

1
2 **THERESA G. ROJAS, ESQ.**
3 Legal Counsel
4 Guam Waterworks Authority
5 Gloria B. Nelson Public Service Building
6 688 Route 15, Suite 304
7 Mangilao, Guam 96913
8 Telephone No: (671) 300-6848
9 Email: tgrojas@guamwaterworks.org

7 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

9 IN THE MATTER OF:) GWA DOCKET NO. 22-08
10)
11 **THE PETITION OF THE GUAM) PETITION TO APPROVE GWA'S**
12 **WATERWORKS AUTHORITY) PROCUREMENT CONTRACT AWARD**
13 **(GWA) TO APPROVE THE) TO AM INSURANCE FOR**
14 **CONTRACT FOR PROPERTY) COMMERCIAL INSURANCE**
15 **INSURANCE, GENERAL) COVERAGE**
16 **LIABILITY INSURANCE, AND)**
17 **OTHER INSURANCE UNDER GWA)**
18 **IFB NO. 2022-09.)**

17 **COMES NOW**, the GUAM WATERWORKS AUTHORITY (“GWA”), by and through
18 its counsel of record, THERESA G. ROJAS, ESQ., and hereby files its Petition for PUC approval
19 to award a five-year contract for Property Insurance, General Liability Insurance and other
20 Insurance under GWA IFB No. 2022-09 to ensure GWA asset coverage.

21 **BACKGROUND**

22 On February 11, 2022, via GWA Docket 22-06, GWA petitioned the Guam Public
23 Utilities Commission (PUC) for approval to procure commercial insurance services specific to
24 property, director’s and officers’ liability, automobile, crime, cyber, and general liability
25 insurance. In the referenced petition GWA estimated that a new contract for insurance would
26 likely exceed \$1 million (\$1,000,000.00) dollars per year based on current-year premiums from
27 its most recent insurance contract and premium. Under GWA Docket 22-06, the PUC approved
28

1 the petition to begin a procurement and GWA was authorized to procure insurance to cover
 2 GWA's systems, assets, management, and personnel. See **Exhibit A**, GWA Docket 22-06 Order
 3 (February 24, 2022).

4 On March 3, 2022, GWA issued Invitation for Bid (IFB) No. GWA IFB 2022-09 which
 5 sought competitive sealed bids for three (3) and/or five (5) year terms for property insurance,
 6 general liability insurance, directors and officers' liability insurance, automobile insurance, cyber
 7 insurance, and crime insurance. The varied commercial insurance lines were procured to cover
 8 GWA's system, assets, and key officers and personnel with coverage amounts, deductibles and
 9 terms deemed appropriate by GWA's Risk Consultant, Bolton Insurance and Risk Management.

10 Eleven (11) firms registered and picked up bid packets but only one (1) bidder, AM
 11 Insurance ("AMI"), responded by submitting a sealed bid. AMI, as the sole bidder, complied
 12 with all the terms, conditions, and requirements set forth in the invitation for bid and proposed
 13 the following options for annual coverage and premiums for the specific insurance lines:

Line of Insurance*	Annual Premium		Total Premium	
	3 Year Term	5 Year Term	3 Year Term	5 Year Term
Property	\$ 1,595,247	\$ 1,475,604	\$ 4,785,741	\$ 7,378,020
Liability	224,157	213,483	672,471	1,067,415
D&O/EPLI**	30,000	27,750	90,000	138,750
Automobile	47,155	44,798	141,466	223,988
Crime	14,580	13,487	43,740	67,435
TOTAL PREMIUMS	1,911,139	1,775,122	5,733,418	8,875,608

23 * No Bid for Cyber Insurance

24 ** Directors & Officers / Employment Practices Liability Insurance

25 For the several policy lines, with the exception of cyber insurance, two options were
 26 submitted for three and five-year policy terms. Upon review AMI's five-year term option(s) were
 27 lower-priced when compared to the annual premiums offered for the three-year terms.
 28 Additionally, GWA's Risk Management Consultant confirmed that current insurance market

1 conditions generally indicate rising premiums are to be expected given current global events.
2 Accordingly, the IFB evaluation committee recommended a conditional award be made to AMI
3 for its five-year term option as the sole bidder with the lowest priced bid.

4 **REQUEST FOR APPROVAL**

5 GWA now wishes to award commercial insurance services under GWA IFB 2022-09 ¹to
6 AMI to insure its assets and property, and to remain compliant with bond requirements to protect
7 GWA's system. Based on the bid amounts offered, GWA seeks to award a five-year contract to
8 AMI for (1) property, (2) general liability, (3) directors, officers and employment practice
9 liability, (3) automobile, (4) crime and (5) general liability insurance for a total combined annual
10 premium of \$1,775,122 (One Million Seven Hundred Seventy-Five Thousand, One Hundred
11 Twenty-Two Dollars) for a total five (5) year contract award of \$8,875,608 (Eight Million Eight
12 Hundred Seventy-Five Thousand Six Hundred Eight Dollars). No bids were made for cyber
13 insurance. Prior to selection, all of the premiums and each option offered were subject to careful
14 review made in consultation with GWA's Risk Consultant Bolton Insurance and Risk
15 Management.

16 With the bid award exceeding GWA's one-million-dollar (\$1,000,000) contract authority,
17 GWA hereby petitions the PUC pursuant to its Contract Review Protocol, to approve GWA's
18 award for the procurement of its property insurance, general liability insurance, and other
19 insurance services as noted in the bid offer proposed. Funding for the insurance policies will come
20 from GWA's operating revenues.

21 In support of this Petition, the CCU during its April 2022 regular meeting via GWA
22 Resolution 16-FY2022 approved the recommendation for award to AMI for a five-year term and
23 total combined contract award of \$8,875,608 (Eight Million Eight Hundred Seventy-Five
24 Thousand Six Hundred Eight Dollars). GWA Resolution 16-FY2022 and its supporting exhibits
25 are attached as **Exhibit B** and are incorporated by reference as if fully set forth herein.

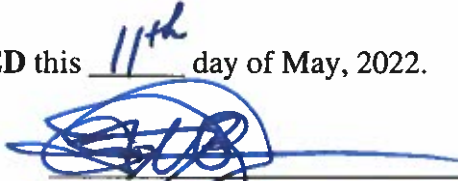
26
27
28 ¹ See GWA IFB 2022-09 at <http://guamwaterworks.org/bids/>

1 **CONCLUSION**

2 Based on the foregoing, GWA requests the PUC approve GWA's award to AMI for the
3 above-mentioned contract relative to GWA IFB 2022-09 for commercial insurance services for a
4 total contract award of \$8,875,608 (Eight Million Eight Hundred Seventy-Five Thousand Six
5 Hundred Eight Dollars) for a five-year term as it is reasonable, prudent, and required.

6
7 **RESPECTFULLY SUBMITTED** this 11th day of May, 2022.

8
9 By:



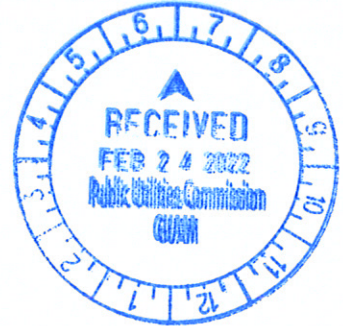
THERESA G. ROJAS
GWA Legal Counsel

BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

**PETITION TO AUTHORIZE THE)
GUAM WATERWORKS AUTHORITY)
TO ISSUE AN INVITATION FOR BID)
(IFB) TO PROCURE PROPERTY,)
GENERAL LIABILITY AND OTHER)
INSURANCE SERVICES)**
_____)
_____)

GWA DOCKET 22-06

ORDER



INTRODUCTION

This matter comes before the Guam Public Utilities Commission (the “PUC”) pursuant to the February 11, 2022 Petition to Issue an Invitation for Bid (IFB) to Procure Property, General Liability and Other Insurance Services for the Guam Waterworks Authority (hereinafter referred to as the “Petition”), filed by the Guam Waterworks Authority (“GWA”). GWA seeks PUC approval of its procurement of property, general liability and other forms of insurance coverage.

On February 21, 2022, the Administrative Law Judge of the PUC (the “ALJ”) assigned to this matter filed an ALJ Report that included his findings and recommendations based on the administrative record before the PUC. The ALJ found the following.

DETERMINATIONS

A. GWA’s Petition to Issue Procurement

In its Petition, GWA requests that the PUC approve GWA’s issuance of an Invitation for Bid for the purchase of property insurance, as well as other types of insurance, itemized

in the Petition on the basis that such insurance is required under its revenue bond indentures.¹ According to GWA, its current insurance coverage is set to expire on May 1st of this year.

GWA submitted that Section 6.06 of its 2005 Water and Wastewater System Revenue Bonds General Indenture requires GWA to maintain insurance on the system with responsible insurers “in such amounts and against risks as are usually maintained by prudent operators of systems similar and similarly situated.”²

Accordingly, GWA’s draft procurement documents seek sealed bids for property insurance, general liability insurance, directors and officers liability insurance, automobile insurance, cyber liability, and crime insurance to cover GWA’s system, assets, management, and personnel, much like GWA’s current insurance coverage.

B. GWA’s Contract Review Protocol

Pursuant to 12 G.C.A. §12105, GWA may not enter into any contractual agreements or obligations which could increase rates and charges without the PUC’s express approval. Additionally, pursuant to GWA’s Contract Review Protocol, “[a]ll professional service procurements in excess of \$1,000,000” and “[a]ny contract or obligation not specifically referenced above which exceeds \$1,000,000” “shall require prior PUC approval under 12 G.C.A. Section 12004.”³ With regard to multi-year contracts, “the test to determine whether

¹ Petition, p. 1.

² Petition, p. 1.

³ Contract Review Protocol, GWA Docket 00-04, p. 1 (Oct. 27, 2005).

a procurement exceeds the \$1,000,000.00 threshold for PUC review and approval is the total estimated cost of the procurement, including cost incurred in any renewal options.”⁴

In this instance, GWA requests PUC review and approval of its procurement of insurance because it anticipates that the contract for insurance will exceed \$1 million per year based on its current insurance premiums.⁵ According to GWA, the premiums for its current contract for insurance is about \$969,000.00 per year.⁶ A three-year contract, therefore, will require PUC review and approval.⁷

C. Section 6.06 of GWA’s Revenue Bond Indenture

Indeed, pursuant to Section 6.06 of GWA’s 2005 Series Bond Indenture, GWA must maintain insurance on its system “in such amounts and against such risks (including accident to or destruction of the System) as are usually maintained by prudent operators of systems similar and similarly situated to the System and which it shall deem advisable or necessary to protect its interests and the interests of the Bondowners . . . ”⁸

RECOMMENDATION

This Commission has previously found that GWA is required to maintain “insurance on the System with responsible insurers in such amounts and against such risks (including accident to or destruction of the System) as are usually maintained by prudent operators of systems similar and similarly situated . . . to protect its interests and the interests of the

⁴ Contract Review Protocol, GWA Docket 00-04, p. 2.

⁵ Petition, p. 2.

⁶ Petition, p. 2.

⁷ Petition, p. 2.

⁸ Order, GWA Docket 12-02, pp. 2-3 (Mar. 26, 2012).

Bondowners” pursuant to provisions of its bond indentures.⁹ Accordingly, this Commission has historically determined that GWA’s 2005 Series Bond Indenture, along with its supplemental indentures, require GWA to maintain insurance on the system in amounts and against risks normally maintained by other water and wastewater authorities.

Further, the need for GWA to procure property insurance is clear: while property insurance is required by GWA’s 2005 Bond Series Indenture, “the availability of property insurance will potentially benefit rate payers with regard to the protection of system assets” since “[i]nsurance proceeds can assist recovery efforts after natural disasters such as typhoons or earthquakes.”¹⁰ Accordingly, the ALJ therefore recommended that the PUC approve GWA’ procurement of property, general liability and other forms of insurance coverage.

Based on the record established in this docket, and for the reasons set forth herein, the ALJ recommended that the PUC approve GWA’s procurement of a contract for insurance as indicated in GWA’s Petition.

The Commission hereby adopts the findings in the January 24, 2022 ALJ Report and therefore issues the following.

⁹ Order, GWA Docket 12-02, pp. 2-3 (Mar. 26, 2012).

¹⁰ ALJ Report, GWA Docket 12-02, p. 3 (*quoting* PUC Counsel Report, GWA Docket 10-02, p. 2 (Oct. 6, 2010)).

ORDERING PROVISIONS

Upon careful consideration of the record herein, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS the following:

1. That the instant Petition is hereby APPROVED; and that GWA is authorized to procure insurance to cover GWA's system, assets, management and personnel.

2. GWA is ordered to pay the PUC's regulatory fees and expenses, including and without limitation, consulting and counsel fees, and the fees and expenses associated with this matter. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§ 12103(b) and 12125(b), and Rule 40 of the Rules of Practice and Procedure before the PUC.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

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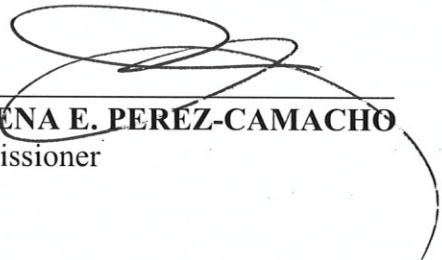
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SO ORDERED this 24th day of February, 2022.



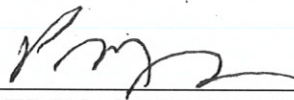
JEFFREY C. JOHNSON
Chairman



ROWENA E. PEREZ-CAMACHO
Commissioner



JOSEPH M. MCDONALD
Commissioner



PEDRO GUERRERO
Commissioner

MICHAEL A. PANGELINAN
Commissioner



PETER MONTINOLA
Commissioner

DORIS FLORES BROOKS
Commissioner

P223011.JRA



GWA RESOLUTION NO. 16-FY2022

**RELATIVE TO APPROVING THE CONTRACT FOR PROPERTY INSURANCE,
GENERAL LIABILITY INSURANCE, AND OTHER INSURANCE UNDER GUAM
WATERWORKS AUTHORITY ("GWA") INVITATION FOR BID NUMBER GWA
2022-09 AND AUTHORIZING GWA TO PETITION THE GUAM PUBLIC
UTILITIES COMMISSION ("PUC") FOR APPROVAL UNDER THE CONTRACT
REVIEW PROTOCOL**

WHEREAS, under 12 G.C.A. § 14105, the Consolidated Commission on Utilities ("CCU") has plenary authority over financial, contractual, and policy matters relative to the Guam Waterworks Authority ("GWA"); and

WHEREAS, the Guam Waterworks Authority ("GWA") is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, under Sections 6.05 and 6.06 of the Bond Indenture for GWA's 2010, 2013, 2016, 2020A System Revenue Bond Series and 2014, 2020B Refunding Bonds respectively, GWA is required to maintain or cause to be maintained insurance with responsible insurers in types and amounts that is usually maintained by prudent operators of systems similar and similarly situated to GWA's system; and

WHEREAS, *System*, as defined in the Indenture, means the water and sewer systems, now or hereafter existing, owned and/or operated by the Authority or its contractors, agents, or subcontractors; and

WHEREAS, on February 22, 2022, the CCU adopted Resolution No. 09-FY2022 relative to authorizing GWA to issue an invitation to bid to procure property for property, general liability, directors & officers liability, automobile, crime, and cyber liability insurance and authorizing GWA to petition the PUC for approval under the contract review protocol; and

1 **WHEREAS**, on February 11, 2022, GWA petitioned the Guam Public Utilities
2 Commission (PUC) for approval of GWA's procurement for insurance services; and
3

4 **WHEREAS**, on February 24, 2022, after careful consideration of GWA's February 11
5 2022 Petition to the PUC and the February 21, 2022 ALJ report, GWA's Petition was approved
6 pursuant to PUC GWA Docket No. 22-06; and
7

8 **WHEREAS**, on March 3, 2022, GWA issued Invitation for Bid No. GWA 2022-09 which
9 sought competitive sealed bids for three (3) and/or five (5) year terms for property insurance,
10 general liability insurance, directors and officers liability insurance, automobile insurance, cyber
11 insurance, and crime insurance to cover GWA's system, assets, and key officers and personnel
12 with coverage amounts, deductibles and terms deemed appropriate by GWA's Risk Consultant
13 Bolton Insurance and Risk Management; and
14

15 **WHEREAS**, at the bid opening held on April 21, 2022, AM Insurance, a local insurance
16 brokerage firm, and the sole bidder, submitted a firm and fixed bid (Exhibit A, Exhibit B and
17 Exhibit C - Parts 1 - 4) to provide the aforementioned lines of insurance; and
18

19 **WHEREAS**, GWA's Risk Consultant, GWA's Chief Financial Officer and GWA's
20 Procurement Administrator have reviewed the bid and determined that the bid submitted by AM
21 Insurance was a responsive and responsible bid; and
22

23 **WHEREAS**, given the fact that the AM Insurance bid was responsive and responsible,
24 GWA's Management recommends that the Bid be awarded to AM Insurance for a Five (5) Year
25 Term and total combined annual premium of One Million Seven Hundred Seventy-Five Thousand
26 One Hundred and Twenty-Two Dollars (\$1,775,122) or a total of Eight Million Eight Hundred
27 Seventy-Five Thousand Six Hundred and Eight Dollars (\$8,875,608) subject to approval of the bid
28 by the PUC under the Contract Review Protocol; and
29

30 //

31 //

Line of Insurance*	Annual Premium		Total Premium	
	3 Year Term	5 Year Term	3 Year Term	5 Year Term
Property	\$ 1,595,247	\$ 1,475,604	\$ 4,785,741	\$ 7,378,020
Liability	224,157	213,483	672,471	1,067,415
D&O/EPLI**	30,000	27,750	90,000	138,750
Automobile	47,155	44,798	141,466	223,988
Crime	14,580	13,487	43,740	67,435
TOTAL PREMIUMS	1,911,139	1,775,122	5,733,418	8,875,608

* No Bid for Cyber Insurance

** Directors & Officers / Employment Practices Liability Insurance

WHEREAS, GWA will work with its Risk Consultant to develop strategies and options aimed at reducing annual insurance premiums for the next procurement cycle; and

WHEREAS, the CCU finds that the recommendation of GWA's Management to award the bid subject to the approval of the PUC is prudent under best business practices and in conformity with the existing Bond Indenture for GWA's System Revenue Bonds.

NOW BE IT THEREFORE RESOLVED, the Consolidated Commission on Utilities does hereby approve the following:

1. The recitals set forth above hereby constitute the findings of the CCU.
2. The CCU finds that the terms of the bid submitted by AM Insurance is prudent, fair, and reasonable under the circumstances and, as such, GWA is authorized to issue a Notice to Proceed with AM Insurance (See Exhibits A, B and C).
3. The CCU hereby authorizes the management of GWA to enter into a contract with AM Insurance and its affiliated sureties, subject to GWA Management's determination after consultation with the GWA Risk Consultant, that the terms and conditions of such contract are fair and reasonable, for a five (5) year term and total combined annual premium of One Million Seven Hundred Seventy-Five Thousand One Hundred and Twenty-Two Dollars

1 (\$1,775,122) or a total of Eight Million Eight Hundred Seventy-Five Thousand Six
2 Hundred and Eight Dollars (\$8,875,608).

- 3 4. The General Manager for GWA is authorized to execute all documents and undertake all
4 reasonable actions necessary to place and maintain the policies over the five (5) year term
5 in the manner of similarly situated and prudent operators of systems similar to GWA's
6 system as required by the various Bond Indentures.
- 7 5. The CCU finds that the approval authorized above is subject to GWA obtaining the
8 approval of the PUC under the Contract Review Protocol.

9
10 **RESOLVED**, that the Chairman certified, and the Board Secretary attests to the adoption
11 of this Resolution.

12
13 **DULY AND REGULARLY ADOPTED**, this 26 day of April 2022.

14
15 Certified by:

Attested by:

16
17 

18
19 

20
21 **JOSEPH T. DUENAS**

22
23 **MICHAEL T. LIMTIACO**

24
25 Chairperson

26
27 Secretary

28 //

29 //

30 //

31 //

//

//

SECRETARY'S CERTIFICATE

I, Michael T. Limtiaco, Board Secretary of the Consolidated Commission on Utilities as evidenced by my signature above do hereby certify as follows:

The foregoing is a full, true, and accurate copy of the resolution duly adopted at a regular meeting by the members of the Guam Consolidated Commission on Utilities, duly and legally held at a place properly noticed and advertised at which meeting a quorum was present and the members who were present voted as follows:

AYES: 5
NAYS: 0
ABSENT: 0
ABSTAIN: 0

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Resolution No. 16-FY2022

EXHIBIT A



GUAM WATERWORKS AUTHORITY

“Better Water. Better Lives”

Gloria B. Nelson Public Services Building | Finance Administration
688 Route 15 – Fadian | Mangilao, GU 96913
PO BOX 3010 – Hagåtña, GU 96932-3010
Tel: (671) 300-6861 | Fax: (671) 646-2594

April 22, 2022

TO: Miguel C. Bordallo, P.E., General Manager

FROM: Evaluation Committee Members

SUBJECT: Recommendation of Award – IFB 2022-09 FY 2022 Property Insurance, General Liability Insurance, Directors and Officers Liability Insurance, Automobile Insurance, Crime Insurance and Cyber Insurance

Invitation for Bid No: GWA 2022-09 was officially announced and advertised in the and Guam Waterworks Authority Website on March 3, 2022. Subject bid was submitted on April 21, 2022, at 10:00 a.m. and opened virtually at 11:00 a.m. as scheduled.

To obtain the property schedules and applications, interested bidders were required to submit a Non-Disclosure Agreement (NDA). Eleven (11) firms registered and downloaded bid packages but only two (2) firms submitted an NDA. via GWA's website.

<u>Firms Registering</u>	<u>Submitted NDA</u>
• AM Insurance	Yes
• AXS Insurance	Yes
• Seven Outsource	
• Nanbo Insurance Underwriters	
• Great National Insurance Underwriters	
• Alpha Insurers	
• Guahan Insurance Services, Inc	
• Cassidy’s Associated Insurer’s Inc.	
• AB Risk Solutions	
• MS Moving Services	
• Sherman Consulting	

Of the Two (2) who submitted NDAs, AM Insurance submitted a sealed bid:

Evaluation:

The evaluation committee determined that the AM Insurance Bid was responsive and complied with all terms, conditions and requirements set forth in the invitation for bid. It was noted that there was no bid submission for cyber insurance. The bid response forms are attached.

A brief discussion was held with the Risk Manager, Cheryl McDowell from Bolton, to discuss the bid submission and ensure it was fair and reasonable given existing market conditions. She confirmed as such.

EXHIBIT B-007

Additionally, Legal Council was consulted to determine if it was possible to adjust deductibles or coverage to reduce premiums. Her research suggested that the bid specifications could not be altered after the bids were submitted and that the deductibles and coverage were considered specifications.

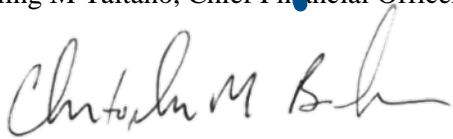
The evaluation committee recommends the award of 5-year premiums as provided below:

	<u>5 Year Premium</u>
Property Insurance (Underground Exposures Sublimited)	\$7,378,020.00
Billed Annually	\$1,475,604.00
Liability Insurance	\$1,067,415.00
Billed Annually	\$213,483.00
Directors & Officers / Employment Practices Liability Insurance	
(Limit of Coverage \$2M D&O, \$2M EPLI)	\$138,750.00
Billed Annually	\$27,750.00
Automobile Insurance	
(Limit of Coverage \$2M CSL, UM \$25K/\$50K)	\$223,987.75
Billed Annually	\$44,276.31
2% Assessment Fee	\$521.24
Crime Insurance	\$67,435.00
Billed Annually	\$13,487.00

Concurred by the Committee Members:



Taling M Taitano, Chief Financial Officer



Christopher Budasi, Assistant General Manager- Administration



Thomas Cruz, Assistant General Manager – Operations

In consideration of the foregoing, please indicate your approval of this recommendation by your signature below.

Concurred Do Not Concur

Vincent Guerrero

VINCENT ED. GUERRERO
SUPPLY MANAGEMENT ADMINISTRATOR

Approved Disapproved

Miguel C. Bordallo *4.26.2022*

MIGUEL C. BORDALLO, PE
GENERAL MANAGER

Attachments

Guam Waterworks Authority
AM Insurance Price Comparison
Current Premiums vs Proposed Premiums

Line of Insurance	A	B	C = B - A	D = B X 3	E	F = E - A	G = E X 5	H = B - E
	Current Annual (5 Year Term)	Proposed Annual Premium 3 Year Term	Annual Increase	Total 3 Year Premium	Proposed Annual Premium 5 Year Term	Annual Increase	Total 5 Year Premium	Difference between 3 & 5 Year Annual Premium
Property Coverage	\$ 701,530	\$ 1,595,247	\$ 893,717	\$ 4,785,741	\$ 1,475,604	\$ 774,074	\$ 7,378,020	\$ 119,643
General Liability	\$ 168,582	\$ 224,157	\$ 55,575	\$ 672,471	\$ 213,483	\$ 44,901	\$ 1,067,415	\$ 10,674
D&O / EPLI*	\$ 15,921	\$ 30,000	\$ 14,079	\$ 90,000	\$ 27,750	\$ 11,829	\$ 138,750	\$ 2,250
Auto Coverage	\$ 38,364	\$ 47,155	\$ 8,791	\$ 141,466	\$ 44,798	\$ 6,434	\$ 223,988	\$ 2,358
Crime Coverage	\$ 5,245	\$ 14,580	\$ 9,335	\$ 43,740	\$ 13,487	\$ 8,242	\$ 67,435	\$ 1,093
Cyber Liability**	\$ 38,192		\$ (38,192)	\$ -		\$ (38,192)	\$ -	\$ -
TOTALS	<u>\$ 967,834</u>	<u>\$ 1,911,139</u>	<u>\$ 943,305</u>	<u>\$ 5,733,418</u>	<u>\$ 1,775,122</u>	<u>\$ 807,288</u>	<u>\$ 8,875,608</u>	<u>\$ 136,018</u>

* Directors & Officers / Employment Practices Liability Insurance

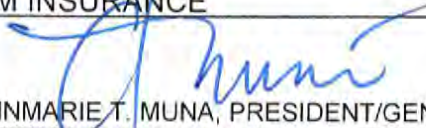


BID RESPONSE FORM – PROPERTY INSURANCE

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$30,000,000 Blanket See special notation for underground exposures -Part of Blanket Limit? -Sub-Limit?-	\$1,000,000 Catastrophic		
	\$100,000 All other Underground Exposures-Part of Blanket Limit: *\$5,835,666.00 (\$1,945,222 Billed Annually) Underground Exposures Sub Limited: *\$4,785,741.00 (\$1,595,247 Billed Annually)	*\$8,996,650.00 (\$1,799,330 Billed Annually) *\$7,378,020.00 (\$1,475,604 Billed Annually)	
Option: \$40,000,000 See special notation for underground exposures- -Part of Blanket Limit? -Sub-Limit?-	\$1,000,000 Catastrophic		
	\$100,000 All other Underground Exposures-Part of Blanket Limit: \$8,835,666.00 (\$2,945,222 Billed Annually) <u>SEE BELOW: ANNUAL TERM</u>	\$13,996,650.00 (\$2,799,330 Billed Annually)	

Carrier	Carrier's Financial Rating
DB INSURANCE CO., LTD	A XV - AM BEST

Bidder AM INSURANCE

By: 
ANNMARIE T. MUNA, PRESIDENT/GENERAL MANAGER

OPTION: \$40MIL LIMIT

Underground Exposures-Part of Blanket Limit:
 *\$3,161,357.52 (Annual Premium)

Date: 19 APRIL 2022

*NOTE: REFER TO ATTACHED PROPOSAL AND POLICY FORMS FOR DETAILS ON COVERAGE, TERMS & CONDITIONS



BID RESPONSE FORM – LIABILITY INSURANCE

NOTE SEE CORRECTED BID ON LAST PAGE

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$25,000,000 CSL	\$300,000 Each & Every Loss	*\$640,449 <small>(\$213,483 Billed Annually)</small>	*\$1,120,785 <small>(\$224,157 Billed Annually)</small>
\$50,000,000 CSL	\$300,000 Each & Every Loss	NO QUOTE	NO QUOTE

Carrier	Carrier's Financial Rating
DB INSURANCE CO., LTD.	A XV - AM BEST

Bidder AM INSURANCE

By: 
ANNMARIE T. MUNA, PRESIDENT/GENERAL MANAGER

Date: 19 APRIL 2022

*NOTE: REFER TO ATTACHED PROPOSAL AND POLICY FORMS FOR DETAILS ON COVERAGE, TERMS & CONDITIONS



**BID RESPONSE FORM – DIRECTORS & OFFICERS LIABILITY INSURANCE &
EMPLOYMENT PRACTICES LIABILITY INSURANCE**

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$2,000,000 D&O \$1,000,000 EPLI	Nil Nil	*\$81,000 ((\$27,000 Billed Annually))	*\$124,875 ((\$24,975.00 Billed Annually))
\$2,000,000 D&O \$2,000,000 EPLI	Nil Nil	*\$90,000 ((\$30,000 Billed Annually))	*\$138,750 ((\$27,750 Billed Annually))
\$5,000,000 D&O \$5,000,000 EPLI	Nil Nil	NO QUOTE	NO QUOTE
\$5,000,000 Shared Aggregate D&O/EPLI	Nil Nil	NO QUOTE	NO QUOTE
\$10,000,000 D&O \$10,000,000 EPLI	Nil Nil	NO QUOTE	NO QUOTE
\$10,000,000 Shared Aggregate D&O/EPLI	Nil Nil	NO QUOTE	NO QUOTE

Carrier	Carrier's Financial Rating
DB INSURANCE CO., LTD	A XV - AM BEST

Bidder

AM INSURANCE

By:

ANNMARIE T. MUNA, PRESIDENT/GENERAL MANAGER

Date:

19 APRIL 2022

*NOTE: REFER TO ATTACHED PROPOSAL AND POLICY FORMS FOR DETAILS ON COVERAGE, TERMS & CONDITIONS



BID RESPONSE FORM – AUTOMOBILE INSURANCE

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$2,000,000 CSL UM \$25,000/\$50,000	\$1,000 - Collision Damage	*\$141,465.96 (\$47,155.32 Billed Annually)*	*\$223,987.75 (\$44,797.55 Billed Annually)
\$2,000,000 CSL Option UM \$1,000,000	\$1,000 - Collision Damage	*\$161,678.16 (\$53,892.73 Billed Annually)	*\$255,990.40 (\$51,198.08 Billed Annually)

Carrier	Carrier's Financial Rating
DB INSURANCE CO., LTD	A XV - AM BEST

Bidder AM INSURANCE

By: *Annmarie T. Muna*
ANNMARIE T. MUNA, PRESIDENT/GENERAL MANAGER

Date: 19 APRIL 2022

***NOTE: REFER TO ATTACHED PROPOSAL AND POLICY FORMS FOR DETAILS ON COVERAGE, TERMS & CONDITIONS**

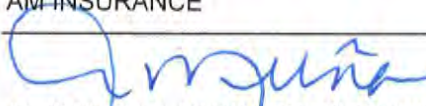


BID RESPONSE FORM – CRIME INSURANCE

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$1,000,000	\$50,000 except \$10,000 inside/out premises	*\$43,740 <small>(\$14,580 Billed Annual)</small>	*\$67,435 <small>(\$13,487 Billed Annually)</small>

Carrier	Carrier's Financial Rating
DB INSURANCE CO., LTD	A XV - AM BEST

Bidder AM INSURANCE

By: 
ANNMARIE T. MUNA, PRESIDENT/GENERAL MANAGER

Date: 19 APRIL 2022

*NOTE: REFER TO ATTACHED PROPOSAL AND POLICY FORMS FOR DETAILS ON COVERAGE, TERMS & CONDITIONS



BID RESPONSE FORM – CYBER LIABILITY INSURANCE

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$3,000,000	\$250,000	NO QUOTE	NO QUOTE
\$3,000,000	\$100,000	NO QUOTE	NO QUOTE
\$3,000,000	\$50,000	NO QUOTE	NO QUOTE
\$5,000,000	\$250,000	NO QUOTE	NO QUOTE
\$5,000,000	\$100,000	NO QUOTE	NO QUOTE
\$5,000,000	\$50,000	NO QUOTE	NO QUOTE
\$10,000,000	\$250,000	NO QUOTE	NO QUOTE
\$10,000,000	\$100,000	NO QUOTE	NO QUOTE
\$10,000,000	\$50,000	NO QUOTE	NO QUOTE

Carrier	Carrier's Financial Rating

Bidder Arguna

By: AM Insurance

Date: 4/19/22

**PROPOSAL FOR COMMERCIAL PROPERTY, COMMERCIAL
GENERAL LIABILITY, DIRECTORS AND OFFICERS LIABILITY
INSURANCE, COMMERCIAL AUTOMOBILE, CRIME INSURANCE,
Prepared for**

**GUAM WATERWORKS AUTHORITY
(INVITATION FOR BID – IFB2022-09)**



April 19, 2022

This quotation is valid for 30 days from its date of issued

Moylan's Insurance thanks you for the opportunity to discuss your insurance needs. This summary is a brief overview of your insurance coverage and is based on the exposure information you provided. Please refer to the policies for complete terms, conditions, limitations, definitions and exclusions.

Disclaimer: *The abbreviated outlines of coverages used throughout this summary are not intended to express any legal opinion as to the nature of coverage. They are only visuals to a basic understanding of coverages.
This is just an illustration of the cost of insurance*



MOYLAN'S INSURANCE UNDERWRITERS, INC.

Home of the Good Guys and Gals

424 W OBrien Dr Ste 102

Hagatna GU 96910

Carrier DB Insurance Co., Ltd.
 Rated A (Excellent) by A.M. Best
 Rated A (Stable) by S&P
 Financial Size Category XV
 Policy Period Three OR Five Year Period From May 01, 2022



COMMERCIAL PROPERTY

Description/Coverage Blanket Coverage for **All risks of direct physical loss or damage** to all Real & Personal Property belonging to the Insured, or in which the Insured has insurable interest.
Including:

- Earthquake, Windstorm, Flood, Typhoon &/or Hail, Tidal Wave
- Loss of Revenue/ Business Interruption and Extra Expense
- Boiler and machinery Breakdown
- EDP hardware/ Software/ Extra Expense
- Ordinance or Law – ICC Demo & period of Restoration
- Include Underground Assets on a Scheduled Agreed Amount basis as outlined in “Required Conditions”

Declared Value \$3,945,999,776 (Per Attached Property Schedule FY 2021)

\$1,069,361,221.- (IFB 2022-09 Insurance Bid Specs Property Schedule GWA 04-08-22)

- Property Damage : \$ 967,697,405.-
- Business Interruption : \$101,663,816.-(Indemnity Period : 24 Months)

Limits of Insurance

OPTION I \$30,000,000.00 Any One Occurrence

- a) Underground Exposures - Part of Blanket Limit
- b) Underground Exposures - Sublimited
 - \$10,047,752 - Wells
 - \$17,907,947 – Fresh Water Underground Piping
 - \$17,620,688 – Manholes
 - \$20,971,437 – Wastewater Underground Piping

OPTION II \$40,000,000.00 Any One Occurrence

- c) Underground Exposures - Part of Blanket Limit

Sublimits

- \$ 250,000.00 Personal Property in Transit
- \$1,000,000.00 Valuable Papers & Records and Computer Media
- \$1,000,000.00 Automatic Acquisition
- \$5,000,000.00 Boiler Explosion and Machinery Breakdown
- \$1,000,000.00 Denial of Access
- \$1,000,000.00 Suppliers and Customers
- \$1,000,000.00 Debris Removal
- \$ 250,000.00 Mold (in the aggregate)

Covered Causes of Loss Special Form to include Fire, Lightning, Explosion, Windstorm &/or Typhoon or Hail, Smoke, Aircraft or Vehicles, Riot or Civil Commotion, Vandalism, Sinkhole Collapse, Volcanic Action, Falling Objects, Sprinkler Leakage, Earthquake, Volcanic Eruption

EXHIBIT B-018

Co-Insurance	Waived
Valuation	Recovery shall be made on the basis of one hundred percent (100%) of the property's current replacement value at the time and place of loss, subject to the limit of coverage provided by the Policy. The Insured shall not be required to rebuild damaged or destroyed structures on the same site nor with like kind and quality
Self-Insured Retention/ Time Excess	Earthquake, Windstorm &/or Typhoon or Hail, and Tidal Wave - \$1,000,000.00 any one occurrence All Other Covered Causes of Loss - \$100,000.00 any one occurrence Time Excess – 7Days
Territory	Guam
Cancellation	90 Days prior written notice by email and certified mail
Endorsements Applicable	IL DS 00 09 08 Common Policy Declarations CP DS 00 10 00, Commercial Property Coverage Part Declarations Page CP 00 10 04 02 - Building and Personal Property Coverage Form CP 10 30 10 12 - Causes of Loss - Special Form CP 10 40 10 12 - Cause of Loss – Earthquake Form CP 00 90 07 88 - Commercial Property Conditions IL 00 17 11 98 - Common Policy Conditions CP 02 09 04 01 - Guam Changes-Cancellation CP 12 32 06 07 - Limitation on Loss Settlement-Blanket Insurance (Margin Clause) Deductible Clause, Exclusion of Mold, Fungus, Wet Rot, Dry Rot and Bacteria Communicable Disease Exclusion – LMA5394 / LMA 5393 Cyber Loss Limited Exclusion Clause No. I – LMA5401 Payment Schedule Agreement Multi-Year Policy Endorsement Exclusion of Certified Acts of Terrorism LMA 5390 – US Terrorism Risk Insurance Act of 2002 NMA2918 – War and Terrorism Exclusion NMA 2802- Electronic Date Recognitions Exclusion (EDRE) NMA2340-Seepage & Pollution, Land, Air Water Exclusion & Debris removal Endorsement NMA2962-Biological or Chemical Materials Exclusion LMA5020-Service of suit Clause (U.S.A) LMA5019-Asbestos Endorsement LMA5062-Fraudulent Claim Clause LMA3100-Sanction Limitation and Exclusion clause LMA5130 Application of Sub limits Endorsement CL 370 Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic weapons Exclusion Clause HKNA International Commercial Property Business Interruption-I.C.W.-408HKA00002 (Business Interruption Extension & Extra Expense Extension) Other standard policy forms, endorsements, restrictions and exclusions that may apply.

Standard Exclusion(s)

As defined under the policy, including but not limited to:

- a. Ordinance or Law
- b. Earth Movement
- c. Governmental Action
- d. Nuclear Hazard
- e. Utility Services
- f. War and Military Action
- g. Water (Flood, Mudslide or mudflow, Seepage and sewer backup)
- h. All other mechanical breakdown exclusions as defined under the policy

Required Endorsements

- Schedules
- Waiver of Subrogation – Tenants
- Valuation
- Misrepresentation & Fraud
- Cancellation Clause – 90 Days
- Automatic Acquisition
- Waiver of Coinsurance or Average Clause
- Building Ordinance or Law – Demolition Cost
- Building Ordinance or Law – Increased Cost of Construction
- Building Ordinance or Law – Demolition and Increased Time to Rebuild
- Business Interruption & Extra Expense Extension
- Denial of Access
- Jurisdiction
- Preservation of Property
- Damage to Building Exterior
- Damage to Building Interior
- Earthquake Damage

\$30,000,000.00 Any One Occurrence	UNDERGROUND EXPOSURES	UNDERGROUND EXPOSURES
	Part of the Blanket Limit	Sublimited
ANNUAL PREMIUM	\$ 2,161,358.00	\$ 1,772,497.00
3 YEAR PREMIUM (BILLED ANNUALLY)	\$ 1,945,222.00	\$ 1,595,247.00
5 YEAR PREMIUM (BILLED ANNUALLY)	\$ 1,799,330.00	\$ 1,475,604.00

\$40,000,000.00 Any One Occurrence	UNDERGROUND EXPOSURES	UNDERGROUND EXPOSURES
	Part of the Blanket Limit	Sublimited
ANNUAL PREMIUM	\$3,161,357.52	N/A
3 YEAR PREMIUM (BILLED ANNUALLY)	\$2,945,222.00	N/A
5 YEAR PREMIUM (BILLED ANNUALLY)	\$2,799,330.00	N/A

COMPREHENSIVE 3D

	Description/Coverage	Limits of Insurance	Deductible
	Comprehensive Dishonesty, Disappearance and Destruction Form		
	Aggregate	\$1,000,000.00	
I.	Employee Dishonesty	\$1,000,000.00	\$50,000.00
II.	Loss Inside Premises	\$100,000.00	\$10,000.00
III.	Loss Outside Premises	\$100,000.00	\$10,000.00
IV.	Money Orders and Counterfeit Currency	\$100,000.00	\$50,000.00
V.	Depositors Forgery	\$100,000.00	\$50,000.00
Additional Insuring Agreements			
VI.	Cheque Forgery	\$100,000.00	\$50,000.00
VII.	Third Party Computer Fraud	\$100,000.00	\$50,000.00
VIII.	Costs	\$100,000.00	\$50,000.00

Territory

Guam

Endorsements ApplicableCommunicable Disease Exclusion – LMA5399, Cyber Incident Exclusion, Multi-Year Policy Endorsement, Payment Schedule Agreement, **Exclusion of Certified Acts of Terrorism****Required Endorsements**

- Territory (Guam)
- Jurisdiction
- Cancellation Clause – 90 Days

3 Year Premium (BILLED ANNUALLY) \$14,580.00**5 Year Premium (BILLED ANNUALLY) \$13,487.00**

AUTOMOBILE INSURANCE

Total Number of Vehicles: 197 (Please refer to the Schedule for detailed listing)

Coverage	Limits of Insurance	Deductible
A. Bodily Injury – Each Person/Each Accident	\$2,000,000.00 Combined Single Limit	NIL
B. Property Damage – Each Accident	Included	NIL
C. Medical Payments – Each Person	\$1,000.00	NIL
D. Comprehensive – Deductible	NOT COVERED	NIL
E. Collision – Deductible	*ACV	\$1,000.00
Uninsured Motorist – Each Person/Each Accident	OPTION 1 \$25,000.00/\$50,000.00	NIL
	OPTION 2 \$1,000,000.00	NIL
Personal Accident – Each Person/Each vehicle	NOT COVERED	NIL
Loss Of Use	NOT COVERED	NIL
OPTIONAL COVERAGE		
Typhoon – Deductible	NOT COVERED	NIL
Passenger Risk – Each Person/Each Accident	NOT COVERED	NIL
Hired & Non-Owned Auto Liability	Included	NIL

*ACV – ACTUAL CASH VALUE

Endorsements Applicable Multi-Year Policy Endorsement, Payment Schedule Agreement, **Exclusion of Certified Acts of Terrorism**

Required Endorsements

- Valid Driver's License Waiver
- Under-Age Driver Waiver
- Operator Waiver
- Newly Acquired and Substitute Vehicles
- Errors & Omissions Clause
- Racing, Pacemaking or Speed Testing
- Jurisdiction
- Waiver of Sovereign Immunity
- Jurisdiction
- Waiver of Sovereign Immunity
- Cancellation Clause – 90 Days

	OPTION 1	OPTION 2
THREE YEAR PREMIUM (Billed Annually)	\$46,606.64 Plus \$548.68 - 2% Assessment Fee	\$53,344.04 Plus \$548.68 - 2% Assessment Fee
FIVE YEAR PREMIUM (Billed Annually)	\$44,276.31 Plus \$521.24 - 2% Assessment Fee	\$50,676.84 Plus \$521.24 - 2% Assessment Fee

DIRECTORS AND OFFICERS INCLUDING EMPLOYMENT PRACTICE CLAIMS

Limit of Liability	SEE BELOW
Employment Related Practice Sublimit	SEE BELOW
Co-Insurance	100%
Retention	Coverage A \$ <u>NIL</u> Each Person \$ <u>NIL</u> Aggregate All Persons / Each Loss Coverage B \$ <u>NIL</u> Aggregate Each Loss

Required Endorsements

- Retroactive Date – June 30, 2008
- Territory - Worldwide
- Jurisdiction - Guam
- Cancellation Clause – 90 Days

Endorsements:

Security Holder Derivative Action Inclusion Clause; Territory, Cancellation Clause, Jurisdiction, Punitive Damage Exclusion Clause; Nuclear Energy Liability Exclusion Endorsement; Prior Acts Exclusion Endorsement; Retention Endorsement; Failure to Maintain Insurance Exclusion Endorsement; Captive Insurance Company Exclusion Endorsement; One VS One Exclusion Endorsement (Insured VS Insured Exclusion Endorsement); Closely-Held Clause; Regulatory Exclusion Clause; SEC Exclusion; Erisa Exclusion; Year 2000 Exclusion, Multi-Year Endorsement, Payment Schedule Agreement, Exclusion of Certified Acts of Terrorism

Notice 1: Except to such extent as may otherwise be provided herein, the coverage of this policy is limited generally to liability for only those claims that are first made against the Insured during the policy period.

Notice 2: The limit of liability available to pay judgment or settlements shall be reduced by amounts incurred for legal defense. Amount incurred for legal defense shall be applied against the retention amount.

Notice 3: The Insurer does not assume any duty to defend; however, the Insurer may advance defense costs payments prior to the final disposition of claim.

		3 Year	5 Year
		BILLED ANNUALLY	
Limit of Liability	\$ 2,000,000 Aggregate for Coverages A & B Combined (Including Defense Costs)	\$ 27,000	\$ 24,975
Employment Practice	\$ 1,000,000 (part of and not in addition to the limit)		
Limit of Liability	\$ 2,000,000 Aggregate for Coverages A & B Combined (Including Defense Costs)	\$ 30,000	\$ 27,750
Employment Practice	\$ 2,000,000		

COMMERCIAL LIABILITY

Type	Commercial General Liability	
Limit of Liability	Section A – Public Liability	USD25,000,000 any one occurrence
	Section B - Pollution Liability	USD15,000,000 any one occurrence and in the aggregate
	Section C – Products Liability	USD25,000,000 any one occurrence and in the aggregate
Territorial Limits	Guam but worldwide in respect of Products	
Conditions	Claims Control Clause, NMA 1998 NMA 1998 Service of Suit Clause LMA3100 Sanction Limitation and Exclusion Clause Annual Review Clause Multi-Year Endorsement	

LMA539 Communicable Disease Endorsement
LMA5528 Cyber and Data Exclusion
Notice of cancellation with effect from 1st May 2023 is hereby given

Other Conditions

Wording: NVA07 Intl CGL plus Personal Injury Extension as attached Excess USD300,000 each and every loss

Employees, officials and directors of the insured are covered whilst attending meetings worldwide subject to the policy terms, conditions and limitations

Cancellation ninety days (90) days prior to written notice by email and certified mail

Additional Insureds, waivers of subrogation, indemnities and contractual agreements, hold harmless agreements and cross liability clauses shall be held covered subject to notification to Insurers as soon as is practicable Including the Insured's liability arising out of events held throughout the year on the Insured's premises

Including the liability of the Insured for bodily injury and/or property damage caused by an occurrence arising out of the giving or serving of alcoholic beverages by the Insured at functions incidental to the Insured's business, subject to a policy limit of USD1,000,000 any one occurrence. Such limit is included within and not in addition to the limit of liability shown in the policy

In the event of a claim under this policy, Insurers waive the right to invoke the legal defense of sovereign immunity

Choice of Law and Jurisdiction

The insurance shall be governed and construed in accordance with the laws of Guam and the exclusive jurisdiction of Guam court. The seat of arbitration shall be Tamuning.

