



Inland Marine Insurance

Premium Bill

Policy Period JULY 1, 2013 TO JULY 1, 2014
Effective Date JULY 1, 2013
Policy Number 0665-95-75
Insured POLK COUNTY GOVERNMENT

Name of Company FEDERAL INSURANCE COMPANY
Date Issued APRIL 9, 2013

Portion of total premium attributable for terrorism and statutory standard fire where applicable
is \$ 2.00

PLEASE SEND PAYMENT TO AGENT OR BROKER.

<u>Date Payment Due</u>	<u>Premium</u>
JULY 1, 2013	

TOTAL

WHEN SENDING PAYMENT, PLEASE INDICATE POLICY NUMBER ON YOUR CHECK.

NOTE: PLEASE RETURN THIS BILL WITH PAYMENT AND INCLUDE ANY ADDITIONAL CHANGES.





Inland Marine Insurance

FOR

POLK COUNTY GOVERNMENT

Producer:

Chubb Producing Office:

DES MOINES
4600 WESTOWN PARKWAY
REGENCY WEST 6 OFFICE BLDG., SUITE 207
WEST DES MOINES, IA 50266-1000





Inland Marine Insurance

How To Report A Loss

To assist you in reporting a loss, the following procedure has been set up to allow you to notify us.

Loss Notification

Should you have a loss, contact your agent/broker in writing or by telephone as soon as possible:

Agent/Broker name:

Address:

Telephone No:

Agent/Broker Unavailable

If for any reason you are unable to reach your agent/broker, please contact our Claim department in writing or by telephone as soon as possible:

Chubb: FEDERAL INSURANCE COMPANY

Address: 4600 WESTOWN PARKWAY

REGENCY WEST 6 OFFICE BLDG., SUITE 207
WEST DES MOINES, IA 50266-1000

Telephone No: (515)440-8140

If you are reporting a loss by telephone, you can contact us between the hours of 8:30 a.m. to 4:30 p.m. Monday - Friday.

Emergency

If you are unable to contact your agent/broker or our office and it is an emergency situation, the following toll free number is available during non-business hours.

Telephone No: 1-800-252-4670





Inland Marine Insurance

Premium Statement

Chubb Group of Insurance Companies
15 Mountain View Road
Warren, NJ 07059

Named Insured and Mailing Address

POLK COUNTY GOVERNMENT
111 COURT AVENUE, ROOM 275
DES MOINES, IA 50309

Policy Number 0665-95-75

Effective Date JULY 1, 2013

Issued by the stock insurance company indicated below, herein called the company.

**FEDERAL INSURANCE
COMPANY**

Producer No.

*Incorporated under the laws of
INDIANA*

Producer

Policy Period

From: JULY 1, 2013 To: JULY 1, 2014
12:01 A.M. standard time at the Named Insured's mailing address shown above.

Premium Payment

The first Named Insured shown in the Declarations is responsible for the payment of all premiums and will be the payee for any return premiums we pay.

<i>Contract</i>	<i>Flat Premium</i>	<i>Deposit Premium</i>	<i>Total Premium Due</i>
FINE ARTS			
TOTAL			



Premium Statement
(continued)

Payment Plan

This policy premium is being billed as follows. The amounts shown are due and payable as of the dates shown below:

<u>Date Payment Due</u>	<u>Amount Due</u>	<u>Deposit Due</u>
JULY 1, 2013		

Inland Marine Policy Section





INLAND MARINE INSURANCE

Schedule of Forms

Policy Period JULY 1, 2013 TO JULY 1, 2014
Effective Date JULY 1, 2013
Policy Number 0665-95-75
Insured POLK COUNTY GOVERNMENT

Name of Company FEDERAL INSURANCE COMPANY
Date Issued APRIL 9, 2013

The following is a schedule of forms issued with the policy at inception:

<i>Form Number</i>		<i>Form Name</i>
04-02-0630	(Ed. 9-95)	INLAND MARINE DECLARATIONS SEPARATOR PAGE
04-02-0638	(Ed. 9-95)	PROPERTY DECLARATIONS
04-02-0583	(Ed. 9-95)	FINE ARTS
04-02-1393	(Ed. 3-06)	IA MANDATORY-CANCELLATION AND NONRENEWAL
04-02-1199	(Ed. 2-04)	SPECIAL PROPERTY PROVISIONS-FUNGUS
04-02-1205	(Ed. 2-04)	SPECIAL ELECTRONIC DATA PROVISIONS
04-02-1212	(Ed. 12-07)	CAP ON CERTIFIED TERRORISM LOSSES

last page





Inland Marine Insurance

Declarations

Named Insured and Mailing Address

POLK COUNTY GOVERNMENT
111 COURT AVENUE, ROOM 275
DES MOINES, IA 50309

Producer No.

Producer

Chubb Group of Insurance Companies
15 Mountain View Road
Warren, NJ 07059

Policy Number 0665-95-75

Effective Date JULY 1, 2013

Issued by the stock insurance company indicated below, herein called the company.

**FEDERAL INSURANCE
COMPANY**

*Incorporated under the laws of
INDIANA*

Policy Period

From: JULY 1, 2013 To: JULY 1, 2014
12:01 A.M. standard time at the Named Insured's mailing address shown above.

The following displays the premises covered under this insurance.

Premises Summary

PREMISES # 1 730 3RD STREET
DES MOINES, IA 50306
Building Number: 1



Premises Summary
(continued)

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Inland Marine Insurance

Declarations

Chubb Group of Insurance Companies
15 Mountain View Road
Warren, NJ 07059

Named Insured and Mailing Address

POLK COUNTY GOVERNMENT
111 COURT AVENUE, ROOM 275
DES MOINES, IA 50309

Policy Number 0665-95-75

Effective Date JULY 1, 2013

Issued by the stock insurance company indicated below, herein called the company.

**FEDERAL INSURANCE
COMPANY**

Producer No.

*Incorporated under the laws of
INDIANA*

Producer

Policy Period

From: JULY 1, 2013 To: JULY 1, 2014
12:01 A.M. standard time at the Named Insured's mailing address shown above.

Deductible: \$ 500

The deductible shown above applies to all coverages, except Business Income and Extra Expense, contained within this policy unless a specific coverage deductible is shown below.

The following displays the coverages provided by this policy.

Coverages

PREMISES # 1 730 3RD STREET
DES MOINES, IA 50306
Building Number: 1

UNSCHEDULED FINE ARTS
LIMIT OF INSURANCE \$ 25,000
DEDUCTIBLE \$ 500

NEWLY ACQUIRED FINE ARTS
LIMIT OF INSURANCE \$ 500,000



Premises Coverages

(continued)

Coverage at Unnamed Premises

The following displays the coverages provided at other premises.

