

ARIZONA MUNICIPAL RISK RETENTION POOL MUNICIPAL INLAND MARINE COVERAGE AGREEMENT

SERVICE ANIMAL COVERAGE

Words and phrases that appear in quotation marks have special meaning. Refer to Section F. – DEFINITIONS.

A. COVERAGE

The Pool will pay for direct physical loss of or damage to Covered Property caused by or resulting from any Covered Cause Of Loss.

1. Covered Property

Covered Property means the Member's active police, K-9 unit, or mounted patrol animals, but only if they are killed or their destruction is made necessary.

2. Property Not Covered

Covered Property does not include:

- a. Property not specifically declared and described in the schedule on file with the Pool;
- b. Property rented or leased to others, or property being boarded, while away from the "premises" shown on the schedule on file with the Pool; or
- c. Contraband or property in the course of illegal transportation or trade.

3. Covered Causes of Loss

Risks of Direct Physical Loss, unless the loss is excluded below in B., EXCLUSIONS.

4. Optional Coverage – Medical/Surgical Coverage

With respect to this Optional Coverage:

- a. Covered Property means the Member's active police, K-9 unit, or mounted patrol animals.
- b. Exclusion 3., **Natural Causes**, is amended to read:

Genetic defect or other pre-existing condition, or old age.

- c. Exclusion 5., **Veterinary, Farrier Or Grooming Services**, is amended to read:

Any farrier or grooming services.

- d. The Medical/Surgical Limit Of Coverage shown in the Declarations is the most the Pool will pay under this Coverage for all medical and surgical expenses incurred by any one animal during the "rating period".

B. EXCLUSIONS

The Pool will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

1. Improper Care

Failure to provide proper care.

2. Intentional Destruction

Intentional destruction by the Member, by the Member's "employee" or at the Member's direction, unless the animal has suffered a severe injury due to a Covered Cause Of Loss and:

- a. The Pool expressly agrees to the death of the animal; or
- b. A veterinarian certifies that immediate destruction is necessary for humane reasons.

3. Natural Causes

Illness, disease, genetic defect or other pre-existing condition, or old age.

4. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused. But if nuclear reaction or radiation, or nuclear contamination, results in fire, the Pool will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Part.

5. Veterinary, Farrier Or Grooming Services

Any veterinary treatment, including but not limited to surgery, or any farrier or grooming services.

6. War And Military Action

- a. War, including undeclared or civil war;
- b. 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
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

7. The Pool will not pay for loss or damage caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Dishonest or criminal act committed by:
 - (1) The Member, any of the Member's elected or appointed officials, managers, "employees", directors, trustees or authorized representatives;
 - (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
 - (3) Anyone else to whom the property is entrusted for any purpose.

This Exclusion applies whether or not:

- (1) Such persons are acting alone or in collusion with other persons; or
- (2) Such acts occur during the hours of employment.

This Exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire.

- c. Voluntary parting with title to or possession of any property by the Member or anyone else to whom the Member has entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 - d. Unauthorized instructions to transfer property to any person or to any place.
 - e. Neglect of the Member to use all reasonable means to save and preserve property from further damage at and after the time of loss.
8. The Pool will not pay for 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. But if loss or damage by a Covered Cause Of Loss results, the Pool will pay for the loss or damage caused by that Covered Cause Of Loss.

C. LIMITS OF COVERAGE

The most the Pool will pay for loss or damage in any one occurrence is the applicable Limit Of Coverage shown in the Inland Marine Declarations.

D. DEDUCTIBLE

The Pool will not pay for loss or damage in any one occurrence unless the amount of the loss exceeds the Deductible shown in the Municipal Inland Marine Declarations. The Pool will then pay the amount of the loss in excess of the Deductible, up to the applicable Limit Of Coverage. In the event more than one Deductible amount could apply to the same loss, only the highest Deductible amount may be applied.

The Pool may pay any part or all of the Deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, the Member shall promptly reimburse the Pool for such part of the Deductible amount as has been paid by the Pool.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Municipal Inland Marine Conditions and the Common Conditions:

1. Coverage Territory

The Pool covers property located within:

- a. The United States of America;
- b. Puerto Rico; and
- c. Canada.

2. Risk Sharing

All Covered Property must be insured for its total value as of the time of loss or the Member will incur a penalty.

The penalty is that the Pool will pay only the proportion of any loss that the Limit Of Coverage shown in the Declarations for all Covered Property at all locations bears to the total value of all property at all locations as of the time of loss.

3. Representations

By accepting this Coverage Part, you agree:

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

F. DEFINITIONS

1. "Employee" means any natural person:

- a. While in the Member's service;
- b. Who the Member compensates directly by salary, wages or commissions; and
- c. Who the Member has the right to direct and control while performing services for the Member.

"Employee" does not mean or include:

- a. Any agent, independent contractor or representative of the same general character; or
- b. Any "leased worker".

2. "Leased worker" means a person leased to the Member by a labor leasing firm under an agreement between the Member and the labor leasing firm, to perform duties related to the conduct of the Member's municipal operations.

3. "Premises" means the interior of that portion of any building the Member occupies for the Member's municipal activities.

4. "Rating period" means the Rating Period shown in the Declarations.