Annual Premium	\$190,270.59 (Plus \$3,805.41 – 2% Assessment Fee)
3 Year Annual Premium	\$209,297.00 (Plus \$4,185.94 - 2% Assessment Fee)
5 Year Annual Premium	\$219,761.85 (Plus \$4,395.24 - 2% Assessment Fee)

ACCEPTANCE OF THE PROPOSAL

I accept the proposal as presented. Please bind coverage as proposed, effective _____

Acknowledged & Accepted By: _____
Print Name and Signature

Title

Date

IMPORTANT NOTE: This is a non-binding proposal for insurance. Should you accept this proposal, please affix your signature above.

CLAIMS REPORTING PROCEDURES

Claims if any, please report to:

EQUITABLE ADJUSTING CORPORATION
Suite 217 Julale Center
424 West O'Brien Drive, Hagatna, Guam 96910
Telephone No. 477-7514/8616
Fax No. 477-7515

Or Contact:

Narcissa Rosario
Regional Production Manager Guam, CNMI & Micronesia
Telephone No. 477-8613/8616 Ext: 128

Ross Aguon
Commercial Lines Supervisor
Telephone No. 477-8613/8616 Ext: 112

Ivy Mendoza
Commercial Underwriter
Telephone No. 477-8613/8616 Ext: 118

From: tmtaitano@guamwaterworks.org
To: "tmtaitano@guamwaterworks.org"
Subject: Liability Insurance Inquiry under IFB 2022-09
Date: Saturday, April 23, 2022 8:23:00 AM

From: Tricia Granillo <tgranillo@amibrokers.com>
Sent: Friday, April 22, 2022 2:10 PM
To: vheacock@guamwaterworks.org; Annmarie Muna <amuna@amibrokers.com>
Cc: 'Stephen Mondina' <smondina@guamwaterworks.org>; antonioc@guamwaterworks.org;
'Nicholas Cabo' <ncabo@guamwaterworks.org>; rlumongsud@guamwaterworks.org; 'Mary D. Torres' <mtorres@guamwaterworks.org>; berniec@guamwaterworks.org
Subject: RE: Liability Insurance Inquiry under IFB 2022-09
Importance: High

Good afternoon Victoria,

Thank you for bringing this to our attention.

We apologize for the oversight, but the annual premiums for the General Liability 3 and 5-year terms were transposed and presented erroneously. It is common in the insurance industry to apply a further 5% discount off premiums that are secured for a longer policy term.

The premium options should read as follows:

LIMIT OF LIABILITY	DEDUCTIBLE	3-YEAR PREMIUM	5-YEAR PREMIUM
\$25,000,000 CSL	\$300,000 Each & Every Loss	\$672,471 (\$224,157 Billed Annually)	\$1,067,415 (\$213,483 Billed Annually)
\$50,000,000 CSL	\$300,000 Each & Every Loss	No Quote	No Quote

We make ourselves available anytime to discuss this further if required by the Authority. Otherwise, we await GWA's further instructions.

Kind Regards,

Tricia Reyes Granillo, CWCP | AM Insurance
VP/Insurance Services Manager | Commercial, Government & Personal Lines
P.O. Box 2797 Hagatña, Guam 96932
t: +1671.477.2735 | f: +1671.477.2602 | c: +1671.687.3575
e: tgranillo@amibrokers.com

EXHIBIT B-026

Resolution No. 16-FY2022

EXHIBIT B



GUAM WATERWORKS AUTHORITY

"Better Water. Better Lives"

Gloria B. Nelson Public Services Building | Finance Administration
688 Route 15 – Fadian | Mangilao, GU 96913
PO BOX 3010 – Hagåtña, GU 96932-3010
Tel: (671) 300-6861 | Fax: (671) 646-2594

NOTICE OF CONDITIONAL AWARD

April 26, 2022

AM Insurance
P.O. Box 2797 Hagatña, Guam 96932
Tel: (671) 477-2632/42 Fax: (671) 477-2602
E-Mail Address: amuna@amibrokers.com

Re: Invitation for Bid Number: IFB 009-FY2022 for **PROPERTY INSURANCE, GENERAL LIABILITY INSURANCE, DIRECTORS AND OFFICERS LIABILITY INSURANCE, AUTOMOBILE INSURANCE, CRIME INSURANCE AND CYBER INSURANCE.**

Hafa Adai Ms. Muña,

The Guam Waterworks Authority ("GWA") has considered the bid submitted by AM Insurance for the above-described reference in response to its Advertisement for Bids, you are hereby notified that the bid offer for the above referenced IFB for the term of 5 years, has been accepted by GWA, as follows:

	<u>5 Year Premium</u>
Property Insurance (Underground Exposures Sublimited)	\$7,378,020
Billed Annually	\$1,475,604
Liability Insurance	\$1,067,415
Billed Annually	\$213,483
Directors & Officers / Employment Practices Liability Insurance	\$138,750
(Limit of Coverage \$2M D&O, \$2M EPLI)	
Billed Annually	\$27,750
Automobile Insurance	\$223,988
(Limit of Coverage \$2M CSL, UM \$25K/\$50K)	
Billed Annually	\$44,798
Crime Insurance	\$67,435
Billed Annually	\$13,487

EXHIBIT B-028

You are also advised that any obligation incurred by your firm prior to execution of the contract is entirely at your own risk and GWA shall have no obligation to reimburse costs incurred prior to execution of the contract.

Please note this Notice of Award is conditional on obtaining the approval of the Guam Consolidated Commission on Utilities and the approval of the Guam Public Utilities Commission in accordance with GWA's Contract Review Protocol for contracts exceeding \$1M. Also, be advised that award is conditional upon finalization of contract terms and conditions, and the provision by AM Insurance of any documents relative to the bid required under Guam law.

You are required to return an acknowledged copy of this Conditional Notice of Award to the Procurement Administrator.

Sincerely,



MIGUEL C BORDALLO, PE
General Manager

Receipt of the above Notice of Conditional Award for GWA Bid No. 009-FY2022 is hereby acknowledged.

By: _____
Signature

Title: _____
(Please print)

Date: _____

Resolution No. 16-FY2022

EXHIBIT C



GUAMWATERWORKS AUTHORITY

Property, General Liability, D&O Liability,
Automobile, Crime and Cyber Liability Insurance

(Invitation for Bid: GWA IFB 2022-09)

Submitted by:

AM Insurance

P.O. Box 2797, Hagatna, Guam 96932

Tel: (671)477-2632/2642

Fax: (671)477-2602

Email: amuna@amibrokers.com

Place of Submittal:

Attention: Procurement Office
GWA Procurement Office
Gloria B. Nelson Public Services
Building, 1st Floor 688 Route 15,
Mangilao, Guam 96913

Submission Deadline:

10:00am, April 21, 2022 (Thursday)

EXHIBIT B-031

TABLE OF CONTENTS

Guam Waterworks Authority

Request for Proposals
IFB NO. 2022-09

MATERIAL	TAB#
Executive Summary	1
Bid Response Form	2
Property Insurance	
Liability Insurance	
Directors & Officers Liability Insurance	
Automobile Insurance	
Crime Insurance	
Cyber Liability Insurance	
Required Forms for Proposal Submittal	3
Confidentiality and Nondisclosure Agreement	
Non-Collusion Affidavit	
Certification of Non-Employment of Convicted Sexual Offenders	
Special Provision for Ownership Disclosure Affidavit	
Ownership & Interest Disclosure Affidavit	
Bid and Performance Bod for Goods and Services	
Wage and Benefit Determination	
Non-Gratuity or Kickbacks Affidavit	
Ethical Standard Affidavit	
Good Standing Affidavit	
Contents of the Proposal	4
Name, Location, Age & Current Workload	
Abilities, Qualifications, Experience	
List of Available Markets - Local & International Surplus Lines	
AM Insurance Corporate Resume	
Account Executive and Team Members	
AMI Service Team Flow Chart	
Roles of Key Persons	
List of Contracts of Similar Scope	
• Government Accounts Experience	
• Commercial Accounts Experience	
Preliminary Scope of Services	
Innovative Programs and Services	
Statement of Qualification	
Why Choose AM Insurance	



Policy Specimen	5
Property Insurance	
General Liability Insurance	
Directors & Officers Liability Insurance	
Automobile Insurance	
Crime Insurance	
Insurance Carrier Rating	6
DB Insurance Co., Ltd - AM Best Rating Services	
Claims:	
Claims Handling Facilities	7
In-House Claims Services	
Outside Claims Services	
Insurance Licenses	8
Insurance License	
Surplus Insurance License	
Professional Indemnity Insurance	9
Bid Specifications	10
Bid Specification for IFB No. 2022-09	
Applications & Schedules	
Bid Amendment No. 1	
Bid Amendment No. 2	





AM Insurance (AMI) is a member of the AM Group of Companies, providing a wide range of insurance services to its clients.

- Office: Suite 113, Building F, Adá's Commercial & Professional Center, 215-A Chalan Santo rdp.1, Agaña
- Mailing Address: P.O. Box 2797, Hagåtña, Guam 96932 USA
- Phone: (671) 477-2632 & 477-2642 • Fax: (671) 477-2602

April 19, 2022

Guam Waterworks Authority
Attn: Procurement Office
First Floor, Gloria Nelson Public Services Bldg.
688 Ruote 15
Mangilao, Guam 96913


**Re: Letter of Transmittal
Response for IFB No. 2022-09 - Property, General Liability, D&O Liability,
Automobile, Crime and Cyber Insurance**

Hafa Adai,

Enclosed is our proposal for Insurance Coverages as requested in the caption Invitation for Bid (IFB 2022-09). AM Insurance (AMI) has had the pleasure of servicing the Guam Waterworks Authority (GWA) for the past 13 years and hopes to continue working together on the agency's insurance program. AMI has the ability to understand the ever changing insurance needs required by GWA and is able to provide innovative and responsive services to benefit your agency.

I trust that you will find all the documents in order and our proposal competitive. Let us know if you have any questions regarding our submission.

Sinceru Yan Magahet,


ANNMARI
President/General Manager
Tel: (671)477-2632/Mobile: (671)687-6001

/trg

EXHIBIT B-034

TAB 1

Executive Summary

EXECUTIVE SUMMARY

We believe that AM Insurance (AMI) is the most qualified Broker to assist with the Guam Waterworks Authority's (GWA) insurance needs. Our independence and negotiating leverage enables us to deliver the most flexible approach at the most competitive premiums.

As an "Independent Broker," with no direct ties or obligations to any insurance company, AMI's vision isn't limited to a single company's perspective. Instead, we work with a wide range of insurers. **We SEE MORE, ACCESS MORE and PRESENT MORE** alternatives every year. We keep you in touch with the most innovative thinking in the business, so you benefit from a wider range of creative solutions and more flexibility.

Most importantly, you have someone who's on your side and free to use the right resource(s) for your needs.

AM Insurance commits to providing GWA with the highest quality insurance services. Our submission includes details on the insurance brokerage services and areas of interest requested by GWA. We hope that our written response will serve as the launching point for development and discussion around those services and issues of importance to you. We look forward to continuing our partnership with GWA to create value, stability and predictability with in the insurance program for your company and its operations.

Our ultimate goal is to become an extension of GWA's team and an effective advocate on your behalf as the Insurance Broker. AMI pledges to provide the following key areas that set us apart from the competition:

Experience in Your Industry-AMI represents some of the most complex and technical risks in the utility sector including property management and liability, completed operations and pollution coverages. This concentration of experience provides us the leverage and know-how to deliver best-in-class results for our clients. In fact, we are the most experience local broker handling utility organizations on Guam.

Concentration of Expertise - Our waterworks and government entity experience is not diluted corporately among various profit centers or branch offices; it is held by our local servicing office and the individuals on our service team. This concentration of expertise results in better communication, in speaking to your carriers on your behalf, for us internally in servicing the overall engagement and in our discussions with you as our client. It also provides the most direct access to the insurance market while affording GWA a focused point of contact who is empowered to drive, as well as who remains wholly accountable for, the success of our insurance programs.

Account Service Team - Members of our Team that will be assigned to GWA's account are able to provide highly specialized services that are available on a 24/7 basis, with the necessary experience to handle not only a technical renewal process but more importantly the planning and ongoing service required by GWA throughout the length of the engagement term. Our team members have extensive experience with similar program structures for other companies with transmission operations and development exposures as well as with the challenging, technical negotiations required in placing these coverages. Each individual has been added to your proposed team on the basis of their experience in the insurance market and their understanding of the aviation and commercial risk exposures facing **GWA**.

GWA IFB NO. 2022-09

Property, General Liability, D&O Liability, Auto, Crime and Cyber Insurance



EXHIBIT B-036

International Network of Wholesale Brokers - Instead of teaming up with just one (1) international broker, we have built an international network of wholesale brokers to cater to our client's needs. These wholesale brokers have the ability and expertise to access markets specializing in large commercial/government and aviation-specific policies and provide specialized services to strengthen our group's qualifications. We chose who to partner with based on our client's requirements. These firms include, but not limited to, Harman Kemp, JLT Specialty/Lloyd & Partners, McGriff, Seibels & Williams, Lockton, Ropner Insurance Services and Willis. The example below displays how we cater to our client's insurance needs:

CLIENT	INDUSTRY	WHOLESALE PARTNER
GPA	Power Utility	JLT Specialty, Lloyds & Partners
MEC	Independent Power Producer	McGriff, Seibels & Williams
GWA	Water Utility	Harman Kemp
PAG	Seaport	Ropner Insurance Services
CPA	Airports/Seaports	Harman Kemp
Cabras Marine	Ship repair, tug, spill response, ferry services	Willis
Sisters of Mercy	Educational Institution	Lockton

Client-Centered, Flat Management Structure - AM I's organizational structure supports a client-focused and independent service approach. We are staffed with licensed employees that are first and foremost in the insurance business. We operate with a minimum of bureaucracy - each group is geared to respond immediately to client requests. Our structure promotes accountability and flexibility, whereas our large, global broker competitor organizations often require the involvement of multiple business units/locations to produce an answer or response. We have the in-house, local authority to make key decisions in managing and servicing GWA's engagement without a lengthy process that involves multiple business units and unclear accountability.

Cyber Risk Insurance - This being a *relatively* new coverage on the market, we have proactively sought to educate ourselves and dedicate significant resources to finding what coverages are available, where to source this specialized market and keeping abreast of the ongoing developments of this line of cover. We have placed Cyber Risk Insurance for several clients and believe that the need for this coverage is emerging in today's technological society.

Flexibility/Adaptability- Our service model allows us to deliver the best resources and address each of our clients' risk exposures. We are different because we have the ability to deliver these resources without concern for profit centers or an "internal silo approach" that is common among our larger broker competitors. This means that GWA can count on the best AMI can offer for your particular risk profile. A small example of our flexibility is DOCOMO's request for bonding. In some instances, despite only minimal days' notice being given to produce a bond, we are still able to use our goodwill relationship with the carrier to meet the constricted deadline. We are always flexible and available.

Independent & Public Adjusters - We have established relationships with various Independent Adjusters as well as Public Adjusters that have experience in settling utility-specific claims. These independent adjusting firms include Trinity Adjusters, Crawford, Mcleods Adjusters and the public adjusting firms include Greenspan and Young Adjustment Co. It has been our experience that working with these independent companies produces better results than relying on carrier adjusters to settle the claim.

TAB 5

Policy Specimen

Property Insurance

General Liability Insurance

Directors & Officers Liability Insurance

Automobile Insurance

Crime Insurance

Property Policy Specimen



GUAM WATERWORKS AUTHORITY

COMMERCIAL PROPERTY POLICY SPECIMEN

**“Terms and Conditions contained therein will
be provided to the Corporation without
change”**



MOYLAN'S INSURANCE UNDERWRITERS, INC.
Home of the Good Guys and Gals
424 West O'Brien Dr. Ste. 102
Hagatna, Guam 96910

EXHIBIT B-040

COMMERCIAL PROPERTY INSURANCE POLICY



Moylan's Insurance Underwriters, Inc.

424 W O BRIEN DR, STE 102, HAGATNA, GUAM 96910

TEL : (671) 477-8613 / 7500 / 8616

E-MAIL : agana@moylans.net FAX : (671) 477-1837

General Agent for :



DB Insurance Co., Ltd.
Seoul, Korea

PLEASE READ YOUR POLICY. If incorrect return for immediate correction.
Carefully note condition requiring immediate notice of every occurrence, claim or suit.
Loss, if any, please notify : Equitable Adjusting & Service at 477-7514

EXHIBIT B-041

POLICY NUMBER:

IL DS 00 09 08

COMMON POLICY DECLARATIONS

COMPANY NAME AREA	PRODUCER NAME AREA
NAMED INSURED: _____ MAILING ADDRESS: _____ _____ POLICY PERIOD: FROM _____ TO _____ AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE	

BUSINESS DESCRIPTION	_____
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IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.	
	PREMIUM
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART	\$ _____
COMMERCIAL AUTOMOBILE COVERAGE PART	\$ _____
COMMERCIAL GENERAL LIABILITY COVERAGE PART	\$ _____
COMMERCIAL INLAND MARINE COVERAGE PART	\$ _____
COMMERCIAL LIABILITY UMBRELLA	\$ _____
COMMERCIAL PROPERTY COVERAGE PART	\$ _____
CRIME AND FIDELITY COVERAGE PART	\$ _____
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART	\$ _____
EQUIPMENT BREAKDOWN COVERAGE PART	\$ _____
FARM COVERAGE PART	\$ _____
LIQUOR LIABILITY COVERAGE PART	\$ _____
MEDICAL PROFESSIONAL LIABILITY COVERAGE PART	\$ _____
POLLUTION LIABILITY COVERAGE PART	\$ _____
_____	\$ _____
	TOTAL: \$ _____
Premium shown is payable: \$ _____ at inception. \$ _____	



FORMS APPLICABLE TO ALL COVERAGE PARTS (SHOW NUMBERS):

Countersigned:	By:
(Date)	(Authorized Representative)

NOTE

OFFICERS' FACSIMILE SIGNATURES MAY BE INSERTED HERE, ON THE POLICY COVER OR ELSEWHERE AT THE COMPANY'S OPTION.

Yonjo Choi
Yonjo Choi

Manager

Jeongnam Kim
JEONG-NAM KIM

President

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS PAGE

POLICY NO. _____ EFFECTIVE DATE / / "X" If Supplemental
Declarations Is Attached

NAMED INSURED

DESCRIPTION OF PREMISES

Prem. No.	Bldg. No.	Location, Construction And Occupancy
-----------	-----------	--------------------------------------

COVERAGES PROVIDED Insurance At The Described Premises Applies Only For Coverages For Which A Limit Of Insurance Is Shown

Prem. No.	Bldg. No.	Coverage	Limit Of Insurance	Covered Causes Of Loss	Coinsurance*	Rates
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*If Extra Expense Coverage, Limits On Loss Payment

OPTIONAL COVERAGES Applicable Only When Entries Are Made In The Schedule Below

Prem. No.	Bldg. No.	Agreed Value			Replacement Cost (X)		
		Expiration Date	Cov.	Amount	Building	Pers. Prop.	Including "Stock"

Inflation Guard (%)	*Monthly Limit Of Indemnity (Fraction)	Maximum Period Of Indemnity (X)	*Extended Period Of Indemnity (Days)
Bldg. Pers. Prop.			

*Applies to Business Income Only

MORTGAGEHOLDERS

Prem. No.	Bldg. No.	Mortgageholder Name And Mailing Address
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DEDUCTIBLE

\$500. Exceptions:

FORMS APPLICABLE

To All Coverages:

To Specific Premises/Coverages:

Prem. No.	Bldg. No.	Coverages	Form Number
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Endorsement No. 1

NAMED INSURED _____

SCHEDULE/DESCRIPTON OF COVERED PROPERTY

DESCRIPTION OF
COVERED PROPERTY

LIMIT OF INSURANCE

SUBLIMITS

COVERAGE PROVIDED

COVERED CAUSES OF LOSS FORM

ADDITIONAL PERIL(s)
EXCLUDED

CO-INSURANCE

VALUATION

DEDUCTIBLE(S)

MORTGAGEE/LENDER

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as herein above set forth.

This endorsement is effective as of _____

Attached to and forming part of Policy No. _____ issued by
DB Insurance Co., Ltd,

By: _____

Authorized Representative
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement No. 2

Named Insured _____

**SCHEDULE OF ENDORSEMENTS AND FORMS
MADE AND FORMING PART OF THIS POLICY**

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as herein above set forth.

This endorsement is effective as of _____

Attached to and forming part of Policy No. _____ issued by
DB Insurance Co., Ltd,

By: _____
Authorized Representative
Moylan's Insurance Underwriters, Inc.
General Agent

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

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

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

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.** Property Not Covered, if a Limit Of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Your Business Personal Property

consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.This paragraph does not apply to:
 - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
 - (c) Rowboats or canoes out of water at the described premises; or
 - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- q. The following property while outside of buildings:
- (1) Grain, hay, straw or other crops;
 - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.
- 3. Covered Causes Of Loss**
- See applicable Causes Of Loss form as shown in the Declarations.
- 4. Additional Coverages**
- a. Debris Removal**
- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
 - (2) Debris Removal does not apply to costs to:
 - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
 - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
 - (d) Remove property of others of a type that would not be Covered Property under this Coverage Form;
 - (e) Remove deposits of mud or earth from the grounds of the described premises;
 - (f) Extract "pollutants" from land or water; or
 - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
- (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

Example 1

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 50,000
Amount of Loss Payable:	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense:	\$ 10,000
Debris Removal Expense Payable:	\$ 10,000
	(\$10,000 is 20% of \$50,000.)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

Example 2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000, capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations, unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

(a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or

(b) Any costs associated with the enforcement of or compliance with an 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", "fungus", wet or dry rot or bacteria.

(6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

(a) We will not pay for the Increased Cost of Construction:

(i) Until the property is actually repaired or replaced at the same or another premises; and

(ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.
 - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
 - (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.
- f. Electronic Data**
- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to your "stock" of prepackaged software, or to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
 - (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
 - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more, or a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
 - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

b. Personal Effects And Property Of Others

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

c. Valuable Papers And Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
 - (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

f. Non-owned Detached Trailers

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

- (a) The trailer is used in your business;
- (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
- (c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

- (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
- (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

g. Business Personal Property Temporarily In Portable Storage Units

(1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.

(2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.

(3) Coverage under this Extension:

(a) Will end 90 days after the business personal property has been placed in the storage unit;

(b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.

(4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.

(5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

1. Fire Department Service Charge;
2. Pollutant Clean-up And Removal;
3. Increased Cost Of Construction; and
4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building 1:	\$ 60,000
Limit of Insurance – Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$ 60,100
- 250

\$ 59,850 Loss Payable – Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:
\$59,850 + \$80,000 = \$139,850

Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

E. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

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

3. Duties In The Event Of Loss Or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:
 - (1) Notify the police if a law may have been broken.

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
 - (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
 - (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and 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.

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.
- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered 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 Coverage Part, and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

6. Vacancy

a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

(1) We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

We will determine the value of Covered Property in the event of loss or damage as follows:

a. At actual cash value as of the time of loss or damage, except as provided in b., c., d. and e. below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.
 - (3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example 1 (Underinsurance)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 100,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example 2 (Adequate Insurance)

When:	The value of the property is:	\$ 250,000
	The Coinsurance percentage for it is:	80%
	The Limit of Insurance for it is:	\$ 200,000
	The Deductible is:	\$ 250
	The amount of loss is:	\$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this example is adequate, and no penalty applies. We will pay no more than \$39,750 ($\$40,000$ amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example 3

When: The value of the property is:

Building at Location 1:	\$ 75,000
Building at Location 2:	\$ 100,000
Personal Property at Location 2:	<u>\$ 75,000</u>
	\$ 250,000
The Coinsurance percentage for it is:	90%
The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is:	\$ 180,000
The Deductible is:	\$ 1,000
The amount of loss is:	
Building at Location 2:	\$ 30,000
Personal Property at Location 2:	<u>\$ 20,000</u>
	\$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$
 (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3) 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 of Insurance, divided by 365.

Example

If: The applicable Limit of Insurance is: \$ 100,000
 The annual percentage increase is: 8%
 The number of days since the beginning of the policy year (or last policy change) is: 146
 The amount of increase is:
 $\$100,000 \times .08 \times 146 \div 365 =$ \$ 3,200

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Valuation Loss Condition of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence;
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or

- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

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

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

A. Coverage

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit Of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" 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.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Limitation – Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

5. Additional Coverages

a. Civil Authority

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends;
- whichever is later.

b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
 - (a) Used in the construction, alterations or additions; or
 - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 60 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
 - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 60 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

d. Interruption Of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation - Interruption Of Computer Operations.

- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation – Interruption Of Computer Operations does not apply based on Paragraph A.4.d. therein.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
- If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, includes Collapse as set forth in that form.
 - If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Interruption Of Computer Operations.
 - The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

Newly Acquired Locations

- You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations.
- Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - This policy expires;

(2) 30 days expire after you acquire or begin to construct the property; or

(3) You report values to us.

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

The Additional Condition, Coinsurance, does not apply to this Extension.

B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage.

C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

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

2. Duties In The Event Of Loss

a. You must see that the following are done in the event of loss:

(1) Notify the police if a law may have been broken.

(2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.

(3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

(6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(7) Cooperate with us in the investigation or settlement of the claim.

(8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and 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.

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
- (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
 - (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
- (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
 - (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

D. Additional Condition

COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

1. The Coinsurance percentage shown for Business Income in the Declarations; times
2. The sum of:
 - a. The Net Income (Net Profit or Loss before income taxes), and
 - b. Operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

- Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and
- Step (3): Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
- (11) All payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

Example 1 (Underinsurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000
The Coinsurance percentage is: 50%
The Limit of Insurance is: \$ 150,000
The amount of loss is: \$ 80,000

Step (1): $\$400,000 \times 50\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$150,000 \div \$200,000 = .75$

Step (3): $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

Example 2 (Adequate Insurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000
The Coinsurance percentage is: 50%
The Limit of Insurance is: \$ 200,000
The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$400,000 \times 50\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:

- (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- (2) The Limit Of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
 - (1) The Limit of Insurance, multiplied by
 - (2) The fraction shown in the Declarations for this Optional Coverage.

Example

When: The Limit of Insurance is:	\$ 120,000
The fraction shown in the Declarations for this Optional Coverage is:	1/4
The most we will pay for loss in each period of 30 consecutive days is:	\$ 30,000
(\$120,000 x 1/4 = \$30,000)	
If, in this example, the actual amount of loss is:	
Days 1-30:	\$ 40,000
Days 31-60:	\$ 20,000
Days 61-90:	<u>\$ 30,000</u>
	\$ 90,000
We will pay:	
Days 1-30:	\$ 30,000
Days 31-60:	\$ 20,000
Days 61-90:	<u>\$ 30,000</u>
	\$ 80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

- a. To activate this Optional Coverage:
 - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
 - (a) During the 12 months prior to the date of the Work Sheet; and

(b) Estimated for the 12 months immediately following the inception of this Optional Coverage.

(2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:

- (a) The Coinsurance percentage shown in the Declarations; multiplied by
- (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.

b. The Additional Condition, Coinsurance, is suspended until:

- (1) 12 months after the effective date of this Optional Coverage; or
- (2) The expiration date of this policy; whichever occurs first.

c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:

- (1) Within 12 months of the effective date of this Optional Coverage; or
- (2) When you request a change in your Business Income Limit of Insurance.

d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:

- (1) The Business Income Limit of Insurance; divided by
- (2) The Agreed Value.

Example

When: The Limit of Insurance is:	\$ 100,000
The Agreed Value is:	\$ 200,000
The amount of loss is:	\$ 80,000

Step (1): $\$100,000 \div \$200,000 = .50$

Step (2): $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 60 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:
 - a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
 - a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or

- (2) 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".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Rental Value" means Business Income that consists of:
 - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
 - b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
 - a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this Coverage Part 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 them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property or Covered Income.
2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance;
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you; or
 - c. Your tenant.

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GUAM CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A. When this endorsement is attached to the Standard Property Policy **CP 00 99**, the term Coverage Part in the endorsement is replaced by the term Policy.
- B. The following is added to the **Valuation Loss Condition**:
1. When this policy insures real property in Guam and such property sustains total loss by a Covered Cause of Loss, the amount of the insurance written on such real property (or the amount of insurance upon which we charged or received premium) shall be taken conclusively to be the true value of the property and the true amount of loss to be paid by us, subject to the exceptions and conditions in Paragraphs **B.2.** and **B.3.** below.
 2. Builders Risk policies of insurance covering property in the process of being constructed shall be valued and settled according to the actual value of that portion of the construction completed at the time of the loss. The Limit of Insurance on a Builders Risk policy represents the value of the building when it is completed.
 3. If two or more policies are written upon the same real property interest and cover the loss, each insurer will pay only that proportion of the cost of the loss that the limit of liability under its policy bears to the total amount of insurance covering the loss.
4. When this policy insures personal property in Guam and such property sustains total loss by a Covered Cause of Loss, the following applies with respect to that loss:
- If the amount of loss (as established at the time of loss by agreement between you and us or by appraisal award) is less than the amount of insurance written under this policy on that property, then we will return to you any unearned premium attributable to the amount of insurance that exceeds the actual loss. Such unearned premium will be paid in addition to the amount of the loss, and will be paid at the same time.
- C. Paragraph **b.** of the **Policy Period, Coverage Territory** Condition in the Legal Liability Coverage Form is replaced by the following:
- a. The coverage territory is:
 - (1) The United States of America;
 - (2) Puerto Rico;
 - (3) Canada; and
 - (4) Guam.
- D. Paragraph **3.** of the **Definitions** in the Standard Property Policy is replaced by the following:
2. "State" includes the District of Columbia, Puerto Rico, and Guam.

E. Paragraph (2) of Additional Condition F.4.e. **Legal Action Against Us** in the Mortgageholders Errors And Omissions Coverage Form is replaced by the following:

(2) A person or organization may bring a suit against us, including but not limited to, a suit to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or the claimant's legal representative.

F. The **Legal Action Against Us** Condition in the Legal Liability Coverage Form is replaced by the following:

A person or organization may bring a suit against us, including but not limited to, a suit to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or the claimant's legal representative.

G. The **Other Insurance** Condition in the Commercial Property Conditions is replaced by the following:

If there is other insurance covering the same loss or damage covered under this Coverage Part, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering the loss or damage. But we will not pay more than the applicable Limit of Insurance under this Coverage Part.

CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section G, Definitions.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

B. Exclusions

1. We 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.

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in b.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for Volcanic Action as set forth in (5)(a), (5)(b) and (5)(c), all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for 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 Coverage Part.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

h. "Fungus", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria result in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungus", wet or dry rot or bacteria result from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage, Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria, with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions B.1.a. through B.1.h. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
 - (1) Electrical or electronic wire, device, appliance, system or network; or
 - (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by that fire.

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d.(1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;

- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.

- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

- (7) The following causes of loss to personal property:

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1) You do your best to maintain heat in the building or structure; or

(2) You drain the equipment and shut off the supply if the heat is not maintained.

h. Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

(1) Applies whether or not an act occurs during your normal hours of operation;

(2) Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.

i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

j. Rain, snow, ice or sleet to personal property in the open.

k. Collapse, including any of the following conditions of property or any part of the property:

(1) An abrupt falling down or caving in;

(2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or

(3) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to (1) or (2) above.

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion, k., does not apply:

(a) To the extent that coverage is provided under the Additional Coverage, Collapse; or

(b) To collapse caused by one or more of the following:

(i) The "specified causes of loss";

(ii) Breakage of building glass;

(iii) Weight of rain that collects on a roof; or

(iv) Weight of people or personal property.

l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.

m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.

- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

- (5) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph B.1.a., Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
 - (a) Your cancelling the lease;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
 - (a) Paragraph B.1.a. Ordinance Or Law;
 - (b) Paragraph B.1.c. Governmental Action;
 - (c) Paragraph B.1.d. Nuclear Hazard;
 - (d) Paragraph B.1.e. Utility Services; and
 - (e) Paragraph B.1.f. War And Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property:

Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

(1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

(2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

(1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or

(2) Business Income Coverage or Extra Expense Coverage.

e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:

(1) Dampness or dryness of atmosphere or of soil supporting the vegetation;

(2) Changes in or extremes of temperature;

(3) Disease;

(4) Frost or hail; or

(5) Rain, snow, ice or sleet.

2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:

a. Animals, and then only if they are killed or their destruction is made necessary.

b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

(1) Glass; or

(2) Containers of property held for sale.

c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

(1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

(2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):
 - a. \$2,500 for furs, fur garments and garments trimmed with fur.
 - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$2,500 for patterns, dies, molds and forms.
 - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, C.3., does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
 - a. Results in discharge of any substance from an automatic fire protection system; or
 - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in D.1. through D.7.

1. For the purpose of this Additional Coverage, Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

- a. Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- c. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- d. Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (1) A cause of loss listed in 2.a. or 2.b.;
 - (2) One or more of the "specified causes of loss";
 - (3) Breakage of building glass;
 - (4) Weight of people or personal property; or
 - (5) Weight of rain that collects on a roof.

3. This **Additional Coverage – Collapse** does not apply to:

- a. A building or any part of a building that is in danger of falling down or caving in;
- b. A part of a building that is standing, even if it has separated from another part of the building; or
- c. A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

- b. Awnings, gutters and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;
 - f. Piers, wharves and docks;
 - g. Beach or diving platforms or appurtenances;
 - h. Retaining walls; and
 - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in 2.a. through 2.d., we will pay for loss or damage to that property only if:
- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
 - (2) The property is Covered Property under this Coverage Form.
5. If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse of personal property was caused by a cause of loss listed in 2.a. through 2.d.;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in 4., regardless of whether that kind of property is considered to be personal property or real property.
- The coverage stated in this Paragraph 5. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.
6. This Additional Coverage, Collapse, does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
7. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.
8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in D.1. through D.7.

E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

1. The coverage described in E.2. and E.6. only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:
- a. A "specified cause of loss" other than fire or lightning; or
 - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
- This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
 - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. The coverage described under E.2. of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria cause an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph F.2. (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.

6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:

a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

b. Loss or damage must be caused by or result from one of the following causes of loss:

(1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.

(2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.

(3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension F.3. does not increase the Limit of Insurance.

G. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means:

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in c.(1) or c.(2) of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy, the terms Coverage Part and Coverage Form in this endorsement are replaced by the term Policy.
- B.** This endorsement applies to the Covered Property and Coverages for which an Earthquake – Volcanic Eruption Limit Of Insurance is shown in the Declarations.
- C. Additional Covered Causes Of Loss**
1. The following are added to the Covered Causes Of Loss:
 - a. Earthquake.
 - b. Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.
 2. If the Declarations indicate that this endorsement covers Earthquake – Sprinkler Leakage Only, then the Covered Causes of Loss in Paragraph C.1. of this endorsement do not apply, and the following apply instead:
 - a. Sprinkler Leakage resulting from Earthquake.
 - b. Sprinkler Leakage resulting from Volcanic Eruption. Volcanic Eruption means the eruption, explosion or effusion of a volcano.All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.
- D. Exclusions, Limitations And Related Provisions**
1. The Exclusions and Limitation(s) sections of the Causes Of Loss Form (and the Exclusions section of the Mortgageholders Errors And Omissions Coverage Form and the Standard Property Policy) apply to coverage provided under this endorsement, except as provided in D.2. and D.3. below.
 2. To the extent that the Earth Movement Exclusion might conflict with coverage provided under this endorsement, the Earth Movement Exclusion does not apply.
 3. The exclusion of collapse, in the Causes Of Loss – Special Form and Mortgageholders Errors And Omissions Coverage Form, does not apply to collapse caused by Earthquake or Volcanic Eruption.
 4. The Additional Coverage – Collapse, in the Causes Of Loss – Broad Form, Causes Of Loss – Special Form and Mortgageholders Errors And Omissions Coverage Form, does not apply to the coverage provided under this endorsement. This endorsement includes coverage for collapse caused by Earthquake or Volcanic Eruption.
 5. We will not pay for loss or damage caused directly or indirectly by tidal wave or tsunami, even if attributable to an Earthquake or Volcanic Eruption.
 6. We will not pay for loss or damage caused by or resulting from any Earthquake or Volcanic Eruption that begins before the inception of this insurance.
 7. The Ordinance Or Law Exclusion in this Coverage Part continues to apply with respect to any loss under this Coverage Part including any loss under this endorsement, unless Ordinance Or Law Coverage is added by endorsement.

8. We will not pay for loss of or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying the Property Damage Deductible applicable to this endorsement.

This limitation, **D.8.**, does not apply if:

- a. The Declarations indicate that the "Including Masonry Veneer" option applies or the premises description in the Declarations specifically states "Including Masonry Veneer"; or
 - b. Less than 10% of the total outside wall area is faced with masonry veneer (excluding stucco).
9. Under this Coverage Part, as set forth under Property Not Covered in the Coverage Form to which this endorsement is attached, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of restoring or remediating land.

E. Property Damage Deductible

1. The provisions of Section **E.3.** of this endorsement are applicable to all Coverage Forms except:
 - a. Business Income (And Extra Expense) Coverage Form;
 - b. Business Income (Without Extra Expense) Coverage Form;
 - c. Extra Expense Coverage Form.
2. If the Declarations indicate that this endorsement covers Earthquake – Sprinkler Leakage Only, then the Deductible set forth in Section **E.3.** of this endorsement does not apply to such coverage. The applicable Deductible for such coverage is the same Deductible that applies to Fire.
3. The Deductible, if any, in this Coverage Part is replaced by the following with respect to Earthquake and Volcanic Eruption:
 - a. **All Policies**
 - (1) The Deductible provisions apply to each Earthquake or Volcanic Eruption.

- (2) Separate Deductibles are calculated for, and apply to, each building, personal property at each building and personal property in the open. Deductibles are separately calculated and applied even if:

- (a) Two or more buildings sustain loss or damage;
- (b) Personal property at two or more buildings sustains loss or damage; and/or
- (c) A building and the personal property in that building sustain loss or damage.

- (3) We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition, Agreed Value Optional Coverage, Additional Condition – Need For Adequate Insurance or Additional Condition – Need For Full Reports.

- (4) When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Declarations for any described premises.

- (5) If there is loss or damage caused by Earthquake or Volcanic Eruption, and loss or damage caused by a Cause of Loss (e.g., fire) that is covered by means of an exception to the Earth Movement Exclusion, then the only applicable Deductible provisions are those stated in this endorsement.

b. Calculation Of The Deductible – Specific Insurance Other Than Builders Risk

(1) Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the Limit of Insurance applicable to the property that has sustained loss or damage.

(2) Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the value of the property that has sustained loss or damage. The value to be used is the latest value shown in the most recent Report of Values on file with us.

However:

(a) If the most recent Report of Values shows less than the full value of the property on the report dates, we will determine the deductible amount as a percentage of the full value as of the report dates.

(b) If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit of Insurance.

c. Calculation Of The Deductible – Blanket Insurance Other Than Builders Risk

(1) Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the value of the property that has sustained loss or damage. The value to be used is that shown in the most recent Statement of Values on file with us.

(2) Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the value of that property as of the time of loss or damage.

d. Calculation Of The Deductible – Builders Risk Insurance

(1) Builders Risk Other Than Reporting Form

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the actual cash value of that property as of the time of loss or damage.

(2) Builders Risk Reporting Form

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the value of the property that has sustained loss or damage. The value to be used is the actual cash value shown in the most recent Report of Values on file with us.

However:

(a) If the most recent Report of Values shows less than the actual cash value of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value as of the report date.

(b) If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value of the property as of the time of loss or damage.

F. Examples – Application Of Deductible In E.3.:

EXAMPLE 1 – SPECIFIC INSURANCE (E.3.b.(1))

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the Coinsurance requirement is \$80,000 (80% of \$100,000).

The **actual** Limit of Insurance on the damaged building is \$70,000.

The Deductible is 5%.

Step (1): $\$70,000 \div \$80,000 = .875$

Step (2): $\$60,000 \times .875 = \$52,500$

Step (3): $\$70,000 \times 5\% = \$3,500$

Step (4): $\$52,500 - \$3,500 = \$49,000$

The most we will pay is \$49,000. The remainder of the loss, \$11,000, is not covered due to the Coinsurance penalty for inadequate insurance (steps (1) and (2)) and the application of the Deductible (steps (3) and (4)).

EXAMPLE 2 – SPECIFIC INSURANCE (E.3.b.(1))

The amounts of loss to the damaged property are \$60,000 (building) and \$40,000 (business personal property in building).

The value of the damaged building at time of loss is \$100,000. The value of the business personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the Coinsurance requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the business personal property.

The **actual** Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the business personal property (therefore no Coinsurance penalty).

The Deductible is 10%.

Building 1

Step (1): $\$80,000 \times 10\% = \$8,000$

Step (2): $\$60,000 - \$8,000 = \$52,000$

Business Personal Property

Step (1): $\$64,000 \times 10\% = \$6,400$

Step (2): $\$40,000 - \$6,400 = \$33,600$

The most we will pay is \$85,600. That portion of the total loss not covered due to application of the Deductible is \$14,400.

EXAMPLE 3 – BLANKET INSURANCE (E.3.c.(1))

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000) and Building 3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The **actual** Blanket Limit of Insurance covering Buildings 1, 2, and 3, shown in the Declarations, is \$1,800,000 (therefore no Coinsurance penalty).

Buildings 1 and 2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building 1) and \$60,000 (Building 2).

The Deductible is 5%.

Building 1

Step (1): $\$500,000 \times 5\% = \$25,000$

Step (2): $\$40,000 - \$25,000 = \$15,000$

Building 2

Step (1): $\$500,000 \times 5\% = \$25,000$

Step (2): $\$60,000 - \$25,000 = \$35,000$

The most we will pay is \$50,000. That portion of the total loss not covered due to application of the Deductible is \$50,000.

EXAMPLE 4 – BLANKET INSURANCE (E.3.c.(1))

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000), Business Personal Property at Building 1 (\$250,000) and Business Personal Property at Building 2 (\$250,000), as shown in the most recent Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The **actual** Blanket Limit of Insurance covering Buildings 1 and 2 and Business Personal Property at Buildings 1 and 2, shown in the Declarations, is \$1,350,000. Therefore there is no Coinsurance penalty.

Building 1 and Business Personal Property at Building 1 have sustained damage; the amounts of loss are \$95,000 (Building) and \$5,000 (Business Personal Property).

The Deductible is 10%.

Building

Step (1): $\$500,000 \times 10\% = \$50,000$

Step (2): $\$95,000 - \$50,000 = \$45,000$

Business Personal Property

Step (1): $\$250,000 \times 10\% = \$25,000$

The loss, \$5,000, does not exceed the deductible.

The most we will pay is \$45,000. The remainder of the building loss, \$50,000, is not covered due to application of the Deductible. There is no loss payment for the business personal property.

G. Business Income And Extra Expense Period Of Restoration

This Section G. is applicable only to the Coverage Forms specified below:

1. Business Income (And Extra Expense) Coverage Form;
2. Business Income (Without Extra Expense) Coverage Form;
3. Extra Expense Coverage Form.

The "period of restoration" definition stated in the Coverage Form, or in any endorsement amending the beginning of the "period of restoration", applies to each Earthquake or Volcanic Eruption. A single Earthquake or Volcanic Eruption is defined in Section C. of this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN CAUSE OF LOSS

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS – SPECIAL FORM

SCHEDULE

Premises Number	Building Number	Higher Sub-limit*	
		Ammonia Contamination	Hazardous Substance Other Than Ammonia
		\$	\$
		\$	\$
*Leave blank if sub-limit of up to \$25,000 applies. If higher sub-limit is shown in the Schedule, the higher sub-limit applies instead.			
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

A. Equipment Breakdown

The following is added as a Covered Cause of Loss under the Causes Of Loss – Special Form with respect to the premises described in the Schedule:

"Breakdown" Of "Covered Equipment"

All terms and conditions of the Causes Of Loss – Special Form apply to "breakdown" of "covered equipment", except as otherwise provided in this endorsement.

B. Exclusions

With respect to the coverage provided by this endorsement:

1. Exclusion **B.2.a.**, relating to artificially generated electrical, magnetic and electromagnetic energy, does not apply, except that we will not pay for loss or damage caused by or resulting from a high-altitude release of electromagnetic energy;
2. Exclusion **B.2.d.(6)**, relating to mechanical breakdown, does not apply;
3. Exclusion **B.2.e.**, relating to explosion of steam boilers, steam pipes, steam engines and steam turbines, does not apply;

4. The following exclusion is added:

We will not pay for loss or damage to "covered equipment" undergoing a pressure or electrical test. However, we will pay for loss or damage caused by resulting fire or explosion.

5. Exclusions **B.2.d.(1)** and **B.2.d.(2)** are replaced by the following exclusions:

- (1) Wear and tear, however if a "breakdown" occurs we will pay for the resulting loss or damage.
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself. However, if a "breakdown" occurs we will pay for the resulting loss or damage.

C. Limitations

With respect to the coverage provided by this endorsement:

1. Limitation **C.1.a.**, relating to steam boilers, steam pipes, steam engines and steam turbines, does not apply;
2. Limitation **C.1.b.**, relating to hot water boilers and other water heating equipment, does not apply.