PREMISES ANY NEWLY ACQUIRED PREMISES WITHIN THE COVERAGE TERRITORY

UNSCHEDULED FINE ARTS AND NEWLY ACQUIRED FINE ARTS

LIMIT OF INSURANCE \$ 1,000,000

PREMISES ANY OTHER PREMISES WITHIN THE COVERAGE TERRITORY

Coverages Away From Premises

The following displays the coverages provided away from premises.

FINE ARTS IN TRANSIT

LIMIT OF INSURANCE \$ 50,000

Coverages at Named Premises, Unnamed Premises and Away From Premises

The following displays the coverages provided at premises which are specifically covered under this insurance, other premises and away from premises.

DEBRIS REMOVAL

LIMIT OF INSURANCE \$ 150,000

FIRE PROTECTIVE EQUIPMENT

LIMIT OF INSURANCE \$ 10,000

INVENTORY OR APPRAISALS

LIMIT OF INSURANCE \$ 25,000

POLLUTANT CLEAN UP OR REMOVAL

LIMIT OF INSURANCE \$ 50,000

FIRE DEPARTMENT SERVICE CHARGES

LIMIT OF INSURANCE \$ 25,000

Inland Marine Insurance

Fine Arts

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Fine Arts

Contract

Words and phrases that appear in **bold** print have special meanings and are defined in the definitions section of this contract.

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

Coverage

Scheduled Fine Arts

We will pay for direct physical loss or damage to **fine arts** which are listed or described on the Schedule Of Fine Arts caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Scheduled Fine Arts shown in the Declarations.

The loss or damage must occur at the premises shown in the Declarations, or within 1,000 feet of the premises shown in the Declarations, unless otherwise stated.

Unscheduled Fine Arts

We will pay for direct physical loss or damage to **fine arts** which are not listed or described on the Schedule Of Fine Arts caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Unscheduled Fine Arts shown in the Declarations.

The loss or damage must occur at the premises shown in the Declarations, or within 1,000 feet of the premises shown in the Declarations, unless otherwise stated.

Newly Acquired Fine Arts

We will pay for direct physical loss or damage to newly acquired **fine arts** at the premises shown in the Declarations caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Newly Acquired Fine Arts shown in the Declarations.

This coverage applies until the first of the following occurs:

- you report the value of the newly acquired **fine arts** at the premises shown in the Declarations or at the newly acquired premises to us;
- 180 days pass from the date you acquire the **fine arts**; or
- this policy expires.

We will charge you additional premium for the reported values from the date you acquire the **fine arts**.

Newly Acquired Premises

We will pay for direct physical loss or damage to:

- Scheduled Fine Arts;
- Unscheduled Fine Arts; or
- Newly Acquired Fine Arts,

at newly acquired premises caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Fine Arts At Newly Acquired Premises shown in the Declarations.



Coverage

Newly Acquired Premises (continued)

This coverage applies until the first of the following occurs:

- you report the value of the newly acquired premises to us;
- 180 days pass from the date you acquire the premises; or
- this policy expires.

We will charge you additional premium for the reported values from the date you acquire the premises.

Extension Of Coverage

The following Extension Of Coverage is included under your coverage for **fine arts**, and is subject to the Limit Of Insurance for Fine Arts shown in the Declarations.

Removal

We will pay for:

- any direct physical loss or damage to **fine arts** while being moved to or while stored at another location for up to 180 days; or
- the cost to remove **fine arts** from any premises,

if you must move the **fine arts** from a premises to preserve it from loss or damage caused by or resulting from a peril not otherwise excluded.

Additional Coverages

Unless otherwise stated, the following Additional Coverages are provided only if a Limit Of Insurance for such Additional Coverages is shown in the Declarations.

Debris Removal

We will pay for the costs you incur to remove debris of damaged **fine arts** at the premises shown in the Declarations caused by or resulting from a peril not otherwise excluded.

We will pay for the cost you incur to remove debris of damaged **fine arts** while **in transit** caused by or resulting from a peril not otherwise excluded.

A. The most we will pay for debris removal is the lesser of:

1. 25% of the covered direct physical loss or damage; or
2. in the remaining applicable Limit Of Insurance for **fine arts** shown in the Declarations after payment of the covered direct physical loss or damage.

B. If the amount in A. above is insufficient to pay the debris removal, we will pay the remaining debris removal, subject to the applicable Limit Of Insurance for Debris Removal shown in the Declarations.

Debris removal will be paid only if reported to us in writing within 180 days of the date of the direct physical loss or damage to the **fine arts**.

Debris removal does not apply to costs to:

- clean up or remove **pollutants** from air, land or water, either inside or outside of a building or other structure; or
- clean up, remove, restore or replace polluted air, land or water, either inside or outside of a building or other structure.



Fine Arts

Additional Coverages

(continued)

Fine Arts In Transit

We will pay for direct physical loss or damage to **fine arts** while **in transit**, including shipments by registered mail, caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Fine Arts In Transit shown in the Declarations.

This Additional Coverage also includes direct physical loss or damage to **fine arts** while **in transit** which is caused by or results from fraud perpetrated by any person or persons who represent themselves to be the proper party or parties to receive goods for shipments or accept goods for delivery, not to exceed the applicable Limit Of Insurance for Fine Arts In Transit shown in the Declarations.

Fire Department Service Charges

We will pay the charges you assume by contract or agreement executed prior to loss, or charges that you are required to pay by local ordinance if the fire department is called to save or protect your **fine arts** from direct physical loss or damage caused by or resulting from a peril not otherwise excluded, not to exceed the applicable Limit Of Insurance for Fire Department Service Charges shown in the Declarations.

Fire Protective Equipment

We will pay the cost you incur to refill your discharged fire protective equipment whether or not there is direct physical loss or damage to your **fine arts**.

This Additional Coverage is provided regardless of whether a Limit Of Insurance is shown in the Declarations.

Inventory Or Appraisals

We will pay for the cost of any inventory or appraisal that we require from you to determine the extent of direct physical loss or damage to **fine arts**, not to exceed the applicable Limit Of Insurance for Inventory Or Appraisals shown in the Declarations.

Pollutant Clean Up Or Removal

We will pay the costs you incur to clean up or remove **pollutants** from air, land or water, either inside or outside of a building or other structure, at the premises shown in the Declarations if:

- the **pollutants** were part of **fine arts**; and
- the discharge, dispersal, seepage, migration, release, or escape of the **pollutants** is caused by or results from a peril not otherwise excluded.

We will also pay the costs you incur to clean up or remove **pollutants** from air, land or water, either inside or outside of a building or other structure, if:

- the **pollutants** were part of **fine arts** while **in transit**; and
- the discharge, dispersal, seepage, migration, release, or escape of the **pollutants** is caused by or results from a peril not otherwise excluded.

The costs will be paid only if they are reported to us in writing within 180 days of the date the peril occurred which caused or resulted in the discharge, dispersal, seepage, migration, release or escape of the **pollutants**.



