORM - BROAD FORM. Green construction costs mean the necessary and reasonable costs relating to complying with "Green Certification" standards in the construction, erection, or fabrication of a covered building or structure.

Limit -- "We" will pay up to \$50,000 in any one occurrence for one or more of the following **Green Construction Costs**:

a. Indoor Air Quality

- 1) **Coverage** -- When direct physical loss or damage caused by a covered peril occurs to a covered building or structure, "we" pay for "your" costs to restore indoor air quality to the standard that "you" set in "your" Indoor Air Quality Management Plan for the covered building or structure, but only to the extent that the standard was achieved prior to the direct physical loss or damage. "Your" plan must be consistent with the measures specified for "Green Certification".
- 2) **Cost To Restore Air Quality Includes** -- Costs to restore indoor air quality includes costs for:
 - a) indoor air quality testing;

- b) the air flush out procedure for the repaired or replaced space (flushing out as specified for "Green Certification"); and
- c) replacement of filters (except those processing only outside air).

b. Recycling Debris

- 1) **Coverage** -- When direct physical loss or damage caused by a covered peril occurs to a covered building or structure, "we" pay for "your" costs to divert debris of the damaged property from a landfill to a recycling facility, if the debris can be recycled.
- 2) **Coverage Limitation** -- The diverted debris must be as a result of a covered loss to a covered building or structure.

c. Recertification

- 1) **Coverage** -- When direct physical loss or damage caused by a covered peril occurs to a covered building or structure, "we" pay for "your" costs for recertification of the covered building or structure in accordance with "Green Certification" standards.
- 2) **Recertification Costs Include** -- Recertification costs include costs for certification fees and costs for certified consultants and engineers who are required for "Green Certification".
- 3) **Coverage Limitation** -- "We" only cover costs for recertification to the level of "Green Certification" that was achieved prior to the date of the direct physical loss or damage.

d. Electricity Or Water Replacement -- If coverage for Electricity Or Water Replacement is indicated on the Green Building Schedule, "we" provide the following coverage.

- 1) **Coverage** -- When direct physical loss or damage caused by a covered peril occurs to "your" "renewable energy generating equipment" or "water conservation system", "we" pay for "your" costs to buy replacement electricity or water from a public utility.
- 2) **Coverage Limitation** -- "We" only pay for replacement electricity or water if "your" "renewable energy generating equipment" or "water conservation system" would have produced electricity or water for "your" construction project had there been no direct physical loss or damage to the equipment or system.
- 3) **Time Limitation** -- "We" only provide coverage for Electricity Or Water Replacement until "your" "renewable energy generating equipment" or "water conservation system" are repaired or replaced and the equipment or systems operate in accordance with the manufacturers' specifications.

However, coverage for Electricity Or Water Replacement is not extended beyond the expiration date of this policy.

Separate Limits -- The "limit" for **Green Construction Costs** is separate from, and not part of, the applicable "limits" for coverage described under Property Covered in the BUILDERS' RISK COVERAGE - SCHEDULED JOBSITE FORM - BROAD FORM.

The "limit" available for the coverages described under **Green Construction Costs** is:

- a. the only "limit" available for one or more of the described coverages; and

- b. not the sum of the "limit" indicated under **Green Construction Costs** and the "limit" for a covered building or structure.

The "limit" provided under **Green Construction Costs** cannot be combined or added to the "limit" for any other Coverage Extension, Supplemental Coverage, or any other Green Construction Cost.

9. **Blanket Loss Payees, Additional Insureds And/Or Mortgagees**

In addition to the terms and conditions contained within this policy, the following applies under **OTHER CONDITIONS**:

For property covered in which both "you" and loss payees, additional insureds and/or mortgagees have an insurable interest, and only to the extent that the named insured is obligated by virtue of a written agreement to provide insurance on behalf of the loss payees, additional insureds and/or mortgagees, "we" will:

- a. adjust losses only with "you"; and
- b. pay any claim for loss or damage jointly to "you" and the loss payee, additional insured and/or mortgagee, as "your" and their respective interests may appear.

This supplemental coverage applies to all property covered for which a loss payee, additional insured and/or mortgagee is named in the declarations or is on file with "us" or "your" insurance agent or insurance broker.

If the loss payable schedule form IM1271 or IM7902 is attached to this policy, the above automatically applies for all loss payees, additional insureds and/or mortgagees identified in the schedule of loss payees reported by "you" that "we" keep on file, or is kept on file with "your" insurance agent or insurance broker.

10. **Interests Of Subcontractors, Sub-subcontractors And Suppliers:**

The following is added to the **OTHER CONDITIONS** section of the BUILDERS' RISK COVERAGE - SCHEDULED JOBSITE FORM - BROAD FORM:

Interest Of Subcontractors, Sub-subcontractors, And Suppliers -- "We" cover the interest, which your subcontractors, your sub-subcontractors and your suppliers have in the Covered Property, but only while such property is situated at a "jobsite" that "you" have reported to "us". This condition does not impair any right of subrogation we would otherwise have.