D. Limit Of Insurance And Deductible

1. Coverage for direct physical loss or damage is subject to the Limit of Insurance and Deductible otherwise applicable to the "covered equipment" as Covered Property. Coverage under this endorsement does not increase such Limit of Insurance and therefore is not additional insurance.
2. If coverage at the described premises includes the Business Income (With Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form or Extra Expense Coverage Form, any covered business income loss or extra expense attributable to the "breakdown" of "covered equipment" is subject to the Limit of Insurance and waiting period otherwise applicable to the described premises under such Coverage Form. Coverage under this endorsement does not increase such Limit of Insurance and therefore is not additional insurance.
3. If an initial "breakdown" causes other "breakdowns", all will be considered to be one occurrence. All "breakdowns" at a site containing one or more described premises, that manifest themselves at the same time and are the direct result of the same cause, will be considered to be one occurrence.
4. Unless otherwise indicated in the Schedule, the most we will pay for direct physical loss or damage by Ammonia Contamination or Hazardous Substance as a result of "breakdown" of "covered equipment" is 10% of the Limit of Insurance applicable to the "covered equipment" as Covered Property, or \$25,000, whichever is less. If a higher sub-limit is shown in the Schedule, that sub-limit applies instead. The applicable sub-limit applies separately to Ammonia Contamination and Hazardous Substance. Amounts payable for Ammonia Contamination and Hazardous Substance do not increase the applicable Limit of Insurance. Therefore the most we will pay for the total of all direct physical loss or damage resulting from "breakdown" of "covered equipment", including Ammonia Contamination and Hazardous Substance, is the applicable Limit of Insurance.

Ammonia Contamination and Hazardous Substance have the following meanings with respect to the coverage under this endorsement:

a. Ammonia Contamination

Spoilage of Covered Property contaminated by ammonia, including salvage expense.

b. Hazardous Substance

Cost incurred by you for the cleanup, repair, replacement or disposal of Covered Property that is damaged, contaminated or polluted by a hazardous substance, meaning any substance other than ammonia that has been declared to be hazardous to health by a government agency.

E. Suspension

Whenever any "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from a "breakdown" to that "covered equipment". This can be done by delivering or mailing a written notice of suspension to your last known address or the address where the "covered equipment" is located, or as otherwise required by applicable law concerning notification of suspension.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment".

If we suspend your insurance, you will receive a pro rata refund of the premium attributable to this endorsement. But the suspension will be effective even if we have not yet paid or offered a refund.

F. Definitions

The following definitions apply to the coverage provided under this endorsement:

1. "Breakdown":

a. Means the following direct physical loss that causes damage to "covered equipment" and necessitates its repair or replacement:

- (1) Failure of pressure or vacuum equipment;
 - (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
 - (3) Electrical failure including arcing;
- unless such loss or damage is otherwise excluded.

b. Does not mean or include:

- (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
- (2) Defects, erasures, errors, limitations or viruses in computer equipment and programs including the inability to recognize and process any date or time or provide instructions to "covered equipment";

- (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (4) Damage to any vacuum tube, gas tube, or brush;
 - (5) Damage to any structure or foundation supporting the "covered equipment" or any of its parts;
 - (6) The functioning of any safety or protective device; or
 - (7) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.
2. "Covered equipment":
- a. Means and includes:
 - (1) Equipment built to operate under internal pressure or vacuum other than weight of contents;
 - (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy;
 - (3) Communication equipment; and
 - (4) Computer equipment, that is, your programmable electronic equipment that is used to store, retrieve and process data, and associated peripheral equipment that provides communication input and output functions or auxiliary functions.
 - b. Does not mean or include any:
 - (1) Data, that is, programmed or recorded material stored on media, and programming records used for electronic data processing or electronically controlled equipment;
 - (2) Media, including but not limited to media on which data is or can be stored, data processing media, transmission media, and data and program software;
- (3) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
 - (4) Insulating or refractory material, but not excluding the glass lining of any "covered equipment";
 - (5) Catalyst;
 - (6) Vessels, piping and other equipment that is buried below ground and requires the excavation of materials to inspect, remove, repair or replace;
 - (7) Vehicle, aircraft, self-propelled equipment or floating vessel including any "covered equipment" that is mounted upon or used solely with any one or more vehicle(s), aircraft, self-propelled equipment or floating vessel;
 - (8) Dragline, excavation, or construction equipment, including any "covered equipment" that is mounted upon or used solely with any one or more dragline(s), excavation, or construction equipment;
 - (9) Felt, wire, screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, nonmetal part or any part or tool subject to periodic replacement;
 - (10) Machine or apparatus used solely for research, diagnosis, medication, surgical, therapeutic, dental or pathological purposes including any "covered equipment" that is mounted upon or used solely with any one or more machine(s) or apparatus; or
 - (11) Equipment or any part of such equipment manufactured by you for sale.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLOOD COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy, the terms Coverage Part and Coverage Form in this endorsement are replaced by the term Policy.
- B.** This endorsement applies to the Covered Property and Coverages for which a Flood Limit Of Insurance is shown in the Flood Coverage Schedule or in the Declarations.
- C. Additional Covered Cause Of Loss**
The following is added to the Covered Causes of Loss:
Flood, meaning a general and temporary condition of partial or complete inundation of normally dry land areas due to:
1. The overflow of inland or tidal waters;
 2. The unusual or rapid accumulation or runoff of surface waters from any source; or
 3. Mudslides or mudflows which are caused by flooding as defined in **C.2.** above. For the purpose of this Covered Cause of Loss, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.
- All flooding in a continuous or protracted event will constitute a single flood.
- D. Exclusions, Limitations And Related Provisions**
1. The Exclusions and Limitation(s) sections of the Causes Of Loss form (and the Exclusions section of the Mortgageholders Errors And Omissions Coverage Form and the Standard Property Policy) apply to coverage provided under this endorsement except as provided in **D.2.** and **D.3.** below.
 2. To the extent that a part of the Water Exclusion might conflict with coverage provided under this endorsement, that part of the Water Exclusion does not apply.
 3. To the extent that a tsunami causes the overflow of tidal waters, the exclusion of earthquake, in the Earth Movement Exclusion, does not apply.
 4. The **Ordinance Or Law** Exclusion in this Coverage Part continues to apply with respect to any loss under this Coverage Part including any loss under this endorsement, unless Ordinance Or Law Coverage is added by endorsement.
 5. The following exclusions and limitations are added and apply to coverage under this endorsement:
 - a. We will not pay for any loss or damage caused by or resulting from any Flood that begins before or within 72 hours after the inception date of this endorsement. However, this limitation does not apply to a particular location if Flood coverage was in effect for that location for at least 72 hours immediately prior to the inception date of this endorsement, under a policy issued by us or by another insurer, and this policy replaces the previous policy without a lapse in coverage. If you request and we provide an increase in the stated Limit of Insurance for Flood during the term of this policy, with the exception of an increase at the time of renewal of the policy, the increase will not apply to loss or damage from any Flood that begins before or within 72 hours after your request was made.

If the Flood is due to the overflow of inland or tidal waters, then the Flood is considered to begin when the water first overflows its banks.

- b. We will not pay for loss or damage caused by or resulting from destabilization of land arising from the accumulation of water in subsurface land areas.
- c. Under this Coverage Part, as set forth under Property Not Covered in the Coverage Form to which this endorsement is attached, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of restoring or remediating land due to the collapse or sinking of land caused by or resulting from Flood. However, coverage under this endorsement includes damage to the covered portions of the building and to covered personal property, caused by collapse or sinking of land along the shore of a body of water as the result of erosion or undermining caused by waves or currents of water which exceed the cyclical levels and cause Flood.
- d. We do not cover loss or damage by Flood to personal property in the open except to the extent that such coverage, if any, is specified in the Flood Coverage Schedule or in the Declarations.
- e. Property Not Covered, in the Coverage Form to which this endorsement is attached, is amended and supplemented as follows with respect to Flood Coverage:
 - (1) Property Not Covered includes any building or other property that is not eligible for flood insurance pursuant to the provisions of the Coastal Barrier Resources Act, 16 U.S.C. 3501 *et seq.* and the Coastal Barrier Improvement Act of 1990, Pub. L. 101-591, 16 U.S.C. 3501 *et seq.*
 - (2) Property Not Covered includes boat houses and open structures, and any property in or on the foregoing, if the structure is located on or over a body of water.
 - (3) If bulkheads, pilings, piers, wharves, docks, or retaining walls that are not part of a building, have been removed from Property Not Covered and added as Covered Property by separate endorsement, this Flood Coverage Endorsement does not apply to such property.
- (4) The following are removed from Property Not Covered and are therefore Covered Property:
 - (a) Foundations below the lowest basement floor or the subsurface of the ground; and
 - (b) Underground pipes, flues and drains.
- f. We will not pay for loss or damage caused by discharge of water or waterborne material from a sewer, drain or sump unless such discharge results from Flood and occurs within 72 hours after the Flood recedes.

E. Additional Coverages And Coverage Extensions

- 1. With respect to Flood Coverage, the Debris Removal Additional Coverage (and any additional limit for Debris Removal under a Limit of Insurance clause or an endorsement) is not applicable and is replaced by the following:

Debris Removal

- a. We will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from Flood. However, we will not pay to remove deposits of mud or earth from the grounds of the described premises.
 - b. We will also pay the expense to remove debris of Covered Property that has floated or been hurled off the described premises by Flood.
 - c. This coverage for Debris Removal, as set forth in E.1.a. and E.1.b. above, does not increase the applicable Limit of Insurance for Flood. Therefore, the most we will pay for the total of debris removal and loss or damage to Covered Property is the Limit of Insurance for Flood that applies to the Covered Property at the affected described premises covered under this endorsement.
- 2. With respect to Flood Coverage, the Coverage Extension for Newly Acquired or Constructed Property is amended by adding the following:
 - a. With respect to Flood Coverage, this Coverage Extension does not apply to any building or structure that is not fully enclosed by walls and roof.

- b. With respect to a building or structure covered under this Coverage Extension, the amounts of coverage stated in the Coverage Extension do not apply to Flood Coverage. Instead, the most we will pay for all loss or damage to property covered under this Coverage Extension is 10% of the total of all Limits of Insurance for Flood Coverage as provided under this endorsement. Such coverage does not increase the Limit of Insurance for Flood.
- 3. With respect to any applicable Additional Coverages and Coverage Extensions in the Coverage Form to which this endorsement is attached, other than those addressed in E.1. and E.2. above, amounts payable under such other provisions, as set forth therein, do not increase the Limit of Insurance for Flood.

F. Coinsurance

- 1. The **Coinsurance** Condition, if any, in the applicable Coverage Form applies to the coverage provided under this endorsement, unless the No-Coinsurance Option, in the Flood Coverage Schedule or in the Declarations, is specified as being applicable.
- 2. Various Coverage Extensions, in the Coverage Form to which this endorsement is attached, require coinsurance. If the No-Coinsurance Option applies, then the coinsurance requirement for such Coverage Extensions is eliminated.

G. Limit Of Insurance

1. General Information

Flood Coverage may be written at a Limit of Insurance that is equal to or less than the Limit of Insurance which applies to other Covered Causes of Loss (e.g., Fire) under this Commercial Property Coverage Part.

The Limit Of Insurance for Flood is shown in the Flood Coverage Schedule or in the Declarations. If such Limit is not shown, then the Limit applicable to Fire also applies to Flood.

2. Application Of Limit And Aggregate

The Limit of Insurance for Flood is the most we will pay in a single occurrence of Flood for loss or damage caused by the Flood. If there is more than one Flood in a 12-month period (starting with the beginning of the present annual policy period), the most we will pay for the total of all loss or damage sustained during that period of time and caused by Flood is the amount that is identified as the Annual Aggregate for Flood as shown in the Flood Coverage Schedule or the Declarations.

If the Limit of Insurance and the Annual Aggregate amount are the same, or if there is no amount stated as an Annual Aggregate, then the Limit of Insurance is the most we will pay for the total of all loss or damage that is caused by Flood in a 12-month period (starting with the beginning of the present annual policy period), even if there is more than one occurrence of Flood during that period of time. Thus, if the first Flood does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for a subsequent Flood(s).

If a single occurrence of Flood begins during one annual policy period and ends during the following annual policy period, any Limit of Insurance or Annual Aggregate applicable to the following annual policy period will **not** apply to that Flood.

3. Ensuing Loss

In the event of covered ensuing loss, for example, loss caused by Fire, Explosion and/or Sprinkler Leakage which results from the Flood, the most we will pay, for the total of all loss or damage caused by flood, fire, explosion and sprinkler leakage, is the Limit of Insurance applicable to Fire. We will **not** pay the sum of the Fire and Flood Limits.

EXAMPLES – ENSUING LOSS

Two examples follow, using these facts: The Commercial Property Coverage Part, in these examples, includes the Causes Of Loss – Basic Form (which covers fire) and this Flood Coverage Endorsement. A building is damaged by Flood and by Fire which is caused by the Flood. The value of the damaged building is \$1,000,000. The Limit of Insurance applicable to the building, for the Basic Causes of Loss, is \$800,000. The Limit of Insurance for Flood is \$400,000. The Flood Deductible amount is \$5,000.

EXAMPLE 1

The damage due to Flood is \$500,000. The damage due to Fire is \$500,000.

Payment for Flood damage is \$400,000 (\$500,000 damage minus \$5,000 Flood deductible = \$495,000; Limit is \$400,000).

Payment for Fire damage is \$400,000 (\$500,000 damage capped at the difference between the Basic Limit and the Flood Limit).

Total Loss Payment is \$800,000.

EXAMPLE 2

The damage due to Flood is \$800,000. The damage due to Fire is \$100,000.

Payment for Flood damage is \$400,000 (\$800,000 damage minus \$5,000 Flood deductible = \$795,000; Limit is \$400,000).

Payment for Fire damage is \$100,000 (amount of damage).

Total Loss Payment is \$500,000.

Note: These examples are given only to illustrate the situation of Flood and ensuing loss. Therefore, the loss payment stated for Flood damage does not address the situation where another policy also covers the Flood damage.

H. Deductible

1. The Deductible for coverage provided under this endorsement is the Deductible applicable to Flood as shown in the Flood Coverage Schedule or in the Declarations.
2. We will not pay that part of the loss that is attributable to any Deductible(s) in the National Flood Insurance Program policy.
3. If Flood results in another Covered Cause of Loss and if both Covered Causes of Loss cause loss or damage, then only the higher deductible applies (e.g., the Flood deductible or the Fire deductible).

I. Other Insurance

The **Other Insurance** Commercial Property Condition is replaced by the following with respect to the coverage provided under this endorsement:

1. If the loss is also covered under a National Flood Insurance Program (NFIP) policy, or if the property is eligible to be written under an NFIP policy but there is no such policy in effect, then we will pay only for the amount of loss in excess of the maximum limit that can be insured under that policy. This provision applies whether or not the maximum NFIP limit was obtained or maintained, and whether or not you can collect on the NFIP policy. We will not, under any circumstances, pay more than the applicable Limit Of Insurance for Flood as stated in the Flood Coverage Schedule or the Declarations of this Coverage Part.

However, this Provision I.1. does not apply under the following circumstances:

- a. At the time of loss, the property is eligible to be written under an NFIP policy but such policy is not in effect due solely to ineligibility of the property at the time this Flood Coverage Endorsement was written; or
 - b. An NFIP policy is not in effect because we have agreed to write this Flood Coverage Endorsement without underlying NFIP coverage. There is such an agreement only if the Flood Coverage Schedule or the Declarations indicate that the Underlying Insurance Waiver applies.
2. If there is other insurance covering the loss, other than that described in I.1. above, we will pay our share of the loss. Our share is the proportion that the applicable Limit of Insurance under this endorsement bears to the total of the applicable Limits of Insurance under all other such insurance. But we will not pay more than the applicable Limit Of Insurance stated in the Flood Coverage Schedule or the Declarations of this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION ON LOSS SETTLEMENT – BLANKET INSURANCE (MARGIN CLAUSE)

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 STANDARD PROPERTY POLICY

SCHEDULE

Premises Number:		Building Number:		Margin Clause:	%
Description Of Property:					
Premises Number:		Building Number:		Margin Clause:	%
Description Of Property:					
Premises Number:		Building Number:		Margin Clause:	%
Description Of Property:					
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.					

A. This endorsement applies to loss settlement on property that is subject to a Blanket Limit of Insurance.

A Blanket Limit of Insurance is a single Limit of Insurance that applies to any of the following as shown elsewhere in this policy:

1. Two or more buildings;
2. Building and contents;
3. Contents of more than one building; or
4. Contents at more than one premises.

B. Margin Clause

With respect to property that is subject to a Blanket Limit of Insurance, we will determine a maximum loss payable for each building and for the contents of each building or the contents at each premises. The maximum loss payable is determined by applying the applicable Margin Clause percentage indicated in the Schedule to the value of the property as shown in the latest statement of values reported to us. If the statement of values does not state individually the value of each building and the value of contents at each building or premises, we will determine individual values as a part of the total reported values prior to application of the Margin Clause percentage.

Actual loss payment will be determined based on the amount of loss or damage subject to all applicable policy provisions including the Limits of Insurance Condition, Coinsurance, Deductible and Valuation Conditions. But the actual loss payment, for each building, for the contents of each building or for the contents at each premises, will not exceed the maximum loss payable as described above and will not exceed the Blanket Limit of Insurance.

The Margin Clause does not increase the Blanket Limit of Insurance.

C. Examples

In the following examples, the figures and Margin Clause percentages are used for illustrative purposes only and do not reflect your actual insurance.

EXAMPLE #1

Buildings #1 through #3 are covered under a Blanket Limit of Insurance of \$4,500,000. The combined value of these three buildings at the time of loss is \$5,000,000. There is a Coinsurance requirement of 90% ($.90 \times \$5,000,000 = \$4,500,000$); therefore no Coinsurance penalty.

The value stated for Building #1 is \$1,000,000. **The Margin Clause percentage is 120%. The maximum loss payable for Building #1 is \$1,200,000 ($\$1,000,000 \times 1.20$).**

Building #1 sustains a loss of \$1,200,000.

The Deductible is \$10,000.

Step (1): Amount of loss minus Deductible ($\$1,200,000 - \$10,000 = \$1,190,000$)

Step (2): Since \$1,190,000 is not more than the maximum loss payable, we will pay \$1,190,000.

EXAMPLE #2

Buildings #1 through #3 are covered under a Blanket Limit of Insurance of \$4,500,000. The coverage in this example is written without a Coinsurance requirement.

The value stated for Building #1 is \$1,000,000. **The Margin Clause percentage is 115%. The maximum loss payable for Building #1 is \$1,150,000 ($\$1,000,000 \times 1.15$).**

Building #1 sustains a loss of \$1,300,000.

The Deductible is \$10,000.

Step (1): Amount of loss minus Deductible ($\$1,300,000 - \$10,000 = \$1,290,000$)

Step (2): The result of Step (1) exceeds the maximum loss payable. We will pay \$1,150,000, the maximum loss payable in accordance with the Margin Clause.

EXAMPLE #3

Buildings #1 through #3 are covered under a Blanket Limit of Insurance of \$4,000,000. The combined value of these three buildings at the time of loss is \$5,000,000. There is a Coinsurance requirement of 90% ($.90 \times \$5,000,000 = \$4,500,000$); therefore **the Blanket is underinsured and there will be a Coinsurance penalty.**

The value stated for Building #1 is \$1,000,000. **The Margin Clause percentage is 120%. The maximum loss payable for Building #1 is \$1,200,000 ($\$1,000,000 \times 1.20$).**

Building #1 sustains a loss of \$1,200,000.

The Deductible is \$10,000.

Step (1): Amount of Blanket Limit divided by Coinsurance requirement ($\$4,000,000 \div \$4,500,000 = .889$)

Step (2): Amount of loss times Coinsurance penalty factor ($\$1,200,000 \times .889 = \$1,066,800$) is the adjusted amount of loss

Step (3): Adjusted amount of loss minus Deductible ($\$1,066,800 - \$10,000 = \$1,056,800$)

Step (4): We will pay \$1,056,800 (less than the maximum loss payable). The remainder of the loss, \$143,200, is not covered due to application of the Coinsurance penalty and Deductible.

Endorsement attached to and forming part of

SCHEDULES

It is understood and agreed that, the schedules of property included represent to the best of the Insured's knowledge, a complete listing of the property it wishes to insure and the current replacement values thereof. The schedules are not to be used to establish sub-limits of coverage, nor are they to be considered as any form of valuation. The amount payable under this policy shall not be limit by individual values shown on the schedules prepared for underwriters

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

WAIVER OF SUBROGATION – TENANTS CLAUSE

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, in event of loss. Underwriters waive their rights of subrogation against any tenant occupying, renting or leasing property from the Insured.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

VALUATION

It is understood and agreed that, Recovery shall be made on the basis of one hundred percent (100%) of the property's current replacement value at the time and place of loss, subject to the limit of coverage provided by the Policy. The Insured shall not be required to rebuild damage or destroyed structures on the same site nor with like kind and quality.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

ERRORS AND OMISSIONS CLAUSE/ MISREPRESENTATION OF FRAUD

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, the Insured shall not be prejudice by an unintentional or inadvertent error, omission, incorrect valuation or incorrect description of the interest, risk or property; provided that notice is given to Underwriters as soon as practical after discovery of any such error or omission.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

CANCELLATION CLAUSE

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, if Underwriters desire to cancel this policy, they shall give ninety (90) days prior written notice by email and Certified Mail to:

Miguel C. Bordallo, P.E.
General manager
Guam Waterworks Authority
Ste 200, Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913
mcbordallo@guamwaterworks.org

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

AUTOMATIC ACQUISITION CLAUSE

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, this policy is extended to cover additional property which may be acquired during the term of this policy. Values must be reported to Underwriters during the policy period for determination of additional premium. The Insured may apply add property up to 5% of the total schedule without any additional premium.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

WAIVER OF COINSURANCE OR AVERAGE CLAUSE

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, in the event of loss, there shall be no application of a coinsurance or average clause in determining the recovery due the Insured.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

**DEMOLITION COST AND INCREASED TIME TO REBUILD
(BUILDING, ORDINANCE OR LAW DEMOLITION COST)**

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, the cost of demolishing any undamaged portion of the building(s) is covered, including the cost of clearing the site, resulting from enforcement of any state or municipal law or ordinance regulating the construction or repair of buildings. Underwriters will also pay for loss due to the additional period of time required for repair or reconstruction, in conformity with the minimum standard of such law or ordinance.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

BUILDING ORDINANCE OR LAW - INCREASED COST OF CONSTRUCTION

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, the amount of insurance under this Policy includes within the sum insured the actual amount of the increased costs of repair, rebuilding or construction resulting from the enforcement of any applicable law or ordinance regulating the construction or repair of buildings.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

BUILDING ORDINANCE OR LAW – DEMOLITION AND INCREASED TIME TO REBUILD

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, underwriters will be liable for loss to the interest insured by the Policy, caused by enforcement of any state or municipal law or ordinance regulating the construction or repair of buildings and in force at the time such loss occurs, which requires the demolition of any portion of the described building(s) not damaged by the peril(s) insured against. Underwriters will also be liable for loss due to the additional period required for repair or reconstruction, in conformity with the minimum standard of such law or ordinance.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

BUSINESS INTERRUPTION EXTENSION

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, Underwriters shall be liable for the Actual Loss sustained by the College resulting directly from Interruption of Business for a period not to exceed twenty-four (24) calendar months.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

EXTRA EXPENSE EXTENSION

Coverage is extended to include the necessary Extra Expense incurred by the Insured in order to continue as nearly as practicable the normal conduct of the insured's business following loss or damage to property insured by this policy.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

DENIAL OF ACCESS BY CIVIL AUTHORITY

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, this Policy is extended to cover the actual loss sustained during the period time when, as a result of direct physical loss or damage caused by a peril insured against, access to real or personal property is impaired or denied by order of civil authority (4 week limitation).

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

JURISDICTION

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, this insurance shall be governed by and construed in accordance with the laws of Guam and the exclusive jurisdiction of the USA including Guam Courts. The seat of arbitration shall be Guam.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

PRESERVATION OF PROPERTY

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, the expenses incurred by the insured in taking reasonable and necessary actions for the temporary protection/ preservation of property insured will be added to the total physical loss or damage subject to the applicable deductible and without increase in the limit contained in the policy.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

DAMAGE TO BUILDING EXTERIOR

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, any endorsement or clause that excludes coverage for loss or damage to paint; or waterproofing material applied to the exterior of a Buildings, or shingles of any material; applied to the exterior surface of Buildings shall be waived.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

DAMAGE TO BUILDING INTERIOR

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, any endorsement or clause that excludes coverage for damage to the inside of a building or property in the building caused by rain, sand, or dust unless the typhoon first damages the roof or wall and enters through the resulting opening shall be waived.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

EARTHQUAKE DAMAGE

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, any endorsement or clause that limits coverage to damage that weakens the structural frame or therefore the stability of the life of the building or structure shall be waived.

Any endorsement or clause that excludes loss for plaster cracks between masonry and gypsum board and any other deterioration of cement or plaster, as well as any damage caused by shrinkage, settling, deterioration and/or wear and tear shall be waived.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

**Cyber Loss Limited Exclusion Clause No. 1 - LMA5410
(Property Insurance)**

For use on Property policies

1. Notwithstanding any provision to the contrary within this insurance agreement or any endorsement thereto, this insurance agreement excludes all loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:
 - 1.1 any loss of, alteration of, or damage to or a reduction in the functionality, availability or operation of a Computer System, unless subject to the provisions of paragraph 2;
 - 1.2 any loss of, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data
2. Subject to the other terms, conditions and exclusions contained in this insurance agreement, this insurance agreement will cover physical damage to property insured under the original policies and any Time Element Loss directly resulting therefrom where such physical damage is directly occasioned by any of the following perils:

Fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow.

Definitions

3. Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility.
4. Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.
5. Time Element loss means business interruption, contingent business interruption or any other consequential losses.

DB INSURANCE COMPANY

Date Issued : _____

By: _____
Authorized Representative
Moylan's Insurance Underwriters, Inc.
Managing General Agent

LMA5410

PP DB END 03 21

Communicable Disease Exclusion - LMA5394

(Property Insurance)

For use on Property policies

1. Notwithstanding any provision to the contrary within this insurance agreement, this insurance agreement excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.
2. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where
 - 2.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 2.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 2.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

DB INSURANCE COMPANY

Date Issued : _____

By: _____

Authorized Representative
Moylan's Insurance Underwriters, Inc.
Managing General Agent

LMA5399

PP DB END 03 21

EXHIBIT B-119

Insured Name _____

MULTI YEAR AGREEMENT ENDORSEMENT

In consideration that _____ continue to renew this insurance policy for the period from _____ and for the period _____ to _____ we confirm that we are prepared to offer the same premium rate and other terms, as are set out in the policy first incepted on _____ subject to the following conditions:

1. The nature of the business remains unchanged.
2. The sum insured under the policy does not change, other than normal increases to property values.
3. The sum insured under the policy represents 100% of the Actual Cash Value of the property.
4. _____ remains solvent.
5. _____ continues to have insurable interest in the property.
6. The net loss ratio does not exceed 30% of net premium for any one period of the insurance. For the purpose of this endorsement net loss ratio means net claims divided by net premium.
Net premium = premium paid less any brokerage or commission
Net claims = gross losses less deductible plus adjusters fee
7. The Insurer's capacity is not reduced due to changes in reinsurance.
8. In the event the insured elects to have policy cancelled before the expiry of the 3-year term, the insured shall refund to the company the equivalent of the 10% discount on the premium earned; such earned premium to be computed short rate on the gross annual premium, when cancellation is affected other than on the annual anniversary date of the policy.
9. In the event the company cancels the policy before the expiry date of the 3-year term, the insured shall not be obligated to refund any part of the 10% term discount. Any earned premium shall be computed on a pro-rata basis.

In all other respects the policy remains unaltered.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Payment Schedule Agreement

Insured's Name: _____

Installment No.	Amount Due	Due Date	Due Date	Due Date
Beginning Balance				

By acknowledging this Payment Schedule Agreement ("Agreement"), the Insured understands and agrees that failure to make payments according to the Agreement shall cause the entire unpaid balance to become due.

In the event it becomes necessary to retain the services of an attorney in our collection efforts, the Insured agrees to pay any and all attorney's fees equivalent to 15% of the unpaid balance.

Any unpaid balance shall be assessed interest at the rate of 12% per annum.

The Insured further understands and agrees that if a Total Loss claim is filed against the policy, the premium balance will be deducted from the loss proceeds. For Partial Losses, the payment schedule will remain the same. Where the payment schedule has not been followed and a claim has been filed, the Insured agrees that premium payments must be paid in FULL prior to settlement.

Nothing contained in this Agreement shall be construed to vary, alter, waive or change any of the terms, limits or conditions of the policy except as set forth herein.

This Agreement is effective _____

This Agreement shall be attached to and shall form part of Policy No. _____
issued by DB Insurance Co., Ltd.

DB Insurance Co. Ltd.
By: Moylan's Insurance Underwriters, Inc.
General Agent

Insured:

Authorized Signature
Date:

Signature of Insured
Date:

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This insurance does not apply to TERRORISM, including injury or damage arising, directly or indirectly, out of a "certified act of terrorism".

"Certified act of terrorism" means an act that is certified by the Secretary of Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism and Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" includes the following:

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed on behalf of any foreign person or foreign interest, 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.

This endorsement fulfills the requirements of the U.S. Terrorism Risk Insurance Act of 2002.

Effective _____

All other terms and conditions remain unaltered.

Attached to and forming part of Policy No. _____

issued to _____

effective _____

DB Insurance Co., Ltd.

Date: _____

By: _____

Authorized Representative
Moylan's Insurance Underwriters, Inc.
General Agent

General Liability Policy Specimen



GUAM WATERWORKS AUTHORITY

COMMERCIAL GENERAL LIABILITY POLICY SPECIMEN

**“Terms and Conditions contained therein will
be provided to the Corporation without
change”**



MOYLAN'S INSURANCE UNDERWRITERS, INC.
Home of the Good Guys and Gals
424 West O'Brien Dr. Ste. 102
Hagatna, Guam 96910

EXHIBIT B-124



DB Insurance Co., Ltd.

Seoul, Korea

General Liability Policy

Part Two. This Declarations Page and Coverage Part(s) with "policy provision Part One" completes the below numbered

DECLARATIONS

POLICY NUMBER:

Named Insured

Address:

2 POLICY PERIOD: 12:01 AM STANDARD TIME AT THE ADDRESS OF THE NAMED INSURED AS STATES HEREIN FROM: TO:

Insurance hereunder is provided in the insurance company named below.
(Hereinafter called the Company)

DB Insurance Co., Ltd.

3. The insurance afforded is only with respect to such of the following parts designated by an "X" in and Coverages therein as are indicated by specific premium charge or charges. The limit of Company's Liability against each such Coverage shall be as stated herein, subject to all the terms of this policy having reference thereto.

	LIMITS OF LIABILITY		ADVANCE PREMIUM
	EACH OCCURRENCE	EACH AGGREGATE	
Comprehensive General Liability Insurance.....			
Owners' Landlords' and Tenants' Liability Insurance.....			
Manufacturers' and Contractors' Liability Insurance.....			
Contractual Liability Insurance.....			
Products and Completed Operations Liability Insurance.....			
Owners' and contractors protection liability.....			
Bodily Injury Liability			
Property Damage Liability			
Premises Medical Payments.....	EACH PERSON	EACH ACCIDENT	
Personal Injury Liability Insurance.....	AGGREGATE		\$
	INDIVIDUAL PARTNERSHIP	EACH CLAIMS \$ XXX	AGGREGATE XXX
Comprehensive Automobile Liability Insurance.....	EACH PERSON	EACH OCCURRENCE	
Bodily Injury Liability	\$ Not Covered	\$ Not Covered	\$
Property Damage Liability	XXX	\$	\$
Automobile Medical Payments Insurance.....	EACH PERSON	EACH ACCIDENT	
Garage Insurance.....	\$ Not Covered	XXX	\$
Automobile Physical Damage Insurance (Non-Fleet).....	See Coverage Part for Limits of Liability		\$
Automobile Physical Damage Insurance (Fleet Automatic).....	See Coverage Part for Limits of Liability		\$
Schedule Automobile Liability Insurance.....	See Coverage Part for Limits of Liability		\$
Endorsement and Additional Coverage Parts # (IDENTIFY BY FORM NUMBERS)	See Schedule of Endorsement attached.		

If Policy Period more than one year and the premium is to be paid in installments, premium is payable: on effective date of policy \$ 1st Anniversary \$ 2nd Anniversary \$ **Total Advanced Premium** \$ **\$3,200.14**

Audit Period: Annual, unless otherwise stated Plus: 2% Assessment Fee (P.L. 21-10)

4 The named Insured is: Individual Partnership Corporation Joint Venture Other

Business of the named insured is:

5 Policy Territory:

Form No. KGL 0301

Date Issued:

Signed By: _____

Authorized Representative
Moylan's Insurance Underwriters, Inc.
General Agent



GENERAL LIABILITY POLICY



Moylan's Insurance Underwriters, Inc.

424 W O BRIEN DR, STE 102, HAGATNA, GUAM 96910

TEL : (671) 477-8613 / 7500 / 8616

E-MAIL : agana@moylans.net FAX : (671) 477-1837

General Agent for :



DB Insurance Co., Ltd.
Seoul, Korea

PLEASE READ YOUR POLICY. If incorrect return for immediate correction.
Carefully note condition requiring immediate notice of every occurrence, claim or suit.
Loss, if any, please notify : Equitable Adjusting & Service at 477-7514

RISK DETAILS

UNIQUE MARKET REFERENCE:

TYPE: Commercial General Liability Reinsurance

ORIGINAL INSURED: The Guam Waterworks Authority, any director, officer, elected or appointed official, contract employee, servant, employee or volunteer worker acting for or on behalf of the Authority

ADDRESS: Lot 2512, Municipality of Mangilao
688 Route 15
Fadian Mangilao
GUAM
96923

REINSURED DB Insurance Co., Ltd
Suite 102 Julale Shopping Center
424 West O'Brien Drive
Hagatna, Guam 96910

BUSINESS: Ownership, operation and maintenance of fresh and waste water facilities

PERIOD: From: to both days at
00.01 Local Standard Time at the address of the Original Insured

LIMIT OF LIABILITY: Section A- Public Liability
Section B- Pollution Liability

Section C -Products Liability

TERRITORIAL LIMITS: Guam but worldwide in respect of Products

CONDITIONS: Underwriters agree to waive sight of retention
Subject to the express terms of this Reinsurance, Reinsurers are liable under this Reinsurance to the extent that the Reassured is liable under the contract protected hereunder.
Claims Control Clause as attached
NMA1998 Service of Suit Clause as attached
LMA3100 Sanction Limitation and Exclusion Clause
LMA5396 Communicable Disease Endorsement
LMA5528 Cyber and Data Exclusion amended as attached
This Reinsurance is subject to notice of cancellation at the anniversary date.
Notice of cancellation with effect from 1st May 2022 is hereby given
Annual Review Clause as attached

Original Conditions

Wording : NVA07 Intl CGL plus Personal Injury Extension as attached
Excess USD300,000 each and every loss

Employees, officials and directors of the Insured are covered whilst attending meetings worldwide subject to the policy terms, conditions and limitations

If Underwriters desire to cancel this policy other than for non-payment of premium, they shall give not less than ninety days (90) days prior written notice by email and Certified Mail to:

Taling M. Taitano, Chief Financial officer
PO Box 3010
Hagatna
Guam 96923
E-mail tmtaitano@guamwaterworks.org

Additional Insureds, waivers of subrogation, indemnities and contractual agreements, hold harmless agreements and cross liability clauses shall be held covered subject to notification to Insurers as soon as is practicable

Including the Insured's liability arising out of events held throughout the year on the Insured's premises

Including the liability of the Insured for bodily injury and/or property damage caused by an occurrence arising out of the giving or serving of alcoholic beverages by the Insured at functions incidental to the Insured's business, subject to a policy limit of USD1,000,000 any one occurrence. Such limit is included within and not in addition to the limit of liability shown in the policy

In the event of a claim under this policy, Insurers waive the right to invoke the legal defence of sovereign immunity

**EXPRESS
WARRANTIES:**

None
(Other than those that may be expressly contained within the policy conditions, wordings, clauses and in addition to any implied warranties under the laws to which this insurance is subject – failure to comply with a warranty will, in normal circumstances, void this insurance policy).

**CONDITIONS
PRECEDENT:**

None
(Other than those that may be expressly contained within the policy conditions, wordings, clauses and in addition to any implied warranties under the law to which this insurance is subject – failure to comply with any such Condition Precedent may result in the cancellation of or denial of coverage under this policy)

SUBJECTIVITIES:

None
(Other than those that may be expressly contained within the policy conditions, wordings, clauses to which this insurance is subject – failure to comply with any such Subjectivities may result in the cancellation of this policy and the issuance of a policy premium refund on a pro rata basis)

INR210094

CHOICE OF LAW

AND JURISDICTION: This insurance shall be governed by and construed in accordance with the laws of Guam and the exclusive jurisdiction of Guam courts. The seat of arbitration shall be Tamuning.

ANNUAL PREMIUM:

PREMIUM

PAYMENT TERMS:

The Insured undertakes that premium will be paid in full to Underwriters within 60 days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Underwriters by the 60th day from the inception of this policy (and, in respect of instalment premiums, by the date they are due) Underwriters shall have the right to cancel this policy by notifying the Insured via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 15 days prior notice of cancellation to the Insured via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parties if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Underwriters will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

11/01
LSW3000

Instalments:

The second instalment to be paid as Additional Premium and not as deferred

PUBLIC & PRODUCTS LIABILITY INSURANCE**1. OPERATIVE CLAUSE**

The Underwriters will indemnify the Insured against their liability to pay damages (including claimants costs, fees and expenses) in accordance with the law of any country but not in respect of any judgement, award, payment or settlement made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the world to enforce such judgement, award, payment or settlement either in whole or in part) unless the Insured has requested that there shall be no such limitation and has accepted the terms offered by Underwriters in granting such cover, which offer and acceptance must be signified by specific endorsement to this Policy.

This indemnity applies only to such liability as defined by each insured Section of this Policy arising out of the Business specified in the Schedule, subject always to the terms, Conditions and Exclusions of such Section and of the Policy as a whole.

For the purpose of determining the indemnity granted

- 1.1. "Injury" means death, bodily injury, illness or disease of or to any person;
- 1.2 "Damage" means loss of possession or control of or actual damage to tangible property;
- 1.3 "Pollution" means pollution or contamination of the atmosphere or of any water, land or other tangible property;
- 1.4 "Product" means any property after it has left the custody or control of the Insured which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced, altered or repaired by or on behalf of the Insured, but shall not include food or drink supplied by or on behalf of the Insured primarily to the Insured's employees as a staff benefit.
- 5 "Terrorism" means an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or governments(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.
- 6 "Occurrence" means an event, including continuous or repeated exposures to substantially the same general conditions, which result in Injury and/or Damage neither expected nor intended from the standpoint of the Insured. All events of a series consequent upon or attributable to one source or original cause shall be deemed one Occurrence

2. INDEMNITY TO OTHERS

The indemnity granted extends to

- 2.1 at the request of the Insured, any party who enters into an agreement with the Insured for any purpose of the Business, but only to the extent required by such agreement to grant such indemnity and subjects always to Clauses 7.3.3, and 12.3;
- 2.2 officials of the Insured in their business capacity for their liability arising out of the performance of the Business and/or in their private capacity arising out of their temporary engagement of the Insured's employees;
- 2.3 at the request of the Insured any person or firm for their liability arising out of the performance of a contract to provide labour only services to the Insured;
- 2.4 the officers, committee and members of the Insured's canteen, social, sports, medical, fire fighting and welfare organisations in their respective capacity as such;
- 2.5 the personal representatives of the estate of any person indemnified by reason of this Clause 2 in respect of liability incurred by such persons;

provided always that all such persons or parties shall observe, fulfil and be subject to the terms, Conditions and Exclusions of this Policy as though they were the Insured.

3. CROSS LIABILITIES

Each person or party specified as the Insured in the Schedule is separately indemnified in respect of claims made against any of them by any other, subject to Underwriters' total liability not exceeding the stated Indemnity Limits.

4. DEFENCE COSTS

The Underwriters will pay all costs, fees and expenses incurred by the Insured with the Underwriters prior written consent in the investigation defence or settlement of any claim made against the Insured under this Policy (hereinafter called "Defence Costs") other than in respect of any actions in the United States of America or Canada.

Defence Costs extend to include the costs of representation at any inquest inquiry or other proceedings in respect of matters which have a direct relevance to any claim made or which might be made against the Insured provided such claim or claims arise from an Occurrence which is the subject of indemnity by this Policy

5. INDEMNITY LIMITS

Underwriters' liability to pay damages (including claimants' costs, fees and expenses) shall not exceed the sum stated in the Schedule against each Section in respect of any one Occurrence or series of Occurrences arising from one originating cause, but under Section B and Section C the Indemnity Limits represent Underwriters' total liability in respect of all Occurrences.

Defence Costs will be payable in addition to the Indemnity Limits unless this Policy is endorsed to the contrary.

Should liability arising from the same originating cause form the subject of indemnity by more than one Section of this Policy, each Section shall be subject to its own Indemnity Limit, provided always that the total amount of Underwriters liability shall not exceed the greatest Indemnity Limit available under any one of the Sections providing indemnity.

SECTION A- PUBLIC LIABILITY

6. SECTION A- INDEMNITY

The Insured is indemnified by this Section in accordance with the Operative Clause for and/or arising out of Injury and/or Damage occurring during the Period of Insurance but not against liability arising out of

- 6.1 Pollution;
- 6.2 or in connection with any Product.

7. SECTION A- EXCLUSIONS

This section does not cover liability

- 7.1 arising out of the ownership, possession or use of any motor vehicle or trailer by or on behalf of the Insured, other than claims
 - 7.1.1 caused by the use of any tool or plant forming part of or attached to or used in connection with any motor vehicle or trailer;
 - 7.1.2 arising beyond the limits of any carriageway or thoroughfare and caused by the loading or unloading of any motor vehicle or trailer;
 - 7.1.3 for damage to any bridge, weighbridge, road or anything beneath caused by the weight of any motor vehicle or trailer or the load thereon;
 - 7.1.4 arising out of any motor vehicle or trailer temporarily in the Insured¹'s custody or control for the purpose of parking;

provided always that no indemnity is granted against liability compulsorily insurable by legislation or for which the government or other authority has accepted responsibility;
- 7.2 arising out of the ownership, possession or use by or on behalf of the Insured of any aircraft, watercraft or hovercraft (other than watercraft not exceeding five metres in length and then only whilst on inland waterways);
- 7.3 for and/or arising out of Damage to property owned, leased or hired by or under hire purchase or on loan to the Insured or otherwise in the Insured¹'s care, custody or control other than
 - 7.3.1 premises (or the contents thereof) temporarily occupied by the Insured for work therein, and/or other property temporarily in the Insured's possession for work thereon (but no indemnity is granted for Damage to that part of the property on which the Insured is working and which arises out of such work);
 - 7.3.2 clothing and personal effects belonging to employees and visitors of the Insured;
 - 7.3.3 premises tenanted by the Insured to the extent that the Insured would be held liable in the absence of any specific agreement.

SECTION B - POLLUTION LIABILITY**8. SECTION B- INDEMNITY**

The Insured is indemnified by this Section in accordance with the Operative Clause for and/or arising out of Injury and/or Damage occurring during the Period of Insurance and arising out of Pollution, but only to the extent that the Insured can demonstrate that such Pollution

- 8.1 was the direct result of a sudden, specific and identifiable event occurring during the Period of Insurance;
- 8.2 was not the direct result of the Insured failing to take reasonable precautions to prevent such Pollution.

9. SECTION B - EXCLUSIONS

This Section is subject to the Exclusions of Sections A7 and C11, and also does not cover liability for and/or arising out of

- 9.1 Damage to premises which is presently or was at any time previously owned, leased or tenanted by the Insured;
- 9.2 Damage to land or water within or below the boundaries of any land or premises which is presently or was at any time previously owned, leased or tenanted by the Insured or otherwise in the Insured's care, custody or control.

SECTION C- PRODUCTS LIABILITY

10. SECTION C- INDEMNITY

The Insured is indemnified by this Section in accordance with the Operative Clause for and/or arising out of Injury and/or Damage occurring during the Period of Insurance but only against liability arising out of or in connection with any Product and not against liability arising out of Pollution.

11. SECTION C- EXCLUSIONS

This Section does not cover liability

- 11.1 for and/or arising out of Damage to any Product or part thereof;
- 11.2 for costs incurred in the repair, reconditioning, modification or replacement of any Product or part thereof and/or financial loss consequent upon the necessity for such repair, reconditioning, modification or replacement;
- 11.3 arising out of the recall of any Product or part thereof;
- 11.4 arising out of any Product or part thereof which with the Insured's knowledge is intended to be incorporated into the structure, machinery or controls of any aircraft.

12. GENERAL EXCLUSIONS APPLICABLE TO ALL SECTIONS OF THE POLICY

This Policy does not cover liability

- 12.1 arising out of the deliberate, conscious or intentional disregard by the Insured's technical or administrative management of the need to take all reasonable steps to prevent Injury or Damage;
- 12.2 for and/or arising out of Injury to any person under a contract of employment or apprenticeship with or the provision of labour only services to the Insured where such Injury arises out of the execution of such contract;
- 12.3 arising out of liquidated damages clauses, penalty clauses or performance warranties unless proven that liability would have attached in the absence of such clauses or warranties;
- 12.4 directly or indirectly occasioned by, happening through or in consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power;
- 12.5 directly or indirectly caused by or contributed to by or arising from
 - 12.5.1 ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
 - 12.5.2 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
- 12.6 for Injury and/or Damage directly or indirectly caused by, resulting from or in connection with any act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

This exclusion also excludes Injury and/ or Damage directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of Terrorism.

If the Underwriters allege that by reason of this exclusion, any Injury and/ or Damage is not covered by this Policy the burden of proving the contrary shall be upon the Insured.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

- 12.7 directly or indirectly caused by or alleged to be caused by or contributed to in whole or in part or arising from the existence of or exposure to asbestos and /or any asbestos containing materials
- 12.8 for the Excess as stated in the Schedule in respect of the first amount of each claim or series of claims arising out of one originating cause
- (if any product from one prepared or acquired batch causes Damage to property of or Injury to more than one person, the Damage to property of all persons and all Injury resulting from that batch shall be considered as arising out of one originating cause);
- 12.9 which forms the subject of insurance by any other policy and this Policy shall not be drawn into contribution with such other insurance;
- 12.10 for awards or damages of a punitive or exemplary nature whether in the form of fines, penalties, multiplication of compensation awards or damages or aggravated damages or in any other form whatsoever.

13. GENERAL CONDITIONS

(Conditions 13.1 to 13.4 are precedent to Underwriters' liability to provide indemnity under this Policy).