Additional Coverages

Pollutant Clean Up Or Removal (continued)

The applicable Limit Of Insurance shown in the Declarations for Pollutant Clean Up Or Removal is the most we will pay for the sum of all such covered costs caused by or resulting from perils not otherwise excluded that occur during each separate 12 month policy period, regardless of whether this Additional Coverage appears in any other contract or contracts that form part of this policy.

We will not pay for the costs to test for, monitor, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **pollutants**, other than payment for testing which is performed during the clean up or removal of the **pollutants** from the air, land or water.

Exclusions

Acts Or Decisions

This insurance does not apply to loss or damage caused by or resulting from acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Dishonesty

This insurance does not apply to loss or damage caused by or resulting from fraudulent, dishonest, or criminal acts or omissions committed alone or in collusion with others by you, your partners, directors, trustees, and employees or by anyone authorized to act for you, or anyone to whom you have entrusted covered property for any purpose.

This exclusion does not apply to:

- A. acts of vandalism;
- B. acts committed by carriers for hire, or anyone claiming to be a carrier for hire, other than:
 - 1. you, your partners, directors, trustees and employees; or
 - 2. anyone authorized to act for you;
- C. acts committed by a warehouseman for hire, other than you, your partners, directors, trustees, and employees or anyone authorized to act for you; or
- D. ensuing loss or damage unless another exclusion applies.

Governmental Action

This insurance does not apply to loss or damage caused by or resulting from seizure, confiscation, expropriation, nationalization or destruction of property by order of governmental authority, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

This exclusion does not apply to loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this insurance.



Fine Arts

Exclusions (continued)

Insects Or Animals

This insurance does not apply to loss or damage caused by or resulting from nesting or infestation by, or discharge or release of waste products or secretions of:

- insects;
- birds;
- rodents; or
- other animals.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Nuclear Hazard

This insurance does not apply to loss or damage caused by or resulting from nuclear reaction or radiation, or radioactive contamination, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

This exclusion does not apply to ensuing loss or damage, caused by or resulting from fire, if the fire would be covered under this insurance.

Planning, Design, Materials Or Maintenance

This insurance does not apply to loss or damage (including the costs of correcting or making good) caused by or resulting from any faulty, inadequate or defective:

- planning, zoning, development, surveying, site selection;
- design, specifications, plans, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- materials used in repair, construction, renovation or remodeling; or
- maintenance,

of part or all of any property on or off the premises shown in the Declarations.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Pollutants

This insurance does not apply to:

- A. loss or damage caused by or resulting from the mixture of or contact with property and a **pollutant** when such mixture or contact causes the property to be impure and harmful to:
 1. itself or other property;
 2. persons, animals or plants;
 3. air, land or water; or
 4. any other part of an environment,



Exclusions

Pollutants (continued)

either inside or outside of a building or other structure. This exclusion applies regardless of any other cause or event that directly or indirectly:

1. contributes concurrently to;
2. contributes in any sequence to; or
3. worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

But Paragraph A. does not apply to:

1. the mixture of or contact between property and **pollutants** if the mixture or contact is directly caused by or directly resulting from a **specified peril**;
2. the mixture of or contact between property you own, use or operate and **pollutants** if:
 - a. the **pollutants** were part of or emitted from such property; and
 - b. the mixture of or contact between such property and **pollutants** is directly caused by or directly resulting from direct physical loss or damage to such property directly caused by or directly resulting from a peril not otherwise excluded;
3. a gas, water or other liquid which escapes from processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems (other than underground oil tanks, underground piping or underground tubing) provided such gas, water or other liquid is intended to be contained in such processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems;
4. any solid, liquid or gas used to suppress fire;
5. water which:
 - a. backs up or overflows through sewers, drains or sump;
 - b. seeps or leaks through basement, foundations, roofs, walls, floors or ceilings of any building or other structure; or
 - c. enters doors, windows or other openings in any building or other structure.

Paragraphs 2 through 4 above do not apply to loss or damage involving:

1. radon or any other naturally occurring gaseous irritant or contaminant;
2. organisms or micro-organisms including bacteria, fungus, mold, or their spores or products; or
3. viruses or other pathogens; or

B. any increase in costs, loss or damage associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants** regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,



Fine Arts

Exclusions

Pollutants (continued)

the loss or damage, even if such other cause or event would otherwise be covered.

But Paragraph B. does not apply to the Additional Coverage, Pollutant Clean Up Or Removal.

Repair, Restoration Or Retouching

This insurance does not apply to loss or damage caused by or resulting from repair, restoration or retouching of **fine arts**.

This exclusion does not apply to ensuing loss or damage caused by or resulting from a **specified peril**.

War And Military Action

This insurance does not apply to loss or damage caused by or resulting from:

- war, including undeclared or civil war;
- 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
- insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

Wear And Tear

This insurance does not apply to loss or damage caused by or resulting from wear and tear or gradual deterioration.

This exclusion does not apply to ensuing loss or damage unless another exclusion applies.

Coverage Territory

The coverage territory is anywhere within, and in transit within and between the continental limits of the United States of America, Hawaii, Puerto Rico, territories and possessions of the United States of America, and Canada, excluding waterborne shipments:

- to or from Alaska, Hawaii, or Puerto Rico;
- to or from territories or possessions of the United States of America; or
- which pass through, or which are intended to pass through, the Panama Canal.



Limits Of Insurance

The most we will pay in any one occurrence is the amount of loss or damage, not to exceed the applicable Limit Of Insurance shown in the Declarations, regardless of whether any Coverage, Extension Of Coverage or Additional Coverage appears in any other contract or contracts which form a part of this policy.

For **fine arts** which are listed or described on the Schedule Of Fine Arts, we will not pay more than the Stated Value of each item which is lost or damaged. This value is shown opposite the item on the Schedule Of Fine Arts.

Deductible

We will pay the amount of loss or damage in excess of the applicable deductible amount shown in the Declarations for each occurrence.

Except for any deductible shown in the Declarations for Business Income or Extra Expense, if two or more deductibles apply to the same occurrence, only the largest single deductible will apply, unless otherwise stated.

Loss Payment Basis

Subject to the applicable Limit Of Insurance for Fine Arts shown in the Declarations:

A. **fine arts** which is listed or described on the Schedule Of Fine Arts attached to this policy is valued on a stated value basis as described below, unless otherwise stated under Loss Payment Basis Exceptions.