When the SOFT COST AND RENTAL INCOME ENDORSEMENT is attached to this policy, the following is added to paragraph 1.c.:

Soft cost expenses are limited to:

- 7) Insurance Premiums -- Additional insurance premium necessary to maintain coverage under applicable policies of insurance.
- 8) Licenses and Permits -- Additional costs and fees for licenses and permits.
- 9) Tax Credits -- Estimated tax credits earned annually during the life of the project
- 10) Project Manager -- additional cost for an "Independent Project Manager"

The most "we" will pay for items 7 – 10 is \$100,000 and is in addition to the Soft Cost limit specified on the Schedule of Coverages.

The following is added to **ADDITIONAL DEFINITION:**

"Independent Project Manager" means an independent additional resource hired solely for the purposes of managing the recovery of a construction project to its original state following a covered loss.

The following is added to **COVERAGE EXTENSIONS:**

4. Delay In Completion - Extra Expense

- a. **Coverage** -- In the event of a "delay", "we" will cover any "Extra Expense" incurred to establish operations at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement premises or temporary locations as a result of the "delay".
- b. **Coverage Limitation** -- Expenses paid under this coverage extension will not increase the applicable Soft Cost or Rental Income "limit".
- c. **Limit** -- the most "we" will pay in any one occurrence is \$100,000.

The following is added to **ADDITIONAL DEFINITION:**

"Extra Expense" means "your" necessary expenses that "you" would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a covered cause of loss.

TERRORISM INSURANCE PREMIUM DISCLOSURE AND OPPORTUNITY TO REJECT

This notice contains important information about the Terrorism Risk Insurance Act and its effect on your policy. Please read it carefully.

THE TERRORISM RISK INSURANCE ACT

The Terrorism Risk Insurance Act, including all amendments ("TRIA" or the "Act"), establishes a program to spread the risk of catastrophic losses from certain acts of terrorism between insurers and the federal government. If an individual insurer's losses from "certified acts of terrorism" exceed a specified deductible amount, the government will generally reimburse the insurer for a percentage of losses (the "Federal Share") paid in excess of the deductible, but only if aggregate industry losses from such acts exceed the "Program Trigger". An insurer that has met its insurer deductible is not liable for any portion of losses in excess of \$100 billion per calendar year. Similarly, the federal government is not liable for any losses covered by the Act that exceed this amount. If aggregate insured losses exceed \$100 billion, losses up to that amount may be pro-rated, as determined by the Secretary of the Treasury.

Beginning in calendar year 2020, the Federal Share is 80% and the Program Trigger is \$200,000,000.

MANDATORY OFFER OF COVERAGE FOR "CERTIFIED ACTS OF TERRORISM" AND DISCLOSURE OF PREMIUM

TRIA requires insurers to make coverage available for any loss that occurs within the United States (or outside of the U.S. in the case of U.S. missions and certain air carriers and vessels), results from a "certified act of terrorism" AND that is otherwise covered under your policy.

A "certified act of terrorism" means:

[A]ny act that is certified by the Secretary [of the Treasury], in consultation with the Secretary of Homeland Security, and the Attorney General of the United States

(i) to be an act of terrorism;

(ii) to be a violent act or an act that is dangerous to

- (I) human life;
- (II) property; or
- (III) infrastructure;

(iii) to have resulted in damage within the United States, or outside of the United States in the case of

- (I) an air carrier (as defined in section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States); or
- (II) the premises of a United States mission; and

(iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

REJECTING TERRORISM INSURANCE COVERAGE - WHAT YOU MUST DO

We have included in your policy coverage for losses resulting from "certified acts of terrorism" as defined above.

THE PREMIUM CHARGE FOR THIS COVERAGE APPEARS ON THE DECLARATIONS PAGE OF THE POLICY AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT. If we are providing you with a quote, the premium charge will also appear on your quote as a separate line item charge.

IF YOU CHOOSE TO REJECT THIS COVERAGE, PLEASE CHECK THE BOX BELOW, SIGN THE ACKNOWLEDGMENT, AND RETURN THIS FORM TO YOUR AGENT. **Please ensure any rejection is received within thirty(30) days of the effective date of your policy.**

Before making a decision to reject terrorism insurance, refer to the Disclaimer for Standard Fire Policy States located at the end of this Notice.

☒ I hereby reject this offer of coverage. I understand that by rejecting this offer, I will have no coverage for losses arising from a "certified acts of terrorism" and my policy will be endorsed accordingly.

Policyholder/Applicant's Signature

Print Name

Date Signed

Named Insured
POWELL COUNTY BOARD OF EDUCATION

Policy Number
BMO(25)67148757

Policy Effective/Expiration Date
02-01-2024/02-01-2025

IF YOU REJECTED THIS COVERAGE, PLEASE RETURN THIS FORM TO YOUR AGENT.

NOTE: Certain states (currently CA, GA, IA, IL, ME, MO, NY, NC, NJ, OR, RI, WA, WI and WV) mandate coverage for loss caused by fire following a "certified act of terrorism" in certain types of insurance policies. If you reject TRIA coverage in these states on those policies, you will not be charged any additional premium for that state mandated coverage.

The summary of the Act and the coverage under your policy contained in this notice is necessarily general in nature. Your policy contains specific terms, definitions, exclusions and conditions. In case of any conflict, your policy language will control the resolution of all coverage questions. Please read your policy carefully.

If you have any questions regarding this notice, please contact your agent.

NP 72 42 02 20

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