- 13.1 The Insured shall give written notice to the Underwriters as soon as reasonably practicable of any Occurrence that may give rise to a claim under this Policy and shall give all such additional information as the Underwriters may require. Every claim, writ, summons or process and all documents relating thereto shall be forwarded to the Underwriters immediately they are received by the Insured.
- 13.2 No admission, offer, promise or payment shall be made or given by or on behalf of the Insured without the prior written consent of the Underwriters who shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute in the name of the Insured to their own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings and in the settlement of any claim and the Insured shall give all such information and assistance as the Underwriters may reasonably require.
- 13.3 The Insured shall give notice as soon as reasonably practicable of any fact or event which materially changes the information supplied to Underwriters at the time when this Policy was effected and Underwriters may amend the terms of this Policy according to the materiality of the change.
- 13.4 Where the premium is provisionally based on the Insured's estimates, the Insured shall keep accurate records and after expiry of the Period of Insurance declare as soon as possible such details as Underwriters require. The premium shall then be adjusted and any difference paid by or allowed to the Insured as the case may be subject to any minimum premium that may apply.
- 13.5 The Underwriters may at any time pay to the Insured in connection with any claim or series of claims under this Policy to which an Indemnity Limit applies the amount of such Limit (after deduction of any sums already paid) or any lesser amount for which such claims can be settled and upon such payment being made the Underwriters shall relinquish the conduct and control of and be under no further liability in connection with such claims except for the payment of Defence Costs incurred prior to the date of such payment (unless the Indemnity Limit is stated to be inclusive of Defence Costs).
- Provided that if Underwriters exercise the above option and the amount required to dispose of any claim or series of claims exceeds the Indemnity Limit and such excess amount is insured either in whole or in part, with Defence Costs payable in addition to the Indemnity Limit under this Policy then the Underwriters will also contribute their proportion of subsequent Defence Costs incurred with their prior consent.
- 13.6 Any dispute concerning the interpretation of this Policy and/ or Schedule will be determined in accordance with the Law of Guam.
- The Insured and Underwriters submit to the exclusive jurisdiction of any court of competent jurisdiction within Guam and agree to comply with all requirements necessary to give such court jurisdiction. All matters arising hereunder shall be determined in accordance with the law and practice of such court.
- 13.7 Any phrase or word in this Policy will be interpreted in accordance with the law of Guam. The Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or the Schedule shall bear such specific meaning wherever it may appear.

- 13.8 The Underwriters may cancel this Policy by giving sixty days notice in writing of such cancellation to the Insured's last known address.
- 13.9 If any claim under this Policy is in any respect fraudulent all benefit under the Policy shall be forfeited.

CLAIMS CONTROL CLAUSE

The following clause applies to all circumstances that may give rise to a claim under the Original policy. Adherence by the Insured to the conditions set out herein is a condition precedent to Insurers Liability.

- (1) The insured shall inform insurers of any circumstance that may give rise to a claim on the Original Policy. In addition, the insured shall provide insurers with all available supporting information and documentation relating to the circumstance as soon as reasonably practicable but in any event within 14 days of the insured becoming aware of such circumstance
- (2) Insurers shall have the right but not the obligation to assume control of the investigation of the circumstance and the defence and/or settlement of any resultant claim. Where insurers assume control, the insured shall act according to insurers' direction.
- (3) No settlement shall be made by the insured without prior written approval of insurers.

Subject otherwise to the Terms Conditions Limitations and Exclusions of the Policy

SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Assured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon

AM Insurance
Suite 113F
Ada's Commercial Center
Agana
Guam

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

N.M.A. 1998

PERSONAL INJURY EXTENSION

The insurance provided by this Policy extends to include the Insured's legal liability for damages sustained by any person arising out of one or more of the following offences committed during the Policy period:

1. False arrest, restraint, detention or imprisonment.
2. Malicious prosecution.
3. Wrongful entry, eviction or other invasion of the right of private occupancy.
4. The publication or utterance of a libel or slander or of other defamatory or disparaging material in violation of an individual's right of privacy except publication or utterance in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of the Named Insured.
5. Incidental medical malpractice error or mistake by a physician, surgeon, nurse, medical technician or other person performing medical services but only for or on behalf of the Insured in the provision of emergency medical relief

The following additional exclusions shall apply to the Insurance provided by this extension:-

- (a) liability assumed by the Named Insured under any contract or agreement
- (b) personal injury arising out of the wilful violation of penal statute or ordinance committed by or with the knowledge or consent of the Named Insured
- (c) personal injury arising out of offence 4 above
 - (i) if the first injurious publication or utterance of the same or similar material was made prior to the effective date of this insurance
 - (ii) if such publication or utterance was made by or at the direction of the Insured with the knowledge of the false nature thereof
- (d) liability for personal injury sustained by any person directly or indirectly related to the past, present or potential employment of such person by the Insured.

The limit of liability applicable to Personal Injury claims shall be USD10,000,000. any one offence and in the aggregate during the Policy period

MEMORANDUM OF UNDERSTANDING**Annual Review Clause**

Policy Number: INR210094

Inception Date:

Expiry Date:

In consideration of the granting of this Policy for a period in excess of 12 months, it is agreed by both Underwriters and the Insured that on each 12 month Anniversary Date the Underwriters will be required to continue insurance coverage under this Policy for further period of 12 months at the same premium and the subject to the same terms and conditions, except if any of the following factors apply as at that Anniversary Date (in which case the Underwriters are entitled to review the insurance coverage and amend its terms and conditions, including the premium and the deductible or excess, or, at the sole option of the Underwriters, to issue notice of cancellation in accordance with the conditions set out under the Policy):

1. There has been a Material Change in the Risk
2. There has been a change in the Insured's estimated turnover for the forthcoming 12 months period in comparison to that given for the preceding 12 months period. There has been a change in law which has the effect of increasing the Underwriters' exposure.
3. The Incurred Claims exceed 30% of the Net Premium in respect of the prior 12 months' period of insurance to which this clause relates.
4. There has been significant adverse development in the historical loss record in any of the prior 5 years whereby Incurred Claims exceed 50% of the Net Premium.
5. There has been a change in legal regulations relating to insurance contracts which oblige the
6. Underwriters to alter any terms or conditions of the Policy, or
7. There has been a change in Underwriters' reinsurance arrangements- having the effect that reinsurance protection is no longer available to the Underwriters on substantially the same terms and conditions as previously.

The term "Material Change in the Risk" shall mean any change relating to or affecting the Insured's business activities which, if disclosed, might influence the underwriters to either decline to continue the insurance or to stipulate a higher premium including, but not limited to, the following:

- a) Any change in the business activities of the Insured of a partial or additional nature
- b) Any change, either through expansion or contraction, in the territories or countries in which the Insured transacts their business either in terms of domicile, operations therein or exports thereto
- c) Any change in production methods or the adoption of new technology in the business of the Insured
- d) Any change in approach to the training of the Insured's employees or a change in the minimum required competencies of such employees
- e) Any change in approach to the risk management procedures adopted by the Insured
- f) In respect of any information previously supplied to Underwriters, any change in that information

The term "Incurred Claims" means a total cost of claims including actual claim payments (including medical, legal and other costs and expenses) and reserves set by the Underwriters on outstanding claims (also including such costs and expenses).

The term "Net Premium" means the premium received by the Underwriters net of tax and any commissions or other deductions.

Nothing in this Clause shall prejudice any rights the Underwriters may have to cancel this policy in accordance with (i) any cancellation condition, or the like, which may be contained in the Policy or (ii) in accordance with any general principle of contract law (including but not limited to misrepresentation).

The terms of this Clause apply only to this Policy and not to any subsequent policy issued in renewal of this policy nor to any Excess Liability Policy which may be issued to operate in excess of this Policy (unless specifically stated to the contrary herein).

COMMUNICABLE DISEASE EXCLUSION**(For use on liability policies)**

1. Notwithstanding any provision to the contrary within this policy, this policy does not cover all actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test for a Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 3.3. the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress, damage to human health, human welfare or property damage.

LMA5396

17 April 2020

CYBER AND DATA EXCLUSION

(for attachment to Canadian Liability forms)

1. Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy does not apply to any loss, damage, liability, claim, fines, penalties, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any:
 - 1.1 **Cyber Act or Cyber Incident** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **Cyber Act or Cyber Incident**;
 - 1.2 loss of use, reduction in functionality, repair, replacement, restoration, reproduction, loss or theft of any **Data**, including any amount pertaining to the value of such **Data**; or
 - 1.3 complaint, investigation, or proceedings arising directly or indirectly from a breach or alleged breach of the Personal Information Protection and Electronic Documents Act, the Canada Anti-Spam Legislation, any Privacy Act, or any similar Canadian, Provincial or Territorial statute or regulation,

regardless of any other cause or event contributing concurrently or in any other sequence thereto.
2. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
3. This endorsement supersedes any other wording in the Policy or any endorsement thereto having a bearing on a **Cyber Act, Cyber Incident or Data**, and, if in conflict with such wording, replaces it.

Definitions

4. **Computer System** means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the Insured or any other party.
5. **Cyber Act** means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any **Computer System**.
6. **Cyber Incident** means:
 - 6.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **Computer System**; or
 - 6.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **Computer System**.

7. **Data** means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **Computer System**.

LMA5528

21 December 2020

IN WITNESS WHEREOF, the Company has caused this policy to be its president and manager, but this policy shall not be valid unless countersigned on the Declarations page by a duly authorized representative of the Company

MANAGER

PRESIDENT

Insured Name _____

MULTI YEAR AGREEMENT ENDORSEMENT

In consideration that _____ continue to renew this insurance policy for the period from _____ and for the period _____ to _____ we confirm that we are prepared to offer the same premium rate and other terms, as are set out in the policy first incepted on _____ subject to the following conditions:

1. The nature of the business remains unchanged.
2. The limit of liability under the policy does not change.
3. There is no change in annual turnover. Any change in turnover may be subject to additional premium at each anniversary.
4. _____ remains solvent.
5. The Insurer's capacity is not reduced due to changes in reinsurance at each anniversary.
6. The net loss ratio does not exceed 30% of the net premium for any one annual period of insurance.

In all other respects the policy remains unaltered.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

D&O Liability Policy Specimen



Directors and Officers Liability and Company Reimbursement Policy



Moylan's Insurance Underwriters, Inc.

424 W O BRIEN DR, STE 102, HAGATNA, GUAM 96910

TEL : (671) 477-8613 / 7500 / 8616

E-MAIL : agana@moylans.net FAX : (671) 477-1837

General Agent for :



DB Insurance Co., Ltd.
Seoul, Korea

PLEASE READ YOUR POLICY. If incorrect return for immediate correction.
Carefully note condition requiring immediate notice of every occurrence, claim or suit.
Loss, if any, please notify : Equitable Adjusting & Service at 477-7514



DIRECTORS AND OFFICERS LIABILITY AND COMPANY REIMBURSEMENT POLICY DECLARATIONS

POLICY NO. _____

Name Insured & Address: _____

Jurisdiction of Incorporation of the Named Insured: _____

Policy Period: From _____ 12:01 A.M. To _____ 12:01 A.M.

Nature of Business: _____

Insured: All Director's & Officers of Named Insured and its Subsidiary Company (ies) stated below.

Subsidiary company: _____

Policy Territory: GUAM

Limit of Liability: \$ _____ aggregate for Coverages A & B combined (including Defense Costs)

Retention: Coverage A \$ _____ Each Person

Coverage B \$ _____ Aggregate All Persons / Each Loss

Coverage B \$ _____ Aggregate Each Loss

Retention stated in above is applied for loss arising from claims alleging the same Wrongful Acts or related Wrongful Acts.

Co-Insurance: _____ % (95%, unless otherwise stated herein)

Premium: \$ _____ 2% Assessment Fee: \$ _____

Endorsement(s): Per attached Schedule of Endorsements:

Security Holder Derivative Action Inclusion Clause; Punitive Damage Exclusion Clause; Nuclear Energy Liability Exclusion Endorsement; Prior Acts Exclusion Endorsement; Retention Endorsement; Failure to Maintain Insurance Exclusion Endorsement; Captive Insurance Company Exclusion Endorsement; One VS One Exclusion Endorsement (Insured VS Insured Exclusion Endorsement); Closely-Held Clause; Company Securities Claims (Entity Cover); Regulatory Exclusion Clause; SEC Exclusion; Erisa Exclusion; Year 2000 Exclusion, Exclusion of Certified Acts of Terrorism, Payment Schedule Agreement

Notice 1: Except to such extent as may otherwise be provided herein, the coverage of this policy is limited generally to liability for only those claims that are first made against the Insured during the policy period.

Notice 2: The limit of liability available to pay judgment or settlements shall be reduced by amounts incurred for legal defense. Amount incurred for legal defense shall be applied against the retention amount.

Notice 3: The Insurer does not assume any duty to defend; however, the Insurer may advance defense costs payments prior to the final disposition of claim.

IN WITNESS WHEREOF, the Insurer has caused this policy to be signed by its duly authorized representative.

Signed at _____ this _____ day of _____

CLT /COV /AGT /UND /QTR

By: _____ Moylan's Insurance Underwriters, Inc. General Agent

Endorsement attached to and forming part of

Policy No. _____

Effective Date: _____

Named Insured: _____

TERRITORY

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, this Policy applies Worldwide.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

Policy No. _____

Effective Date: _____

Named Insured: _____

JURISDICTION

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, this insurance shall be governed by and construed in accordance with the laws of Guam and the exclusive jurisdiction of the USA including Guam Courts. The seat of arbitration shall be Guam.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

Policy No. _____

Effective Date: _____

Named Insured: _____

CANCELLATION CLAUSE

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, if Underwriters desire to cancel this policy, other than for non-payment, they shall give not less than ninety (90) days prior written notice by email and Certified Mail to:

Miguel C. Bordallo, P.E.
General Manager
Guam Waterworks Authority
Ste 200, Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913
Email: mcbordallo@guamwaterworks.org

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

PUNITIVE DAMAGE EXCLUSION CLAUSE

This insurance does not cover any liability for fines, penalties, punitive or exemplary damages.

By: _____
Authorized Signature
Moylan's Insurance Underwriters, Inc.
General Agent

D & O

DB INSURANCE CO. LTD.

SECURITY HOLDER DERIVATIVE ACTION INCLUSION CLAUSE

1. INSURING AGREEMENT

Notwithstanding Article 4. Exclusion (n) of the "Directors and Officers Liability Policy and Company Reimbursement Policy" Standard Provisions (hereinafter referred to as the "Standard Provisions"), the Insure shall pay the Loss of the Insured(s) in the event that the Insured(s) shall become legally liable to the Company subject to the full payment of the premium which the Insurer charged for the Policy.

2. LIMIT OF LIABILITY

The aggregate limit of liability which Insurer shall pay under the Standard Provisions, this clause and other clauses shall not exceed the aggregate limit of liability stated in the Declarations.

3. RELATIONSHIP WITH STANDARD PROVISIONS

Any matter not expressly provided for by this clause shall be determined in accordance with the Standard Provisions so long as such provisions are not inconsistent with this clause.

By: _____
Authorized Signature
Moylan's Insurance Underwriters, Inc.
General Agent

D & O

DB INSURANCE CO. LTD.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

In consideration of the Premium charged, it is hereby understood and agreed that the Insurer shall not be liable to make any payment for Loss in connection with any claim or claims made against the Directors or Officers:

- A. Alleging, arising out of, base upon, attributable to, or in any way involving, directly or indirectly the hazardous properties of nuclear material, Including but not limited to:
- (1) nuclear material located at any nuclear facility owned by, or operated by or on behalf of the Company, or discharged or dispersed therefrom; or
 - (2) nuclear material contained in spent fuel or waste which was or is at any time possessed, handles, used processed, stored, transported or disposed of by or on behalf of the Company; or
 - (3) the furnishing by an insured or the Company of services, materials, parts or equipment on connection with the planning, construction, maintenance, operation or use of any nuclear facility; or
 - (4) claims for damages to the company or its shareholder which alleges, arises from, is based upon; is attributed to or in any way involves, directly or indirectly, the hazardous properties if nuclear material.
- B.
- (1) which is under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada or any other similar policy pr would be insured under any such policy for its termination upon exhaustion of its Limit of Liability; or
 - (2) with respect to which (a) an any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof or (b) The Company or any insured is, or had this policy not be issued would be, entitled to indemnity from the United States of America, or any agency thereof, with any person or organization.

As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties;

"nuclear material" means "source material", "special nuclear material" or "byproduct material";

"source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

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

"waste" means any waste material (1) containing "by-product material" (2) resulting from operation by any person or organization of any nuclear facility included within the definition nuclear facility under paragraph (a) or (b) thereof;

"nuclear facility" means:

- (a) any nuclear reactor
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium (2) processing or utilizing spent fuel, or (3) handling, processing or packing waste.
- (c) Any equipment or device used for the processing, fabricating or alloying of special material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations:

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

By: _____
Authorized Signature
Moylan's Insurance Underwriters, Inc.
General Agent

D & O

DB INSURANCE CO. LTD.

PRIOR ACT EXCLUSION ENDORSEMENT

In consideration of the premium charged, it is hereby understood and agreed that:

- 1) this policy only provides coverage for Loss arising from claims for alleged Wrongful Acts occurring on after policy inception date of _____ and prior or the end of the Policy Period and otherwise covered by this policy.
- 2) Loss(es) arising out of the same ore elated Wrongful Acts(s) shall be deemed to arise from the fist such same or related Wrongful Acts.

By: _____
Authorized Signature
Moylan's Insurance Underwriters, Inc.
General Agent

D & O

DB INSURANCE CO. LTD.

RETENTION ENDORSEMENT

- I. In consideration of the premium charged, it is hereby understood and agreed that Retention of the Declarations is amended to read as follows:

RETENTION: The amount written in the Declarations and Schedule of this policy is applied.

A. Non-Indemnifiable Loss:

_____ per Director of Officer, subject to a maximum of
_____ for Loss arising from claim alleging the same
Wrongful Act or related Wrongful Acts

B. Company Reimbursement and Indemnifiable Loss:

_____ for Loss arising from claim alleging the same
Wrongful Act or related Wrongful Acts.

- II. It is further understood and agreed that clause 6. RETENTION-INDEMNIFIED OR INDEMNIFIABLE LOSS is deleted in its entirety and replace by the follows;

6. RETENTION

The Insurer shall only be liable for the amount of Loss arising from a claim which is in excess of the retention amount stated in Retention of the Declaration, such retention amount to be borne by the Company and/or the Insureds and shall remain uninsured. A single retention amount shall apply to Loss arising from all claims alleging the same Wrongful Acts. The amount stated as Retention A. Non-Indemnifiable Loss applies separately to each Director or Officer, subject to the maximum retention for any single Loss. In cases where such maximum retention applies, the retention shall then be prorated among the Insureds in Proportion to their respective Loss.

Notwithstanding the foregoing the amount stated at Retention B applies to all Loss under Coverage A or B for which the company is required or permitted to indemnify the Insureds in accordance with the fullest application of law, common or statutory, or contract, or the Charter or By-Laws of the Company.

By: _____
Authorized Signature
Moylan's Insurance Underwriters, Inc.
General Agent

D & O

DB INSURANCE CO. LTD.

FAILURE TO MAINTAIN INSURANCE EXCLUSION ENDORSEMENT

In consideration of the premium charged, it is hereby understood and agreed that, in addition to the 4. EXCLUSIONS shown in the policy, the following exclusions shall apply to any claim or claims.

The Insured shall not be liable to make any payment for Loss in connection with any claim or claims made against the Insureds;

- alleging, arising out of, based upon or attributable to any failure or omission on the part of the Insured's or the Company to effect and maintain insurance.

By: _____
Authorized Signature
Moylan's Insurance Underwriters, Inc.
General Agent

D & O

DB INSURANCE CO. LTD.

CAPTIVE INSURANCE COMPANY EXCLUSION ENDORSEMENT

In consideration of the premium charged, it is hereby understood and that the Insurer shall not be liable to make any payments for Loss in connection with any claim or claims made against Directors and Officers alleging out of, based upon or attributable to the owner, management, maintenance and/or control by the Company of any captive insurance company entity including but not limited to claims alleging the insolvency or bankruptcy of the Named Corporation as a result of such ownership, operation, management and control.

By: _____
Authorized Signature
Moylan's Insurance Underwriters, Inc.
General Agent

D & O

DB INSURANCE CO. LTD.

**ONE VS ONE EXCLUSION ENDORSEMENT
(INSURED VS INSURED EXCLUSION ENDORSEMENT)**

In consideration of the premium charged, it is hereby understood and agreed that the insurer shall not be liable to make any payments in connection with any claim made against the Insureds which is brought by any insured or the subsidiary or affiliate of the company, or any security holder(s) of any of the above entities whether directly, derivately or by class action.

By: _____
Authorized Signature
Moylan's Insurance Underwriters, Inc.
General Agent

D & O

DB INSURANCE CO. LTD.

CLOSELY-HELD CLAUSE

The Insurer shall not provide any payments for any Claim made by or on behalf of any person or entity holding beneficially or otherwise more than 15% of the issued share capital of the Company whether such claim is made in the name of the Company or not.

By: _____
Authorized Signature
Moylan's Insurance Underwriters, Inc.
General Agent

D & O

DB INSURANCE CO. LTD.

**COMPANY SECURITIES CLAIMS
(ENTITY COVER)**

It is agreed that the 3. EXTENSIONS, shall be amended by adding the following:

- (b) I. The Company, the Directors and/or Officers and the Insurer agree, subject to the limitations set forth below and all other terms, conditions, exclusions and endorsements of this Policy, that coverage under this Policy is extended to include all Securities Loss, including Securities Claim Expenses, incurred on amount of a Securities Claim against the Directors, Officers and/or the Company.
- II. Coverage under this endorsement shall apply whether such Securities Claim is made against only the Directors and Officers, only the Company, or both.
- III. Securities Loss incurred by the Company shall be subject to the Retention amount listed in the Declarations as being applicable to Company Reimbursement.
- IV. If in a Securities Claim all defendant Directors, Officers and the Company obtain by reason of a motion to dismiss, motion for summary judgment or trial a final non-appealable judgment of no liability in their favor, there shall be no Retention or coinsurance percentage applicable to any Securities Claim Expenses resulting from such Securities Claim.
- V. With respect to all Securities Loss which in excess of the applicable Retention, the Company shall bear uninsured the following portions of such Securities Loss. The Insurer's liability shall only apply to the remaining percentage of all such Securities Loss.
- A. % of all Securities Claim Expenses; and
- B. % of all Securities Loss other than Securities Claim Expenses

However, this percentage shall not apply with respect to any Securities Loss which is incurred solely by a natural person Director and Officer and which is subject to the first two listed Retention amounts set forth in the Declarations of this policy.

- VI. the 4 EXCLUSIONS of this Policy shall be amended as follows:
Exclusion (b) shall be deleted in its entirety and replaced with the following;
- (b) by reason of any directly dishonest, malicious or fraudulent act or omission or any willful violation of law by the Directors or Officers if a judgment or other final adjudication adverse to such Directors or Officers establishes such an act, omission or willful violation, provided this exclusion shall apply with respect to the Company only if such judgment or final adjudication establishes that a Director or the president, chief executive officer, chief operating officer, chief financial officer, in-house general counsel, managing director, any executive vice president or any equivalent executive officer of the Company committed such as act, omission or willful violation;

The following exclusion shall be added to the Policy.

- (n) for, based upon, arising from, or in any way related to the actual or proposed payment by the Company of allegedly inadequate or unfair consideration in connection with its purchase of securities issued by the Company; provided, however, that this exclusion shall not apply to any covered Loss incurred by the Directors or Officers or any Securities Claim Expenses incurred by the Company.

VII. the 9. DEFIANCE COSTS, SETTLEMENT, JUDGMENT (INCLUDING THE ADVANCEMENT OF DEFENSE COSTS) of this Policy shall be amended by adding the following:

The Insurer may, with the written consent of the Company, settle any Securities Claim for solely a momentary amount which the Insurer deems reasonable. If the Company withholds consent to such settlement, the Insurer's liability for all Loss on amount of such settlement, the Insurer's liability for all Loss on account of such Securities Claim shall not exceed the amount for which the Insurer could have settled such Securities Claims plus Securities Claim Expenses accrued as of the date such settlement was proposed in writing by the Insurer to the Company.

VIII. Definitions that apply solely for purposes of this endorsement:

Securities Claim means any claim brought by a securities holder of the Company against the Directors, Officers and/or the Company which alleges a breach of the Securities laws of any Country, state or Jurisdiction arising from a Wrongful Act in connection with the purchase or sale of securities of the Company.

Securities Claim Expenses means that part of Securities Loss consisting of reasonable and necessary costs, charges, fee (including attorney's fees and experts' fees) and expenses incurred in the defense of a Securities Claim and the premium for appeal, attachment or similar bonds, but shall not include the wages, salaries or expenses of any Director, Officer or employee of the Company.

Securities Loss means any Loss otherwise covered under this Policy incurred by the Directors, Officers and/or the Company as a result of a Securities Claim: Provided, however, Securities Loss shall remain subject to all other policy terms, conditions, exclusion, endorsements and other provisions that may in whole or in part, preclude coverage for such Securities Loss.

By: _____
Authorized Signature
Moylan's Insurance Underwriters, Inc.
General Agent

D & O

DB INSURANCE CO. LTD.

REGULATORY EXCLUSION CLAUSE

In consideration of the premium charged, it is hereby understood and agreed that the Insured shall not be liable for any Loss in connection with any claim or claims made against the Directors and Officers:

- (1) brought by or on behalf of, or with the solicitation, assistance participation, or intervention of;
 - (a) any Regulator, in any capacity whatsoever (including but not limited to its capacity as receiver, conservator, liquidator or otherwise) regardless of in whose name or for whose benefit (including but not limited to for the benefit of the Company or its shareholders or the Company's creditors) the claim is made or
 - (b) any person or entity against whom any regulator has asserted any claim or demand or whatever nature in such Regulator's capacity as insurer of, successor to, or subrogee of the Company.
- (2) any derivative suit or representative class action alleging, arising out of, based upon or attributable to any such above action.
- (3) alleging, arising out of, based upon, attributable to, or in any way involving, directly or indirectly any written agreement or memoranda of understanding or other agreements with a Regulator, including without limitation income maintenance agreements, purchase and assumptions agreements, indemnity agreements, capital contribution agreements, loan agreements, assets purchases agreements, cease and desist orders, and assistance agreements, or any amendments to any of the foregoing, or any actions required by a Regulator pursuant to the terms of any such agreements;
- (4) alleging, arising out of, based upon, attributable to, or in any way involving, directly or indirectly any loss or reduction of earnings resulting from any agreement with, or action by, any Regulator.

For the purpose of this endorsement, the term "Regulator" shall mean:

- (1) the Federal Savings and Loan Insurance Corporation, the Federal Deposit Insurance Corporation, any other federal or state depository insurance organization, the United States Comptroller of the Currency, the Federal Home Loan Bank Board, the Federal Reserve Board, or any similar federal, state or local regulatory or supervisory agency or authority, or affiliate of any or the foregoing, or
- (2) any receiver, conservator, trustee, liquidator, rehabilitator other similar official with respect to Company.

By: _____
Authorized Signature
Moylan's Insurance Underwriters, Inc.
General Agent

D & O

DB INSURANCE CO. LTD.

SEC EXCLUSION

In consideration of the premium charged, it is hereby understood and agreed that in addition to the exclusion shown in the 4. EXCLUSIONS of this policy, the following exclusion shall apply to any claim or claims.

The Insurer shall not be liable to make any payments for Loss in connection with any claim or claims made against the Directors or Officers;

arising out of, based upon or attributable to profits in fact made from the purchase or sale by the Insureds of securities of the Company within the meaning of Section 16 (b) of the Securities Exchange Act of 1934, and amendments thereto similar provision of any state statutory law.

By: _____
Authorized Signature
Moylan's Insurance Underwriters, Inc.
General Agent

D & O

DB INSURANCE CO. LTD.

ERISA EXCLUSION

It is understood and agreed that the 4. EXCLUSIONS shall be amended by adding the following:

- (P) Based upon, arising out of, or in any way involving, the Employee Retirement Income Security Act of 1974 or amendments thereto or any regulations promulgated thereunder, or similar provisions of any Federal, State or Local Statutory Law or Common law.

By: _____
Authorized Signature
Moylan's Insurance Underwriters, Inc.
General Agent

D & O

DB INSURANCE CO. LTD.

YEAR 2000 EXCLUSION

It is hereby understood and agreed that the 4. EXCLUSIONS of this Policy shall be amended by addition the following:

- (o) for, based upon, attributable to, in any way directly or indirectly relating to, arising from, or in any way connected with the failure of any computer, software, firmware, microprocessor or other equipment or system for processing, storing or retrieving data where the property of the Company or not, and whether occurring before, during or after the year 2000
 - (i) to correctly recognize any date as its true calendar date
 - (ii) to capture save or retain, and/or correctly manipulate, interpret or process any date or information or command or instruction as a result of treating any date otherwise than as its true calendar date, or
 - (iii) to capture save retain or correctly process any date as a result of the operation of any command which has been programmed into any computer software, being a command which cause the loss of data or the inability to capture save retain or correctly to process such data on or after any date

By: _____
Authorized Signature
Moylan's Insurance Underwriters, Inc.
General Agent

D & O

DB INSURANCE CO. LTD.

Name Insured: _____

Policy No. _____

MULTI-YEAR POLICY ENDORSEMENT

In consideration of the _____ Term Discount given the Insured for the _____ years term of this policy, it is hereby understood and agreed that:

- (A) In the event the insured elects to have policy cancelled before the expiry of the _____ year term, the insured shall refund to the company the equivalent of the _____ discount on the premium earned; such earned premium to be computed short rate on the gross annual premium, when cancellation is effected other than on the annual anniversary date of the policy.

- (B) In the event the company cancels the policy before the expiry of The _____ year term, the insured shall not be obligated to refund any part of the _____ term discount. Any earned premium shall be computed on pro rata basis.

All other policy terms and conditions remain unaltered.

DB INSURANCE CO., LTD.

Effective Date: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Payment Schedule Agreement

Insured's Name: _____

Installment No.	Amount Due	Due Date
Beginning Balance	\$	
1	\$	
2	\$	
3	\$	
4	\$	
5	\$	
6	\$	

By acknowledging this Payment Schedule Agreement ("Agreement"), the Insured understands and agrees that failure to make payments according to the Agreement shall cause the entire unpaid balance to become due.

In the event it becomes necessary to retain the services of an attorney in our collection efforts, the Insured agrees to pay any and all attorney's fees equivalent to 15% of the unpaid balance.

A delinquent balance shall be assessed interest at the rate of 12% per annum.

The Insured further understands and agrees that if a Total Loss claim is filed against the policy, the premium balance will be deducted from the loss proceeds. For Partial Losses, the payment schedule will remain the same. Where the payment schedule has not been followed and a claim has been filed, the Insured agrees that premium payments must be paid in FULL prior to settlement.

Nothing contained in this Agreement shall be construed to vary, alter, waive or change any of the terms, limits or conditions of the policy except as set forth herein.

This Agreement is effective

This Agreement shall be attached to and shall form part of Policy No. Issued by DB Insurance Co., Ltd.

DB Insurance Co., Ltd.
By: Moylan's Insurance Underwriter, Inc.
General Agent

Insured:

Authorized Signature

Signature of Insured

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This insurance does not apply to TERRORISM, including injury or damage arising, directly or indirectly, out of a "certified act of terrorism".

"Certified act of terrorism" means an act that is certified by the Secretary of Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism and Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" includes the following:

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed on behalf of any foreign person or foreign interest, 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.

This endorsement fulfills the requirements of the U.S. Terrorism Risk Insurance Act of 2002.

Effective _____

All other terms and conditions remain unaltered.

Attached to and forming part of Policy No. _____

issued to _____

effective _____

DB Insurance Co., Ltd.

Date: _____

By: _____

Authorized Representative
Moylan's Insurance Underwriters, Inc.
General Agent

DIRECTORS AND OFFICERS LIABILITY AND COMPANY REIMBURSEMENT POLICY

In consideration of the payment of the premium, and in reliance upon the statements made to the insurer by application forming a part hereof and its attachments and the material incorporated therein, DB Insurance Co., Ltd., herein called the "Insurer", agrees as follows:

1. INSURING AGREEMENTS

COVERAGE A: DIRECTORS AND OFFICERS LIABILITY

The Insurer shall pay the Loss of each and every Director or Officer of the Company arising from any claim or claims first made against the Directors or Officers during the Policy Period for any alleged Wrongful Act in their respective capacities and Directors or Officers of the Company, except for and to the extent that the Company has indemnified the Directors or Officers. The Insurer may, in accordance with and subject to Clause 9, advance each and every Directors and Officers the Defense Costs of such claim or claims prior to their final disposition.

COVERAGE B: COMPANY REIMBURSEMENT

The Insurer shall reimburse the Company for Loss arising from any claim or claims which are first made against Directors or Officers during the Policy Period for any alleged Wrongful Act in their respective capacities as Directors or Officers of the Company, but only when and to the extent that the Company Has Indemnified the Directors and Officers for such Loss Pursuant to law, common or statutory, or contract, or the Charter or By-laws of the Company duly effective under such law which determines and defines such rights of indemnity.

2. DEFINITIONS

- (a) The "Company" means the Named Corporation and its Subsidiary on the Declarations
- (b) "Defense Costs" means reasonable and necessary fees, costs and expense consented to by the insurer (including premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond) resulting solely from the investigation, adjustment, defense and appeal of any claim against the Insureds, but excluding salaries of Officers or employees of the Company.
- (c) "Insured(s)," or "Director(s) or Officer(s)", means any past, present or future duly elected or appointed Director and Officers of the Company. Coverage will automatically apply to all new Directors and Officers during Policy Period of this policy.
- (d) "Loss" means damages, judgments, settlements and Defense Costs; however, Loss shall not include civil or criminal fines or penalties imposed by law, punitive or exemplary damages, the multiplied portion of multiplied damages, taxes, any amount for which the insureds are not financially liable or which are without legal recourse to the Insureds, or matters which may be deemed uninsurable under the law pursuant to which this policy

shall be construed.

- (e) "Policy Period" means the period of time from the inception date shown of the Declarations to the earlier of the expiration date shown of the Declarations or the effective date of cancellation of this policy.
- (f) "Subsidiary" means a corporation of which the Named Corporation owns on or before the inception of the Policy Period more than 40% of the issued and outstanding voting stock either directly or indirectly through one or more of its Subsidiaries.

"Subsidiary" also means any corporation which becomes a Subsidiary during the Policy Period but only upon the condition that within 90 days of its becoming a Subsidiary, the Named Corporation shall have provided the Insurer with full particulars of the new Subsidiary and agreed to any additional premium required by the Insurer relating to such new Subsidiary. A corporation becomes a Subsidiary when the Named Corporation owns more than 40% of the issued and outstanding voting stock either directly or indirectly through one or more of its Subsidiaries.

- (g) "Wrongful Act" means any breach of duty, neglect, error, misstatement, misleading statement, omission or act by the Directors or Officers of the Company in their respective capacities as such, or any matter claimed against them solely by reason of their status as Directors or Officers of the Company.

3. EXTENSIONS

Subject otherwise to the terms hereof, this policy shall cover Loss Arising from any claims made against the estates, heirs, or legal representatives of deceased Director or Officers in the event of their incompetency, insolvency or bankruptcy, who were Directors or Officers at the time the Wrongful Acts upon which such claims are based were committed.

4. EXCLUSION

The Insurer shall not be liable to make any payment for Loss in connection with any claim or claims made against the Directors or Officers:

- (a) arising out of, based upon or attributable to the gaining in fact of any personal profit or advantage to which they were not legally entitled;
- (b) arising out of, based upon or attributable to the committing in fact of any dishonest or criminal act;
- (c) arising out of, based upon or attributable to the payment to the Insureds of any remuneration without the previous approval of the stockholders of the Company, which payment without such previous approval shall be held to have been illegal;
- (d) arising out of, based upon or attributable to profits in fact made from the purchase or sale by the Insureds of securities of the Company using non-public information in a manner held to have been illegal;

- (e) arising out of, based upon or attributable to payment of commissions, gratuities, benefits or any other favor provided to or for the benefit of any;
- (1) Political group, government official, director, officer, employee or any person having an ownership interest in any customer of the company or their agent(s), representative(s) or member(s) of their family or any other entity(ies) with which they are affiliated.
 - (2) Any other person(s) or organization if such payment to those person(s) or organization shall be held to have been illegal under the law pursuant to where the payment was made or which this policy shall be construed.

The Wrongful Act of any Director or Officer shall not be imputed to any other Director or Officer for the purpose of determining the applicability of the foregoing exclusions 4(a) through 4(e)

- (f) arising out of, based upon or attributable to the facts alleged, or to the same or related Wrongful Acts alleged or contained, in any claim which has been reported, or in any circumstances of which notice has been given, under any policy of which this policy is a renewal or replacement or which it may succeed in time;
- (g) arising out of, based upon or attributable to any pending or prior litigation as of the inception date of this policy, or alleging or derived from the same or essentially the same facts as alleged in such pending or prior litigation;
- (h) arising out of, based upon or attributable to any fact, situation, circumstances, or Wrongful Act which, at the inception date of this policy, such Insured knew or should reasonably have foreseen, might lead to a claim against the Insured and/or the Company;
- (i) arising out of, based upon, attributable to, or in any way involving, directly or indirectly;
- (1) the actual, alleged or threatened discharge, dispersal, release or escape of pollutants, or
 - (2) any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, including but not limited to claims alleging damage to the Company or its shareholders.

Pollutants includes (but is not limited to) any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes (but is not limited to) materials to recycled, reconditioned or reclaimed;

- (j) arising out of, based upon or attributable to any act or omission in their capacities as directors or officers of any other entity other than the Company, or by reason of their status as a director or officer of such other entity;
- (k) arising out of any legal liability or whatsoever nature directly or indirectly caused by or arising from the hazardous properties of nuclear material and/or all forms of radioactive contamination.

Hazardous properties include radioactive, toxic or explosive properties.
Nuclear material means source material, special nuclear material or byproduct material.

- (l) for bodily injury, sickness, disease, death or emotional distress of any person, or damage to or destruction of any tangible property, including the loss of use thereof, or for injury from oral or written publication of a libel or slander or of other defamatory or disparaging material that violates a person's right of privacy;
- (m) of any Subsidiary of any alleged Wrongful Act occurring at any time when the Named Corporation did not own more than 50% of the issued and outstanding voting stock of such Subsidiary either or indirectly through one or more of its Subsidiaries.
- (n) (1) The insurer shall not be liable to make any payment for any Loss in connection with any security holder derivative action against the insured(s), if such action has resulted, in part or in whole, in a judgment or a settlement adverse to such insured(s)
- (2) The preceding paragraph shall not apply to any insured(s) other than the insured(s) who have become liable to pay Legal damage in a security holder derivative action.

5. LIMITS OF LIABILITY (FOR ALL LOSS – INCLUDING DEFENSE COSTS)

The limit of liability stated in the Declarations is the limit of the Insured's liability for all Loss, under Coverage A and Coverage B combined, arising out of all claims first made against the Insureds during the Policy Period. Further, any claim which is made subsequent to the Policy Period which pursuant to Clause 8(b) to (c) is considered made during the Policy Period shall also be subject to the one aggregate limit of liability stated in the Declarations.

Defense costs are not payable by the Insurer in addition to the limit of liability. Defense costs are part of Loss and as such are subject to the limit of liability for Loss.

6. RETENTION – INDEMNIFIED OR INDEMNIFIABLE LOSS

The Insurer shall only be liable for the amount of Loss arising from a claims which is in excess of the retention amount stated in the Declarations, such retention amount to be borne by the Company and/or the Insureds and shall remain uninsured. A single retention amount shall apply to Loss arising from all claims alleging the same Wrongful Act or related Wrongful Acts.

7. COINSURANCE CLAUSE

The Insurer shall be liable to pay percent, specified as Coinsurance Percent in the Declarations, of Loss Excess of the retention amount described in the Clause 6 up to Limit of Liability described in Clause 5, it being a condition of this insurance that the remaining percent of each every Loss shall be carried by the Company and the Insureds at their own risk and be uninsured.

8. NOTICE/CLAIM REPORTING PROVISIONS

Notice hereunder shall be given in writing to the Insurer at the Insurer's address. If mailed, the date of mailing of such notice shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

- (a) The Company or the Insureds shall, as a condition precedent to the obligation of the Insurer as soon as practicable, of any claim made against the Insureds and shall give the insurer information, including but not limited to the Wrongful Acts or facts alleged, the names of claimants and the manner in which the Insureds first became aware of the claim.
- (b) If written notice of a claim has been given to the Insurer pursuant to Clause 8 (a) above, then any claim which is subsequently made against the Insureds alleging, arising out of, based upon or attributable to the facts alleged in the claims of which such notice has been given, or alleging any Wrongful Act which is the same as or related to any Wrongful Act alleged in the claim of which such notice has been given, shall be considered made at the time such notice was given.
- (c) If during the Policy Period the Company or the Insureds shall become aware of any circumstances which may reasonably be expected to give rise to a claim being made against the Insureds and shall give written notice to the Insurer of the circumstances and the reasons for anticipating such a claim, with full particulars as to dates and persons involved, then any claim which is subsequently made against the Insureds alleging any Wrongful Act which is the same as or related to any Wrongful Act alleged or contained in such circumstances, shall be considered made at the time such notice of such circumstances was given.

9. DEFENSE COSTS, SETTLEMENT, JUDGMENTS (INCLUDING THE ADVANCEMENT OF DEFENSE COST)

Under Coverage A, the Insurer may, in its absolute discretion advance Defense Costs prior to the final disposition of the claims, unless such Defense Costs have been advanced by the Company, such advance payments by the Insurer shall be repaid to the Insurer by the Insureds, severally according to their respective interests, in event and to the extent that the Insureds shall not be entitled under the terms and conditions of this policy to payment of such Loss. The retention amount stated in the Declarations shall apply to such Defense Costs. Under Coverage B, the Insurer assumes no duty to reimburse Defense Costs prior to the final disposition of the claim. The Insurer may, in its absolute discretion, reimburse all or any part such Defense Costs prior to the final disposition of the claim. In such event, however, such advanced payments by the Insurer shall be repaid to the Insurer by the Company or the Insureds, severally according to their respective interests, in the event and to the extent that the company or the Insureds shall not be entitled under the terms and conditions of this policy to payment of such Loss.

The Insured does not, however, under this policy, assume any duty to defend. The Insureds shall not admit or assume any liability, enter into any settlements, stipulate to any judgments or incur any Defense Costs without the prior written consent of the Insurer. Only those settlements, stipulated judgments and Defense Costs which have been consented to by the Insurer shall be

recoverable as Loss under the terms of this policy. The Insurer's consent shall not be unreasonably withheld, provided that Insurer shall be entitled to effectively associate in the defense and negotiation of any settlement of any claim in order to reach a decision as reasonable.

The Insurer shall have the right to effectively associate with the Company and the Insureds in the defense and settlement of any claim that appears reasonably likely to involve the Insurer, including but not limited to effectively associating in negotiation of a settlement. The Insureds shall defend and contest any such claim. The Company and the Insureds shall give the Insurer full cooperation and such information as it may reasonably require.

With respect to the Defense costs and joint settlement of any claim made against the Company and the Insureds, such Defense Costs and joint settlement having been consented to by the Insurer, the Company and the Insureds and the Insurer agree to use their best efforts to determine a fair and proper allocation of the amounts as between the Company and the Insureds and the Insurer.

10. CANCELLATION CLAUSE

This policy may be cancelled by the Named Corporation by surrender thereof to the Insurer or any of its authorized agents or by mailing to the Insurer written notice stating of when thereafter the cancellation shall be effective. This policy may be cancelled by the Insurer by mailing to the Named Corporation at the address shown in this policy, written notice stating when not less than 30 days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation state in the notice shall become the end of the Policy Period. Delivery of such written notice either by the Named Corporation or by the Insurer shall be equivalent to mailing.

If the Named Corporation cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Insurer cancels, earned premium shall be computed pro rata. Premium adjustment may be either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

If the period of limitation relation to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

11. TERMINATION OF COVERAGE FOR SUBSEQUENT WRONGFUL ACTS AFTER CERTAIN TRANSACTIONS

If during the Policy Period;

1. the Named Corporation shall consolidate with or merge into, or sell all substantially all of its assets to, any other person entity or group of persons and/or entities acting in concert; or
2. any person or entity or group of persons and/or entities acting in concert shall acquire an amount of the outstanding securities representing more than 50% of the voting power for

the election of Directors of the Named Corporation, or acquires that voting rights of such an amount of such securities;
(either of the above events herein referred to as the "Transaction")

then, there shall be no coverage afforded by any provision of this policy for any alleged Wrongful Act occurring after the effective date of the Transaction.

The Named Corporation shall give the Insurer written notice of the Transaction as soon as practicable, but not later than 30 days after the effective date of Transaction.

12. RISK ALTERATION

The Named Corporation shall give immediate notice to the Insurer in writing of any alterations which materially affect the risk covered by this policy. Such alterations include, but not limited to, alterations of statements in the Declarations of this policy, the application and all attachments thereto. No coverage shall apply under this policy for any loss in connection with any claim or claims resulting therefrom unless and until the Insurer has given written notice of their acceptance of such alteration.

13. SUBROGATION

In the event of any payment under this policy, the Insurer shall be subrogated to the extent of such payment to all Company's' and the Insureds' rights of recovery thereof, and the Company and the Insureds shall execute all papers required and shall do everything that may be necessary to secure such rights including the execution of such documents necessary to enable the Insurer effectively to bring suit in the name of the Company and/or the Insureds.

14. OTHER INSURANCE

Such insurance as is provided by this policy shall apply only as excess over any other valid and collectible insurance.

15. NOTICE AND AUTHORITY

It is agreed that the Named Corporation shall act on behalf of its Subsidiaries and all Insureds with respect to the giving and receiving of notice of claim or cancellation, the payment of premiums and the receiving of any return premium that may become due under this policy, the receipt and acceptance of any endorsements issued to form a part of this policy.

16. ASSIGNMENT

Any and all rights hereunder shall not be assignable without the prior written consent of the Insurer.

17. ACTION AGAINST INSURER

No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, not until the amount of the Insureds' obligation to pay shall have been finally determined either by judgment against the Insurer.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Insurer as a party to any action against the Insureds or the Company to determine the Insureds' liability, nor shall the Insurer be impleaded by the Insureds or the Company or their legal representatives. Bankruptcy or insolvency of the Insureds or of their estates shall not relieve the Insurer of any of its obligation hereunder.

18. ARBITRATION

If any difference shall arise between the Company or the Insureds and the Insurer as to the amount to be paid under this policy, such difference shall be referred to the decision of two arbitrators, one to be appointed in writing by each of the parties; or in case the arbitrators do not agree, such difference shall be referred to the decision of an umpire to be appointed in writing by the arbitrators.

Each party shall bear the expense of its own arbitrator and shall equally bear other expenses including the expense of the umpire.