In the event of loss or damage to **fine arts** which is listed or described on the Schedule Of Fine Arts that are part of a pair or set, at your option, we will either pay:

1. the stated value of the entire pair or set. You will return to us the remaining pieces; or
2. the cost to repair the lost or damaged pieces. You will keep the undamaged pieces. If the pair or set with the repaired pieces has a lower value than it had prior to the loss, we will also pay that difference. In no event will we pay more than the stated value of the pair or set as shown on the Schedule Of Fine Arts; or
3. the stated value of the lost or damaged pieces prior to the loss or damage when the pieces cannot be found or repaired. You will keep the undamaged pieces. If the remaining pieces have a reduced value, we will pay the difference between the value of the remaining pieces prior to the loss or damage and after the loss or damage. In no event will we pay more than the stated value of the pair or set as shown on the Schedule Of Fine Arts;

B. unscheduled **fine arts** is valued on a market value basis as described below, unless otherwise stated under Loss Payment Basis Exceptions; and

C. newly acquired **fine arts** is valued on a market value basis as described below, unless otherwise stated under Loss Payment Basis Exceptions, not to exceed your purchase price, including customs duties, plus any other expenditures you may have made for transportation, restoration and framing.

Stated Value Basis

In the event of loss or damage covered by this insurance, **fine arts** will be valued at:

- the cost of repairing the damaged **fine arts**, plus any reduction in value of the repaired item; or
- the stated value of the Scheduled Fine Arts as shown on the Schedule Of Fine Arts. You and we agree that this is the value of the item for the purpose of this insurance.



Fine Arts

Loss Payment Basis

(continued)

Market Value Basis

In the event of loss or damage covered by this insurance, **fine arts** will be valued at:

- the cost of repairing the damaged **fine arts**, plus any reduction in value of the repaired item; or
- the price which the **fine arts** might be expected to realize if offered for sale by a willing seller to a willing buyer in a fair market on the date of loss or damage.

Loss Payment Basis Exceptions

Unscheduled Fine Arts Of Others

Unscheduled Fine Arts not owned by you and in your care, custody or control are valued on the same basis as your **fine arts**, but we will not pay more than the amount for which you are legally liable.

Conditions

Abandonment

Except as provided in the clause entitled Loss Payment Basis, Stated Value Basis, there can be no abandonment of any **fine arts** to us unless we specifically agree to such abandonment in writing.

Loss Payable

For covered **fine arts** in which both you and a Loss Payee shown in the Declarations have an insurable interest, we will:

- adjust losses with you; and
- pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

Loss Payment

- A. We will pay for covered direct physical loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this insurance, and:
 1. we have reached agreement with you on the amount of loss; or
 2. an appraisal award has been made.
- B. We will not pay you more than your financial interest in the **fine arts**.
- C. We may adjust losses with the owners of lost or damaged **fine arts** if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' **fine arts**. We will not pay the owners more than their financial interest in the **fine arts**.
- D. We may elect to defend you against suits arising from claims of owners of **fine arts**. We will do this at our expense.

Other Insurance

If you have other insurance against loss or damage covered by this policy, we shall not pay any amount greater than the proportion that the applicable Limit Of Insurance shown in the Declarations bears to the total applicable limits of insurance covering the loss or damage.



Conditions

Other Insurance (continued)

This insurance is excess of any other insurance for **Unscheduled Fine Arts** not owned by you and in your care, custody or control.

Recovered Fine Arts

If any lost or damaged **fine arts** is recovered by you or us after a loss payment is made, the party making the recovery must give the other party prompt notice.

If any lost or damaged **fine arts** has a salvage value, we shall control the disposition of such salvage.

When **fine arts** is recovered, you may:

- keep the recovered **fine arts** and return the loss payment to us; or
- keep the loss payment and we will keep the recovered **fine arts**.

If any recovered **Unscheduled Fine Arts** has a salvage value, or if there is any money recovered through subrogation, we will reimburse you, from the amount recovered, for:

- the deductible amount that was paid; and
- any uninsured loss or damage resulting from an insufficient **Limit Of Insurance**.

If any recovered **Scheduled Fine Arts** has salvage value, or if there is any money recovered through subrogation, we will reimburse you, from the amount recovered, for the deductible amount that was paid.

If there are any expenses in recovering any lost or damaged **fine arts**, or through subrogation, we will share the expenses with you in proportion to the amount we are each reimbursed.



Fine Arts

Definitions

Fine Arts

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:

Fine arts means:

- paintings, rare books, manuscripts, pictures, prints, etchings, drawings, tapestries, bronzes, statuary, potteries, porcelains, marbles, and other bona fide works of art; or
- items of rarity or historical value,

which you own, or which are owned by others and in your care, custody or control.

Fine arts does not mean:

- accounts, bills, deeds, evidences of debt or other valuable papers or records;
- aircraft, motor vehicles, trailers, semi-trailers or watercraft;
- furniture, fixtures, furnishings, office machinery and equipment, stationery and tenants' improvements and betterments;
- jewelry, watches, furs, garments trimmed with fur, bullion, precious metals, precious or semi-precious stones or gems, or stamps or coins whose value exceeds face value unless listed or described on the Schedule Of Fine Arts attached to this policy; or
- money, notes or securities.

In Transit

In transit means being shipped by air, surface or waterborne conveyance from the time beginning:

- when, if shipped from your premises in or on conveyances you own, lease or operate, the **fine arts** departs your premises;
- when, if shipped from premises of others in or on conveyances you own, lease or operate, the **fine arts** is transferred into your care, custody or control; or
- when the **fine arts** is actually moved from the point of shipment bound for a specified destination, if shipped in or on a conveyance;

and ending:

- when the **fine arts** is accepted by, or on behalf of, the consignee at the intended destination;
- when the **fine arts** is accepted by, or on behalf of, the consignee at any intermediate point short of reaching the original intended destination;
- at such point where you, or the owner of the **fine arts** if other than you, order the **fine arts** stopped and held pending instructions. However, this does not apply to **fine arts** while in the custody of a carrier for hire and which is being held at a location, other than the intended destination, pending by such carrier's "on-hand" department for a period not to exceed 30 days; or
- when, if shipped to your premises in or on conveyances you own, lease or operate, the **fine arts** arrive at your premises.

In transit includes ordinary, reasonable, and necessary stops, interruptions, delays, or transfers incidental to the route and method of shipment but not while at premises you own, lease or operate.

In transit also includes the period of time during which:

- there is a substantial and unauthorized deviation from the normal route by a carrier for hire; or



Definitions**WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT:****In Transit**
(continued)

- the contract of carriage is, without your knowledge, abandoned en route by a carrier for hire, its agent, or its driver.

In transit does not mean:

- A. **fine arts** shipped by mail, unless shipped by registered mail;
- B. import shipments, within the Coverage Territory, until such time as ocean marine insurance has ceased to cover such property;
- C. export shipments once:
 1. loaded on board any steamer or other watercraft; or
 2. ocean marine insurance has begun to cover such property,whichever first occurs; or
- D. **fine arts** owned by others when you are acting as a carrier for hire.

Pollutants**Pollutants** means:

- any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fibers, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be disposed of, recycled, reconditioned or reclaimed;
- organisms or micro-organisms including bacteria, fungus, mold, or their spores or products; or
- viruses or other pathogens.

Specified Peril**Specified peril** means:

- aircraft or self-propelled missiles;
- explosion;
- fire or lightning;
- leakage from fire protection equipment;
- mine subsidence;
- riot or civil commotion;
- sinkhole collapse;
- smoke;
- vandalism;
- vehicles;
- volcanic action; or
- wind or hail.



Inland Marine Insurance

Endorsement

Policy Period JULY 1, 2013 TO JULY 1, 2014
Effective Date JULY 1, 2013
Policy Number 0665-95-75
Insured POLK COUNTY GOVERNMENT

Name of Company FEDERAL INSURANCE COMPANY
Date Issued APRIL 9, 2013

This Endorsement applies to the following forms:

FINE ARTS

SCHEDULE

Premises:

Limit of Insurance For Fungus Clean Up Or Removal:

Excluded Premises

The Additional Coverage, Fungus Clean Up Or Removal, does not apply to the following premises:

Under Additional Coverages, the following is added:

Additional Coverages

Fungus Clean Up Or Removal

We will pay the costs you incur to clean up, remove, restore or replace covered property because of the presence of **fungus** at the premises shown in the Declarations.

The most we will pay at the premises for the sum of all such covered costs that occur during each separate 12-month policy period, regardless of whether this Additional Coverage appears in any other contract or contracts that form part of this policy is:

- \$25,000; or
- the applicable Limit Of Insurance For Fungus Clean Up Or Removal shown in the Schedule above,

whichever is greater.



Inland Marine Insurance
(continued)

We will not pay for the costs to test for, monitor, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **fungus**, other than payment for testing that is performed during the clean up or removal of **fungus**.

This Additional Coverage does not apply if the presence of **fungus**:

- A. is caused by or results from:
 - 1. a peril that is excluded under this insurance; or
 - 2. moisture, other than **water or flood**, if **flood** would be covered under this insurance;
- B. existed prior to the effective date shown in the Declarations;
- C. is not reported to us in writing as soon as possible after you first become aware, or in the exercise of reasonable care, should have been aware, of the presence of **fungus**; or
- D. is at premises shown under Excluded Premises in the Schedule above.

Exclusions

Under Exclusions, the Pollutants exclusion is deleted and replaced by the following:

Pollutants

This insurance does not apply to:

- A. loss or damage caused by or resulting from the mixture of or contact between property and a **pollutant** when such mixture or contact causes the property to be impure and harmful to:
 - 1. itself or other property;
 - 2. persons, animals or plants;
 - 3. land, water or air; or
 - 4. any other part of an environment,

either inside or outside of a **building or other structure**. This exclusion applies regardless of any other cause or event that directly or indirectly:

- 1. contributes concurrently to;
- 2. contributes in any sequence to; or
- 3. worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

But paragraph A. does not apply to:

- 1. the mixture of or contact between property and **pollutants** if the mixture or contact is directly caused by or directly results from a **specified peril or garment named peril**;



Inland Marine Insurance

Endorsement

Effective Date JULY 1, 2013

Policy Number 0665-95-75

-
2. the mixture of or contact between property you own, use or operate and **pollutants** if:
 - a. the **pollutants** were part of or emitted from such property; and
 - b. the mixture of or contact between such property and **pollutants** is directly caused by or directly results from direct physical loss or damage to such property directly caused by or directly resulting from a peril not otherwise excluded;
 3. a gas, water or other liquid that escapes from processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems (other than underground oil tanks, underground piping or underground tubing) provided such gas, water or other liquid is intended to be contained in such processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems;
 4. any solid, liquid or gas used to suppress fire;
 5. water that:
 - a. backs up or overflows through sewers, drains or sump;
 - b. seeps or leaks through basements, foundations, roofs, walls, floors or ceilings of any building or other structure; or
 - c. enters doors, windows or other openings in any building or other structure.

Paragraphs 2. through 4. immediately above do not apply to loss or damage involving radon or any other naturally occurring gaseous irritant or contaminant; or

- B. any increase in costs, loss or damage associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**, regardless of any other cause or event that directly or indirectly:
- contributes concurrently to;
 - contributes in any sequence to; or
 - worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

But paragraph B. does not apply to the Additional Coverage, Pollutant Clean Up Or Removal.



Inland Marine Insurance
(continued)

Exclusions

Under Exclusions, the following is added:

Fungus

This insurance does not apply to loss or damage:

- which is **fungus**;
- which is in anyway attributed to the presence of **fungus**; or
- caused by or resulting from **fungus**,

regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

This Fungus exclusion does not apply:

- A. when the presence of **fungus** results from:
 1. explosion;
 2. fire;
 3. leakage from fire protection equipment; or
 4. lightning; or
- B. to the extent insurance is provided under the Fungus Clean Up Or Removal Additional Coverage.

Definitions

Under Definitions, the definition of Pollutants is deleted and replaced with the following:

Pollutants

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fibers, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be disposed of, recycled, reconditioned or reclaimed.

Pollutants does not mean **fungus**.



Inland Marine Insurance

Endorsement

Effective Date JULY 1, 2013

Policy Number 0665-95-75

Under Definitions, the following definitions are added:

Definitions

Flood

Flood means:

- waves, tidal water or tidal waves; or
- rising or overflowing or breaking of any boundary,

of natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, oceans, or any other body of water or watercourse, whether driven by wind or not.

Flood does not include:

- a **specified peril** that ensues from flood; or
- tsunami resulting from earthquake.

Fungus

Fungus means any:

- A.
 1. mildew, mold, or other fungi;
 2. other microorganisms; or
 3. mycotoxins, spores, or other by-products of the foregoing; or
- B. colony or group of any of the foregoing.

Water

Water means water that:

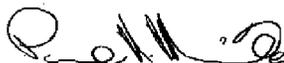
- escapes from processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems (other than underground storage tanks, underground piping or underground tubing) provided such water is intended to be contained in such processing equipment, plumbing systems, refrigeration systems, cooling systems or heating systems;
- backs up or overflows through sewers, drains or sump;
- seeps or leaks through basements, foundations, roofs, walls, floors or ceilings of any building or other structure; or
- enters doors, windows or other openings in any building or other structure.



Inland Marine Insurance
(continued)

All other terms and conditions remain unchanged.

Authorized Representative

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Inland Marine Insurance

Endorsement

Policy Period JULY 1, 2013 TO JULY 1, 2014

Effective Date JULY 1, 2013

Policy Number 0665-95-75

Insured POLK COUNTY GOVERNMENT

Name of Company FEDERAL INSURANCE COMPANY

Date Issued APRIL 9, 2013

This Endorsement applies to the following forms:

FINE ARTS

Under Additional Coverages, the following is added:

Additional Coverages

Electronic Data Recovery Costs

We will pay for **electronic data recovery costs** as a result of direct physical loss or damage to **electronic data** or a **system** caused by or resulting from **malicious programming**.