19. DECLARATIONS

By acceptance of this policy, the Named Corporation and its Directors and Officers agreed that the statements made in the application and all attachments thereto are true and accurate and this policy has been issued in reliance thereof and this policy embodies all agreements between the Named Corporation or its Directors and Officers and the Insurer or any of their agents relating to this insurance.

IN WITNESS WHEREOF, THE company has caused this policy to be signed by its president and manager, but this policy shall not valid unless countersigned on the Declarations page by a duly authorized representative of the Company.

MANAGER

PRESIDENT

D & O

DB INSURANCE CO. LTD.

Automobile Policy Specimen



Policy Number :

1. Name Insured :
Address :

2. Policy Period: From _____ To _____ at 12:01 A.M. Standard Time

3. Coverage		<u>Limit of Liability</u>	<u>Premium</u>
A. Bodily Injury	- Each Person/Each Accident	Per Schedule	Per Schedule
B. Property Damage	- Each Accident	Per Schedule	Per Schedule
C. Medical Payments	- Each Person	Per Schedule	Per Schedule
D. Comprehensive	- Deductible	Per Schedule	Per Schedule
E. Collision	- Deductible	Per Schedule	Per Schedule
Optional Coverage			
Uninsured Motorist	- Each Person/Each Accident	Per Schedule	Per Schedule
Passenger Risk	- Each Person/Each Accident	Per Schedule	Per Schedule
Typhoon	- Deductible	Per Schedule	Per Schedule
Personal Accident	- Each Person/Each Vehicle	Per Schedule	Per Schedule
Loss of Use		Per Schedule	Per Schedule

Total Premium:
2% Assessment Fee:
Total Policy Premium:

"ACV" means Actual Cash Value

* Minimum. Earned Premium: Short Rate, but not less than \$30.00.

Discounts Applied:

***** Per Schedule *****

Endorsements Applicable :

***** Per Schedule *****

4. Your Covered Vehicle(s)

<u>Year</u>	<u>Trade Name</u>	<u>Model</u>	<u>Body Type</u>	<u>Engine Vin #</u>	<u>Insured's Estimate of Value including Accesories thereon</u>
					*** Per Schedule ***

5. Loss Payee:

***** Per Schedule *****

6. Purpose of Use: **Business**

7. Geographical Area: This Policy Covers the island Guam

8. Notice of Accident or Loss - In the event of accident or loss covered hereunder, immediate notice is to be given to Equitable Adjusting & Service at (671)477-7514

Date Issued:

By:

Moylan's Insurance Und., Inc.
General Agent

Name Insured:
Policy No.:

A.
B.
C.
D.
E.

COVERAGE
Bodily Injury - Each Person / Each Accident
Property Damage - Each Accident
Medical Payments - Each Person
Comprehensive - Deductible
Collision - Deductible
Uninsured Motorists - Each Person / Each Accident

LIMIT OF LIABILITY
\$
\$
\$
\$
\$
\$

SCHEDULE OF VEHICLES

VEHICLE NO.	YEAR	MAKE	MODEL	VIN NO.	ACTUAL CASH VALUE	ANNUAL PREMIUM

Total Premium:
2% Assessment Fee:
Total Policy Premium:

Endorsements Applicable:

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits of conditions of the Policy except as herein above set forth.

This Endorsement is effective

Attached to and forming a part of Policy No. _____ of the DB Insurance Co., Ltd.

By: _____
Moyian's Insurance Underwriters, Inc.
General Agent

Named Insured: _____

SCHEDULE OF ENDORSEMENTS

Subject to the following clauses/riders or endorsements attached to and forming part of this policy:

- Valid Drivers License Waiver
- Under-Age Driver Waiver
- Operator Waiver
- Newly Acquired and Substitute Vehicles
- Errors & Omissions Clause
- Racing, Pacemaking or Speed-Testing Waiver
- Jurisdiction
- Waiver of Sovereign Immunity
- Cancellation Clause
- Combined Single Limit of Liability
- Exclusion of Certified Acts of Terrorism
- Guam Standard Provisions
- Hired Auto and Non-Owned Auto Liability
- Multi-Year Policy Endorsement
- Payment Schedule Agreement

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits of conditions of the Policy except as herein above set forth.

This Endorsement is effective _____

Attached to and forming a part of Policy No. _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

Policy No. _____

Effective Date: _____

Named Insured: _____

VALID DRIVERS LICENSE WAIVER

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, the requirement that drivers possess a valid drivers license is waived as respects to the (Authority).

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

Policy No. _____

Effective Date: _____

Named Insured: _____

UNDER-AGE DRIVER WAIVER

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, the exclusion of Material Damage coverage should the vehicle be operated by a driver under the age of 25 is waived as respects to the (Authority).

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

Policy No. _____

Effective Date: _____

Named Insured: _____

OPERATOR WAIVER

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, the exclusion of coverage should the vehicle be operated by a person while committing a felony or who is under the influence of intoxicating liquor or controlled drugs or substances is waived as respects to (Authority).

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

Policy No. _____

Effective Date: _____

Named Insured: _____

NEWLY ACQUIRED AND SUBSTITUTE VEHICLES

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, newly acquired or substitute vehicles shall be automatically covered from the date of acquisition until the expiration of the policy. The additional premium for all such vehicles, and the return premium for vehicles deleted from the schedule, will be determined by final audit adjustment following expiration of the policy.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

Policy No. _____

Effective Date: _____

Named Insured: _____

ERRORS & OMISSIONS CLAUSE

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, the Insured shall not be prejudiced by an unintentional or inadvertent error, omission, incorrect valuation or incorrect description of any vehicle; provided that notice is given to Underwriters as soon as practical after discovery of any such error or omission.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

Policy No. _____

Effective Date: _____

Named Insured: _____

RACING, PACEMAKING OR SPEED-TESTING WAIVER

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, the exclusion while the automobile is used for commercial traveling, racing, pacemaking or speed-testing is waived as respects to the (Authority).

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

Policy No. _____

Effective Date: _____

Named Insured: _____

JURISDICTION

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, this insurance shall be governed by and construed in accordance with the laws of Guam and the exclusive jurisdiction of the USA including Guam Courts. The seat of arbitration shall be Guam.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

Policy No. _____

Effective Date: _____

Named Insured: _____

WAIVER OF SOVEREIGN IMMUNITY

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, in the event of a claim, Underwriters waive any defense of Sovereign Immunity.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

Policy No. _____

Effective Date: _____

Named Insured: _____

CANCELLATION CLAUSE

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, if Underwriters desire to cancel this policy, other than for non-payment, they shall give not less than ninety (90) days prior written notice by email and Certified Mail to:

Miguel C. Bordallo, P.E.
General Manager
Guam Waterworks Authority
Ste 200, Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913
Email: mcbordallo@guamwaterworks.org

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

COMBINED SINGLE LIMIT OF LIABILITY

Effective as of inception of the policy of which this form is made a part, the Company's Limit of Liability for all damages, including care and loss of services arising out of bodily injury including death at any time resulting there from and for all damages arising out of injury to or destruction of tangible property, including the loss of use thereof, and all supplementary payments including costs incurred in the defense of any claim, resulting from any one event and from all events occurring during the policy period shall be _____

All other terms and conditions of the policy remain unaltered.

Attached to and forming part of Policy No. _____
issued to _____

DB INSURANCE CO., LTD.

Date Issued: _____

By: _____
Moylan's Insurance Underwrites, Inc.
General Agent

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This insurance does not apply to TERRORISM, including injury or damage arising, directly or indirectly, out of a "certified act of terrorism".

"Certified act of terrorism" means an act that is certified by the Secretary of Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism and Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" includes the following:

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed on behalf of any foreign person or foreign interest, 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.

This endorsement fulfills the requirements of the U.S. Terrorism Risk Insurance Act of 2002.

Effective _____

All other terms and conditions remain unaltered.

Attached to and forming part of Policy No. _____

issued to _____

effective _____

DB Insurance Co., Ltd.

Date: _____

By: _____

Authorized Representative
Moylan's Insurance Underwriters, Inc.
General Agent

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GUAM STANDARD PROVISIONS

This endorsement modifies insurance provided selectively under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
DI AUTOMOBILE POLICY FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**AUTOMOBILE OPERATOR'S LICENSE
ENDORSEMENT.**

IT IS UNDERSTOOD AND AGREED that the following "Exclusions" are added to and made part of this policy.

We will not pay for loss to "your covered auto" or any "non-owned auto", if the insured or any person authorized to drive the Automobile does not hold a valid driver's license or permit to drive the automobile.

IT IS UNDERSTOOD that this Exclusion shall not apply in respect of any claim by innocent Third Parties of innocent Named Insured if not operating the insured vehicle under the conditions set out in the preceding paragraph.

IT IS FURTHER UNDERSTOOD AND AGREED that if the Company shall indemnify any Third Party for a claim which otherwise would have been excluded under the first paragraph of this exclusion, the Company shall have the right of recovery from the operator of the insured vehicle.

**DRIVING WHILE UNDER THE INFLUENCE OF
INTOXICATING LIQUORS, CONTROLLED
DRUGS OR SUBSTANCES**

IT IS HEREBY UNDERSTOOD AND AGREED that the Company shall not be liable with respect to any accident, loss, damage or liability caused, sustained or incurred while any motor vehicle, in respect of which indemnity is provided by this policy, is being driven by any person while committing a felony of who is under the influence of intoxicating liquor or controlled drugs or substances, or while said vehicle is being driven by any person who has been convicted of driving while under the influence of intoxicating liquor or any controlled drugs or substances with respect to such accident, loss, damage or liability.

IT IS UNDERSTOOD that this Exclusion shall not apply in respect of any claim by innocent Third Parties of innocent Named Insured if not operating the insured vehicle under the conditions set out in the preceding paragraph.

IT IS UNDERSTOOD AND AGREED that if the

Company shall indemnify any Third Party for a claim which otherwise would have been excluded under the first paragraph of the exclusion, the Company shall have the right of recovery from the operator of the insured vehicle.

or more policies that provided "Coverage for Damage to your Auto".

LIMIT OF LIABILITY

- A. Our limit of liability for loss will be lessor of the:
1. Actual cash value of the stolen or damaged property; or
 2. Amount necessary to repair or replace the property with other property of like kind and quality.
 3. If the cost to repair the covered loss or damaged to "your covered auto" from Comprehensive, or Collision, or Typhoon loss is greater than its actual cash value, then in accordance with 5 GCA 32201, we will pay the Limit of Coverage stated on the Declarations for "your covered auto".

This provision does not apply if

- a. "Your covered auto" was damaged by a cause of loss that is covered by this insurance; or
- b. "Your covered auto" has accumulated annual coverage mileage greater than sixteen thousand miles, since we first provided this insurance; or
- c. "Your covered auto" is insured by two

**INFORMATION TECHNOLOGY CLARIFICATION
CLAUSE (NMW2912 REVISED)**

Losses arising, directly or indirectly, out of:

1. Loss of, alteration of, or damage to

Or

2. A reduction in the functionality, availability or operation of

A computer system, hardware, program, microchip, integrated circuit of similar device in computer equipment or non-computer equipment, whether the property of the policyholder of the Company or not, do not in and of themselves constitute an event unless arising out of one or more of the following perils:

Fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze, or weight of snow.

However, with regard to the hardware, integrated circuit or microchips element of Machinery breakdown and Electrical Breakdown coverages, the intention of this exclusion does not apply.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinabove set forth.

Attached to and forming part of _____

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
HIRED AUTO AND NON-OWNED AUTO LIABILITY**

This endorsement modifies insurance provided under the following:

AUTOMOBILE POLICY

SCHEDULE

Coverage	Additional Premium
Hired Auto Liability	Included
Non-Owned Auto Liability:	Included

A. Insurance is provided only for those coverages for which a specific premium charge is shown in the Declaration or in the Schedule.

1. HIRED AUTO LIABILITY

The insurance provided applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your employees in the course of your business.

2. NON-OWNED AUTO LIABILITY

This insurance provided applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person other than you.

B. For insurance provided by this endorsement only:

1. EXCLUSIONS:

- (a) Exclusion (a) of the policy does not apply to the insurance afforded under this endorsement.
- (b) The insurance does not apply to any automobile owned by or registered in the name of a partner, if the named insured is a partnership.

DEFINITION OF INSURED:

Each of the following is an insured under this endorsement to the extent set forth below:

- a. You;
- b. Any other person using a "hired auto" with your permission;
- c. For a "non-owned auto," any partner or executive officer of yours, but only while such "non-owned auto" is being used in your business; and
- d. Any other person or organization, but only for their liability because of acts or omissions of an insured under a, b, or c. above.

None of the following is an insured:

(1) Any person engaged in the business of his or her employer for "Bodily injury" to any co-employer
for "bodily injury" to any co-employee

- (2) of such person injured in the course of employment;
- (3) Any partner or executive officer for any "auto" owned by such partner or officer or a member of his or her household.
- (4) Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "Auto business" you operate;
- (5) The owner or lessee (of whom you are a sub lessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or employee of any such owner or lessee;
- (6) Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a named Insured in the Declarations.

C. The following additional definitions apply:

- (1) "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
- (2) "Hired Auto" means any "auto" you lease, hire or borrow. This does not include any "auto" you lease, hire or borrow from any of your employees or members of their households, or from any partner or executive officer of yours.
- (3) "Non-Owned Auto" means any "auto" you do not own, lease, hire or borrow which is used in connection with your business. However, if you are a partnership, a "non-owned auto" does not include any "auto" owned by any partner.

DB INSURANCE CO., LTD.

Date Issued: _____

By: _____

**Moylan's Insurance Underwriters, Inc.
General Agent**

Name Insured: _____

Policy No. _____

MULTI-YEAR POLICY ENDORSEMENT

In consideration of the 10% Term Discount given the Insured for the ____ () years term of this policy, it is hereby understood and agreed that:

- (A) In the event the insured elects to have policy cancelled before the expiry of the ____ year term, the insured shall refund to the company the equivalent of the 10% discount on the premium earned; such earned premium to be computed short rate on the gross annual premium, when cancellation is effected other than on the annual anniversary date of the policy.

- (B) In the event the company cancels the policy before the expiry of the ____ year term, the insured shall not be obligated to refund any part of the 10% term discount. Any earned premium shall be computed on pro rata basis.

All other policy terms and conditions remain unaltered.

DB INSURANCE CO., LTD.

Effective Date: _____

By: _____
Moylan's Insurance Underwriters , Inc.
General Agent

Payment Schedule Agreement

Insured's Name: _____

Installment No.	Amount Due	Due Date
Beginning Balance	\$	
1	\$	
2	\$	
3	\$	
4	\$	
5	\$	
6	\$	

By acknowledging this Payment Schedule Agreement ("Agreement"), the Insured understands and agrees that failure to make payments according to the Agreement shall cause the entire unpaid balance to become due.

In the event it becomes necessary to retain the services of an attorney in our collection efforts, the Insured agrees to pay any and all attorney's fees equivalent to 15% of the unpaid balance.

A delinquent balance shall be assessed interest at the rate of 12% per annum.

The Insured further understands and agrees that if a Total Loss claim is filed against the policy, the premium balance will be deducted from the loss proceeds. For Partial Losses, the payment schedule will remain the same. Where the payment schedule has not been followed and a claim has been filed, the Insured agrees that premium payments must be paid in FULL prior to settlement.

Nothing contained in this Agreement shall be construed to vary, alter, waive or change any of the terms, limits or conditions of the policy except as set forth herein.

This Agreement is effective

This Agreement shall be attached to and shall form part of Policy No. Issued by DB Insurance Co., Ltd.

DB Insurance Co., Ltd.
By: Moylan's Insurance Underwriter, Inc.
General Agent

Insured:

Authorized Signature

Signature of Insured

Crime Policy Specimen



EXHIBIT B-202

Comprehensive 3D Insurance Policy



Moylan's Insurance Underwriters, Inc.

424 W O BRIEN DR, STE 102, HAGATNA, GUAM 96910

TEL : (671) 477-8613 / 7500 / 8616

E-MAIL : agana@moylans.net FAX : (671) 477-1837

General Agent for :



PLEASE READ YOUR POLICY. If incorrect return for immediate correction.
Carefully note condition requiring immediate notice of every occurrence, claim or suit.
Loss, if any, please notify : Equitable Adjusting & Service at 477-7514

COMPREHENSIVE 3D POLICY DECLARATIONS

Issued by **DB INSURANCE CO., LTD.**

1. Policy Number :

2. Named Insured :
Address :

3. Policy Period : Effective from 12:01 a.m. on _____ To 12:01 a.m. on _____
_____ or the effective date of the cancellation or termination of this policy, standard time at the principal address as to each of said dates

4. PREMIUMS AND TABLE OF LIMITS OF LIABILITY

The insurance afforded is only with respect to such of the following insuring agreements as are indicated by specific premium charge or charges. The limit of the Company's liability against each such insuring agreement shall be as stated herein, subject to all the terms of the policy having reference thereto.

INSURING AGREEMENTS

LIMIT OF LIABILITY PREMIUMS

- Aggregate
- I. Employee Dishonesty Coverage-Form A
- II. Loss Inside the Premises Coverage
- III. Loss Outside the Premises Coverage
- IV. Money Orders and Counterfeit Paper Currency Coverage
- V. Depositors Forgery Coverage
if added by endorsement

Total Premium :

5. ENDORSEMENTS: The liability of the Company is subject to the terms of the following endorsements attached hereto:

6. Deductible:

7. The Insured by the acceptance of this policy gives notice to the Company terminating or canceling prior bond(s) or policy (ies) number(s), if any, listed below, such termination or cancellation to be effective as of the time this policy becomes effective:

IN WITNESS WHEREOF, the company has caused this policy to be signed by its duly authorized representative.

DB INSURANCE CO., LTD.

Date: _____

By: _____
Authorized Representative
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

Policy No. _____

Effective Date: _____

Named Insured: _____

TERRITORY

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, this policy applies to Guam.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

Policy No. _____

Effective Date: _____

Named Insured: _____

JURISDICTION

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, this insurance shall be governed by and construed in accordance with the laws of Guam and the exclusive jurisdiction of the USA including Guam Courts. The seat of arbitration shall be Guam.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Endorsement attached to and forming part of

Policy No. _____

Effective Date: _____

Named Insured: _____

CANCELLATION CLAUSE

It is understood and agreed that, notwithstanding anything to the contrary in this policy or its endorsements, if Underwriters desire to cancel this policy, other than for non-payment, they shall give not less than ninety (90) days prior written notice by email and Certified Mail to:

Miguel C. Bordallo, P.E.
General Manager
Guam Waterworks Authority
Ste 200, Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913
Email: mcbordallo@guamwaterworks.org

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective _____

Attached to and forming part of Policy No. _____ of DB Insurance Co., Ltd.

Date Issued: _____

By: _____

Moylan's Insurance Underwriters, Inc.
General Agent

Name Insured: _____

Policy No. _____

MULTI-YEAR POLICY ENDORSEMENT

In consideration of the _____ Term Discount given the Insured for the _____ years term of this policy, it is hereby understood and agreed that:

(A) In the event the insured elects to have policy cancelled before the expiry of the _____ year term, the insured shall refund to the company the equivalent of the _____ discount on the premium earned; such earned premium to be computed short rate on the gross annual premium, when cancellation is effected other than on the annual anniversary date of the policy.

(B) In the event the company cancels the policy before the expiry of The _____ year term, the insured shall not be obligated to refund any part of the _____ term discount. Any earned premium shall be computed on pro rata basis.

All other policy terms and conditions remain unaltered.

DB INSURANCE CO., LTD.

Effective Date: _____

By: _____
Moylan's Insurance Underwriters, Inc.
General Agent

Payment Schedule Agreement

Insured's Name: _____

Installment No.	Amount Due	Due Date
Beginning Balance	\$	
1	\$	
2	\$	
3	\$	
4	\$	
5	\$	
6	\$	

By acknowledging this Payment Schedule Agreement ("Agreement"), the Insured understands and agrees that failure to make payments according to the Agreement shall cause the entire unpaid balance to become due.

In the event it becomes necessary to retain the services of an attorney in our collection efforts, the Insured agrees to pay any and all attorney's fees equivalent to 15% of the unpaid balance.

A delinquent balance shall be assessed interest at the rate of 12% per annum.

The Insured further understands and agrees that if a Total Loss claim is filed against the policy, the premium balance will be deducted from the loss proceeds. For Partial Losses, the payment schedule will remain the same. Where the payment schedule has not been followed and a claim has been filed, the Insured agrees that premium payments must be paid in FULL prior to settlement.

Nothing contained in this Agreement shall be construed to vary, alter, waive or change any of the terms, limits or conditions of the policy except as set forth herein.

This Agreement is effective

This Agreement shall be attached to and shall form part of Policy No. _____
Issued by DB Insurance Co., Ltd.

DB Insurance Co., Ltd.
By: Moylan's Insurance Underwriter, Inc.
General Agent

Insured:

Authorized Signature

Signature of Insured

The Company agrees with the Insured named in the Declarations made a part hereof, in consideration of the premium and subject to the Declarations made a part hereof, the Insuring Agreements, Conditions and Limitations and other terms of this policy, to pay the Insured for:

INSURING AGREEMENTS

- I. Employee Dishonesty Coverage – Form A. Loss of Money, Securities and other property which the Insured shall sustain, to an amount not exceeding in the aggregate the amount stated in the Table of Limits of Liability applicable to this Insuring Agreements I, resulting directly from one or more fraudulent or dishonest acts committed by an Employee, acting alone or in collusion with others.

Dishonest or fraudulent acts as used in this Insuring Agreement shall mean only dishonest or fraudulent acts committed by such Employee with the manifest intent:

- (a) to cause the Insured to sustain such loss; and
- (b) to obtain financial benefit for the Employee, or for any other person or organization intended by the Employee to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards; profit sharing, pensions or other employee benefits earned in the normal course of employment.

- II. Loss Inside the Premises Coverage. Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof within the Premises or within any Banking Premises or similar recognized places of safe deposit. Loss of (a) other property by Safe Burglary or Robbery within the Premises or attempt thereat, and (b) a locked cash drawer, cash box or cash register by felonious entry into such container within the Premises or attempt thereat or by felonious abstraction of such container from within the Premises or attempt thereat.

Damage to the Premises by such Safe Burglary, Robbery or felonious abstraction, or by or following burglarious entry into the Premises or attempt thereat, provided with respect to damage to the Premises the Insured is the owner thereof or is liable for such damage.

- III. Loss Outside the Premises Coverage. Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof outside the Premises while being conveyed by a Messenger or any armored motor vehicle company, or while within the living quarters in the home of any Messenger.

Loss of other property by Robbery or attempt thereat outside the Premises while being conveyed by a Messenger or any armored motor vehicle company, or by theft while within the living quarters in the home of any Messenger.

- IV. Money Orders and Counterfeit Paper Currency Coverage. Loss due to the acceptance in good faith, in exchange for merchandise, Money or services, of any post office or express money order, issued or purporting to have been issued by any post office or express company, if such money order is not paid upon presentation, or due to the acceptance in good faith in the regular course of business of counterfeit United States or Canadian paper currency.

- V. Depositors Forgery Coverage. Loss which the Insured or any bank which is included in the Insured's proof of loss and in which the Insured carries a checking or savings account, as their respective interests may appear, shall sustain through forgery or alteration of, on or in any check, draft, promissory note, bill of exchange, or similar written promise, order or direction to pay a sum certain in money, made or drawn by one acting as agent of the Insured, or purporting to have been made or drawn as hereinbefore set forth, including

- (a) any check or draft made or drawn in the name of the Insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;

- (b) any check or draft procured in a face to face transaction with the Insured, or with one acting as agent of the Insured, by anyone impersonating another and made or drawn payable to the one so impersonated and endorsed by anyone other than the one so impersonated; and
- (c) any payroll check, payroll draft or payroll order made or drawn by the Insured, payable to bearer as well as to a named payee and endorsed by anyone other than the named payee without authority from such payee; whether or not any endorsement mentioned in (a), (b) or (c) be a forgery within the law of the place controlling the construction thereof.

Mechanically reproduced facsimile signatures are treated the same as handwritten signatures.

The Insured shall be entitled to priority of payment over loss sustained by any bank aforesaid. Loss under this Insuring Agreement, whether sustained by the Insured or such bank, shall be paid directly to the Insured in its own name, except in cases where such bank shall have already fully reimbursed the Insured for such loss. The liability of the Company to such bank for such loss shall be a part of and not in addition to the amount of insurance applicable to the Insured's office to which such loss would have been allocated had such loss been sustained by the Insured.

If the Insured or such bank shall refuse to pay any of the foregoing instruments are forged or altered, and such refusal shall result in suit being brought against the Insured or such bank to enforce such payment and the Company shall give its written consent to the defense of such suit, then any reasonable attorneys' fees, court costs, or similar legal expenses incurred and paid by the Insured or such bank in such defense shall be constructed to be a loss under this Insuring Agreement and the liability of the Company for such loss shall be in addition to any other liability under this Insuring Agreement.

GENERAL AGREEMENTS

- A. Consolidation – Merger. If, though consolidation or merger with, or purchase of assets of, some other concern, any persons shall become Employees or if the Insured shall thereby acquire the use and control of any additional Premises, the insurance afforded by this Policy shall also apply as respects such Employees and Premises, provided the Insured shall give the Company written notice thereof within thirty days thereafter and shall pay the Company an additional premium computed pro rata from the date of such consolidation, merger or purchase to the end of the current premium period.
- B. Joint Insured. If more than one Insured is covered under this Policy, the Insured first named shall act for itself and for every other Insured for all purposes of this Policy. Knowledge possessed or discovery made by any Insured or by any partner or officer thereof shall, for the purposes of Sections 7, 8 and 15 constitute knowledge possessed or discovery made by every Insured. Cancellation of the insurance hereunder as respects any Employee as provided in Section 15 shall apply to every Insured. If, prior to the cancellation or termination of this Policy, this Policy or any Insuring Agreement hereof is canceled or terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered within one year from the date of such cancellation or termination. Payment by the Company to the Insured first named of any loss under this Policy shall fully release the Company on account of such loss. If the Insured first named ceases for any reason to be covered under this Policy, then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this Policy.

ATTACH "DECLARATIONS" PAGE AND ENDORSEMENTS HERE

This is not a complete and valid contract without an accompanying DECLARATIONS PAGE FK 50 properly executed.

SHORT RATE CANCELLATION TABLE

FOR TERM OF ONE YEAR

Days Bond In Force	Percent of Ann. Prem. to be Charged	Days Bond In Force	Percent of Ann. Prem. to be charged	Days Bond In Force	Percent of Ann. Prem. to be charged	Days Bond In Force	Percent of Ann. Prem. to be charged	Days Bond In Force	Percent of Ann. Prem. to be charged	Days Bond In Force	Percent of Ann. Prem. to be charged
1	5%	37-40	21%	95-98	37%	154-156	53%	219-223	69%	292-296	85%
2	6	41-43	22	99-102	38	157-160	54	224-228	70	297-301	86
3-4	7	44-47	23	103-105	39	161-164	55	229-232	71	302-305	87
5-6	8	48-51	24	106-109	40	165-167	56	233-237	72	306-310	88
7-8	9	52-54	25	110-113	41	168-171	57	238-241	73	311-314	89
9-10	10	55-58	26	114-116	42	172-175	58	242-246	74	315-319	90
11-12	11	59-62	27	117-120	43	176-178	59	247-250	75	320-323	91
13-14	12	63-65	28	121-124	44	179-182	60	251-255	76	324-328	92
15-16	13	66-69	29	125-127	45	183-187	61	256-260	77	329-332	93
17-18	14	70-73	30	128-131	46	188-191	62	261-264	78	333-337	94
19-20	15	74-76	31	132-135	47	192-196	63	265-269	79	338-342	95
21-22	16	77-80	32	136-138	48	197-200	64	270-273	80	343-346	96
23-25	17	81-83	33	139-142	49	201-205	65	274-278	81	347-351	97
26-29	18	84-87	34	143-146	50	206-209	66	279-282	82	352-355	98
30-32	19	88-91	35	147-149	51	210-214	67	283-287	83	356-360	99
33-36	20	92-94	36	150-153	52	215-218	68	288-291	84	361-365	100

FOR TERM OF THREE YEARS

Percent of Premium to be Charged			Percent of Premium to be Charged			Percent of Premium to be Charged			Percent of Premium to be Charged		
Time Days	Paid in Advance	Inst. Basis	Time Days	Paid in Advance	Inst. Basis	Time Days	Paid in Advance	Inst. Basis	Time Days	Paid in Advance	Inst. Basis
365	40.0000%	38.0953%	546	54.8782%	53.4441%	730	70.0030%	69.0473%	911	84.8812%	84.3961%
396	42.5482	40.7241	577	57.4264	56.0729	761	72.5512	71.6761	942	87.4294	87.0249
424	44.8498	43.0985	608	59.9746	58.7017	789	74.8528	74.0505	973	89.9776	89.6537
455	47.3980	45.7273	638	62.4406	61.2457	820	77.4010	76.6793	1003	92.4436	92.1977
485	49.8640	48.2713	669	64.9888	63.8745	850	79.8670	79.2233	1033	94.9096	94.7417
516	52.4122	50.9001	699	67.4548	66.4185	881	82.8521	81.8521	1064	97.4578	97.3705

For each intermediate day not included in the above table, add to the appropriate percentages above, before applying to three-year premium, the following:

(a) .0822%, when premium is on a "Paid in Advance" basis. (b) .0848%, when premium is on "Installment" basis.

The foregoing table cannot be used on term bonds that do not have the same rate or premium factors throughout the full term. In such case the earned premium shall be arrived at as follows:

- Determine full annual premium as for a bond written for a term of one year.
- Deduct such premium from the full bond premium, and on the remainder calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year for which the bond was originally written.
- Add premium produced in accordance with items (1) and (2) to obtain earned premium during full period bond has been in force.

Note: On term bonds in force for 12 months or less, apply the standard short rate table for one year to a full annual premium determined as for a bond written for a term of one year.

GENERAL AGREEMENTS (Continued)

- C. Loss Under Prior Bond or Policy. If the coverage of an Insuring Agreement of this Policy, other than Insuring Agreement V, is substituted for any prior bond or policy of insurance carried by the Insured or by any predecessor in interest of the Insured, which prior bond or policy is terminated, canceled or allowed to expire as of the time of such substitution, the Company agrees that such insuring Agreement applies to loss which is discovered as provided in Section 1 of the Conditions and Limitations and which would have been recoverable by the Insured or such predecessor under such prior bond or policy except for the fact that the time within which to discover loss there under had expired; provided:
- (1) the insurance under this General Agreement C shall be a part of and not in addition to the amount of insurance afforded by the applicable Insuring Agreement of this Policy;
 - (2) such loss would have been covered under such Insuring Agreement had such Insuring Agreement with its agreements, conditions and limitations as of the time of such substitution been in force when the acts or events causing such loss were committed or occurred; and
 - (3) recovery under such Insuring Agreement on account of such loss shall in no event exceed the amount which would have been recoverable under such Insuring Agreement in the amount for which it is written as of the time of such substitution, had such insuring Agreement been in force when such acts or events were committed or occurred, or the amount which would have been recoverable under such prior bond or policy had such prior bond or policy continued in force until the discovery of such loss, if the later amount be smaller.

Insuring Agreement V shall also cover loss sustained by the Insured at any time before the termination or cancellation of Insuring Agreement V, which would have been recoverable under the coverage of some similar form of forgery insurance (exclusive of fidelity insurance) carried by the Insured or any predecessor in interest of the Insured, had such prior forgery insurance given all of the coverage afforded under Insuring Agreement V; provided, with respect to loss covered by this paragraph:

- (a) the coverage of Insuring Agreement V is substituted on or after the date hereof for such prior forgery coverage and the insured or such predecessor, as the case may be, carried such prior forgery coverage on the office at which such loss was sustained continuously from the time such loss was sustained to the date the coverage of Insuring Agreement V was substituted therefore;
- (b) at the time of discovery of such loss, the period for discovery of loss under all such prior forgery insurance has expired; and
- (c) if the amount of insurance carried under Insuring Agreement V applicable to the office at which such loss is sustained is larger than the amount applicable to such office under such prior forgery insurance, and in force at the time such loss is sustained, then liability hereunder for such loss shall not exceed the small amount.

CONDITIONS AND LIMITATIONS

Section 1. Policy Period, Territory, Discovery. Loss is covered under this Policy only if discovered not later than one year from the end of the Policy Period.

Subject to General Agreement C:

- (a) this Policy, except under Insuring Agreements I and V, applies only to loss which occurs during this Policy Period within any of the States of the United States of America, the District of Columbia, Virgin Islands, Puerto Rico, Canal Zone or Canada;
- (b) Insuring Agreement I applies only to loss sustained by the Insured through fraudulent or dishonest acts committed during the Policy Period by any of the Employees engaged in the regular service of the Insured within the territory designated above or while such Employees are elsewhere for a limited period;
- (c) Insuring Agreement V applies only to loss sustained during the Policy Period.

Section 2. Exclusions. This Policy does not apply:

- (a) to loss due to any fraudulent, dishonest, or criminal act by any Insured or a partner therein, whether acting alone or in collusion with others;
- (b) under Insuring Agreement I, to loss, or that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation;
- (c) under Insuring Agreements II and III, to loss due to any fraudulent, dishonest or criminal act by an Employee, director, trustee or authorized representative of any Insured, while working or otherwise and whether acting alone or in collusion with others; provided, this Exclusion does not apply to Safe Burglary or Robbery or attempt thereof;
- (d) under Insuring Agreements II and III, to loss due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
- (e) under Insuring Agreements II and III, to loss (1) due to the giving or surrendering of Money or Securities in any exchange or purchase; (2) due to accounting or arithmetical errors or omissions; or (3) of manuscripts, books of account or records;
- (f) under Insuring Agreement II, to loss of Money contained in coin operated amusement devices or vending machines, unless the amount of Money deposited within the device or machine is recorded by a continuous recording instrument therein;
- (g) under Insuring Agreement III, to loss of insured property while in the custody of any armored motor vehicle company, unless such loss is in excess of the amount recovered or received by the Insured under (1) the Insured's contract with said armored motor vehicle company, (2) insurance carried by said armored motor vehicle company for the benefit of users of its service, and (3) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armored motor vehicle company's service, and then this Policy shall cover only such excess;
- (h) under Insuring Agreements II and III, to loss due to nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any of the foregoing;
- (i) under Insuring Agreement II, to loss, other than to money, securities, safe or vault, by fire whether or not such fire is caused by, contributed to by or arises out of the occurrence of a hazard insured against;
- (j) except as may be specifically stated to the contrary in the policy or any applicable Endorsement, to the defense of any legal proceeding brought against the Insured, or to fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceeding whether or not such proceeding results or would result in a loss to the Insured covered by this policy;
- (k) in addition to the existing Exclusions in the policy, to (1) potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this Policy. (2) all damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this Policy. (3) all costs, fees, and other expenses incurred by the Insured in establishing the existence of or amount of loss covered under this Policy.

CONDITIONS AND LIMITATIONS (Continued)

Section 3. Definitions. The following terms, as used in this Policy, shall have the respective meanings stated in this Section:

"Money" means currency, coins, bank notes and bullion; and travelers checks, register checks and money orders held for sale to the public.

"Securities" means all negotiable and non-negotiable instruments or contracts representing either Money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include Money.

"Employee" means any natural person (except a director or trustee if the Insured, if a corporation, who is not also an officer or employee thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured's business during the Policy Period and whom the Insured compensates by salary, wages or commissions and has the right to govern and direct in the performance of such service, does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. As applied to loss under Insuring Agreement I, the above words "while in the regular service of the Insured" shall include the first 30 days thereafter; subject, however, to Sections 15 and 16.

"Premises" means the interior of that portion of any building, which is occupied by the Insured in conducting its business.

"Banking Premises" means the interior of that portion of any building, which is occupied by a banking institution in conducting its business.

"Messenger" means the Insured or a partner of the Insured or any Employee who is duty authorized by the Insured to have the care and custody of the insured property outside the Premises.

"Custodian" means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property within the Premises, excluding any person while acting as a watchman, porter or janitor.

"Robbery" means the taking of insured property (1) by violence inflicted upon a Messenger or a Custodian; (2) by putting him in fear of violence; (3) by any other overt felonious act committed in his presence and of which he was actually cognizant, provided such other act is not committed by a partner or Employee of the Insured; (4) from the person or direct care and custody of a Messenger or custodian who has been killed or rendered unconscious; or (5) under Insuring Agreement II, (a) from within the Premises by means of compelling a Messenger or Custodian by violence or threat of violence while outside the Premises to admit a person into the Premises or to furnish him with means of ingress into the Premises, or (b) from a showcase or show window within the Premises while regularly open for business, by a person who has broken the glass thereof from outside the Premises.

"Safe Burglary" means (1) the felonious abstraction of insured property from within a vault or safe, the door of which is equipped with a combination lock, located within the Premises by a person making felonious entry into such vault or such safe and any vault containing the safe, when all doors thereof are duly closed and locked by all combination locks thereon, provided such entry shall be made by actual force and violence, of which force and violence there are visible marks made by tools, explosives, electricity or chemicals upon the exterior of (a) all of said doors of such vault or such safe and any vault containing the safe, if entry is made through such doors, or (b) the top, bottom or walls of such vault or such safe and any vault containing the safe through which entry is made, if not made through such doors, or (2) the felonious abstraction of such safe from within the Premises.

"Loss", except under Insuring Agreement I and V, includes damage.

Section 4. Loss Caused by Unidentifiable Employees. If a loss is alleged to have been caused by the fraud or dishonesty of any one or more of the Employees and the Insured shall be unable to designate the specific Employee or Employees causing such loss, the Insured shall nevertheless have the benefit of Insuring Agreement I, subject to the provisions of Section 2(b) of this Policy, provided that the evidence submitted reasonably proves that the loss was in fact due to the fraud or dishonesty of one or more of the said Employees, and provided, further, that the aggregate liability of the Company for any such loss shall not exceed the Limit of Liability applicable to Insuring Agreement I.

Section 5. Ownership of Property; Interests Covered. The insured property may be owned by the Insured, or held by the Insured in any capacity whether or not the Insured is liable for the loss thereof, or may be property as respects which the Insured is legally liable; provided, Insuring Agreements II, III and IV apply only to the interest of the Insured in such property, including the Insured's liability to others, and do not apply to the interest of any other person or organization in any of said property unless included in the Insured's proof of loss, in which event the third paragraph of Section 8 is applicable to them.

Section 6. Books and Records. The Insured shall keep records of all the insured property in such manner that the Company can accurately determine there from the amount of loss.

Section 7. Prior Fraud, Dishonesty or Cancellation. The coverage of Insuring Agreement I shall not apply to any Employee from and after the time that the Insured or any partner or officer thereof not in collusion with such Employee shall have knowledge or information that such Employee has committed any fraudulent or dishonest act in the service of the Insured or otherwise, whether such act be committed before or after the date of employment by the Insured. If, prior to the issuance of this Policy, any fidelity insurance in favor of the Insured and covering one or more of the Insured's Employees by reason of giving of written notice of cancellation by the insurer issuing such fidelity insurance, whether the Company or not, and if such Employees shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, the Company shall not be liable on account of such Employees unless the Company shall agree in writing to include such Employees within the coverage of Insuring Agreement I.

Section 8. Loss-Notice-Proof-Action Against Company. Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim for loss, the Insured shall: (a) give notice thereof as soon as practicable to the Company or any of its authorized agents and except under Insuring Agreements I and V, also to the police if the loss is due to a violation of law; (b) file detailed proof of loss, duly sworn to, with the Company within four months after the discovery of loss. Proof of loss under Insuring Agreement V shall include the instrument which is the basis of claim for such loss, or if it shall be impossible to file such instrument, the affidavit of the Insured or the Insured's bank of deposit setting forth the amount and cause of loss shall be accepted in lieu thereof. Upon the Company's request, the Insured shall submit to examination by the Company, subscribe the same, under oath if required, and produce for the Company's

examination all pertinent records, all at such reasonable times and places as the Company shall designate, and shall cooperate with the Company in all matters pertaining to loss or claims with respect thereto. No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, nor until ninety days after the required proofs of loss have been filed with the Company, nor at all unless commenced within two years from the date when the Insured discovers the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Policy, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

Section 9. Valuation-Payment-Replacement. In no event shall the Company be liable as respects Securities for more than the actual cash value thereof at the close of business on the business day next preceding the day on which the loss was discovered, nor as respects other property, for more than the actual cash value thereof at the time of loss; provided, however, the actual cash value of such other property held by the Insured as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of property as determined and recorded by the Insured when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates. The Company may, with the consent of the Insured, settle any claim for loss of property with the owner thereof. Any property for which the Company has made indemnification shall become the property of the Company. In case of damage to the Premises or loss of property other than Securities, the Company shall not be liable for more than the actual cash value of such property, or for more than the actual cost of repairing such Premises or property or of replacing same with property or material of like quality and value. The Company may, at its election, pay such actual cash value, or make such repairs or replacements. If the Company and the Insured cannot agree upon such cash value or such cost of repairs or replacements, such cash value or such cost shall be determined by arbitration.

Section 10. Recoveries. If the Insured shall sustain any loss covered by this Policy which exceeds the applicable amount of insurance hereunder, the Insured shall be entitled to all recoveries (except from surety ship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Company) by whomsoever made, on account of such loss under this Policy until fully, reimbursed, less the actual cost of effecting the same; and any remainder shall be applied to the reimbursement of the Company.

Section 11. Limits of Liability. Payment of loss under Insuring Agreement I or V shall not reduce the Company's liability for other losses under the applicable Insuring Agreement whenever sustained. The Company's total liability (a) under Insuring Agreement I for all loss caused by any Employee or in which such Employee is concerned or implicated or (b) under Insuring Agreement V for all loss by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, is limited to the applicable amount of insurance specified in the Table of Limits of Liability or endorsement amendatory thereto. The liability of the Company for loss sustained by any or all of the Insured shall not exceed the amount for which the Company would be liable had all such loss been sustained by any of the Insured. Except under Insuring Agreements I and V, the applicable limit of liability stated in the Table of Limits of Liability is the total limit of the Company's liability with respect to all loss of property of one or more persons or organizations arising out of any one occurrence. All loss incidental to an actual or attempted fraudulent, dishonest or criminal act or series of related acts at the Premises, whether committed by one or more persons, shall be deemed to arise out of one occurrence. Regardless of the number of years this Policy shall continue in force and the number of premiums which shall be payable or paid, the limit of the Company's liability as specified in the Table of Limits of Liability shall not be cumulative from year to year or period to period.

Section 12. Limit of Liability Under This Policy and Prior Insurance. This Section shall apply only to Insuring Agreements I and V. With respect to loss caused by any person (whether one of the Employees or not) or in which such person is concerned or implicated or which is chargeable to any Employee as provided in Section 4 and which occurs partly during the Policy Period and partly during the period of other bonds or policies issued by the Company to the Insured or to any predecessor in interest of the Insured and terminated or canceled or allowed to expire and in which the period for discovery has not expired at the time any such loss there under is discovered, the total liability of the Company under this Policy and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under the applicable Insuring Agreement of this Policy on such loss or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss, if the latter amount be the larger.

Section 13. Other Insurance. If there is available to the Insured any other insurance or indemnity covering any loss covered by Insuring Agreement I or V, the Company shall be liable hereunder only for that part of such loss which is in excess of the amount recoverable or recovered from such other insurance or indemnity, except that if such other insurance or indemnity is a bond or policy of fidelity insurance, any loss covered under both such fidelity insurance and Insuring Agreement V. Any loss covered under both Insuring Agreements I and V shall first be paid under Insuring Agreement V and the excess, if any, shall be paid under Insuring Agreement I. The Company waives any right of contribution which it may have against any forgery insurance carried by any depository bank which is indemnified under Insuring Agreement V. Under any other Insuring Agreement, if there is any valid and collectible insurance which would apply in the absence of such Insuring Agreement, the insurance under this Policy shall apply only as excess insurance over such other insurance; provided, the insurance shall not apply (a) to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance; or (b) to property otherwise insured unless such property is owned by the Insured.

Section 14. Subrogation. In the event of any payment under this Policy, the Company shall be subrogated to all the Insured's rights of recovery therefore against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after loss to prejudice such rights.

Section 15. Cancellation as to Any Employee. Insuring Agreement I shall be deemed canceled as to any Employee: (a) immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such Employee, of any fraudulent or dishonest act on the part of such Employee; or (b) at noon, standard time as aforesaid upon the effective date specified in a written notice mailed to the Insured. Such date shall be not less than fifteen days after the date of mailing. The mailing by the Company of notice as aforesaid to the Insured at the address shown in this Policy shall be sufficient proof of notice. Delivery of such written notice by the Company shall be equivalent of mailing.

Section 16. Cancellation of Policy or Insuring Agreement. This Policy or any Insuring Agreement may be canceled by the Insured by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This Policy or any Insuring Agreement may be canceled by the Company by mailing to the Insured at the address shown in this Policy written notice stating when not less than fifteen days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the Policy Period for any affected Insuring Agreement. Delivery of such written notice either by the Insured or by the Company shall be equivalent to mailing. If the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

Section 17. No Benefit to Bailee. This Section shall apply only to Insuring Agreements II and III. The insurance provided by this Policy shall not inure directly or indirectly to the benefit of any carrier or other bailee for hire.

Section 18. Assignment. Assignment of interest under this Policy shall not bind the Company until its consent is endorsed hereon; if, however, the Insured shall die, this Policy shall cover the Insured's legal representative as Insured; provided that notice of cancellation addressed to the Insured named in the Declarations and mailed to the address shown in this Policy shall be sufficient notice to effect cancellation of this Policy.

Section 19. Changes. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy be waived or changed, except by endorsement issued to form a part of this Policy signed by a duly authorized officer or representative of the Company. By acceptance of this Policy the Insured agrees that it embodies all agreements existing between the Insured and the Company or any of its agents relating to this Insurance.

IN WITNESS WHEREOF, the Company designated on the Declarations Page has caused this policy to be signed by its President and Secretary, but this policy shall not be valid unless countersigned on the Declarations Page by a duly authorized representative of the Company.

Manager

President

Jacket Page 9

Claims Resources - We maintain a property and casualty claims staff dedicated solely to our portfolio of aviation and property management business. Our staff has been involved in some of the industry's most challenging, high-profile claims and are an invaluable resource when developing manuscript policy wordings, anticipating market issues and responding to claims positions put forth by insurance carriers. We are well experienced integrating ourselves into current open as well as future claims to help provide support in driving them to a successful recovery and resolution.