The most we will pay at all premises for the sum of such **electronic data recovery costs** that occur during each separate 12-month policy period, regardless of whether this Additional Coverage appears in any other contract or contracts that form a part of this policy is \$10,000.

Under Exclusions, the following exclusions apply to Electronic Data Recovery Costs Additional Coverage and are described in the Exclusions section of the forms shown above or any endorsement included in this policy:

Exclusions

Electronic Data Recovery Costs

Governmental Action

Nuclear Hazard

Terrorism

War And Military Action



Inland Marine Insurance
(continued)

Exclusions

Under Exclusions, the following is added:

Electronic Data

This insurance does not apply to loss or damage to **electronic data** caused by or resulting from **malicious programming**, regardless of any other cause or event that directly or indirectly:

- contributes concurrently to;
- contributes in any sequence to; or
- worsens,

the loss or damage, even if such other cause or event would otherwise be covered.

This Electronic Data exclusion does not apply to the extent insurance is provided under the Electronic Data Recovery Costs Additional Coverage.

Definitions

Under Definitions, the definition of Electronic Data Processing Media is deleted and replaced with the following:

**Electronic Data
Processing Media**

Electronic data processing media means:

- punch cards, tapes, discs, diskettes, drums, cells;
- other magnetic or optical recording or storage devices;
- **electronic data** recorded on such media; and
- any original source material used to enter or program such information,

you own or in your care, custody or control.

Electronic data processing media does not mean:

- accounts, bills, deeds or evidences of debt;
- aircraft, motor vehicles, trailers, semi-trailers or watercraft;
- equipment held for sale or distribution;
- jewelry, watches, furs, garments trimmed with fur, bullion, precious metals, precious or semiprecious stones or gems, or stamps or coins whose value exceeds face value;
- money, notes or securities;
- prepackaged software programs;



Inland Marine Insurance

Endorsement

Effective Date JULY 1, 2013

Policy Number 0665-95-75

-
- media held for sale or distribution;
 - media that has been sold;
 - property in course of manufacture; or
 - **telephone equipment.**

Under Definitions, the following are added:

Definitions

Electronic Data

Electronic data means software, data or other information that is in electronic form.

Electronic Data Recovery Costs

Electronic data recovery costs means the reasonable and necessary costs you incur to:

- copy, re-create, replace or retrieve **electronic data** you own or use, or which resides on a system you own or lease; and
- restore a system you own or lease to the functionality that existed prior to the **malicious programming.**

Electronic data recovery cost does not mean the cost to repair or replace **electronic data processing equipment** or **telephone equipment** which suffers direct physical loss or damage.

Malicious Programming

Malicious programming means an illegal or malicious entry into **electronic data** or a **system** which results in functions that:

- distort;
- corrupt;
- manipulate;
- copy;
- delete;
- destroy; or
- slow down,

such **electronic data** or **system.**



Inland Marine Insurance
(continued)

Malicious programming does not mean loss resulting from theft of telephone services.

Sinkhole Collapse

Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.

Sinkhole collapse does not mean:

- the cost of filling land; or
- the sinking or collapse of land into man-made cavities.

System

System means a computer and all input, output, processing, storage, off-line media library, and communication facilities which are connected to such computer, provided such computer and facilities are:

- owned and operated by you;
- leased and operated by you; or
- utilized by you pursuant to a written contract.

All other terms and conditions remain unchanged.

Authorized Representative





Inland Marine Insurance

Endorsement

Policy Period JULY 1, 2013 TO JULY 1, 2014
Effective Date JULY 1, 2013
Policy Number 0665-95-75
Insured POLK COUNTY GOVERNMENT
Name of Company FEDERAL INSURANCE COMPANY
Date Issued APRIL 9, 2013

This Endorsement applies to the following forms:

FINE ARTS

A new section titled Terrorism Provisions is added to the end of this contract.

Terrorism Provisions

Cap On Certified Terrorism Losses

If:

- aggregate insured losses attributable to one or more **certified acts of terrorism** under the **terrorism law** exceeds \$100 billion in a Program Year (January 1 through December 31); and
- we have met our insurer deductible under the **terrorism law**,

we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

A new section titled Terrorism Definitions is added.

Terrorism Definitions

Certified Act Of Terrorism

Certified act of terrorism means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act:

- A. of terrorism, a violent act or an act that is dangerous to human life, property or infrastructure; and
- B. that results in damage:



Inland Marine Insurance

(continued)

1. within the **United States**; or
2. outside of the **United States** in the case of:
 - a. an air carrier or vessel as described in the **terrorism law**; or
 - b. the premises of a mission of the United States of America,

which was committed by an individual or individuals as part of an effort to:

- coerce the civilian population; or
- influence the policy or affect the conduct of the Government,

of the **United States**.

Certified act of terrorism does not include an act that:

- is committed as part of the course of a war declared by the Congress of the **United States**; or
- does not result in property and casualty insurance losses that exceed \$5 million in the aggregate and are attributable to all types of insurance subject to the **terrorism law**.

State

State means any state of the United States of America, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, each of the United States Virgin Islands, and any territory or possession of the United States of America.

Terrorism Law

Terrorism law means the Terrorism Risk Insurance Act of 2002 (Pub.L.107-297) as amended by the Terrorism Risk Insurance Extension Act of 2005 (Pub.L.109-144) and the Terrorism Risk Insurance Program Reauthorization Act of 2007 (Pub.L.110-160)

United States

United States means:

- a **state**; and
- the territorial sea and the continental shelf of the United States of America, as described in the **terrorism law**.



Inland Marine Insurance

Endorsement

Effective Date JULY 1, 2013

Policy Number 0665-95-75

All other terms and conditions remain unchanged.

Authorized Representative



COMMON

POLICY

CONDITIONS

Common Policy Conditions Section





POLICY CONDITIONS

Schedule of Forms

Policy Period JULY 1, 2013 TO JULY 1, 2014
Effective Date JULY 1, 2013
Policy Number 0665-95-75
Insured POLK COUNTY GOVERNMENT

Name of Company FEDERAL INSURANCE COMPANY

Date Issued APRIL 9, 2013

The following is a schedule of forms issued with the policy at inception:

<i>Form Number</i>		<i>Form Name</i>
99-10-0732	(Ed. 12-07)	IMPORTANT NOTICE TO POLICYHOLDERS - TRIPRA
99-10-0792	(Ed. 9-04)	IMPORTANT NOTICE - OFAC
99-10-0872	(Ed. 6-07)	AOD POLICYHOLDER NOTICE
04-02-0855	(Ed. 9-95)	HOW TO REPORT A LOSS
04-02-0811	(Ed. 9-95)	PREMIUM STATEMENT
04-02-1440	(Ed. 12-08)	INSURING AGREEMENT
04-02-0827	(Ed. 9-95)	COMMON INLAND MARINE CONDITIONS
04-02-0856	(Ed. 9-95)	COMMON POLICY CONDITIONS
04-02-1307	(Ed. 1-04)	COMPLIANCE W/ APPLICABLE TRADE SANCTION LAWS

last page





Common Policy Conditions

Contract

Conditions

The following Conditions are included under each part of the policy, unless stated otherwise.

Audit Of Books And Records

We may audit your books and records as they relate to this insurance at any time during the term of this policy and up to three years afterwards.

Cancellation

The first Named Insured may cancel this policy or any of its individual coverages at any time by sending us a written request or by returning the policy and stating when thereafter cancellation is to take effect.

We may cancel this policy or any of its individual coverages at any time by sending to the first Named Insured a notice 60 days (20 days in the event of non-payment of premium) in advance of the cancellation date. Our notice of cancellation will be mailed to the first Named Insured's last known address, and will indicate the date on which coverage is terminated. If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

The earned premium will be computed on a pro rata basis. Any unearned premium will be returned as soon as practicable.

Changes

This policy can only be changed by a written endorsement that becomes part of this policy. The endorsement must be signed by one of our authorized representatives.

Compliance By Insureds

We have no duty to provide coverage under this policy unless you and any other involved insured have fully complied with all of the terms and conditions of the policy.

Conformance

Any terms of this insurance which are in conflict with the applicable statutes of the State in which this policy is issued are amended to conform to such statutes.

First Named Insured

The person or organization first named in the Declarations is primarily responsible for payment of all premiums. The first Named Insured will act on behalf of all other Named Insureds for the giving and receiving of notice of cancellation or nonrenewal and the receiving of any return premiums that become payable under this policy.

Inspections And Surveys

We may:

- make inspections and surveys at any time;
- give you reports on the conditions we find; and
- recommend changes.



Conditions

Inspections And Surveys (continued)

Any inspections, surveys, reports or recommendations 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:

- are safe or healthful; or
- comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations for us.

Titles Of Paragraphs

The titles of the various paragraphs of this policy and endorsements, if any, attached to this policy are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provisions to which they relate.

Transfer Of Rights And Duties

Your rights and duties under this insurance may not be transferred without our written consent. However, if you die, then your rights and duties will be transferred to your legal representative, but only while acting within the scope of duties as your legal representative, or to anyone having temporary custody of your property until your legal representative has been appointed.

When We Do Not Renew

If we decide not to renew this policy, we will mail or deliver to the first Named Insured stated in the Declarations written notice of the nonrenewal not less than 60 days before the expiration date. If notice of nonrenewal is mailed, proof of mailing will be sufficient proof of notice.

Inland Marine Insurance

Common Inland Marine Conditions

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Common Inland Marine Conditions

Contract

Common Inland Marine Conditions

The following Conditions apply to all Contracts contained within the Inland Marine Insurance Section of this policy.

Appraisal

If you and us do not agree on the amount of the loss or damage, either party may make a written demand for an appraisal of the loss or damage. In this event, you will select and pay a competent and impartial appraiser, and we will select and pay a competent and impartial appraiser. The two appraisers will select an umpire. If the appraisers cannot agree on an umpire, either may request that a judge of a court having jurisdiction make the selection. Each appraiser will separately state the value of the property and the amount of the loss or damage. If the appraisers do not agree, they will submit their statements to the umpire. Agreement by the umpire and either of the appraisers will be binding on you and us.

You and us will equally share any other appraisal costs and the costs of the umpire.

If there is an appraisal, we will still retain our right to deny the claim.

Concealment Or Misrepresentation

This insurance is void if you or any other insured intentionally conceals or misrepresents any material fact or circumstance relating to this insurance at any time.

Insured's Duties In The Event Of Loss Or Damage

You must see to it that the following are done in the event of loss or damage:

- Notify us, or one of our authorized representatives, as soon as possible, as to what occurred. Include a description of the property involved, the time and place of the loss or damage, and names and addresses of available witnesses. If there has been loss or damage that may result in a loss under any Business Income or Extra Expense Insurance, notify us by telephone or by telegraph at our expense.
- Notify the police if a law may have been broken.
- Take every reasonable step to protect the property from further damage, and keep a record of your expenses necessary to protect such property for consideration in the settlement of the property claim. This will not increase any Limit of Insurance. Also, if feasible, set such damaged property aside and in the best possible order for examination.
- If you intend to continue your business you must resume all or part of your operations as quickly as possible.
- File with us, or with our authorized representative, sworn proof of loss within 90 days after the date of loss or damage.
- Cooperate with us in the investigation, settlement or handling of any claim.
- Authorize us to obtain records or reports necessary for our investigation.
- At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss or damage claimed.
- As often as may be reasonably required, permit us to inspect the property and examine your books and records.
- Permit us to take samples of the damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.



Common Inland Marine Conditions

Insured's Duties In The Event Of Loss Or Damage (continued)

- Permit us to examine any insured under oath, outside the presence of any other insured at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

Failure of an agent or one of your employees, other than an officer, to notify us of any loss or damage that he knows about will not affect the insurance afforded you by this policy.

Legal Action Against Us

No legal action may be brought against us:

- until there has been full compliance with all the terms of this insurance; and
- until the obligation of the insured has been determined by final judgment or we agree in writing to the amount of the obligation.

No person or organization has any right under this insurance to bring us into any action to determine the liability of the Insured..

No Benefit To Carrier Or Bailee

No person or organization, other than you, having custody of covered property will benefit from this insurance.

Transfer Of Rights Of Recovery To Us

If any person to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair our rights.

You may waive your rights against another party in writing:

- A. prior to direct physical loss or damage to insured property; or
- B. after direct physical loss or damage to insured property only if, at the time of direct physical loss or damage, that party is one of the following:
 1. someone insured by this insurance;
 2. an individual who owns or controls the majority of capital stock of your business;
 3. related business firm majority-owned or controlled by you, or that owns or controls the majority of the capital stock of your business; or
 4. your tenant.

This will not restrict your insurance.

Pair, Set Or Parts

- A. **Pair or Set.** In case of loss or damage to any part of a pair or set we may:
 1. repair or replace any part to restore the pair or set to its value before the loss or damage; or
 2. pay the difference between the value of the pair or set before and after the loss or damage.
- B. **Parts.** In case of loss or damage to any part of property insured by this policy consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

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Common Policy Endorsements Section





Inland Marine Insurance

Endorsement

Policy Period JULY 1, 2013 TO JULY 1, 2014
Effective Date JULY 1, 2013
Policy Number 0665-95-75
Insured POLK COUNTY GOVERNMENT
Name of Company FEDERAL INSURANCE COMPANY
Date Issued APRIL 9, 2013

This Endorsement applies to the following forms:

COMMON POLICY CONDITIONS

The following condition is added:

**Compliance With
Applicable Trade
Sanction Laws**

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

All other terms and conditions remain unchanged.