AMI believes that being in the forefront of every claim, whether big or small, is important. In fact, our **"Front & Center"** claims policy was evident in our assisting of Saipan's Airport (Commonwealth Ports Authority-CPA) during the "Yutu" typhoon claim. We created a claims committee consisting of AMI, CPA, Keith Yoo, an independent claims adjuster, whom we lobbied to get assigned onto the claim. This proved to be invaluable in keeping the claim moving forward until its settlement. We had regular phone calls, correspondences and meetings to keep the claim going until settled.

An even bigger example of our **"Front & Center"** claim policy, involves a claim which was recently settled at over \$100 million for the Guam Power Authority. In this case, we had the General Manager and one staff member dedicated to liaise and attend every claims meeting whether technical in nature or not. We even traveled to London and San Francisco whenever a claims meeting was held. We attended weekly meetings and conference calls to keep the claim going until closed.

AMI has staff trained and experienced in servicing all types of claims including those from Commercial and Government type accounts. We even added a licensed Claims Adjuster to assist our office in providing immediate assistance when a claim arises. AMI staff will be dispatched immediately for preliminary assessments. They will follow up with adjusters on status and liaise between all parties until claim is settled.

AMI has established **Claims Handling Procedures** for all our clients in the event of a loss to include the following:

1. Report the loss (Loss Notification Plan)
2. Investigation of loss
3. Protection and Salvage of Damage Property
4. Substantiation of loss
5. Insured's duties in the event of a claim or suit

In closing, we feel that we earn client opportunities not by being the biggest insurance broker in the world, but by providing greater value in every facet of the client-broker relationship. We are committed to being a premier broker and insurance consultant to our clients. We hire and heavily invest in professionals with years of insurance experience and team up with individuals who specialize in complex airport risks and we believe our expertise, insurance carrier relationships, culture and market share uniquely qualify AM Insurance to advise and represent GWA now and into the future. Above all, we are passionate about our work and enjoy what we do on a daily basis.

We look forward to having a more in-depth discussion with GWA regarding your goals for your insurance program and how we can custom-tailor our proposed service plan to partner with and complement GWA's team and Insurance functions in the coming years.

GWA IFB NO. 2022-09

Property, General Liability, D&O Liability, Auto, Crime and Cyber Insurance

TAB 2

Bid Response Form

Property Insurance

Liability Insurance

Directors & Officers Liability Insurance

Automobile Insurance

Crime Insurance

Cyber Liability Insurance



BID RESPONSE FORM - PROPERTY INSURANCE

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$30,000,000 Blanket See special notation for underground exposures -Part of Blanket Limit? -Sub-Limit?-	\$1,000,000 Catastrophic		
	\$100,000 All other Underground Exposures-Part of Blanket Limit: Underground Exposures Sub Limited:	*\$5,835,666.00 (\$1,945,222 Billed Annually) *\$4,785,741.00 (\$1,595,247 Billed Annually)	*\$8,996,650.00 (\$1,799,330 Billed Annually) *\$7,378,020.00 (\$1,475,604 Billed Annually)
Option: \$40,000,000 See special notation for underground exposures- -Part of Blanket Limit? -Sub-Limit?-	\$1,000,000 Catastrophic		
	\$100,000 All other Underground Exposures-Part of Blanket Limit: <u>SEE BELOW: ANNUAL TERM</u>	\$8,835,666.00 (\$2,945,222 Billed Annually)	\$13,996,650.00 (\$2,799,330 Billed Annually)

Carrier	Carrier's Financial Rating
DB INSURANCE CO., LTD	A XV-AM BEST

Bidder AM INSURANCE

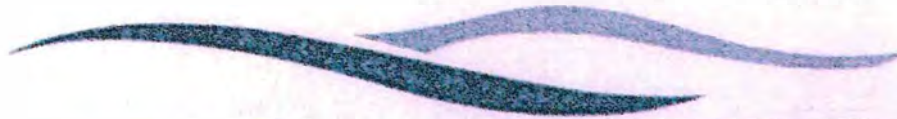
OPTION: \$40MIL LIMIT

By: ANNMARIE T. MUNA, PRESIDENT/GENERAL MANAGER

Underground Exposures-Part of Blanket Limit:
 *\$3, 161,357.52 (Annual Premium)

Date: 19 APRIL 2022

*NOTE: REFER TO ATTACHED PROPOSAL AND POLICY FORMS FOR DETAILS ON COVERAGE, TERMS & CONDITIONS



GUAM WATERWORKS AUTHORITY

BID RESPONSE FORM - LIABILITY INSURANCE

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$25,000,000 CSL	\$300,000 Each & Every Loss	*\$640,449 ((\$213,483 Billed Annually))	*\$1,120,785 (15224.157 Billed Annually)
\$50,000,000 CSL	\$300,000 Each & Every Loss	NO QUOTE	NO QUOTE

Carrier	Carrier's Financial Rating
DB INSURANCE CO., LTD.	A XV-AM BEST

Bidder AM INSURANCE

By: ANNMARIE T. MUNA, PRESIDENT/GENERAL MANAGER
Date: 19 APRIL 2022

•NOTE: REFER TO ATTACHED PROPOSAL AND POLICY FORMS FOR DETAILS ON COVERAGE, TERMS & CONDITIONS



GUAM WATERWORKS AUTHORITY

BID RESPONSE FORM - DIRECTORS & OFFICERS LIABILITY INSURANCE & EMPLOYMENT PRACTICES LIABILITY INSURANCE

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$2,000,000 D&O \$1,000,000 EPLI	Nil Nil	*\$81,000 (\$27,000 Billed Annually)	*\$124,875 (\$24,975.00 Billed Annually)
\$2,000,000 D&O \$2,000,000 EPLI	Nil Nil	*\$90,000 (\$30,000 Billed Annually)	*\$138,750 (\$27,750 Billed Annually)
\$5,000,000 D&O \$5,000,000 EPLI	Nil Nil	NO QUOTE	NO QUOTE
\$5,000,000 Shared Aggregate D&O/EPLI	Nil Nil	NO QUOTE	NO QUOTE
\$10,000,000 D&O \$10,000,000 EPLI	Nil Nil	NO QUOTE	NO QUOTE
\$10,000,000 Shared Aggregate D&O/EPLI	Nil Nil	NO QUOTE	NO QUOTE

Carrier	Carrier's Financial Rating
DB INSURANCE CO., LTD	A XV-AM BEST

Bidder

AM INSURANCE

By:

ANNMARIE T. MUNA, PRESIDENT/GENERAL MANAGER

Date:

19 APRIL 2022

*NOTE: REFER TO ATTACHED PROPOSAL AND POLICY FORMS FOR DETAILS ON COVERAGE, TERMS & CONDITIONS



BID RESPONSE FORM - AUTOMOBILE INSURANCE

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$2,000,000 CSL UM \$25,000/\$50,000	\$1,000 - Collision Damage	*\$141,465.96 (<small>\$47,155.32 Billed Annually</small>)	*\$223,987.75 (<small>\$44,797.55 Billed Annually</small>)
\$2,000,000 CSL Option UM \$1,000,000	\$1,000 - Collision Damage	*\$161,678.16 (<small>\$53,892.73 Billed Annually</small>)	*\$255,990.40 (<small>\$51,198.08 Billed Annually</small>)

Carrier	Carrier's Financial Rating
DB INSURANCE CO., LTD	A XV-AM BEST

Bidder AM INSURANCE

By: 
ANNMARIE T. MUNA, PRESIDENT/GENERAL MANAGER

Date: 19 APRIL 2022

*NOTE: REFER TO ATTACHED PROPOSAL AND POLICY FORMS FOR DETAILS ON COVERAGE, TERMS & CONDITIONS



GUAM AUTHORITY

BID RESPONSE FORM- CRIME INSURANCE

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$1,000,000	\$50,000 except \$10,000 inside/out premises	*\$43,740 (\$14,580 Billed Annual)	*\$67,435 (\$13,487 Billed Annually)

Carrier	Carrier's Financial Rating
DB INSURANCE CO., LTD	A XV-AM BEST

Bidder AM INSURANCE

By: ANNMARE GENERAL MANAGER /L

Date: 19 APRIL 2022

*NOTE: REFER TO ATTACHED PROPOSAL AND POLICY FORMS FOR DETAILS ON COVERAGE, TERMS & CONDITIONS



GUAM GOVERNMENT SERVICES AUTHORITY

BID RESPONSE FORM- CYBER LIABILITY INSURANCE

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$3,000,000	\$250,000	NO QUOTE	NO QUOTE
\$3,000,000	\$100,000	NO QUOTE	NO QUOTE
\$3,000,000	\$50,000	NO QUOTE	NO QUOTE
\$5,000,000	\$250,000	NO QUOTE	NO QUOTE
\$5,000,000	\$100,000	NO QUOTE	NO QUOTE
\$5,000,000	\$50,000	NO QUOTE	NO QUOTE
\$10,000,000	\$250,000	NO QUOTE	NO QUOTE
\$10,000,000	\$100,000	NO QUOTE	NO QUOTE
\$10,000,000	\$50,000	NO QUOTE	NO QUOTE

Carrier	Carrier's Financial Rating

Bidder Amgen

By: AM Insurance

Date: 4/19/22

**PROPOSAL FOR COMMERCIAL PROPERTY, COMMERCIAL
GENERAL LIABILITY, DIRECTORS AND OFFICERS LIABILITY
INSURANCE, COMMERCIAL AUTOMOBILE, CRIME INSURANCE,
Prepared for**

**GUAM WATERWORKS AUTHORITY
(INVITATION FOR BID - IFB2022-09)**



GUAM WATERWORKS AUTHORITY

April 19, 2022

This quotation is valid for 30 days from its date of issued

Moylan's Insurance thanks you for the opportunity to discuss your insurance needs. This summary is a brief overview of your insurance coverage and is based on the exposure information you provided. Please refer to the policies for complete terms, conditions, limitations, definitions and exclusions.

Disclaimer: *The abbreviated outlines of coverages used throughout this summary are not intended to express any legal opinion as to the nature of coverage. They are only visuals to a basic understanding of coverages.
This is just an illustration of the cost of insurance*



MOYLAN'S INSURANCE UNDERWRITERS, INC.

Home of the Good Guys and Gals

424 W OBrien Dr Ste 102

Hagatna GU 96910

Carrier

DB Insurance Co., Ltd.
Rated **A** (Excellent) by A.M. Best
Rated **A** (Stable) by **S&P**
Financial Size Category **XV**



Policy Period

Three OR Five Year Period From May 01, 2022

COMMERCIAL PROPERTY

Description/Coverage

Blanket Coverage for **All risks of direct physical loss or damage** to all Real & Personal Property belonging to the Insured, or in which the Insured has insurable interest.

Including:

- Earthquake, Windstorm, Flood, Typhoon &/or Hail, Tidal Wave
- Loss of Revenue/ Business Interruption and Extra Expense
- Boiler and machinery Breakdown
- EDP hardware/ Software/ Extra Expense
- Ordinance or Law - ICC Demo & period of Restoration
- Include Underground Assets on a Scheduled Agreed Amount basis as outlined in "Required Conditions"

Declared Value

\$3,945,999,776 (Per Attached Property Schedule FY 2021)

\$1,069,361,221.- {IFB 2022-09 Insurance Bid Specs Property Schedule GWA 04-08-22)

- Property Damage : \$ 967,697,405.-
- Business Interruption : \$101,663,816.- (Indemnity Period : 24 Months)

Limits of Insurance

OPTION I \$30,000,000.00 Any One Occurrence

- a) Underground Exposures - Part of Blanket Limit
- b) Underground Exposures - Sublimited
 - ☐ **\$10,047,752** - Wells
 - ☐ **\$17,907,947**- Fresh Water Underground Piping
 - ☐ **\$17,620,688** - Manholes
 - ☐ **\$20,971,437**-Wastewater Underground Piping

OPTION II \$40,000,000.00 Any One Occurrence

- c) Underground Exposures - Part of Blanket Limit

Sublimits

- \$ 250,000.00** Personal Property in Transit
- \$1,000,000.00** Valuable Papers & Records and Computer Media
- \$1,000,000.00** Automatic Acquisition
- \$5,000,000.00** Boiler Explosion and Machinery Breakdown
- \$1,000,000.00** Denial of Access
- \$1,000,000.00** Suppliers and Customers
- \$1,000,000.00** Debris Removal
- \$ 250,000.00** Mold (in the aggregate)

Covered Causes of Loss

Special Form to include Fire, Lightning, Explosion, Windstorm &/or Typhoon or Hail, Smoke, Aircraft or Vehicles, Riot or Civil Commotion, Vandalism, Sinkhole Collapse, Volcanic Action, Falling Objects, Sprinkler Leakage, Earthquake, Volcanic Eruption

Co-Insurance	Waived
Valuation	Recovery shall be made on the basis of one hundred percent (100%) of the property's current replacement value at the time and place of loss, subject to the limit of coverage provided by the Policy. The Insured shall not be required to rebuild damaged or destroyed structures on the same site nor with like kind and quality
Self-Insured Retention/ Time Excess	Earthquake, Windstorm &/or Typhoon or Hail, and Tidal Wave - \$1,000,000.00 any one occurrence All Other Covered Causes of Loss - \$100,000.00 any one occurrence Time Excess - 7Days
Territory	Guam
Cancellation	90 Days prior written notice by email and certified mail
Endorsements Applicable	IL DS 00 09 08 Common Policy Declarations CP DS 00 10 00, Commercial Property Coverage Part Declarations Page CP 00 10 04 02 - Building and Personal Property Coverage Form CP 10 30 10 12 - Causes of Loss - Special Form CP 10 40 10 12 - Cause of Loss - Earthquake Form CP 00 90 07 88 - Commercial Property Conditions IL 00 17 11 98 - Common Policy Conditions CP 02 09 04 01 - Guam Changes-Cancellation CP 12 32 06 07 - Limitation on Loss Settlement-Blanket Insurance (Margin Clause) Deductible Clause, Exclusion of Mold, Fungus, Wet Rot, Dry Rot and Bacteria Communicable Disease Exclusion - LMA5394 / LMA 5393 Cyber Loss Limited Exclusion Clause No. I- LMA5401 Payment Schedule Agreement Multi-Year Policy Endorsement Exclusion of Certified Acts of Terrorism LMA 5390 - US Terrorism Risk Insurance Act of 2002 NMA2918 - War and Terrorism Exclusion NMA 2802- Electronic Date Recognitions Exclusion (EDRE) NMA2340-Seepage & Pollution, Land, Air Water Exclusion & Debris removal Endorsement NMA2962-Biological or Chemical Materials Exclusion LMA5020-Service of suit Clause (U.S.A) LMA5019-Asbestos Endorsement LMA5062-Fraudulent Claim Clause LMA3100-Sanction Limitation and Exclusion clause LMA5130 Application of Sub limits Endorsement CL 370 Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic weapons Exclusion Clause HKNA International Commercial Property Business Interruption-I.C.W.-408HKA00002 (Business Interruption Extension & Extra Expense Extension) Other standard policy forms, endorsements, restrictions and exclusions that may apply.

Standard Exclusion(s)

As defined under the policy, Including but not limited to:

- a. Ordinance or Law
- b. Earth Movement
- c. Governmental Action
- d. Nuclear Hazard
- e. Utility Services
- f. War and Military Action
- g. Water (Flood, Mudslide or mudflow, Seepage and sewer backup)
- h. All other mechanical breakdown exclusions as defined under the policy

Required Endorsements

- Schedules
- Waiver of Subrogation - Tenants
- Valuation
- Misrepresentation & Fraud
- Cancellation Clause - 90 Days
- Automatic Acquisition
- Waiver of Coinsurance or Average Clause
- Building Ordinance or Law - Demolition Cost
- Building Ordinance or Law - Increased Cost of Construction
- Building Ordinance or Law - Demolition and Increased Time to Rebuild
- Business Interruption & Extra Expense Extension
- Denial of Access
- Jurisdiction
- Preservation of Property
- Damage to Building Exterior
- Damage to Building Interior
- Earthquake Damage

\$30,000,000.00 Any One Occurrence	UNDERGROUND EXPOSURES	UNDERGROUND EXPOSURES
	Part of the Blanket Limit	Sublimited
ANNUAL PREMIUM	\$ 2,161,358.00	\$ 1,772,497.00
3 YEAR PREMIUM (BILLED ANNUALLY)	\$ 1,945,222.00	\$ 1,595,247.00
5 YEAR PREMIUM (BILLED ANNUALLY)	\$ 1,799,330.00	\$ 1,475,604.00

\$40,000,000.00 Any One Occurrence	UNDERGROUND EXPOSURES	UNDERGROUND EXPOSURES
	Part of the Blanket Limit	Sublimited
ANNUAL PREMIUM	\$3,161,357.52	N/A
3 YEAR PREMIUM (BILLED ANNUALLY)	\$2,945,222.00	N/A
5 YEAR PREMIUM (BILLED ANNUALLY)	\$2,799,330.00	N/A

COMPREHENSIVE 3D			
	Description/Coverage	Limits of Insurance	Deductible
	Comprehensive Dishonesty, Disappearance and Destruction Form		
	Aggregate	\$1,000,000.00	
I.	Employee Dishonesty	\$1,000,000.00	\$50,000.00
II.	Loss Inside Premises	\$100,000.00	\$10,000.00
III.	Loss Outside Premises	\$100,000.00	\$10,000.00
IV.	Money Orders and Counterfeit Currency	\$100,000.00	\$50,000.00
V.	Depositors Forgery	\$100,000.00	\$50,000.00
Additional Insuring Agreements			
VI.	Cheque Forgery	\$100,000.00	\$50,000.00
VII.	Third Party Computer Fraud	\$100,000.00	\$50,000.00
VIII.	Costs	\$100,000.00	\$50,000.00

Territory

Guam

Endorsements Applicable

Communicable Disease Exclusion - LMA5399, Cyber Incident Exclusion, Multi-Year Policy Endorsement, Payment Schedule Agreement, **Exclusion of Certified Acts of Terrorism**

Required Endorsements

- Territory (Guam)
- Jurisdiction
- Cancellation Clause - 90 Days

3 Year Premium {BILLED ANNUALLY} \$14,580.00
5 Year Premium (BILLED ANNUALLY) \$13,487.00

AUTOMOBILE INSURANCE

Total Number of Vehicles: 197 (Please refer to the Schedule for detailed listing)

Coverage	Limits of Insurance	Deductible
A. Bodily Injury- Each Person/Each Accident	\$2,000,000.00 Combined Single Limit	NIL
B. Property Damage - Each Accident	Included	NIL
C. Medical Payments - Each Person	\$1,000.00	NIL
D. Comprehensive - Deductible	NOT COVERED	NIL
E. Collision - Deductible	*ACV	\$1,000.00
Uninsured Motorist- Each Person/Each Accident	OPTION 1 \$25,000.00/\$50,000.00	NIL
	OPTION 2 \$1,000,000.00	NIL
Personal Accident - Each Person/Each vehicle	NOT COVERED	NIL
Loss Of Use	NOT COVERED	NIL
OPTIONAL COVERAGE		
Typhoon - Deductible	NOT COVERED	NIL
Passenger Risk - Each Person/Each Accident	NOT COVERED	NIL
Hired & Non-Owned Auto Liability	Included	NIL

*ACV-ACTUAL CASH VALUE

Endorsements Applicable Multi-Year Policy Endorsement, Payment Schedule Agreement, Exclusion of Certified Acts of Terrorism

Required Endorsements

- Valid Driver's License Waiver
- Under-Age Driver Waiver
- Operator Waiver
- Newly Acquired and Substitute Vehicles
- Errors & Omissions Clause
- Racing, Pacemaking or Speed Testing
- Jurisdiction
- Waiver of Sovereign Immunity
- Jurisdiction
- Waiver of Sovereign Immunity
- Cancellation Clause - 90 Days

	OPTION 1	OPTION 2
THREE YEAR PREMIUM (Billed Annually)	\$46,606.64 Plus \$548.68 - 2% Assessment Fee	\$53,344.04 Plus \$548.68 - 2% Assessment Fee
FIVE YEAR PREMIUM (Billed Annually)	\$44,276.31 Plus \$521.24 - 2% Assessment Fee	\$50,676.84 Plus \$521.24 - 2% Assessment Fee

DIRECTORS AND OFFICERS INCLUDING EMPLOYMENT PRACTICE CLAIMS

Limit of Liability	SEE BELOW
Employment Related Practice Sublimit	SEE BELOW
Co-Insurance	100%
Retention	Coverage A \$NIL Each Person \$NIL Aggregate All Persons/ Each Loss Coverage B \$NIL Aggregate Each Loss

Required Endorsements

- ⊖ Retroactive Date - June 30, 2008
- ⊖ Territory - Worldwide
- ⊖ Jurisdiction - Guam
- ⊖ Cancellation Clause - 90 Days

Endorsements:

Security Holder Derivative Action Inclusion Clause; Territory, Cancellation Clause, Jurisdiction, Punitive Damage Exclusion Clause; Nuclear Energy Liability Exclusion Endorsement; Prior Acts Exclusion Endorsement; Retention Endorsement; Failure to Maintain Insurance Exclusion Endorsement; Captive Insurance Company Exclusion Endorsement; One VS One Exclusion Endorsement (Insured VS Insured Exclusion Endorsement); Closely-Held Clause; Regulatory Exclusion Clause; SEC Exclusion; Erisa Exclusion; Year 2000 Exclusion, Multi-Year Endorsement, Payment Schedule Agreement, Exclusion of Certified Acts of Terrorism

Notice 1: Except to such extent as may otherwise be provided herein, the coverage of this policy is limited generally to liability for only those claims that are first made against the Insured during the policy period.

Notice 2: The limit of liability available to pay judgment or settlements shall be reduced by amounts incurred for legal defense. Amount incurred for legal defense shall be applied against the retention amount.

Notice 3: The Insurer does not assume any duty to defend; however, the Insurer may advance defense costs payments prior to the final disposition of claim.

		3 Year	5 Year
		BILLED ANNUALLY	
Limit of Liability	\$2,000,000 Aggregate for Coverages A & B Combined (Including Defense Costs)	\$27,000	\$24,975
Employment Practice	\$1,000,000 (part of and not in addition to the limit)		
Limit of Liability	\$2,000,000 Aggregate for Coverages A & B Combined (Including Defense Costs)	\$30,000	\$27,750
Employment Practice	\$2,000,000		

COMMERCIAL LIABILITY

Type	Commercial General Liability	
Limit of Liability	Section A - Public Liability	USD25,000,000 any one occurrence
	Section B - Pollution Liability	USD15,000,000 any one occurrence and in the aggregate
	Section C - Products Liability	USD25,000,000 any one occurrence and in the aggregate
Territorial Limits	Guam but worldwide in respect of Products	
Conditions	Claims Control Clause, NMA 1998 NMA 1998 Service of Suit Clause LMA3100 Sanction Limitation and Exclusion Clause Annual Review Clause Multi-Year Endorsement	

LMAS39 Communicable Disease Endorsement
LMASS28 Cyber and Data Exclusion
Notice of cancellation with effect from 1st May 2023 is hereby given

Other Conditions

Wording: NVA07 Intl CGL plus Personal Injury Extension as attached Excess USD300,000 each and every loss

Employees, officials and directors of the insured are covered whilst attending meetings worldwide subject to the policy terms, conditions and limitations

Cancellation ninety days (90) days prior to written notice by email and certified mail

Additional Insureds, waivers of subrogation, indemnities and contractual agreements, hold harmless agreements and cross liability clauses shall be held covered subject to notification to Insurers as soon as is practicable Including the Insured's liability arising out of events held throughout the year on the Insured's premises

Including the liability of the Insured for bodily injury and/or property damage caused by an occurrence arising out of the giving or serving of alcoholic beverages by the Insured at functions incidental to the Insured's business, subject to a policy limit of USD1,000,000 any one occurrence. Such limit is included within and not in addition to the limit of liability shown in the policy

In the event of a claim under this policy, Insurers waive the right to invoke the legal defense of sovereign immunity

Choice of Law and Jurisdiction

The insurance shall be governed and construed in accordance with the laws of Guam and the exclusive jurisdiction of Guam court. The seat of arbitration shall be Tamuning.

Annual Premium	\$190,270.59 (Plus \$3,805.41- 2% Assessment Fee)
3 Year Annual Premium	\$209,297.00 (Plus \$4,185.94 - 2% Assessment Fee)
5 Year Annual Premium	\$219,761.85 (Plus \$4,395.24 - 2% Assessment Fee)

ACCEPTANCE OF THE PROPOSAL

I accept the proposal as presented. Please bind coverage as proposed, effective _____

Acknowledged & Accepted By: _____
Print Name and Signature

Title

Date

IMPORTANT NOTE: This is a non-binding proposal for insurance. Should you accept this proposal, please affix your signature above.

CLAIMS REPORTING PROCEDURES

Claims if any, please report to:

EQUITABLE ADJUSTING CORPORATION
Suite 217 Julale Center
424 West O'Brien Drive, Hagatna, Guam 96910
Telephone No. 477-7514/8616
Fax No. 477-7515

Or Contact:

Narcissa Rosario
Regional Production Manager Guam, CNMI & Micronesia
Telephone No. 477-8613/8616 Ext: 128

Ross Aguon
Commercial Lines Supervisor
Telephone No. 477-8613/8616 Ext: 112

Ivy Mendoza
Commercial Underwriter
Telephone No. 477-8613/8616 Ext: 118

TAB 3

Required Forms for Proposal Submittal

Confidentiality and Nondisclosure Agreement

Non-Collusion Affidavit

Certification of Non-Employment of Convicted Sexual Offenders

Special Provision for Ownership Disclosure Affidavit

Ownership & Interest Disclosure Affidavit

Bid and Performance Bond for Goods and Services

Wage and Benefit Determination

Non-Gratuity or Kickbacks Affidavit

Ethical Standard Affidavit

Good Standing Affidavit



GUArt1 WATERWORKS AUTHORITY

VI. FORMS



BROKER QUESTIONNAIRE

Name of Firm: AM INSURANCE

Address: P.O. BOX 2797, HAGATNA, GUAM 96932

Telephone: (671)477-2632/2642 or (671)687-6001, (671)687-3575

Fax: (671)477-2602

E-mail: amuna@amibrokers.com or tgranillo@amibrokers.com

Website: amibrokers.com

Year Established: 1994

Principal: ANNMARIE T /GENERAL MANAGER

Total Personnel: 19

Annual Commercial Premium: \$23,413,937.15 -----

GUAM WATER WORKS AUTHORITY

Print Form

GUAM WATER WORKS AUTHORITY

Guam Water Works Authority

(coofjen) and No o k f i s d o = b y j e e m e r A

IN WITNESS WHEREOF, the undersigned, being duly authorized, have hereunto set their hands and seals this 29th day of September, 2022.

In consideration of the promises contained herein, the Parties hereby agreed as follows:

1. The Recipient Party agrees that any confidential information which has been or will be disclosed directly or indirectly to it or on behalf of the Disclosing Party shall be maintained in confidence and shall not be disclosed to any third person without the Disclosing Party's prior express written consent. Such consent may only be granted by a duly authorized representative of the Disclosing Party.
2. The Recipient Party agrees that it will not make use of any Confidential Information received pursuant to this Agreement except for the limited purposes for which it is provided or without the express prior written consent of the Disclosing Party. Such consent may only be granted by a duly authorized representative of the Disclosing Party.
3. The Recipient Party may disclose Confidential Information to any governmental or regulatory authority, including such disclosure under court order, provided that the Recipient Party notifies the governmental or regulatory authority that the materials are confidential and that the disclosure is required by law. The Recipient Party shall not be held liable for such disclosure.
4. This Agreement shall not be construed as a license or authorization to the Recipient Party to utilize the Confidential Information for any business.



- 1. This Agreement is for the benefit of the Disclosing Party and without prejudice to the rights and remedies otherwise available in law.
- 2. This Agreement shall be interpreted, governed, and enforced under the laws of Guam including provisions thereof which refer to the laws of another jurisdiction.
- 3. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original.
- 4. This Agreement is effective as of the date fully executed by both Parties.

GUAM WATERWORKS AUTHORITY	AM INSURANCE
<i>STEPHEN MOHAPINA</i>	TRICIA R. GRANILLO
<i>[Signature]</i>	<i>[Signature]</i>
Buyer Supervisor	VP INSURANCE SERVICE MANAGER
3/16/22	15 MARCH 2022



NON-COLLUSION AFFIDAVIT

Guam)
)ss:
Tamuning)

I, ANNMARIE T. MUNA first being duly sworn, depose and say:
(Name of Declarant)

1. That I am the PRESIDENT/GEN. MGR. of AM INSURANCE.
(Title) (Name of Company or Person Bidding/RFP)

2. That in making the foregoing proposal or bid, that such proposal or bid is genuine and not collusive or sham, that said bidder/offeror has not colluded, conspired, connived or agreed, directly or indirectly, with any bidder or person, to put in a sham or to refrain from bidding or submitting a proposal and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the bid price of affiant or any other bidder, or to secure any overhead, project or cost element of said bid price, or of that of any bidder, or to secure any advantage against the GUAM WATERWORKS AUTHORITY or any person interested in the proposed contract; and

3. That all statements in said proposal or bid are true.

4. This affidavit is made in compliance with 2 G.A.R. § 3126(b).

So sayeth ANNMARIE T. MUNA, PRESIDENT/GENERAL MANAGER
(Declarant)

Signed on this 19TH day of APRIL 2022, before me a Notary Public in and for Guam, personally appeared ANNMARIE T. MUNA, known to me to be the authorized representative of _____, whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed on behalf of AM INSURANCE, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the date last _____.



Marie Anioin mEDUr «ACHIJZ

MARIE ANIOIN mEDUr «ACHIJZ
NOTARY PUBLIC
In and for Guam, U.S.A.
Commission Expires **DEC. 25, 2024**
P.O. Box 10254 Tamuning, Guam 96931



CERTIFICATION OF NON-EMPLOYMENT OF CONVICTED SEXUAL OFFENDERS

Pursuant to Guam Public Law 28-24, as amended by Guam Public Law 28-98, if a contract for services is awarded to the bidder or offeror, then the service provider must warrant that no person in its employment who has been convicted of a sex offense under the provisions of Chapter 25 of Title 9 of the Guam Code Annotated or of an offense defined in Article 2 of Chapter 28 of Title 9 of the Guam Code Annotated, or who has been convicted in any other jurisdiction of an offense with the same elements as heretofore defined, or who is listed on the Sex Offender Registry, shall provide services on behalf of the service provider while on government of Guam property, with the exception of public highways. If any employee of a service provider is providing services on government property and is convicted subsequent to an award of a contract, then the service provider warrants that it will notify the Government of the conviction within twenty-four hours of the conviction and will immediately remove such convicted person from providing services on government property. If the service provider is found to be in violation of any of the provisions of this paragraph, then the Government will give notice to the service provider to take corrective action. The service provider shall take corrective action within twenty-four hours of notice from the Government, and the service provider shall notify the Government when action has been taken. If the service provider fails to take corrective steps within twenty-four hours of notice from the Government, then the Government in its sole discretion may suspend temporarily any contract for services until corrective action has been taken.

I, ANMARIE T. MUNA being a duly authorized representative acknowledge the
(print name)

directive as describe above and ensure the Bid Proposal as submitted addresses the directive.

AM INSURANCE

(Company Name)

PRESIDENT/GENERAL MANAGER


(Signature)

(Title)

19 APRIL 2022

(Date)



GUArv1 WATERWORKS AUTHORITY

**SPECIAL PROVISION
FOR
OWNERSHIP DISCLOSURE AFFIDAVIT**

All Bidders/Offerors are required to submit a current affidavit as required below. Failure to do so will mean disqualification and rejection of the Bid/RFP.

5 GCA §5233 (Title 5, Section 5233) states:

Disclosure of Ownership, Financial, and Conflicts of Interest

(a) Purpose. The disclosure required by this Section is intended to reveal information bearing on the responsibility of a bidder and can be obtained by an inquiry regarding responsibility prior to award.

(b) Definitions.

As used herein, the term "person" shall be interpreted liberally to include the definition found in 1 GCA § 715, and in § 5030(n) of this Chapter, and includes a natural person as well as every entity of whatever form or composition (an "artificial person") recognized under the laws of Guam other than a natural person, who is a prospective contractor under a bid, offer, proposal, or other response to a solicitation, or is a contractor under a contract with the government of Guam, and subject to the provisions of this Chapter.

(c) Public Disclosure of Ownership.

- (1) The ownership interests to be disclosed under this Section include the interests of a natural or artificial person who owns all or any part of a prospective contractor, bidder, or offeror, whether as proprietor, a partner, limited or otherwise, a shareholder of any class, in which case the percentage ownership interest test shall be based on each class, a member of an association or company, limited or otherwise, and any person owning a beneficial legal interest in any trust, and any other person having the power to control the performance of the contract or the prospective contractor.
- (2) Prior to award, every person who is a prospective contractor, bidder, or offeror of a contract to be acquired under any method of source selection authorized by this Chapter shall submit a Disclosure Statement, executed as an affidavit under oath, disclosing the name of each person who currently or has owned an ownership interest in the prospective contractor, bidder, or offeror greater than ten percent (10%) at any time during the twelve (12) month period immediately preceding the date of the solicitation (the "relevant disclosure period"). If a prospective contractor, bidder, or offeror is an artificial person, the Disclosure Statement shall disclose the name of each person who has owned an ownership interest in such artificial person (a "second tier owner") greater than twenty-



five percent (25%) at any time during the relevant disclosure period. If any such second tier owner is also an artificial person, the Disclosure Statement shall disclose the name of each person who has owned an ownership interest in such second-tier owner (a "third tier owner") of forty-nine percent (49%) or more during the relevant disclosure period. If the name of no natural person has been identified as an owner, or a second or third tier owner of the prospective contractor, bidder, or offeror, the Disclosure Statement shall identify the name, position, address, and contact information of the natural person having the authority and responsibility for the performance of the prospective contract, and the name of any natural person who has the authority and power to remove and replace the designated responsible person or otherwise control the performance of the prospective contract.

- (d) Disclosure of Financial Interest. A prospective contractor shall execute an affidavit disclosing the name of any person who has received or is entitled to receive a commission, gratuity, contingent fee or other compensation to solicit, secure, or assist in obtaining business related to the solicitation by means of a Disclosure Statement, executed as an affidavit under oath, disclosing such interest and shall also contain the amounts of any such commission, gratuity, contingent fee or other compensation.
- (e) Disclosure of Conflict of Interest. A prospective contractor shall disclose the name of any person who directly or indirectly participates in any solicitation if such person is also an employee of the government of Guam, or of the government of the United States if federal funds are used in payment of the contract.
- (f) Every disclosure of an ownership or financial interest of any person required to be identified by this Section shall name the person required to be disclosed and the street address of their principal place of business. All information disclosed or meant to be disclosed under this Section is public procurement data and shall be kept as part of the public record of each procurement.
- (g) Continuing Duty of Disclosure. Notwithstanding any other provision of this Chapter, the duty to disclose the information required under this Section shall be, upon award a continuing duty of a contractor of every contract subject to this Chapter, and all such information shall become part of the procurement record required by § 5249 of this Chapter. Throughout the term of a contract subject to the terms of this Chapter, the contractor shall promptly make any disclosures not made previously and update changes in the identities or other required information, interests, or conflicts of the persons required to be disclosed herein. Failure to comply with this Section shall constitute a material breach of contract."

Section 2. Severability. If any provision of this Act or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity shall not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

1. If the affidavit is a copy, indicate the BID/RFP number and where it is filed.
2. Affidavits must be signed within 60 days of the date the bids or proposals are due.



GUAM WATERWORKS AUTHORITY

4. That if no natural person has been identified as an owner in Section 1-3 above, the natural person having the authority and responsibility for the performance of the prospective contract:

<u>Name & Position</u>	<u>Street Address (Principal Place of Business)</u>	<u>Contact Information</u>
N/A		
_____	_____	_____
_____	_____	_____

The natural person having the authority and power to remove and replace the designated responsible person or otherwise control the performance of the prospective contract:

<u>Name & Position</u>	<u>Street Address (Principal Place of Business)</u>	<u>Contact Information</u>
N/A		
_____	_____	_____
_____	_____	_____

5. Persons who have received or are entitled a commission, gratuity, or other compensation for procuring or assisting in obtaining business related to the Bid/RFP for which this Affidavit is submitted are as follows:


<u>Name</u>	<u>Address</u>	<u>Amount of Commission, Gratuity, or other Compensation</u>
N/A		
_____	_____	_____
_____	_____	_____

6. Persons who directly or indirectly participated in this solicitation, if government of Guam employees (or government of the United States employees, if federal funds are used in payment of the contract):

<u>Name & Position</u>	<u>Street Address (Principal Place of Business)</u>	<u>Contact Information</u>
N/A		
_____	_____	_____
_____	_____	_____

Further, affiant sayeth naught.

Date: 19 APRIL 2022


 ANNMARIE T. MU ajP ESIDENTIGEN. MGR
 Signature of individual if bidder/offeror is a sole Proprietorship; Partner if the bidder/offeror is a Partnership Officer if the bidder/offeror is a corporation.

Subscribe and sworn to before me this 19TH day of APRIL, 2022.

Notary Public (Signature)

MARIEAN'RINff100tf, CACU
NOTARY PUBLIC
 In and for Guam, U.S.A. M c
 My Commission Expires: Df.C, 15i Wff
 P.O. Box 10254 Tamuning, Guam96931

for the Territory of Guam

My commission expires I!!!



BID AND PERFORMANCE BOND FOR GOODS AND SERVICES
AS REQUIRED UNDER 5 G.C.A. § 5212

KNOW ALL MEN BY THESE PRESENTS, that (bidder name) MOYLAN'S INSURANCE UNO., INC.
as Principal, herein after called the Principal and (name
of surety) DB INSURANCE CO. LTD.
as duly admitted insurer under the laws of the Territory of Guam, as Surety, hereafter called the Surety,
are held and firmly bound unto the Guam Waterworks Authority for the sum
of 15% OF TOTAL BID AMOUNT Dollars
(^{15%} OF TOTAL ^{8%} F. M1-0 ment of which sum will and truly to be made, the said Principal and the said
Surety bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally
firmly by these presents:

WHEREAS, the Principal has submitted a bid for and is anticipated to enter into a contract in the
amount specified below, -----

GWA IFB No. 2022-09 Property Insurance, General Liability Insurance, Directors and
Officers Liability Insurance, Automobile Insurance, Crime, and Cyber Liability Insurance

NOW, THEREFORE, if the Guam Waterworks Authority shall accept the bid and the Principal shall not
withdraw said bid within one hundred twenty (120) calendar days after the opening of bids, and shall
within twenty one (21) calendar days after the prescribed forms are presented to him for signature, enter
into a Contract with the Guam Waterworks Authority in accordance with the terms of such bid. This bond
shall also be held by the Guam Waterworks Authority to secure the faithful performance of such Contract
and for the prompt payment of labor, goods, services and materials furnished in the prosecution thereof.
In the event of the failure of the Principal to enter into such Contract, or if the Principals (Bidder) fails to
perform in accordance with the requirements set out under the Bid or any other written instrument
requirement performance thereunder, the Surety, on behalf of the Principals shall pay to the Guam
Waterworks Authority the differences not to exceed the penalty hereof between the amounts specified in
said bid and such larger amount for which the Guam Waterworks Authority may in good faith contract
with another party to perform work covered by said bid or an appropriate liquidated amount as specified
in the Invitation for Bids then this obligation shall be null and void, otherwise to remain in full force and
effect.

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION is such that, if the Bidder shall
promptly and faithfully perform said Contract, and shall promptly make payment to all claimants as
hereinafter defined for all labor and material used or reasonably required for use in the performance of the
Contract, then this obligation shall be void; otherwise it shall remain in full force and effect, subject,
however, to the following conditions:

- A. The Surety hereby waives notice of any alteration or extension of the time made by the Authority
provided the same is within the scope of the Contract or any modification thereto.



GUAM WATERWORKS AUTHORITY

B. Whenever the Bidder shall be and is declared in default by the Authority to be in default under the Contract, the Authority having performed its obligations hereunder, the Surety may promptly remedy the default or shall promptly:

I. Complete the Contract in accordance with its terms and conditions; or

2. Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by the Authority and the Surety of the lowest responsible bidder, arrange for a Contract between such bidder and the Authority, and make available as work progresses (even though there should be a default or a succession of defaults under the Contract or Contracts or completion arranged under this paragraph) sufficient funds to pay the cost of completion, less than balance of the Contract price, but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "balance of the Contract Price," as used in this paragraph shall mean the total amount payable by the Authority to Bidder under the Contract and any amendments thereto, less the amount properly paid by the Authority to Bidder. No right of action shall accrue on this bond to or for use of any person or corporation other than the Authority or successors of the Authority.

C. A claimant is defined as one having a direct contract with the Bidder or with a sub-bidder of the Bidder for labor, material, or both, used or reasonably required for use in the performance of the Contract, labor and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental of equipment directly applicable to the Contract.

D. The above named Bidder and Surety hereby jointly and severally agree with the Authority that every claimant as herein defined, who has not been paid in full before the expiration of a period of ninety (90) days after the date of which the last of such claimant's work or labor was done or performed, or materials were furnished by such claimant, may sue on this bond for use of such claimant, prosecute the suit to final judgment to final judgment for such sum or sums as may be justly due the claimant, and have execution thereon. The Authority shall not be liable for the payment of any costs or expenses of any such suit.

E. No suit or action shall be commenced hereunder by any claimant:

I. Unless claimant, other than one having a direct contract with the Bidder, shall have given written notice to any two (2) of the following entities named below:

(a) the Bidder; (b) the Guam Waterworks Authority, or (c) the Surety above named, within ninety (90) days after such claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were furnished, or for whom the work or labor was done or performed. Such notice shall be personally served by mailing the same by registered mail or certified mail, postage prepaid,



GUAM WATERWORKS AUTHORITY

in an envelope addressed to the Bidder at any place the principal maintains an office or conducts its business.

2. After the expiration of one (1) year following the date on which the last of the labor was performed or material was supplied by the party bringing suit.

3. Other than in a court of competent jurisdiction in and for the Territory of Guam.

F. The amount of the bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder.

SIGNED AND SEALED THIS 8TH day of APRIL, 202,))}{(

IN THE PRESENCE OF:

(Note: If the Principals are Partners, each must execute the Bond)

(WITNESS)

u .qc

(TITLE)

JEONGN

(MAJOR OFFICER OF SURETY)

PRESIDENT & CEO

(TITLE)

MOYLAN'S INSURANCE UND., INC.

(BIDDER) (SEAL)

MIKI MOYLAN, DIRECTOR & SECRETARY

(TITLE)

CHANG SOO LEE

(MAJOR OFFICER OF SURETY)

EXECUTIVE VICE PRESIDENT

(TITLE)

MOYLAN'S INSURANCE UNO., INC.

(RESIDENT GENERAL AGENT)

CAROLINA G. SERAFICA
SURETY DIVISION MANAGER

GOVERNMENT OF GUAM
DEPARTMENT OF REVENUE AND TAXATION
OFFICE OF THE BANKING AND INSURANCE COMMISSIONER
CERTIFICATE OF AUTHORITY
RENEWAL **COA218**

Know All Men By These Presents That:

Name **DB INSURANCE CO., LTD.**

Address a91 - 10, DAECHI - DONG, KANGNAM-GU
SEOUL, KOREA, KO

Classes of Insurance Authorized }	Accident & Health	Motor Vehicle
	Fidelity & Surety	Prop. Damage & Liability
	Fire	Workmens Comp
	Marine	Reinsurance P & C
	Miscellaneous	

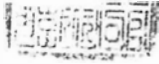
Having complied with the Insurance Law of Guam, is hereby authorized to transact as an insurer, the above named Classes of Insurance in Guam from the 1st day of July, 2021 to the 1st day of July, 2022 unless authority is revoked for failure to comply with the law.

General Agent(s):
MOYLAN'S INSURANCE UNDERWRITERS INC

In Witness Whereof, I have hereunto subscribed my name officially and have hereon impressed my Seal of Office at the City of Hagatna, Guam on this 1st day of July, 2021

 **C LLEB.SANTOS**
Banking & Insurance Commissioner

EXHIBIT B-250



공증인가 동방종합법무법인

Registered No. 2022 -178

NOTARIAL CERTIFICATE

DONG BANG LAW & NOTMY OFFICE INC.
187, Toegy-ro, Jung-gu, Seoul, Korea



EXHIBIT B-251

; , ¥ - 2022 년 1월 178 .i:

Registered No. 2022 - 178

인 증

NOTARIAL CERTIFICATE

위

위임장

에

Chang Soo Lee
Seok Ki Son

기재된

이 창수
손석기

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personally appeared before
me and admitted his(her)
subscription to the attached

서명본에
인사한
것을 증명합니다.

POWER OF ATTORNEY

This is hereby attested on
this 19th day of Jan.
2022 at this office.

2022년 1월 19

일 오전 11시 30분에

Seok Ki Son

서울중앙지방법검찰청소속

BELONG TO SEOUL CENTRAL DISTRICT PROSECUTORS' OFFICE

동방종합법무법인
3F.187, Toegye-ro, Jung-gu, Seoul, Korea

DONG BANG LAW & NOTARY OFFICE INC.

3F.187, Toegye-ro, Jung-gu, Seoul, Korea

변호사

이치

변호사

Seok Ki Son



Lee Sik Chai

Attorney at law(Rep.) Chai. Lee Sik

This office has been authorized by the Minister of Justice,
the Republic of Korea, to act as Notary Public since
Apr. 26. 1984.under Law No.5

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That I, Jeong Nam Kim, President & CEO of DB Insurance Co., Ltd., a corporation duly organized and existing under and by virtue of the laws of the Republic of Korea, having its principal office at the address of DB Financial Center, 432, Teheran-ro, Gangnam-Gu, Seoul, the Republic of Korea, does hereby nominate, constitute and appoint Yon Jo Choi, Branch Manager of the Company's Guam Branch at 233 Julale Center, 424 West O'Brien Drive, Hagatna, Guam 96910, my true and lawful attorney-in-fact to make, execute, seal and deliver any and all bonds, undertakings, contracts and other writings of suretyship for the Company and in my behalf.

IN WITNESS WHEREOF, DB Insurance Co., Ltd. has caused these presents to be signed by me and the Corporate Secretary, and to be affixed of its corporate seal thereunto on this 1st day of December, 2021.

DB INSURANCE CO., LTD.



Jeong Nam Kim, President & CEO



Seok Ki Son, Secretary

₩ 2022 \! 177 :i.

Registered No. 2022 - 177

oJ 증

NOTARIAL CERTIFICATE

위

위임장

에

Chang Soo Lee
Seok Ki Son

기재된

이 창수
손석기

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personally appeared before
me and admitted his(her)

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>717} 71 !- ¼ A} -a} cJ-

subscription to the attached

POWER OF ATTORNEY

This is hereby attested on
this 19th day of Jan.
2022 at this office.