Authorized Representative





Inland Marine Insurance

Endorsement

Policy Period JULY 1, 2013 TO JULY 1, 2014
Effective Date JULY 1, 2013
Policy Number 0665-95-75
Insured POLK COUNTY GOVERNMENT

Name of Company FEDERAL INSURANCE COMPANY
Date Issued APRIL 9, 2013

This Endorsement applies to the following forms:

COMMON POLICY CONDITIONS

The following changes are made as respects exposures in the state of Iowa.

Under Conditions, the provisions titled Cancellation and When We Do Not Renew are deleted and replaced by the following:

Conditions

Cancellation

- A. The first named **insured** shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- B. We may cancel this policy by mailing or delivering to the first named **insured** and any loss payee advance written notice of cancellation at least:
 - 1. 30 days before the effective date of cancellation if we cancel due to loss of reinsurance, subject to subparagraph D.6.; or
 - 2. 10 days before the effective date of cancellation if we cancel for any other reason.
- C. *Cancellation of policies in effect for less than 60 days.*

If this policy is a new policy and has been in effect for less than 60 days we may cancel for:

- 1. loss of reinsurance, subject to subparagraph D.6.; or
- 2. any other reason.



Conditions

**Cancellation
(continued)**

D. *Cancellation of policies in effect for 60 days or more.*

If this policy has been in effect for 60 days or more or if this policy is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

1. nonpayment of premium;
 2. misrepresentation or fraud made by or with your knowledge in obtaining the policy, when renewing the policy, or in presenting a claim under the policy;
 3. acts or omissions by you that substantially change or increase the risk insured;
 4. determination by the commissioner that the continuation of the policy will jeopardize our solvency or would place us in violation of the insurance laws of this or any other state;
 5. you have acted in a manner which you knew or should have known was in violation or breach of a policy term or condition; or
 6. loss of reinsurance which provides coverage to us for a significant portion of the underlying risk insured, but only if the commissioner determines that such cancellation is justified.
- E. We will mail or deliver our notice to the first named **insured**'s and any loss payee's last mailing address known to us. Notice of cancellation will state the specific reasons for cancellation.
- F. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- G. If this policy is canceled, 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.
- H. If notice of cancellation is mailed, a post office department certificate of mailing is proof of receipt of the notice. If cancellation is for nonpayment of premium, a certificate of mailing is not required.

When We Do Not Renew

If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first named **insured** and any loss payee at least 45 days before the expiration date.

We will mail or deliver our notice to the first named **insured**'s and any loss payee's last mailing address known to us. If notice is mailed, a post office department certificate of mailing is proof of receipt of the notice.

All other terms and conditions remain unchanged.

Authorized Representative





IMPORTANT NOTICE TO POLICYHOLDERS

TERRORISM RISK INSURANCE ACT

This Important Notice is being provided with your policy to further satisfy the disclosure requirements of the Terrorism Risk Insurance Act.

At the time you received the written offer for this policy, we provided you with an Important Notice to Policyholders indicating that the insurance provided in your policy for losses caused by certain acts of terrorism (as defined in the Terrorism Risk Insurance Act) would be partially reimbursed by the United States of America, pursuant to the formula set forth in the Terrorism Risk Insurance Act. In addition, as required by the Terrorism Risk Insurance Act, we:

- indicated that we would make available insurance for such losses in the same manner as we provide insurance for other types of losses;
- specified the premium we would charge, if any, for providing such insurance; and
- except to the extent prohibited by law, gave you the opportunity to reject such insurance and have a terrorism exclusion, sublimit or other limitation included in your policy.

This Important Notice refers back to that Important Notice and provides information about your decision and the manner in which your policy has been subsequently modified.

If:

- You rejected terrorism insurance under the Terrorism Risk Insurance Act, your policy includes the appropriate amendatory endorsement(s).
- You did not reject terrorism insurance under the Terrorism Risk Insurance Act, the premium charged for your policy, including that portion applicable to terrorism insurance under the Terrorism Risk Insurance Act, is shown in your policy. To the extent your policy includes a limitation on terrorism insurance, it has been modified so that such limitation does not apply to terrorism insurance under the Terrorism Risk Insurance Act.

Please carefully review your policy and the Important Notice previously provided to you for further details. Please remember that only the terms of your policy establish the scope of your insurance protection.

Please note that if your policy:

- *provides commercial property insurance in a jurisdiction that has a statutory standard fire policy, the premium we charge for terrorism insurance under the Terrorism Risk Insurance Act, includes an amount attributable to the insurance provided pursuant to that standard fire policy. Rejection of such statutory insurance is legally prohibited.*
- *is a workers compensation policy, rejection of insurance for terrorism is legally prohibited.*

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.





IMPORTANT NOTICE TO POLICYHOLDERS

This Important Notice is not your policy. Please read your policy carefully to determine your rights, duties, and what is and what is not covered. Only the provisions of your policy determine the scope of your insurance protection.

THIS IMPORTANT NOTICE PROVIDES INFORMATION CONCERNING POSSIBLE IMPACT ON YOUR INSURANCE COVERAGE DUE TO COMPLIANCE WITH APPLICABLE TRADE SANCTION LAWS.

PLEASE READ THIS NOTICE CAREFULLY.

Various trade or economic sanctions and other laws or regulations prohibit us from providing insurance in certain circumstances. For example, the United States Treasury Department's Office of Foreign Asset Control (OFAC) administers and enforces economic and trade sanctions and places restrictions on transactions with foreign agents, front organizations, terrorists, terrorists organizations, and narcotic traffickers. OFAC acts pursuant to Executive Orders of the President of the United States and specific legislation, to impose controls on transactions and freeze foreign assets under United States jurisdiction. (To learn more about OFAC, please refer to the United States Treasury's web site at <http://www.treas.gov/ofac>.)

To the extent that you or any other insured, or any person or entity claiming the benefits of this insurance has violated any applicable sanction laws, this insurance will not apply.

We have added a condition or section that applies to the entire policy called Compliance With Applicable Trade Sanctions, which stipulates that your insurance policy does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.





POLICYHOLDER NOTICE

All of the members of the Chubb Group of Insurance companies doing business in the United States (hereinafter "Chubb") distribute their products through licensed insurance brokers and agents ("producers"). Detailed information regarding the types of compensation paid by Chubb to producers on US insurance transactions is available under the **Producer Compensation** link located at the bottom of the page at www.chubb.com, or by calling 1-866-588-9478. Additional information may be available from your producer.

Thank you for choosing Chubb.