2022;:! 111 19

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서울특별시 중구 퇴계로 187, 3층
(필동1가, 국제빌딩)

BELOOG TO SEOUL CENTRAL DISTRICT PAOSEOJTCRS OFICE
DONGBANG LAW & NOTARY OFFICE INC.
3F.187, Toegye-ro, Jung-gu, Seoul, Korea

공증담당
변호사

Handwritten signature: Lee Sik Chan



Attorney at law(Rep.) **Chat. Lee Sik**

This office has been authorized by the Minister of Justice,
the Republic of Korea, to act as Notary Public since
Apr. 26. 1984.under Law No.5



C:UAM WATERWORKS AUTHORITY

WAGE AND BENEFIT DETERMINATION

Bid or RFP No.: IFS 2022-09 Name of Offeror: AM INSURANCE

I, ANNMARIE T. MUNA hereby certify under penalty of perjury as follows:

(1) That I am PRESIDENT [please select one: the offeror, a partner of the offeror, an officer of the offeror] making the bid or proposal in the foregoing identified procurement;

(2) That I have read and understand the provisions of 5 GCA 580 I and 5802 below and that I will ensure that I and my subcontractors will comply with said provisions which read as follows:

§5801. Wage Determination Established.

In such cases where the government of Guam enters into contractual arrangements with a sole proprietorship, a partnership or a corporation ("contractor") for the provision of a service to the government of Guam, and in such cases where the contractor employs a person(s) whose purpose, in whole or in part, is the direct delivery of service contracted by the government of Guam, then the contractor shall pay such employee(s) in accordance with the Wage Determination for Guam and the Northern Mariana Islands issued and promulgated by the U.S. Department of Labor for such labor as is employed in the direct delivery of contract deliverables to the government of Guam.


The Wage Determination most recently issued by the U.S. Department of Labor at the time a contract is awarded to a contractor by the government of Guam shall be used to determine wages, which shall be paid to employees pursuant to this Article. Should any contract contain a renewal clause, then at the time of renewal adjustments, there shall be made stipulations contained in that contract for applying the Wage Determination, as required by this Article, so that the Wage Determination promulgated by the U.S. Department of Labor on a date most recent to the renewal date shall apply.

§ 5802. Benefits

In addition to the Wage Determination detailed in this Article, any contract to which this Article applies shall also contain provisions mandating health and similar benefits for employees covered by this Article, such benefits having a minimum value as detailed in the Wage Determination issued and promulgated by the U.S. Department of Labor, and shall contain provisions guaranteeing a minimum of ten (10) paid holidays per annum per employee.

(3) That the offeror and its subcontractors are now or will be prior to beginning performance and throughout the contract term, in full compliance with 5 GCA 5801 and 5802.

(4) That I have attached the most recent wage and benefit determinations applicable to Guam issued by the U.S. Department of Labor and that I will ensure all of my employees and the employees of my subcontractors will be provided a minimum of ten (10) paid holidays per annum.


ANNMARIE T. MUNA, PRESIDENT/GEN. MGR.
Signature

NON-GRATUITY or KICKBACKS AFFIDAVIT

Guam)
)ss:
Tamuning)

I, ANNMARIE T. MUNA first being duly sworn, depose and say:
(Name of Declarant)

- 1. That I am the PRESIDENT of AM INSURANCE
2. To the best of my knowledge, neither I, nor any of Offeror's officers, representatives, agents, subcontractors, or employees have violated or are violating the prohibition against gratuities and kickbacks set forth in 2 GAR Division 4 § 11107.
3. To the best of my knowledge, neither I, nor any of Offeror's officers, representatives, agents, subcontractors, or employees have offered, given, or agreed to give, any GWA employee and/or former GWA employee any payment, gift, kickback, gratuity or offer of employment in connection with Offeror's proposal.
4. I make these statements on behalf of myself as a representative of Offeror, and on behalf of the Offeror's officers, representatives, agents, subcontractors, and employees.

So sayeth ANNMARIE T. MUNA 1/1-/-
(Declarant)

Signed on this 19TH day of APRIL 2022, before me a Notary Public in and for Guam, personally appeared ANNMARIE T. MUNA, known to me to be the authorized representative of AM INSURANCE, whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed on behalf of AM INSURANCE, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the date last above written.

Notary Public

Handwritten signature of Marie-Anne M. Medina

MARIEAN MEDINA CD
NOTARY PUBLIC
in and for Guam, U.S.A.
My Commission Expires: DEC. 28, 2024
P.O. Box 10254 Tamuning, Guam 96931



ETHICAL STANDARD AFFIDAVIT

Guam)
)ss:
Tamuning)

I, ANNMARIET.MUNA first being duly sworn, depose and say:
(Name of Declarant)

1. That I am the PRESIDENT of AM INSURANCE.
(Title) (Name of Company or Person Bidding/Offeror)
2. To the best of my knowledge, neither I nor any officers, representatives, agents, subcontractors, or employees of Offeror have knowingly influenced any GWA employee to breach any of the ethical standards set forth in 5 GCA Chapter 5, Article 11. Further, I promise that neither I, nor any officer, representative, agent, subcontractor, or employee of Offeror will knowingly influence any GWA employee to breach any ethical standards set forth in 5 GCA Chapter 5, Article 11.
3. All statements in this affidavit and in the bid are true to the best of the knowledge of the undersigned. This statement is made pursuant to 2 GAR Division 4 § 3126.
4. I make these statements on behalf of myself as a representative of Offeror, and on behalf of the Offeror's officers, representatives, agents, subcontractors, and employees.

So sayeth ANNMARIEMUNA  } /s/ AMUNA,
(Declarant)

Signed on this 19TH day of APRIL 2022, before me a Notary Public in and for Guam, personally appeared ANNMARIE T. MUNA, known to me to be the authorized representative of AM INSURANCE, whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed on behalf of AM INSURANCE, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the date last above written.



Publk (ki)
B No. 2022-09, Page 52 of 53

MARIE ANTIKJE DUNOIAZ
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: DEC. 25, 2024
P.O. Box 10254 Tamuning, Guam 96931



GOOD STANDING AFFIDAVIT

Guam)
)ss:
Tamuning)

I, ANNMARIE T. MUNA first being duly sworn, depose and say:
(Name of Declarant)

1. That I am the PRESIDENT of AM INSURANCE
(Title) (Name of Company or Person Bidding/Offeror)

2. That I represent and warrant that Offeror is duly registered and in good standing under the laws of Guam or will be duly registered and in good standing under the laws of Guam at the time award is made under IFB 2022-09 [insert IFB Number].

3. I make these statements on behalf of myself as a representative of Offeror, and on behalf of the Offeror's officers, representatives, agents, subcontractors, and employees.

So sayeth ANNMARIE T. MUNA A.
(Declarant) *[Signature]* /s/ A.;

Signed on this 19TH day of APRIL 2022, before me a Notary Public in and for Guam, personally appeared ANNMARIE T. MUNA, known to me to be the authorized representative of AM INSURANCE, whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed on behalf of AM INSURANCE, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the date last above written.

) Seal (
Notary Public *[Signature]*



MARIEANTOINETTE DUNGCA CRUZ
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission expires: DEC. 25, 2024
P.O. Box 10254 Tamuning, Guam 96931

AFFIDAVIT REGARDING CONTINGENT FEES

CITY OF _____)

SS.

&/iNn

ANNMARIE T. MUNA [state name of affiant signing below], being first duly sworn, deposes and says that:

1. The name of the offering company or individual is [state name of company] AMINSURANCE

2. As a part of the offering company's bid or proposal, to the best of my knowledge, the offering company has not retained any person or agency on a percentage, commission, or other contingent arrangement to secure this contract. This statement is made pursuant to 2 GAR Division 4 § 11108(f).

3. As a part of the offering company's bid or proposal, to the best of my knowledge, the offering company has not retained a person to solicit or secure a contract with the government of Guam upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business. This statement is made pursuant to 2 GAR Division 4 § 11108(h).

4. I make these statements on behalf of myself as a representative of the offeror, and on behalf of the offeror's officers, representatives, agents, subcontractors, and employees.

Annmarie T. Muna

ANNMARIE T. MUNA, PRESIDENT/GENERAL MANAGER

Signature of one of the following:

- Offeror, if the offeror is an individual;
- Partner, if the offeror is a partnership;
- *Officer, if the offeror is a corporation.

Subscribed and sworn to before me this

19TH day of APRIL, 2022

[Signature]

NOTARY PUBLIC

My commission expires: 12/25/2024



MARIE ANTOINETTE DUNGCA CRUZ
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: DEC. 25, 2024
P.O. Box 10254, Tamuning, Guam 96931

TAB 4

Contents of the Proposal

Name, Location, Age & Current Workload

Abilities, Qualifications, Experience

List of Available Markets - Local & International Surplus Lines

AM Insurance Corporate Resume

Account Executive and Team Members

AMI Service Team Flow Chart

Roles of Key Persons

List of Contracts of Similar Scope

- Government Accounts Experience
- Commercial Accounts Experience

Preliminary Scope of Services

Innovative Programs and Services

Statement of Qualification

Why Choose AM Insurance

NAME, LOCATION, AGE & CURRENT WORKLOAD

Name: AM INSURANCE (AMI)

Address: J&G Commercial Business Center
215A Chalan Santo Papa
Suite 113F
Hagatna, Guam 96910

Or

P.O. Box 2797
Hagatna, Guam 96932

Age: 28 Years
Established in 1994
Incorporated in 1996

Average No. of Employees: 19

Current Workload: 19 individuals are assigned to service and manage collectively a \$24 Million portfolio. The staff level is more than sufficient to handle the current workload. In fact, they are able to handle forecasted increases in production for the next several years.

Personnel Assigned:

NAME	PHONE #	EMAIL
Annmarie Muña	687-6001	amuna@amibrokers.com
Tricia Granillo	687-3575	tgranillo@amibrokers.com
Corissa Untalan	482-0238	cuntalan@amibrokers.com
Marie Cruz	777-6274	mcruz@amibrokers.com
Juan Muña	777-1888	jmuna@amibrokers.com
Rodney Rankin	777-2660	Rod.rankin@hotmail.com

Principal Contact: Annmarie T. Muna
President/General Manager



GWA IFB NO. 2022-09
Property, General Liability, D&O Liability, Auto, Crime and Cyber Insurance

EXHIBIT B-263

ABILITIES, QUALIFICATIONS, EXPERIENCE

FIRM OVERVIEW....

AM Insurance has been handling commercial & public agencies since its inception in 1994. The company began as a sole proprietor and incorporated in June 1996. Starting with only two employees, the company now has over twenty (20) employees on board handling a dossier of accounts totaling over thirty-three million dollars (\$33MM) in insurance premiums which consists mostly of large Government and Commercial accounts. They have provided insurance policies for property, liability, D&O Liability, workers compensation, auto crime and others to include specialized lines.

AM Insurance has a team of professionals with collectively over 100 years of experience in the insurance industry. All employees of AMI go through training which enables them to provide personalized administrative and underwriting assistance as well as prompt and efficient claims support.

As a licensed Surplus Lines Broker, Annmarie combines her knowledge and expertise of the local insurance industry with her contacts that are able to access both the London and U.S. Markets to provide tailor-made Insurance Programs to fit each client's needs. By using traditional local and international markets as well as syndicates in Lloyd's, AMI has been able to put together numerous insurance programs for utilities, airports, ports, real estate, telecommunication, educational institutions and others. For utility-specific services, we have placed insurance for Guam Waterworks Authority, Guam Power Authority, Guam Telephone Authority and have provided all lines of coverage.

AMI is in the world-wide insurance marketplace. AMI travels regularly to visit different markets and underwriters, believing that the face-to-face contacts they make and maintain pay huge dividends in terms of obtaining the best provisions and conditions and price, for the insurance coverage and other insurance services utilized by its personal and commercial clients.



GWA IFB NO. 2022-09
Property, General Liability, D&O Liability, Auto, Crime and Cyber Insurance

EXHIBIT B-264

List of Available Markets:

AMI has brokering agreements with the following markets & will submit formal underwriting packages to them:

Local Insurance Markets . . .

AGENCY	CARRIER	FINANCIAL RATING
Century	Century	B++
Calvo's	American Int'l Group	A
Cassidy's	Pacific Indemnity	A-
Great National	Chung Kuo	A-
Moylan's	Dongbu & First Net	A & B++
Nanbo	Tokio Marine	A+
Takagi & Associates	AIOI Insurance Co.	A+

International Surplus Lines Brokers & Markets . . .

AMI works with several surplus lines/wholesale brokers and markets to access coverages that are not available locally. We deal with the following brokers:

BROKER	CARRIER
Harman Kemp Insurance	Lloyds of London & London Companies
Ropner Insurance Services	Lloyds of London & London Companies
Lockett	U.S. Markets & Lloyds of London
McGriff, Seibel & Williams	U.S. Markets & Lloyds of London
Norick Risk Funding Concepts	U.S. Markets & Lloyds of London
JLT Specialty Group	Lloyds of London & London Companies
Servco Pacific	U.S. Markets
Swett & Crawford Group	U.S. Markets
Willis Group	Lloyds of London & London Companies
Crest Insurance	U.S. Markets

With the help of the Surplus Lines Brokers above, we are able to access numerous international markets. Below is a list of some of the more notable markets we place business with:

MARKETS	MARKETS
ACE	Lloyds of London
AIG	Travelers
Allianz	Munich Re
Chubb	Zurich
Hartford	MS Amlin
Houston Casualty	QBE
XL London	TT Club



A M Insurance

Corporate Resume

Office Address: J&G Commercial Business Center, Suite 113F
215A Chalan Santo Papa Street, Hagatna, GU 96910
P.O. Box 2797, Hagatna, GU 96932
Phone: (671)477-2632/2642/2653/2656; Fax: (671)477-2602

Key Personnel: [Annmarie T. Muna](mailto:amuna@amibrokers.com) – amuna@amibrokers.com
Cell No. (671) 687-6001
[Tricia R. Granillo](mailto:tgranillo@amibrokers.com) – tgranillo@amibrokers.com
Cell No. (671) 687-3575

Markets:

Local Insurance Markets...

AGENCY	CARRIER
Century	Century Insurance
Calvo's Insurance	AIG
Cassidy's Insurance	Pacific Indemnity
Century Insurance	Century Insurance
Great National Ins. Und., Inc.	Chung Kuo Ins. Co.
Moylan's Insurance	Dongbu Ins. Co., Ltd. & First Net Ins. Co.
Nanbo Insurance	Tokio Marine Pacific Ins. Ltd.
Takagi & Associates, Inc.	AIOI Ins. Co., Ltd.
TransPacific Insurance	Tokio Marine Pacific Ins. Ltd.

U.S. & International Surplus Lines Markets...

AGENCY	CARRIER
Harman Kemp	Lloyds of London & London Companies
JLT	Lloyds of London & London Companies
Lockton	U.S. Markets and Lloyds of London
McGriff, Seibel & Williams	U.S. Markets and Lloyds of London
Norick Risk Funding Concepts	U.S. Markets and Lloyds of London
Ropner Ins. Services	Lloyds of London & London Companies
Servco Insurance	U.S. Markets
Swett & Crawford Group	U.S. Markets
Willis Group	Lloyds of London & London Companies

Licensed As:

- Insurance Broker
- Surplus Lines Insurance Broker

Directors & Officers:

- Annmarie T. Muna, President/General Mgr.
- Ikushi Harada, Vice President
- Ana Muna, Secretary
- Linette Muna Perez, Treasurer
- Donna Muna Quinata, Director



GWA IFB NO. 2022-09
Property, General Liability, D&O Liability, Auto, Crime and Cyber Insurance

EXHIBIT B-266

ACCOUNT EXECUTIVES AND TEAM MEMBERS

AMI will designate the following members who are most familiar with the lines of coverage that the agency holds and will be responsible for GWA's account:

PRIMARY PERSONNEL:

NAME	POSITION	DEDICATED TIME
Annmarie T. Muña	President General Manager	100% (Will be available to accommodate all needs of GWA as required)
Tricia R. Granillo	Vice President/Insurance Services Manager	100% (Will be available to accommodate all needs of GWA as required)
Juan Muña	Vice President/Underwriting Manager	100% (Will be available to accommodate all needs of GWA as required)
Alan Rixon (Surplus Lines Placing)	London Broker	50% (Will be available to accommodate all surplus lines needs of TIAA)

BACKUP / ALTERNATIVE PERSONNEL:

NAME	POSITION	DEDICATED TIME
Corissa Untalan	Commercial Lines Underwriter	100% (Will be available to accommodate all needs of GWA as required)
Rodney Rankin	Commercial/Government Accounts	80% (Will be available to accommodate all needs of GWA as required)
Marie Cruz	Account Representative	50% (Will be available to accommodate all needs of GWA as required)
Keith Yoo	Nominated Claims Adjuster	100% (Will be available to accommodate all needs of GWA as required)



GWA IFB NO. 2022-09
Property, General Liability, D&O Liability, Auto, Crime and Cyber Insurance

EXHIBIT B-267

ROLES OF KEY PERSONS

The size and complexity of the Guam International Airport Authority account requires daily service and coordination which will be handled by the following key persons. Service roles of all key players are well understood and any overlap or duplication of effort is minimal, if it exists at all.

Anmarie T. Muña will be the first point of contact and is in charge of the entire insurance program design, marketing and implementation.

Tricia R. Granillo will be the alternate point of contact and assist in the insurance program design, marketing and implementation and is responsible for working with insurers to attain the best possible coverages and premiums.

Corissa Untalan will handle the day to day servicing, including gathering of underwriting information, processing endorsements and following up on daily insurance related activities.

Marie Cruz will be the alternate point of contact and will assist in handling the day to day servicing, including gathering of underwriting information, processing endorsements and following up on daily insurance related activities.

Juan Muña will handle and oversee all claims submitted to include third party claims.

Rodney Rankin will assist in the handling of all claims and partake in the policy review of the insurance program.



LIST OF CONTRACTS OF SIMILAR SCOPE

Government Accounts Experience

GOVERNMENT AGENCY	LINES OF INSURANCE	PERIOD OF INSURANCE
Guam Waterworks Authority Gilda Mafnas (671)475-3374	Property, Automobile, D&O, Crime, General Liability, Cyber	2007-Present
Guam Power Authority John Kim (671)648-3162	Property, Liability, Boiler & Machinery, Auto, Pollution Liability, Trans & Distribution, Cyber	1994-Present
Guam Int'l Airport Authority Jean Arriola (671)642-0300	Property, Aviation Liability, Auto, D&O, Workers Comp, Crime, Employment Practices Liability	1996-Present
Commonwealth Ports Authority Alex Tudela (670)483-6501	Property & Marine Property, Aviation & Marine Liability, Auto, Crime, D&O	2003-Present
Port Authority of Guam Mr. Rory Respicio (671)477-5931 Ext. 369	Property, Liability, Marine Equipment, Auto & Excess Auto, D&O and Crime	1994-Present
	Workers Compensation	1996 2017-Present
University of Guam Randy Wiegand (671)735-2900	Property, General Liability, Umbrella, Auto, Crime	1994-1999
	Property, Liability, Educators Legal Liability, Limited Professional Liability, Umbrella, Auto, Crime	2003-2013 2018-Present
Guam Housing Corp. Cassandra Calvo (671)647-4143	Auto, Property, Workers Compensation	2000-Present
Guam Housing & Urban Renewal Authority (GHURA) Lucele Leon Guerrero (671)477-9851	Property, D&O, Liability, Auto	2004-Present
Guam Education Finance Foundation	Property, Liability, Fidelity	2007-2012
Guam Visitors Bureau	Property, Liability, Auto, Crime	2008-Present

GWA IFB NO. 2022-09

Property, General Liability, D&O Liability, Auto, Crime and Cyber Insurance



EXHIBIT B-269

Commercial Accounts Experience

CONTACT	TYPE OF BUSINESS	LINES OF INSURANCE
John Stewart	Skydive Guam, Inc. Aviation	Property, Auto, Personal Accident, Public Liability, Errors & Omissions
John Stewart	Tandem Skydive Flying Club	Property, General Liability
Mr. Miyagi	Micronesian Aviation Flying Club	Property, Aviation Liability
Mr. Joaquin Flores Owner	Freedom Air Airline	Property, Aviation Liability
Mr. Terry Habeck General Manager	ACI Pacific Private Jet Company	Property, Auto
Mr. Rod Boss	Docomo Pacific Telecommunications	Property, Transmission & Distribution, General Liability, Auto, Workers Compensation, Crime, Fidelity, Bond, Excess Liability
Ms. Diane Mayo	Inter Bay Circle (IBC) Marine Contractors	Marine Hull, Protection & Indemnity
John Canter	Glidepath Mariana Ops. Solar	Public Liability
Mr. Andrew Miller	Ambyth Shipping Shipping Agency/Repair	Marine Liability, Property, Auto, Workers Compensation
Mr. Doug Dean	South Pacific Petroleum Petroleum	Property, Liability, Workers Compensation, Auto, Crime
Mr. Christopher Felix	Century 21 Realty Mgmt. Real Estate Company	Property, General Liability, Directors & Officers
Mrs. Luli De Leon	Diamond Ko (Guam), Ltd. Wholesaler	All Lines of Insurance
Mr. John Limtiaco	Fleet Services, Inc. Trucking & Limousine	Liability, Auto, Crime, Workers Compensation, Inland Marine
Mr. John Mesa	JJ Moving Services, Inc. Moving Company	All Lines of Commercial & Personal Insurance
Mr. Alan Lee	Guam Greyhound Dog Racing Track	Property, Liability, Workers Compensation
Sister Mary Stevens Torres	Sisters of Mercy Religious Order	Property, Liability, Auto, Crime
Mr. Johnny Torres	Johnny Cools Towing Towing Service	Property, Liability, Workers Compensation
Dr. Kenny Bourgeois	Paradise Smiles Dental Clinic	Property, Liability, Auto
Dr. Barbara Gregory	Pacific Life Chiropractic Medical Clinic	Property, Liability, Workers Compensation, Auto, Crime
Fr. Joseph English	Santa Teresita Church Church	Property, Liability, Auto, Workers Compensation

GWA IFB NO. 2022-09

Property, General Liability, D&O Liability, Auto, Crime and Cyber Insurance



EXHIBIT B-270

PRELIMINARY SCOPE OF SERVICES

AM Insurance (AMI) is well versed in handling clients with exposures similar to that of GWA's. In fact, AMI is currently involved in the handling of GWA's insurance program and is familiar with the agency's overall insurance exposure.

As one of Guam's largest Broker, AMI has been involved in the placement of all lines of coverage for agencies of similar size and related services. Our relationship and vast portfolio with these Agencies allow us to have the leverage with their carriers to provide the broadest terms at the best pricing.

- A. Immediately become familiar with the coverages provided by all insurance policies issued to GWA. Prepare a Summary Report of these coverages for the GWA Executive Manager or his designee and GWA's Insurance/Risk Management Consultant.**
-

AMI is already familiar with the terms and conditions of GWA's insurance policies. Continuing the services of AMI will eliminate the need to brief new brokers on the overall operations as well as the terms and conditions of the different policies.

We will create a database for GWA's Management that is detailed and easy to read. **We will prepare a summary of coverages and premiums every year** and present it to the Risk Consultant and the Board for their approval.



B. Work in conjunction with the Executive Manager or his designee and its Insurance/Risk Management Consultant, in developing a plan and the implementation thereof for renewing GWA's insurance policies each year.

AMI will work with GWA and its Insurance Consultant on their renewal program. Our system consists of the following:

1. Set a time table
2. Collect loss data & distribute loss history report
3. Meet with GWA & Risk Consultant to update underwriting info
4. Assist with Insurance Specs
5. Prepare Request for Proposals & distribute to markets
6. Negotiate renewal rates & coverages with markets
7. Evaluate proposals & present summary w/ recommendations
8. Obtain approval from GWA Board
9. Issue Renewal Placement order
10. Submit proof of coverage via binders or cover notes
11. Provide certification to meet bond requirements
12. Review policy documents & deliver



C. Evidence of renewal coverage shall be delivered to GWA the 1st of May of each policy year.

We will deliver binders by the 1st of May of each year and deliver the actual renewal policies as required.

D. Work in conjunction with GWA or the designee and its Insurance/Risk Management Consultant to develop a notification plan to implement in the event of a loss.

We already have a **loss notification plan in place** including a **detailed claims handling procedure**, which is attached for your reference.

Our loss notification plan is as follows:

1. When loss occurs, call AMI (on call 24 hours).
2. AMI will notify carrier, GWA Insurance Consultant & Legal Counsel if necessary.
3. AMI will arrange adjusting services when necessary.
4. AMI will arrange for specialty services from aviation legal counsel, appraisers, salvage handlers, forensic accountants, etc. through its network of services, if required.
5. AMI will liaise with all parties and follow up w/adjusters on status.
6. AMI will negotiate claim settlement on insured's behalf.
7. AMI will expedite final settlement of claim.



E. During the policy year, immediately advise the GWA or designee and GWA's Insurance/Risk Management Consultant of any changes in exposure that would require revisions to existing insurance schedules or coverage

We always endeavor to keep you abreast of any changes that could affect GWA's policies. We shall immediately advise you and your Insurance Consultant of any situation which can potentially causes a loss.

F. Immediately notify the GWA or designee and GWA's Insurance/Risk Management Consultant of any insurance related incidents and work with outside claims adjusters as required.

It is our policy to be at the forefront of any claim and to be involved in all aspects. Because of this we have dedicated a great part of our resources toward networking with reputable adjusting firms and underwriters both on and off island. As a result, we have standing arrangements with several adjusting firms wherein they will provide immediate assistance within 24 hours of notification. We have developed a very good rapport with these firms that prove to be advantageous to the GWA in any claim situation.

G. Work with the GWA or designee and GWA's Insurance/Risk Management Consultant to develop a safety program.

AMI will work with GWA in the development of a safety program. We can assist in coordinating a "Safety Program Team" who are part of AMI's network of services.

We recommend GWA implement an awareness campaign as part of their safety program. The objective will be to increase public safety, reduce exposure, and lower rates. We will promote an attitude from top to bottom that "**RISK IS EVERYONE'S BUSINESS**". To accomplish this, we recommend the adoption of a Risk Management Statement as part of an overall risk management program, which should include a manual to provide an easy point of reference for risk management matters.



H. Comply with all Guam tax and insurance laws.

AMI complies with all licensing and tax requirements as stipulated by law.

I. Assist GWA with claims made against any of GWA's policy

AMI has designated the Insurance Services Manager and Claims Servicing Clerk to assist with all claims or advisories made against the Airport's policies. These positions are responsible to conduct a daily follow up to ensure a smooth and efficient settlement process.



INNOVATIVE PROGRAMS AND SERVICES

AMI has made specific inquiries concerning GWA with several firms who have become part of **AMI's International Network of Insurance Related Services**. These firms specialize in aviation services that are readily available, affordable and easily accessible. We propose to redefine the "Role" of your insurance broker by providing a link between GWA and these firms. These services include the following:

- **PUBLIC ADJUSTING SERVICES**

Provides professional claim representation especially on difficult claims. Public Adjusters work for you! Just as your insurance company has an adjuster representing them and looking out for their interests in the claim, sometimes you need an experienced and knowledgeable adjuster representing your interests to assist you in preparing your claim and ensure that you are properly compensated.

Smith Orloff & Associates

Has a lot of experience providing public adjusting services on Guam for clients such as: *Outrigger, MVP Pangelinan Enterprises, IT&E, U.S. District Court, Guam Surgical Center, Pacific Gas, Serena Plaza*

Young Adjustment Company, Inc.

Has experience providing public adjusting services on Guam for clients such as: Port Authority Guam

Property Valuation Services

AMI has personnel to conduct physical inspection of buildings and related structures to help determine if limits are within appropriate insurable values.

We have special arrangements with Certified Real Estate Firms, Architectural & Structural Engineers and Specialty Adjusters who can provide property valuation services. These include the following:

- Micronesia Appraisal Associates, Inc.
- Cunningham Lindsey Micronesia Limited / Hong Kong Limited
- J.B. Jones Architects AIA, Inc.



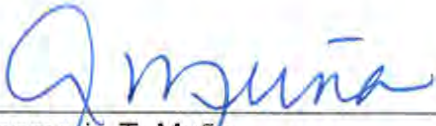
STATEMENT OF QUALIFICATIONS

A M Insurance is a licensed Insurance Broker and Surplus Lines Broker on Guam.

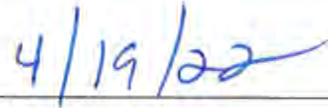
AM Insurance is the most qualified for the position as GWA's Insurance Broker because of its experience handling utility accounts in this region.

We are capable of negotiating appropriate insurance protection tailored to GWA's needs and operate to a very high standard of customer service with the aim of striving for improved coverage at reduce costs. We believe that our independent status can save the Authority time, money and worry.

The contents of our proposal include documentation in support of our statement of qualifications.



Annmarie T. Muña
A M Insurance
President/General Manager



Date



GWA IFB NO. 2022-09
Property, General Liability, D&O Liability, Auto, Crime and Cyber Insurance

EXHIBIT B-277

WHY CHOOSE AM INSURANCE

1. We are a local **Independent Broker** providing dependable personal service.
2. We have over **28 years** of aviation-specific expertise.
3. We have **access to all local markets** and can secure specialty coverage that is not available on Guam.
4. We have an international network of wholesale brokers who we work with to access a multitude of markets and specialized services.
5. We have a long term relationship with independent adjusters with experience in settling airport/aviation related claims.
6. We **support** you in a crisis whether there is a claim or not.
7. We **make it easy** for you to get the coverage you need by assisting with applications and providing guidance for required information.
8. Our staff is **available 24 hours** a day to respond to any underwriting or claims situations.
9. Our team of professionals understands that **responsive, efficient and effective** claim handling is of the utmost importance.
10. We work and **represent you** and not any insurer or carrier. That's why we position ourselves as an independent broker.
11. We will **arrange for Risk Management & Loss Prevention surveys** to be conducted by the carriers interested in your program.
12. With our extensive **knowledge of the product**, we will work to ensure that the program put together is appropriate for your needs.
13. We are always working to get you the **best deal** available with the widest coverage.



GWA IFB NO. 2022-09
Property, General Liability, D&O Liability, Auto, Crime and Cyber Insurance

EXHIBIT B-278

TAB 6

Insurance Carrier Rating

DB Insurance Co., Ltd - AM Best Rating Services

AM Best Rating Services

DB Insurance Co., Ltd. (Guam Branch)

BestLink 

AMB #: 014135 NAIC #: 13620 FEIN #: 980061242

Stock Ticker: KRX 05830

Address

Suite 233 Julale Center 424 West O'Brien Drive

Hagatna, Guam 96910

[United States](#)

Web: www.idbins.com

Phone: 671-477-7170

Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.



AM Best Rating Unit: [AMB #: 094051 - DB Insurance Co., Ltd.](#)

View additional news, reports and products for this company.

This company is a data record that AM Best utilizes to represent the financials for the **United States Branch** of [087968 DB Insurance Co., Ltd.](#)

[013784 DB Insurance Co., Ltd. USB](#) has been assigned as the **AMB Group Lead** for this consolidation and should be used to access name, address, or other contact information for this United States Branch.

Best's Credit Ratings

Financial Strength [View Definition](#)

Rating (Rating Category):	A (Excellent)
Outlook (or Implication):	Positive
Action:	Affirmed
Effective Date:	July 08, 2021
Initial Rating Date:	December 06, 2011

Best's Credit Rating Analyst

Rating Office: A.M. Best Asia-Pacific Ltd.
Financial Analyst: Chang Sim
Associate Director-Analytics: Chanyoung Lee

Note: See the Disclosure Information Form or Press Release below for the office and analyst at the time of the rating event.

Long-Term Issuer Credit [View Definition](#)

Rating (Rating Category):	a+ (Excellent)
Outlook (or Implication):	Positive
Action:	Affirmed
Effective Date:	July 08, 2021
Initial Rating Date:	December 06, 2011

Disclosure Information

Disclosure Information Form

View AM Best's [Rating Disclosure Form](#)

Press Release

[AM Best Revises Outlooks to Positive for DB Insurance Co., Ltd.](#)

July 08, 2021

View AM Best's [Rating Review Form](#)

Financial Size Category [View Definition](#)

Financial Size Category: XV (\$2 Billion or greater)

^u Denotes [Under Review Best's Rating](#)

Rating History

AM Best has provided ratings & analysis on this company since 2011.

EXHIBIT B-280

Financial Strength Rating

Effective Date	Rating
July 08, 2021	A
July 09, 2020	A
July 11, 2019	A
July 13, 2018	A
July 14, 2017	A
July 14, 2016	A

Long-Term Issuer Credit Rating

Effective Date	Rating
July 08, 2021	a+
July 09, 2020	a+
July 11, 2019	a+
July 13, 2018	a+
July 14, 2017	a+
July 14, 2016	a+

Best's Credit & Financial Reports



[Best's Credit Report](#) - financial data included in Best's Credit Report reflects the data used in determining the current credit rating(s) for AM Best Rating Unit: AMB #: [094051 - DB Insurance Co., Ltd.](#)



[Best's Credit Report - Archive](#) - reports which were released prior to the current Best's Credit Report.



[Best's Financial Report](#) - financial data included in Best's Financial Report reflects the most current data available to AM Best, including updated financial exhibits and additional company information, and is available to subscribers of Best's Insurance Reports.

View additional [news](#), [reports](#) and [products](#) for this company.

Press Releases

<u>Date</u>	<u>Title</u>
Jul 08, 2021	AM Best Revises Outlooks to Positive for DB Insurance Co., Ltd.
Jul 09, 2020	AM Best Affirms Credit Ratings of DB Insurance Co., Ltd.
Jul 11, 2019	AM Best Affirms Credit Ratings of DB Insurance Co., Ltd.
Jul 13, 2018	A.M. Best Affirms Credit Ratings of DB Insurance Co., Ltd.
Jul 14, 2017	A.M. Best Affirms Credit Ratings of Dongbu Insurance Co., Ltd.
Jul 14, 2016	A.M. Best Affirms Ratings of Dongbu Insurance Co., Ltd.
Jul 31, 2015	A.M. Best Affirms Ratings of Dongbu Insurance Co., Ltd.
Oct 23, 2014	A.M. Best Upgrades Issuer Credit Rating of Dongbu Insurance Co., Ltd.

European Union Disclosures

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United Kingdom Disclosures

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EXHIBIT B-281

Australian Disclosures

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[Regulatory Affairs - Form NRSRO - Code of Conduct - Rating Methodology - Historical Performance Data](#)

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TAB 7

Claims:

Claims Handling Facilities
In-House Claims Services
Outside Claims Services

CLAIMS HANDLING FACILITIES

In-House Claims Service

AM INSURANCE (AMI) has staff trained and experienced in servicing all types of claims including those from Government of Guam accounts. We recently added a licensed Claims Adjuster to assist our office in providing immediate assistance when a claim arises. AMI staff will be dispatched immediately for preliminary assessments. They will follow up with adjusters on status and liaise between all parties until claim is settled.

Outside Claims Services

At present, AMI has a standing agreement with the following professional adjusting firms:

- Trinity Adjusting
- Macleod Claims Management Ltd.
- Takagi & Associates
- Guam Insurance Adjusters
- McLarens Toplis Group
- Cunningham Lindsey Micronesia Inc./ Hong Kong Limited
(Nominated Adjusters for Cathay Pacific Airlines, British Airports Authority & Stansted Airport)
- Peter J. McBreen & Associates
(Specialists in aviation adjusting)
- Paul Aguon
(Locally Licensed Adjuster)

AMI's association with these highly respected professionals will greatly streamline the claims process. A simple phone call or email to our office is enough to trigger the whole claims mechanism into action. All possible efforts will be made to settle the claim fairly and expeditiously.



GWA IFB NO. 2022-09
Property, General Liability, D&O Liability, Auto, Crime and Cyber Insurance

EXHIBIT B-284

CLAIMS MANAGEMENT CAPABILITIES

AMI has an in-house staff with experience in handling all types of claims including those from Government of Guam accounts. Our office will be able provide immediate assistance to GWA if and when a claims for damages arises. AMI staff will be dispatched immediately for preliminary assessment. We will liaise with underwriters and adjusters until claim is settled.

CLAIMS HANDLING PROCEDURES

The following are general claims procedures that are to be implemented in case of a loss.

I. Report of Loss:

1. Loss must be reported to AMI as soon as practicable, either verbally or in writing using a standard claim form. *(Must be within policy requirements.)*
2. Loss must be reported promptly to the proper Local Authorities as required by local Statutes, Regulations and/ or Code of Guam.
3. AMI, in turn, will immediately inform pertinent sub-brokers and underwriters.

II. Investigation of Loss:

1. As soon as loss is known, AMI staff will make the preliminary investigation including, but not limited to taking pictures of the damaged property and obtaining signed statements of witnesses, if any, etc. This report shall be forwarded to the insurer and AMI shall coordinate with the adjuster assigned.
2. The adjuster will then discuss with insured what needs to be done under the circumstances. AMI will provide the claims forms to the insured and will assist whenever necessary.



III. Protection and Salvage of Damaged Property:

1. Reasonable efforts must be made by the insured to prevent further loss or damage to the property.
2. In the event that a salvage operation is needed to minimize loss, the insured must give full assistance and cooperation to the Adjusters.

IV. Substantiation of Loss:

Loss must be substantiated by documents whenever applicable, such as:

1. Commercial Invoice(s)
2. At least three estimates from a licensed or qualified individual or firm
3. Fully completed and signed Proof of Loss
4. Police Report / Fire Report
5. Financial Report or other forms of Acctg. Records i.e. inventory, etc.
6. Signed statements of Insured's officers, employees and witnesses pertaining to the loss, if and when necessary
7. Blueprints of buildings or properties that suffered loss

V. Insured's Duties in the Event of Claim or Suit:

1. If a claim is made or suit is brought against the Insured, he shall immediately forward the company every demand, notice, summons or other process received by him or his representative.
2. The Insured shall cooperate with the company and, upon request, assist in making settlements, in the conduct of suits and enforcing any right of contribution or indemnity against any person or organization who may be liable to the Insured.
3. The Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.
4. The Insured shall not, except at his own cost, voluntarily make any payment.



TAB 8

Insurance Licenses

Insurance License

Surplus Insurance License

**GOVERNMENT OF GUAM
DEPARTMENT OF REVENUE AND TAXATION
OFFICE OF THE BANKING AND INSURANCE COMMISSIONER
INSURANCE LICENSE**

RENEWAL

SLB12

Know All Men By These Presents That:

Name **AM INSURANCE INC**

Address 113F J&G COMMERCIAL CENTER
 HAGATNA, GU 96910

215A CHALAN SANTO PAPA

**Classes of Insurance
Authorized**



Accident & Health
Credit Life
Fidelity & Surety
Fire
Life

Marine
Miscellaneous
Motor Vehicle
Prop. Damage & Liability
Workmens Comp

*Having complied with the Insurance Law of Guam, is hereby authorized to transact as
Surplus Line Broker, the above named Classes of Insurance in Guam from the **1st** day of **July, 2021**
to the **1st** day of **July, 2022** unless authority is revoked for failure to comply with the law.*

Designated Representatives:
ANNMARIE MUNA


MICHELLE B. SANTOS
Banking & Insurance Commissioner

**GOVERNMENT OF GUAM
DEPARTMENT OF REVENUE AND TAXATION
OFFICE OF THE BANKING AND INSURANCE COMMISSIONER
INSURANCE LICENSE**

RENEWAL

SLB24

Know All Men By These Presents That:

Name **ANNMARIE T. MUNA**

Address 165G CHALAN INDA
 CHALAN PAGO, GU 96910

**Classes of Insurance
Authorized** }

Accident & Health
Fidelity & Surety
Fire
Life
Marine

Miscellaneous
Motor Vehicle
Prop. Damage & Liability
Workmens Comp

*Having complied with the Insurance Law of Guam, is hereby authorized to transact as
Surplus Line Broker, the above named Classes of Insurance in Guam from the **1st** day of **July, 2021**
to the **1st** day of **July, 2022** unless authority is revoked for failure to comply with the law.*

Designated Representatives:


MICHELLE B. SANTOS
Banking & Insurance Commissioner

**GOVERNMENT OF GUAM
DEPARTMENT OF REVENUE AND TAXATION
OFFICE OF THE BANKING AND INSURANCE COMMISSIONER
INSURANCE LICENSE**

RENEWAL

B223

Know All Men By These Presents That:

Name **TRICIA R. GRANILLO**

Address P.O. BOX 5126
 HAGATNA, GU 96932

**Classes of Insurance
Authorized** }

Accident & Health
Fidelity & Surety
Fire
Life
Marine

Miscellaneous
Motor Vehicle
Prop. Damage & Liability
Workmens Comp

*Having complied with the Insurance Law of Guam, is hereby authorized to transact as
Broker, the above named Classes of Insurance in Guam from the **1st** day of **July, 2021**
to the **1st** day of **July, 2022** unless authority is revoked for failure to comply with the law.*

Designated Representatives:

Appointed By:


MICHELLE B. SANTOS
Banking & Insurance Commissioner

TAB 9

Professional Indemnity Insurance

PROFESSIONAL INDEMNITY INSURANCE



NAMED INSURED: AM INSURANCE, P.O. BOX 2797, Hagatna, Guam 96932
AM PROPERTIES, P.O. BOX 2797, Hagatna, Guam 96932
ANNMARIE T. MUNA, P.O. Box 2797, Hagatna, Guam 96932
Y MAGAS, INC. P.O. Box 2797 Hagatna, Guam 96932

POLICY NO.: 277247 - 980416 (KMPL0001-A13)

PERIOD: From **27 September 2021** to **27 September 2022** both days at 12:01am
Local Standard time at the address of the Insured

INTEREST: To indemnify the Insured in respect of their legal liability for financial
or Economic loss suffered by third parties arising as a result of acts,
errors or omissions committed or alleged to have been committed by
the Insureds in the provision of their professional services as specified
in the Proposal Forms

**LIMITS OF
INDEMNITY:** **\$2,000,000** any one claim and in the annual aggregate.

**TERRITORIAL
LIMITS:** Worldwide

CONDITIONS: Insurance Brokers and Agents Errors and Omissions
Deductible: \$10,000.00 each and every claim
excluding costs paid expenses
War and Terrorism exclusion
Excluding claims arising out of or relating to claims and
or circumstances which could give rise to a claim of
which the insured is aware prior to inception
Excluding Limits made by associated companies unless
emanating from an independent third party
Contracts Rights of Third Parties

Nuclear Incident Exclusion Clause
Racketeer Influenced and Corrupt Organizations Exclusion
Endorsement
30 days Cancellation Clause
Asbestos and Mold. Exclusions amended for Insurance Brokers
Retroactive Exclusion Clause
Remuneration and Bid Rigging Exclusions
Excluding claims arising out of mortgage broking or real
estate transactions
Endorsement No.1
Communicable Disease Exclusion Clause - LMA5399 - Casualty
Cyber Incident Exclusion Clause - Casualty

**CHOICE OF
LAW &
JURISDICTION**

This insurance shall be governed by and construed in accordance with the laws of Guam and the exclusive jurisdiction of the USA including Guam courts. The seat of arbitration shall be Guam.

PREMIUMS **\$20,000.00**
2% ASSESSMENT FEE **\$400.00**


**PREMIUM
PAYMENT
TERMS**

60 Days

INFORMATION

The following information was provided to insurer(s) to support the assessment of the risk at the time of underwriting.

Date: 09/20/2021



Authorized Signature
Moylan's Insurance Underwriters, Inc.
General Agent

THE SCHEDULE

Policy No: 277247 - 980416 (KMPL0001-A13)

NAMED INSURED and ADDRESS:

AM INSURANCE, P.O. BOX 2797, Hagatna, Guam 96932
AM PROPERTIES, P.O. BOX 2797, Hagatna, Guam 96932
ANNMARIE T. MUNA, P.O. Box 2797, Hagatna, Guam 96932
Y MAGAS, INC. P.O. Box 2797 Hagatna, Guam 96932

Period of Insurance: From: 27th September 2021
To: 27th September 2022 both days at 12:01 a.m.
Standard Time at address of Insured stated above

Limits of Liability and Deductibles:

- A. The liability of 'Underwriters for "each claim", including claims expenses, which is first made against the Insures, during the, Policy Period shall not exceed **USD 2,000,000**
- and subject to that limit for each claim the total of Underwriters' liability for all claims, including claims expenses; first made against the Insured during The Policy Period shall not exceed in the "aggregate" **USD 2,000,000**
- B. The Limit of Liability afforded under the policy shall be subject to a deductible amount of **USD 10,000** which shall be applicable to "each claim," and shall not inclusive of "claims expenses" as more fully set forth in the Policy.

**INSURANCE BROKERS AND
AGENTS ERRORS AND
OMISSIONS INSURANCE**

NOTICE

**THIS IS A CLAIMS MADE
POLICY**

EXCEPT TO SUCH EXTENT AS MAY BE PROVIDED OTHERWISE HEREIN, THIS POLICY IS LIMITED TO INDEMNITY FOR ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. PLEASE REVIEW THE POLICY CAREFULLY;

In consideration of the payment of The premium and the undertaking of the Insured to pay the deductible as described herein and in reliance upon the statements in the application attached hereto and made a part hereof, and subject to the Limits of Liability shown in the Schedule, and subject to all the terms of this Insurance, Underwriters agree With the Named Insured as follows.

INSURING AGREEMENTS

1. COVERAGE: CLAIMS MADE PROVISION

The Underwriters will indemnify the Insured for all sums which the Insured shall become legally obligated to pay as damages by reason of any negligent act error or omission committed or alleged to have been committed by the Insured or by any person for whose negligent acts, errors or omissions the Insured is legally responsible which arise out of the conduct of the Insured's professional activities as Insurance Brokers, Insurance Agents or General Insurance Agents, provided always that:

(a) a claim is first made against the insured during the Policy Period by reason of such negligent act, error or omission, and

(b) the Insured has no knowledge, on or prior to the effective date of this Policy, that such negligent act, error or omission may give rise to a claim against the Insured, or, there are no prior policy or policies which provide insurance for such liability or claims resulting from such negligent act, error or omission whether or not the deductible provisions and amount of such prior policy or policies are different from this Policy.

2. DISCOVERY CLAUSE

If during the Policy Period the insured shall first become aware of any facts or circumstances which may subsequently give rise to a claim against the Insured by reason of any negligent act, error or omission for which coverage would be afforded hereunder, and if the Insured shall DURING THE POLICY PERIOD stated in the Schedule give written notice to Underwriters of such facts or circumstances, any such claim subsequently made against the Insured arising out

of such negligent act, error or omission shall be deemed for the purpose of this Insurance to have been first made during the Policy Period stated in the Schedule. The Insured shall co-operate fully with Underwriters or its representatives as provided in Condition I and any investigation conducted by Underwriters or its representatives shall be subject to the terms set forth in this Insurance.

3. LIMITS OF LIABILITY:

The liability of Underwriters for each claim made during the Policy Period, including claims expenses, shall not exceed the amount stated in the Schedule for "each claim". Subject to that limit for each claim, the total Limit of Underwriters' Liability for all claims made during the Policy Period, including claims expenses, shall never exceed the amount stated in the Schedule as "aggregate". The inclusion herein of more than one Insured or the making of claims or the bringing of suits by more than one person or organization, shall not operate to increase the Limit of Underwriters' Liability for each claim or in the aggregate.

4. DEDUCTIBLE:

The deductible amount stated in the Schedule shall be paid by the Named Insured, shall be applicable to each claim, and shall include claim payments and claims expenses; whether or not claim payment is made.

5. DEFENSE AND SETTLEMENT:

(a) The Insured shall not admit liability for or settle any claim or incur any claims expenses in connection therewith without the written consent of the Underwriters, who shall be entitled at any time to take over and conduct in the name of the Insured the defense of any claims, and the Insured shall continue to co-operate fully with the Underwriters in such

(b) The Underwriters shall not settle any claim without the consent of the Insured. If however the Insured shall refuse to consent to any settlement recommended by the Underwriters and shall elect to contest or continue any legal proceedings in connection with such claim, then the Underwriters' liability for the claim shall not exceed the amount for which the claim could have been so settled including the claims expenses incurred with their consent up to the date of such refusal.

DEFINITIONS

1. THE INSURED

The unqualified word "Insured" whenever used in this Policy means:

(a) the individual, partnership or corporation designated as the Named Insured in the Schedule:

(b) any partner, executive officer, director, or salaried employee of the Named Insured while acting within the scope of his duties as such:

(c) any former partner, executive officer, director or salaried employee of the Named Insured for acts committed while acting within the scope of his duties as such.

2. POLICY PERIOD:

The terms "Policy Period" whenever used in this Policy shall mean the period from the inception date of this policy to the expiration date as set forth in the Schedule or its earlier termination date, if any.

3. CLAIM:

The unqualified word "claim" whenever used in this Policy shall mean a written demand received by the Insured for money or services, including the service of suit or demand for arbitration against the Insured. The filing of suit, or the filing of demand, for arbitration, shall not constitute a claim within the meaning of the policy.

4. CLAIMS EXPENSES:

"Claims Expenses" means:

(a) fees charged by an attorney designated by Underwriters,

(b) all other fees, costs and expenses incurred by Underwriters in the investigation, adjustment, defense and appeal of a claim, and

(c) the reasonable fees charged by an attorney designated by the Insured with the written consent of Underwriters.

EXCLUSIONS

The Insuring Agreements and all other provisions of this Policy shall not provide indemnity or claims expenses for claims:

(a) Arising out of any dishonest, fraudulent, criminal or malicious act committed or alleged to have been committed by, or at the direction of the insured.

(b) For punitive or exemplary damages, fines or penalties,

(c) For bodily injury to, or sickness, disease or death of any person, or injury to or destruction of any tangible property, including the loss of use thereof,

(d) For libel, slander, invasion of privacy or discrimination,

(e) By any Insurer arising out of any alleged negligent act, error or omission by the Insured in their capacity as Insurance Agents or General Insurance Agents of that Insurer, unless that Insurer has obtained a judgment against the Insured in any Court in respect of that claim,

(f) Arising out of the commingling of monies or accounts, or loss of monies received by

the Insured or credited to the Insured's

(g) Arising out of, due to or involving directly or indirectly the insolvency, receivership, bankruptcy liquidation or financial inability to pay, by any Insurance Company, Agent, Broker or intermediary with which the Insured has placed or obtained coverage for a client or an account.

(h) By any entity or individual which is wholly or partially owned, operated or managed by the Insured or which wholly or partially owns, operates or manages the Insured, or which is wholly or partially under the same common ownership, operation or management as the Insured.

(i) Arising out of the Insured's activities as a managing agent or managing general agent unless otherwise endorsed on the Schedule.

CONDITIONS

1. INSURED'S DUTIES IN THE EVENT OF CLAIM OR SUIT:

The Insured shall, as a condition precedent to their right to be indemnified under this Insurance, give to Underwriters immediate notice in writing of any claim first made against them, co-operate with Underwriters and upon Underwriters' request submit to examination and interrogation by Underwriters' representative, under oath if required, and attend hearings, depositions and trials, and assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and assisting in the conduct of suits as well as the giving of a written statement or statements to Underwriters' representatives and meetings with such representatives for the purposes of investigation and/or defense, and all without charge to Underwriters.

2. SUBROGATION:

In the event of any payment under this Policy, Underwriters shall be subrogated to all the Insured's right of recovery there for against any person or organization and the Insured shall execute and, deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing to prejudice such rights.

3. ACTION AGAINST UNDERWRITERS:

No action shall be against Underwriters unless, as a condition precedent thereto, the Insured shall have fully complied with all the terms of this Policy, nor until the amount of the Insured 's obligation to pay shall have been fully and finally determined either by judgment against the Insured after actual trial, or by written agreement of the Insured, the claimant and Underwriters.

4. FALSE OR FRAUDULENT CLAIMS:

If the Insured shall proffer any claim knowing same to be false or fraudulent, as regards amount or otherwise this insurance shall become null and void and all

coverage hereunder shall be forfeited.

5. APPLICATION:

By acceptance of this Policy the Insured agrees that the statements in the application are his representations, that this Policy is issued in reliance upon the truth of such representations and that this Policy embodies all agreements existing between himself and Underwriters, or any of its agents, relating to this Insurance.

6. OTHER INSURANCE:

Subject to the limitation of coverage as set forth in Insuring Agreement I (b) regarding the application of a prior policy or policies, this Insurance is in excess of the amount of the applicable deductible of this Policy and any other valid and collectible insurance available to the Insured whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

7. ASSIGNMENT:

Assignment of interest under this Policy shall not bind Underwriters until their consent is endorsed hereon. In the event of the death or in competency of the Insured this Policy shall cover the Insured for any claims first made against the insured or its legal representatives during the Policy Period and which would otherwise be covered by this Policy.

This Policy maybe cancelled by the Named Insured by a written notice stating when thereafter such cancellation shall be effective. If cancelled by the Named Insured, Underwriters shall retain the customary short rate proportion of the Premium hereon.

This Policy may be cancelled by Underwriters by mailing to the Named Insured written notice stating when, not less than thirty (30) days thereafter, such cancellation shall be effective, but "this Policy may be cancelled as aforesaid by not less than ten days notice when the cancellation is being effected by reason of the Insured's non-payment of premium. The mailing of notice as aforementioned shall be sufficient notice and the effective date of cancellation stated in the notice shall become the expiration date of the policy. Delivery of such written notice by the Named Insured, or Underwriters' shall be equivalent to mailing. If cancelled by Underwriters, earned Premium shall be computed pro rata.

Premium adjustment may be made at the time cancellation is effected or as soon as practicable thereafter. The cheque of the Underwriters or any of its representatives, mailed or delivered, shall be sufficient tender of any refund due to the Named Insured.

8. SERVICE OF SUIT:

It is agreed that in the event of the failure of Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured, will submit to the jurisdiction of a Court of competent jurisdiction within the United

States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon the designee named in the Schedule and that in any, suit instituted against any one of them upon this Contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal,

The above named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured to give a written undertaking to the Insured that they will enter a general appearance upon Underwriters behalf in the event such suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision there for, Underwriters hereon hereby designate the Superintendent, Commissioner, or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this Contract of Insurance and hereby designates the above-named as the person to whom-said officer is authorized to mail such process or a true copy thereof.

CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999 CLARIFICATION CLAUSE

A person who is not a party to this contract has no right under the Contracts (Rights Of Third Parties) Act 1999 to enforce any term of this Contract but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

NUCLEAR INCIDENT EXCLUSION CLAUSE-LIABILITY-DIRECT (BROAD) (U.S.A)

For attachment to insurances of the following classifications in the U. S. A. its territories and Possessions, Puerto Rico Ad the Canal Zone:

Owners, Landlords and Tenants Liability, Contractual Liability, Elevator Liability, Owners or Contractors (including railroad) Protective Liability, Manufacturers and Contractors Liability, Product Liability, Professional and Malpractice Liability, Storekeepers Liability, Garage Liability; Automobile Liability (including Massachusetts Motor Vehicle or Garage Liability), not being insurances of the classifications to which the Nuclear Incident Exclusion Clause-Liability-Direct (Limited) applies.

This Policy does not apply:

I. Under any Liability Coverage, injury, sickness, disease, death or destruction:

(a) with respect to which an insured under the Policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this Policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

II. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the, hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.

III. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous Properties of nuclear material, if:

(a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom;

(b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

(c) the injury, sickness, disease, death or destruction arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (c) applies only to injury to or destruction of property at such nuclear facility.

IV. As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties; "nuclear material" means source material, special nuclear material or by-product material; "source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act 1954 or in any law amendatory thereof; "spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor; "waste" means any waste material (1) containing by-product material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (h) thereof; "nuclear facility" means:

(a) any nuclear reactor,

(b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,

(c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,

(d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations; "nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material. With respect to injury to or destruction of property the word "injury" or "destruction" includes all forms of radioactive contamination of property.

It is understood and agreed that except as specifically, provided in the foregoing to the contrary, this clause is subject to the terms, exclusions, conditions and limitations of the Policy to which it is attached.

*NOTE: As respects policies which afford liability coverages and other forms of coverage in addition, the words underlined should be amended to designate the liability coverage to which this clause is to apply.

R. I. C. O. EXCLUSION

In consideration of the premium charged, it is hereby understood and agreed that there shall be no liability hereunder in respect of any loss payments or claim expenses directly or indirectly brought about by, arising out of, or attributable to:

any actual or alleged violation of the Racketeer Influenced and Corrupt Organizations Act, 18 USC Sections 1961 et seq., or any comparable state law, and any amendments thereto, or any rules or regulations promulgated thereunder.

RETROACTIVE EXCLUSION CLAUSE (U.S.A./CANADA) (Professional Indemnity Insurance)

It is understood and agreed that, notwithstanding anything contained herein to the contrary, this Policy shall not indemnify the Insured in respect of any claim made against the Insured by reason of any negligent act, error or omission committed, or alleged to have been committed prior to 31st October 2008.

EXCLUSIONS

The following are added to Exclusions;

- (j) Arising out of or relating to claims and/or circumstances which could give rise to a claim of which the Insured is aware prior to inception
- (k) Arising out of mortgage broking or real estate transactions

ASBESTOS & MOLD-EXCLUSION FOR INSURANCE BROKERS

ASBESTOS EXCLUSION:

This Policy shall not apply to CLAIMS or CLAIMS EXPENSES arising directly or indirectly out of or resulting from or in consequence of, or in any way involving asbestos, or any materials in whatever form or quantity.

TOXIC MOLD EXCLUSION

In consideration for the premium charged, it is hereby understood and agreed that the coverage afforded by this Policy shall not apply to:

- A. CLAIMS or CLAIMS EXPENSES which, either in whole or in part, directly or indirectly, are for, based upon, relate to, or arise out of:
 - (1) the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind; or
 - (2) any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins;
- B. Any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins;
- C. Underwriters will have no duty or obligation to defend any Insured with respect to any CLAIM or governmental or regulatory order, requirement, directive, mandate or decree which, either in whole or in part, directly or indirectly, is for, based upon, relates to, or arises out of the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind.

However, these exclusion shall not apply if the loss arises out of the Insured's professional services as an insurance broker or agent.

SYNDICATE 4000 PSA/MSA EXCLUSION

This policy provides no indemnity for loss or defense costs in connection with any claim directly or indirectly arising out of, based upon or in consequence of, resulting from, or in any way involving the actual or alleged payment of fees, commissions or other remunerations by or to any Insured or the permission of, aiding or abetting, or participation in the payment of fees, commissions or other remunerations to any other entity. This Policy also excludes any indemnity for loss or defense costs in connection with any claim directly or indirectly arising out of, based upon or in consequence of, resulting from, or in any way involving any actual or alleged bid rigging, market allocation or solicitation of non-competitive bids for insurance coverage.

CHOICE OF LAW AND JURISDICTION

This Policy shall be governed by and construed in accordance with the laws of Guam and the exclusive jurisdiction of the USA including Guam courts. The seat of arbitration shall be Guam.

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its president and manager, but this policy shall not be valid unless countersigned on the Declarations page by a duly authorized representative of the Company.


Yonjo Choi

MANAGER


JEONG-NAM KIM

PRESIDENT

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This insurance does not apply to TERRORISM, including injury or damage arising, directly or indirectly, out of a "certified act of terrorism".

"Certified act of terrorism" means an act that is certified by the Secretary of Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism and Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" includes the following:

1. The act resulted in aggregate losses in excess of \$5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed on behalf of any foreign person or foreign interest, 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.

This endorsement fulfills the requirements of the U.S. Terrorism Risk Insurance Act of 2002.

Effective 09/27/2021

All other terms and conditions remain unaltered.

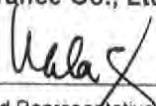
Attached to and forming part of Policy No. 277247-980416 (KMPL0001-A13)

issued to AM Insurance, AM Properties, Annmarie T. Muna, Y Magas, Inc.

effective 09/27/2021

Date: 09/20/2021

DB Insurance Co., Ltd.

By: 

Authorized Representative
Moylan's Insurance Underwriters, Inc.
General Agent

ENDORSEMENT NO. 1

Name Insured : Am Insurance, AM Properties, Annmarie T. Muna, Y Magas, Inc.

IT IS HEREBY UNDERSTOOD AND AGREED that Exclusion, (i) Arising out of mortgage broking or real estate transactions DOES NOT apply to the following:

- 1) Single Family Dwelling located in Santa Rita, Guam
- 2) Condominium Unit located at Villa Rosario
- 3) Any newly acquired properties owned by the Insured, subject to reporting by endorsement

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of the Policy, except as hereinafter set forth.

This endorsement is effective as of Inception of the Policy Period.

Attached to and forming part of Policy No. 277247-980416 (KMPL0001-A13) of DB Insurance Co., Ltd.

By: 
Moylan's Insurance Underwriters, Inc.
General Agent

Communicable Disease Exclusion Clause - LMA5399 - Casualty

1. Notwithstanding any provision to the contrary within this insurance agreement, this insurance agreement excludes all actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defence cost, cost, expense or any other amount incurred by or accruing to the insured, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 2.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 2.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 2.3. the disease, substance or agent can cause or threaten bodily injury, illness, emotional distress or damage to human health, human welfare or property damage.

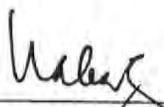
All other terms and conditions of the policy shall remain unaltered.

This endorsement is effective on the date of inception of the policy to which this form is made a part of.

DB INSURANCE CO., LTD.

Date Issued: 09/20/2021

By: _____


Authorized Representative
Moylan's Insurance Underwriters, Inc.
General Agent

Cyber Incident Exclusion Clause - Casualty

1. Notwithstanding any provision to the contrary within this insurance agreement or any endorsement thereto, this insurance agreement excludes any Cyber Loss.
2. If the Insurer alleges that by reason of this exclusion any Cyber Loss sustained by the Insured is not covered by this insurance agreement, the burden of proving the contrary shall be upon the Insured.

Definitions

3. Cyber Loss means all actual or alleged loss, damage, liability, injury, compensation, sickness, disease, death, medical payment, claim, cost, defense cost, expense or any other amount incurred by or accruing to the Insured, including but not limited to any mitigation cost or statutory fine or penalty, directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Incident.
4. Cyber Incident means:
 - 4.1.1 an unauthorized or malicious act or series of related unauthorized or malicious acts, regardless of time and place, or the threat or hoax thereof; and/or
 - 4.1.2 a failure to act, any error or omission or accident or series of related failures to act, errors or omissions or accidents; and/or
 - 4.1.3 a breach of duty, statutory duty or regulatory duty or trust or series of related breaches of duty, statutory duty or regulatory duty or trust; involving access to, processing of, use of or operation of any Computer System or any data by any person or group(s) of persons.
5. Computer System means any computer, hardware, software, information technology and communications system or electronic device, including any similar system or any configuration of the aforementioned and including any associated input, output or data storage device, networking equipment or back up facility.

All other terms and conditions of the policy shall remain unaltered.

This endorsement is effective on the date of inception of the policy to which this form is made a part of.

DB INSURANCE CO., LTD.

Date Issued: 09/20/2021

By: _____



Authorized Representative
Moylan's Insurance Underwriters, Inc.
General Agent

EXHIBIT B-312

TAB 10

Bid Specifications

Bid Specification for IFB No. 2022-09



GUAM WATERWORKS AUTHORITY

**INVITATION FOR COMPETITIVE SEALED BIDS
IFB 2022-09**

FOR

**PROPERTY INSURANCE, GENERAL LIABILITY
INSURANCE, DIRECTORS AND
OFFICERS LIABILITY INSURANCE, AUTOMOBILE
INSURANCE,
CRIME, AND CYBER LIABILITY INSURANCE**



"Better Water. Better Lives."

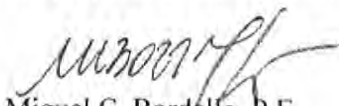
Gloria B. Nelson Public Service Building 688 Route 15, Mangilao, Guam 96913
P.O. Box 3010, Hagatna, Guam 96932
Tel. No. (671)300-6026 / 6027 Fax No. (671)649-3750

The GUAM WATERWORKS AUTHORITY will receive sealed bids for **GWA IFB NO. 2022-09 Property Insurance, General Liability Insurance, Directors and Officers Liability Insurance, Automobile, Insurance, Crime, and Cyber Liability Insurance**. Bids will be accepted until **10:00 a.m.** Chamorro Standard Time, **April 14, 2022**, at the GWA Procurement Office, first floor located at the Gloria B. Nelson Public Services Building in Mangilao. A virtual bid opening will be scheduled at 11:00 a.m. Chamorro Standard Time, at which time and place all bids will be publicly opened and read aloud.

All bids must be accompanied by a Bid / Performance Bond, in the amount of 15 percent (15%) of the total bid price. Bid security may be bid/performance bond, Surety Bond, certified check, or cashier check made payable to Guam Waterworks Authority.

A non-refundable amount of \$15.00 is required for the purchase of each set of bidding documents which are available at the GWA Procurement Office. Bidders can download a bid package at www.guamwaterworks.org without charge; vendors are strongly encouraged to contact GWA via email at psbids@guamwaterworks.org or visit GWA Procurement Office to register to ensure that updated information, notices or bid amendments are distributed to you. A Non-Disclosure Agreement must be completed and emailed to psbids@guamwaterworks.org or delivered to the GWA Procurement Office in order to obtain copies of the Insurance Applications and related documents, e.g., property schedules.

GWA reserves the right to revise or reject any or all proposals and to waive any minor imperfection in the bid proposal in the interest of the Guam Waterworks Authority.


Miguel C. Bordallo, P.E.
General Manager

GWA Stamp Issue Date:



TABLE OF CONTENTS

I. INTRODUCTION

II. INSTRUCTION AND PROCEDURES FOR BIDDERS

1. BID SCHEDULE
2. PREPARATION AND SUBMISSION OF BIDS
3. EXPLANATION TO BIDDERS
4. CLARIFICATION ON INVITATION FOR BID.
5. FORM
6. MODIFICATION OR WITHDRAWAL OF BIDS
7. RECORDING BIDS
8. CONFIDENTIAL DATA
9. AWARD
10. CANCELLATION OF INVITATION: DELAYS
11. INSPECTION OF GWA PROPERTY AND VEHICLES
12. REQUIRED APPROVALS
13. REPRESENTATION REGARDING GRATUITIES AND KICKBACKS
14. REPRESENTATION REGARDING CONTINGENT FEES
15. POLICY BINDER
16. ADDENDA TO INF
17. OWNERSHIP & INTEREST DISCLOSURE AFFIDAVIT
18. BID AND PERFORMANCE BOND REQUIREMENTS
19. FAILURE TO SUBMIT THE REQUIRED DOCUMENTATION

III. EVALUATION AND AWARD OF BIDS

IV. SPECIFIC INSURANCE SPECIFICATION

INSTRUCTIONS

BID RESPONSE FORM – PROPERTY INSURANCE

BID RESPONSE FORM – LIABILITY INSURANCE

BID RESPONSE FORM – DIRECTORS & OFFICERS LIABILITY INSURANCE & EMPLOYMENT PRACTICES
LIABILITY INSURANCE



- BID RESPONSE FORM – AUTOMOTIVE INSURANCE
- BID RESPONSE FORM – CRIME INSURANCE
- BID RESPONSE FORM – CYBER LIABILITY INSURANCE
- BROKER QUESTIONNAIRE
- BACKGROUND
- PROPERTY INSURANCE SPECIFICATIONS
- LIABILITY INSURANCE SPECIFICATIONS
- DIRECTORS & OFFICERS LIABILITY SPECIFICATIONS
- AUTOMOBILE INSURANCE SPECIFICATIONS
- CRIME INSURANCE SPECIFICATIONS
- CYBER LIABILITY INSURANCE SPECIFICATIONS

V. INSURANCE APPLICATIONS

VI. FORMS

- NON-DISCLOSURE AGREEMENT
- NON-COLLUSION AFFIDAVIT
- CERTIFICATION OF NON-EMPLOYMENT OF CONVICTED SEXUAL OFFENDERS
- OWNERSHIP DISCLOSURE AFFIDAVIT
- BID AND PERFORMANCE BOND FOR GOODS AND SERVICES AS REQUIRED UNDER 5 G.C.A. § 5212
(This form must be used; failure to utilize this form is subject to rejection of bid)
- WAGE AND BENEFIT DETERMINATION
- NON-GRATUITY or KICKBACKS AFFIDAVIT
- ETHICAL STANDARD AFFIDAVIT
- GOOD STANDING AFFIDAVIT

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"Better Water. Better Lives."
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P.O. Box 3010, Hagatna, Guam 96932
Tel. No. (671)300-6026 / 6027 Fax No. (671)649-3750

**INVITATION FOR COMPETITIVE SEALED BIDS
IFB 2022-09**

FOR

**PROPERTY INSURANCE, GENERAL LIABILITY INSURANCE, DIRECTORS AND
OFFICERS LIABILITY INSURANCE, AUTOMOBILE INSURANCE,
CRIME, AND CYBER LIABILITY INSURANCE**

SECTION I: INTRODUCTION

The Guam Waterworks Authority ("GWA") is seeking competitive sealed fixed price bids from a licensed insurance broker for the insurance types specified above for a three or five-year period based on the lowest responsive and responsible bid commencing not later than 10 days after a Notice to Proceed from GWA is issued. All bids must be received by GWA on or before April 14, 2022, at 10:00 a.m. at the GWA Procurement Office. Late bids will not be considered.

SECTION II INSTRUCTIONS AND PROCEDURES FOR BIDDERS

1. BID SCHEDULE

The deadline for the submission of bids is April 14, 2022, at 10:00 a.m. Three (3) copies and one (1) original bid must be physically received by GWA at the address below (not postmarked) no later than the above date and hour. It is advisable to use courier services to expedite delivery of your bid, as Guam is served by several such courier services. It is bidder's responsibility to ensure the bid is received as required above. Late bids will not be considered.

2. PREPARATION AND SUBMISSION OF BIDS

Envelopes containing Bids shall be sealed and marked on the face with the name and address of the Bidder, the Bid Number and the time and date of submission. Telegraphic Bids will not be considered, nor will modifications by telegraph of Bids already submitted *be* considered. Bids must be received at the place of opening on or before the date and time stated as the deadline for submission. Bids received through the mail



will not be accepted if such mail is received at the address showing after the submission date and time. Facsimile or e-mailed bids will not be accepted. Bids will be opened publicly.

All submittals must strictly conform to the Invitation for Bid and any addenda, non-responsive and non-responsible bids will not be considered.

Three (3) complete copies and one (1) complete original Bid must be submitted to GWA. Any and all sample documentation, including but not limited to, a complete proposed insurance policy, including exclusions, must be submitted. No submittal shall be considered complete unless accompanied by **all** items required in this bid.

Please see *Section II 1. Bid Schedule* for bid submission deadline. The IFB must be received by GWA in a sealed envelope with the IFB number clearly marked and delivered to or received by the GWA Procurement Administrator or his/her designee at the following address:

TO: Guam Waterworks Authority
Attn: Procurement Office
First Floor, Gloria Nelson Public Services Building
688 Route 15
Mangilao Guam 96913

Examination of IFB Documents: Bidders shall examine the IFB Documents to inform themselves of all conditions and requirements for the execution of the proposed work. Ignorance on the part of Bidder of any part of the IFB will in no way relieve him/her of the obligation and responsibility assumed under the Contract.

Familiarity with Laws: Bidder is assumed to be familiar with Federal and Local laws, ordinances, rules, and regulations that in any manner affect the work. Ignorance on the part of Bidder of any part of the law will in no way relieve him/her of the obligation and responsibility assumed under the Contract.

3. EXPLANATION TO BIDDERS

No oral explanation in regard to the meaning of the specification will be made and no oral instructions will be given before the award of the Bid. Questions regarding discrepancies, omissions, or doubts as to the meaning of the specifications must be communicated in writing (either e-mail, fax, or mail) to Guam Waterworks Authority for interpretation. Although several options to communicate in writing are available, vendors are strongly encouraged to contact GWA via email at psbids@guamwaterworks.org to ensure GWA's prompt receipt of all questions. Questions must be received by GWA no later than 4 p.m. Chamorro Standard Time March 24, 2022. GWA will provide responses no later than 4 p.m., Chamorro Standard time March 31, 2022. Bidders should act promptly and allow sufficient time for a reply to reach



them before the submission of their Bids. Interpretation, if required, shall be made in the form of an amendment to the specifications, which will be forwarded to all prospective bidders, and its receipt by the Bidder should be acknowledged on the Bid form.

4. CLARIFICATION ON INVITATION FOR BID

Each Bidder must carefully examine the IFB and all amendments or addenda. If any Bidder (a) finds any discrepancies, omission, or ambiguities in the IFB documents, (b) is uncertain as to the intent or meaning of any provision of the IFB, or (c) has any question regarding the IFB, the Bidder must promptly notify GWA in writing as soon as possible. All questions for clarification must be received by GWA no later 4 p.m. Chamorro Standard Time, March 24, 2022, in writing at the address specified for submission of Bid or via email at psbids@guamwaterworks.org. Replies to such notices may be made in the form of addenda, which will be issued simultaneously to all prospective Bidders.

5. FORM

All bids must be in writing and submitted in a sealed envelope and must be signed by an officer of the bidder having authority to submit such Bids. The bids should respond in an organized fashion to all requirements of this Invitation for Bid.

6. MODIFICATION OR WITHDRAWAL OF BIDS

Bids may be modified or withdrawn prior to bid submission date. Any bid withdrawal, or modification **received** after the bid submission deadline is late and will not be considered.

7. RECORDING BIDS

Bids and modifications shall be submitted to GWA officials by the GWA Procurement Office.

Bidders shall be responsible for ensuring its bid is received on or before the due date. Any late bid will not be considered by GWA. After the due date, a Register of Bids shall be prepared which shall include for all initial bids the name of each bidder, the number of modifications received, if any, and an indication of the coverage proposed, i.e., coverage of all risks or perils (a) as requested by GWA, (b) less than GWA request, and/or (c) alternate coverage as requested.

8. CONFIDENTIAL DATA

Bidders should clearly and specifically designate which portion or portions of the bid contains trade secrets or other proprietary data they propose be kept confidential. GWA shall examine the request and make a determination as to each request. Unclear requests or requests that do not specifically identify the exact portion



of the bid which the bidder is requesting to be kept confidential shall not be considered. Guam law shall govern the determination of confidentiality of any document or portion thereof.

9. AWARD

Award will be made to the lowest responsive and responsible bidder and a written notice of award will be public information and made a part of the procurement file.

10. CANCELLATION OF INVITATION: DELAYS

GWA reserves the right to cancel or to withdraw this Invitation to Bid, to delay determination on this Invitation for Bid, or to reject all bids, in whole or in part, at any time prior to final award. The reasons for the cancellation, delay or rejection shall be made a part of the procurement file and shall be available for public inspection.

11. INSPECTION OF GWA PROPERTY AND VEHICLES

Prospective bidders may inspect any GWA property to be covered by the insurance in connection with submitting a bid upon request. However, GWA shall be afforded at least 72 hours advance notice of any request to inspect. No inspection shall occur within 10 days prior to the due date of the bid. GWA will provide a representative to conduct the inspections and also answer questions. For inspection, please submit your request in writing addressed to GWA Procurement Office. The request can be submitted by either of the following: hand delivered at the first floor, Gloria B. Nelson Public Service Building in Mangilao, via fax transmittal at (671) 649-3750 or e-mail to vincentg@guamwaterworks.org and smondina@guamwaterworks.org.

12. REQUIRED APPROVALS

A Notice to Proceed (contract) is conditioned on GWA obtaining the approval of the Guam Consolidated Commission on Utilities (CCU) and the Guam Public Utilities Commission (PUC). This process may take several weeks.

13. REPRESENTATION REGARDING GRATUITIES AND KICKBACKS

The bidder or contractor represents it has not violated, is not violating and promises it will not violate the prohibition against gratuities and kickbacks as mandated under the Guam Procurement Regulations. All Bidders shall submit an affidavit indicating that no gratuities or kickbacks have been given or made in connection with the submission of this bid.



14. REPRESENTATION REGARDING CONTINGENT FEES

The Contractor will provide a certification to GWA in the form supplied with this IFB indicating that it has not retained a person to solicit or secure a territorial contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business.

15. POLICY BINDER

The provider who is awarded the contract will be required to provide the Authority with written evidence that coverage is in place within 72 hours after notice to proceed has been issued.

16. ADDENDA TO IFB

In the event, it becomes necessary to revise any part of this IFB, addenda will be provided to all Bidders who received the basic IFB. Any addenda issued pursuant to this IFB must be acknowledged as being received by the Bidder.

17. OWNERSHIP & INTEREST DISCLOSURE AFFIDAVIT

The Ownership & Interest Disclosure Affidavit must comply with the following requirements and failure to submit an affidavit shall be basis for rejection.

- a. Bidder must use the form issued by Guam Waterworks Authority.
- b. The affidavit must be notarized and dated within 60 days before the date of the bid opening.
- c. Date signature of the person authorized to sign the bid and the notary date must be the same.
- d. At least one affidavit must be an original.
- e. The relevant disclosure period requires disclosure of all relevant ownership interests in place within the twelve months immediately preceding the date of the bid opening.
- f. See the applicable law with required Ownership & Interest Affidavit in *Section VI Forms* at the END of bid packet.

18. BID AND PERFORMANCE BOND REQUIREMENTS

All bidders are required to submit bid security in amount of 15% of their total bid amount which must also indicate that the security is not only for a bid bond, but also for performance under this Bid as required by 5 G.C.A. 5312. Failure to submit a proper bid bond will cause the bid to be rejected.

As required by law, the bid security shall not be released upon award of the bid, but instead shall continue in full force and effect until after delivery of the supplies or services required by the contract awarded to



the contractor under the associated Invitation for Bid is completed to secure the faithful performance under this IFB (e.g., until warranty period has ended as any warranty is a service provided in conjunction with the delivery of goods).

THE BID/PERFORMANCE GUARANTEE MAY BE IN THE FORM OF:

- a. Cashier's Check or Certified Check
- b. Letter of Credit
- c. Surety Bond - Valid only if accompanied by:
 - i. Current Certificate of Authority
 - ii. Power of Attorney issued by the Surety to the Resident General Agent
 - iii. Power of Attorney issued by two (2) major officers of the Surety to whoever is signing on their behalf

19. FAILURE TO SUBMIT REQUIRED DOCUMENTATION

Bidder may be deemed non-responsive with bid requirements if bidder fails to submit all required information or data as requested. Any declaration of non-responsiveness by GWA shall be made in writing and provided to the bidder.



SECTION III: EVALUATION AND AWARD OF BIDS

In evaluating the bids, GWA shall examine all the relevant bid documents in order to determine the capacity of the bidder to perform and for compliance with the bid requirements as well as the price. **All costs** must be included in the overall bid. GWA will award the bid to the lowest responsive and responsible bidder.

The lowest bid will be determined by taking the total term of the policy (either 3 years or 5 years) and dividing it by the total price per bid option. Specifically, if a bidder is submitting a bid for both the 3-year and 5-year terms, the total price for each option shall be divided by the term for each option (broken down into months) to obtain a price per month cost as outlined in the example below

Example: Total 3-year bid price divided by 36 months = _____

Total 5-year bid price divided by 60 months = _____

The lowest value as calculated above will be the vendor's lowest bid amount.

GWA reserves the sole right to determine the acceptability and ranking of bids. In the bid evaluation process, the following factors may be considered:

- a. Whether the bidder meets the announced requirements of GWA in all material respects as required under the Guam Procurement Code.
- b. Cost of total package (i.e., total bid, including any hidden costs divided by the term of the bid which is either three years or five years).
- c. Whether the terms of proposed insurance policy meet the requirements set forth herein.
- d. Overall clarity and presentation of Bid.
- e. Ability to provide the requisite services required under the Bid.
- f. Does the bidder possess the requisite financial strength?
- g. If the bidder has a satisfactory record of performance.
- h. Whether the bidder possesses a satisfactory record of integrity and minimum financial strength ratings or similar.
- i. Is the bidder able to legally qualify to contract with GWA?
- j. Whether or not the bidder supplied all necessary information required under this Bid.



SECTION IV : SPECIFIC INSURANCE SPECIFICATIONS

INSTRUCTIONS

1. This is not an all-or-nothing bid. GWA, at its sole discretion, may elect to accept the lowest overall price for either term by line of coverage through the engagement of one or more brokers if it is in the best interest of GWA.
2. Bids must be in a single package and delivered to the following address no later than 10:00 AM, Thursday, April 14, 2022, local time.

Guam Waterworks Authority
GWA Procurement Office, first floor
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913

3. Bid Package shall include:
 - a. Bid Response Forms for each coverage for which a bid is being submitted.
 - b. Complete specimen policies and required endorsements for each coverage for which a bid is being submitted.
 - c. Information on the claims reporting procedures for each carrier.
 - d. Completed Broker Questionnaire.
 - e. Copy of Broker's license(s) to transact insurance in Guam.
 - f. Proof of at least \$1,000,000 Professional Liability insurance.
4. GWA will only purchase insurance from insurers licensed to transact business on Guam and with financial strength ratings of at least A-IX (Excellent) by A.M Best, AA- (Strong) by Standard & Poors, or Aa3 (Excellent) by Moody's or policy placement (fronting) by a locally admitted carrier with a B++ rating by AM Best, provided 100% of their reinsurance is placed with carrier AM Best rated A or better.
5. If the bid(s) is accepted the successful Bidder shall provide GWA with written evidence of placement of the insurance no later than 10:00 AM, Thursday April 25, 2022, local time.



GUAM WATERWORKS AUTHORITY

BID RESPONSE FORM – PROPERTY INSURANCE

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$30,000,000 Blanket See special notation for underground exposures -Part of Blanket Limit? -Sub-Limit?-	\$1,000,000 Catastrophic \$100,000 All other		
Option: \$40,000,000 See special notation for underground exposures- -Part of Blanket Limit? -Sub-Limit?-	\$1,000,000 Catastrophic \$100,000 All other		

Carrier	Carrier's Financial Rating

Bidder _____

By: _____

Date: _____



BID RESPONSE FORM – LIABILITY INSURANCE

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$25,000,000 CSL	\$300,000 Each & Every Loss		
\$50,000,000 CSL	\$300,000 Each & Every Loss		

Carrier	Carrier's Financial Rating

Bidder _____

By: _____

Date: _____



GUAM WATERWORKS AUTHORITY

**BID RESPONSE FORM – DIRECTORS & OFFICERS LIABILITY INSURANCE &
EMPLOYMENT PRACTICES LIABILITY INSURANCE**

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$2,000,000 D&O \$1,000,000 EPLI	Nil Nil		
\$2,000,000 D&O \$2,000,000 EPLI	Nil Nil		
\$5,000,000 D&O \$5,000,000 EPLI	Nil Nil		
\$5,000,000 Shared Aggregate D&O/EPLI	Nil Nil		
\$10,000,000 D&O \$10,000,000 EPLI	Nil Nil		
\$10,000,000 Shared Aggregate D&O/EPLI	Nil Nil		

Carrier	Carrier's Financial Rating

Bidder _____

By: _____

Date: _____



BID RESPONSE FORM – AUTOMOBILE INSURANCE

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$2,000,000 CSL UM \$25,000/\$50,000			
\$2,000,000 CSL Option UM \$1,000,000			

Carrier	Carrier's Financial Rating

Bidder _____

By: _____

Date: _____



GUAM WATERWORKS AUTHORITY

BID RESPONSE FORM – CRIME INSURANCE

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$1,000,000	\$50,000 except \$10,000 inside/out premises		

Carrier	Carrier's Financial Rating

Bidder _____

By: _____

Date: _____



BID RESPONSE FORM – CYBER LIABILITY INSURANCE

Limit of Coverage	Deductible	3-Year Premium	5-Year Premium
\$3,000,000	\$250,000		
\$3,000,000	\$100,000		
\$3,000,000	\$50,000		
\$5,000,000	\$250,000		
\$5,000,000	\$100,000		
\$5,000,000	\$50,000		
\$10,000,000	\$250,000		
\$10,000,000	\$100,000		
\$10,000,000	\$50,000		

Carrier	Carrier's Financial Rating

Bidder _____

By: _____

Date: _____



GUAM WATERWORKS AUTHORITY

BROKER QUESTIONNAIRE

Name of Firm: _____

Address: _____

Telephone: _____

Fax: _____

E-mail: _____

Website: _____

Year Established: _____

Principal: _____

Total Personnel: _____

Annual Commercial Premium: _____



BACKGROUND

The Guam Waterworks Authority (GWA), a Guam Public Corporation, owns and operates an extensive network of facilities that provides water and wastewater service to most of Guam's residents. These facilities represent a significant investment and include substantial visible and underground infrastructure assets.

GWA provides potable water service to most of the island's civilian population of approximately 164,900 residents. GWA's water system facilities include 120 groundwater wells, the Ugum Surface Water Treatment Plant, 586 miles of pipes, 26 active storage reservoirs with approximately 30.2 million gallons of capacity, 27 major booster pump stations, and control valves used to separate service areas.

GWA provides wastewater service to approximately 30,000 wastewater customers including both civilian and military accounts. GWA's wastewater facilities include six wastewater treatment plants, 307 miles of gravity pipe, 43 miles of force main pipe, approximately 82 lift stations [pipe quantities reflect mains (gravity and force) only].

The Authority self-insured potential risks related to its property, plant and equipment prior to April 2010. Effective April 12th that year it procured a complete portfolio of commercial insurance covering total insured assets of \$477,576,875. Commencing in 2013, the Authority embarked on a major replacement and renovation program. In 2018, GWA updated its Water Resources Master Plan which contains a capital improvement plan for 20 years, through 2037. GWA's capital improvement plan is funded by a combination of revenues, Federal grants, and bonds. The bond indenture for the GWA Water and Wastewater Bonds requires GWA to maintain insurance on its water and sewer systems.

The current replacement cost of insured assets is estimated at more than \$4 billion. Annual revenues for the year ended September 30, 2021, was \$101.7 million.

The Authority desires to procure a multi-year insurance portfolio that will provide coverage for the next three to five years.



PROPERTY INSURANCE SPECIFICATIONS

Named Insured: Guam Waterworks Authority

Term: May 1, 2022 to 2025 at 12:01 AM Local Time (Three years), or
May 1, 2022 to 2027 at 12:01 AM Local Time (Five years)

Total Declared Values

Above ground assets	\$901,149,581
Below ground assets	\$2,792,454,481
Annual Revenue (FY21 Unaudited)	\$101,663,816
Total	\$3,795,267,878

Coverages Required

Coverage	Limits
Blanket coverage for All Risks of direct physical loss or damage to all real and personal property of every kind and description belonging to the Insured or in which the Insured has an insurable interest. Including: <ul style="list-style-type: none"> • Earthquake, Windstorm, Flood, Typhoon, and Tidal Wave • Loss of Revenue/Business Interruption and Extra Expense • Boiler and Machinery Breakdown • EDP Hardware/Software/Extra Expense • Ordinance Or Law-ICC, Demo & Period of Restoration • Include Underground Assets on a Scheduled Agreed Amount basis as outlined in "Required Conditions" 	\$30,000,000 Blanket any one occurrence
Sub Limits	
Personal Property in transit	\$250,000
Valuable Papers & Records and Computer Media	\$1,000,000
Automatic Acquisition	\$1,000,000
Boiler Explosion and Machinery Breakdown	\$5,000,000
Denial of Access	\$1,000,000
Suppliers' and Customers'	\$1,000,000
Debris Removal	\$1,000,000
Mold (in the aggregate)	\$250,000
Self-Insured Retention	
Each and every Loss in respect of Earthquake, Windstorm, Flood, Typhoon, and Tidal Wave	\$1,000,000
Each and Every Loss in respect of all other perils	\$100,000

Include an option for \$40,000,000 Blanket Limit

Required Conditions

Underground Assets to be included for a Scheduled Agreed Amount as follows:

Underground Asset Description	Count	Insured Replacement Value
Wells	120	\$10,047,752*
Fresh Water Underground Piping	2,635,725	\$14,122,011
Manholes	7,229	\$17,620,688
Wastewater Underground Piping	1,848,000	\$20,971,437

*Represents the desired insured value of the underground portion of the wells (10% of \$100MM). Above ground value is estimated at \$43,061,795.

Schedules

The schedules of Property included with these Specifications represent, to the best of the Insured's knowledge, a complete listing of the property it wishes to insure and the current replacement values thereof. The schedules are not to be used to establish sub-limits of coverage, nor are they to be considered as any form of valuation. The amount payable under this Policy shall not be limited by individual values shown on the schedules prepared for Underwriters.

Waiver of Subrogation - Tenants

In event of loss, Underwriters waive their rights of subrogation against any tenant occupying, renting, or leasing property from the Insured.

Valuation

Recovery shall be made on the basis of one hundred percent (100%) of the property's current replacement value at the time and place of loss, subject to the limit of coverage provided by the Policy. The Insured shall not be required to rebuild damaged or destroyed structures on the same site nor with like kind and quality.



Required Conditions (Continued)

Misrepresentation & Fraud

The Insured shall not be prejudiced by an unintentional or inadvertent error, omission, incorrect valuation, or incorrect description of the interest, risk, or property, provided that notice is given to Underwriters as soon as practical after discovery of any such error or omission.

Cancellation Clause

If Underwriters desire to cancel this policy, other than for non-payment, they shall give not less than ninety (90) days prior written notice by email and Certified Mail to:

Miguel C. Bordallo, P.E.
General Manager
Guam Waterworks Authority
Ste 200, Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913
mcbordallo@guamwaterworks.org

Automatic Acquisition

This policy is extended to cover additional property which may be acquired during the term of this Policy. Values must be reported to Underwriters during the policy period for determination of additional premium. The Insured may add property up to 5% of the total schedule without any additional premium.

Waiver of Coinsurance or Average Clause

In the event of loss, there shall be no application of a coinsurance or average clause in determining the recovery due the Insured.

Building Ordinance or Law -Demolition Cost

This policy also covers, within the sum insured, the cost of demolishing any undamaged portion of the building(s) covered under this Policy including the cost of clearing the site resulting from enforcement of any state or municipal law or ordinance regulating the construction or repair of buildings and in force at the time of loss which necessitates such demolition.

Required Conditions (Continued)

Building Ordinance or Law - Increased Cost of Construction

The amount of insurance includes within the sum insured the actual amount of the increased costs of repair, rebuilding or construction resulting from the enforcements of any applicable law or ordinance regulating the construction or repair of buildings.

Building Ordinance or Law - Demolition and Increased Time to Rebuild

Underwriters will be liable for loss to the interest insured by the Policy, caused by enforcement of any state or municipal law or ordinance regulating the construction or repair of buildings and in force at the time such loss occurs, which requires the demolition of any portion of the described building(s) not damaged by the peril(s) insured against. Underwriters will also be liable for loss due to the additional period required for repair or reconstruction, in conformity with the minimum standard of such law or ordinance.

Business Interruption & Extra Expense Extension

Coverage is extended to include the Actual Loss sustained by the Insured resulting directly from Interruption of Business for a period not to exceed twenty-four (24) calendar months.

Coverage is extended to include the necessary Extra Expense incurred by the Insured in order to continue as nearly as practicable the normal conduct of the Insured's business following loss or damage to property insured by this Policy.

Denial of Access

This Policy is extended to cover the actual loss sustained when access to the Insured's property is impaired or denied by order of civil authority, subject to a limitation of 4 weeks.

Jurisdiction

This insurance shall be governed by and construed in accordance with the laws of the Guam and the United States. Any and all actions governing this insurance shall be brought in either the Guam Superior Court or the Guam District Court as applicable.



Required Conditions (Continued)

Preservation of Property

The expenses incurred by the Insured in taking reasonable and necessary actions for the temporary protection/preservation of property insured will be added to the total physical loss or damage subject to the applicable deductible and without increase in the limit contained in the policy.

Damage to Building. Exterior

Any endorsement or clause that excludes coverage for loss or damage to paint; or waterproofing material applied to the exterior of a Buildings, or shingles of any material; applied to the exterior surface of Buildings shall be waived.

Damage to Building. Interior

Any endorsement or clause that excludes coverage for damage to the inside of a building or property in the building caused by rain, sand, or dust unless the wind first damages the roof or wall and enters through the resulting opening shall be waived.

Earthquake Damage

Any endorsement or clause that limits coverage to damage that weakens the structural frame or therefore the stability of the life of the building or structure shall be waived.

Any endorsement or clause that excludes loss for plaster cracks between masonry and gypsum board and any other deterioration of cement or plaster, as well as any damage caused by shrinkage, settling, deterioration and/or wear and tear shall be waived.



LIABILITY INSURANCE SPECIFICATIONS

Named Insured: Guam Waterworks Authority, any Director, Officer, elected or appointed official, contract employee, servant, employee, or volunteer worker while acting for or on behalf of the Authority.

Term: May 1, 2022 to 2025 at 12:01 AM Local Time (Three years), or
May 1, 2022 to 2027 at 12:01 AM Local Time (Five years)

Business: Ownership, operation and maintenance of water and wastewater facilities

Coverages Required

Coverage	Limits
Public Liability, combined single limit of liability each occurrence, including Products Liability	\$25,000,000
Personal Injury Liability	\$10,000,000
Pollution Liability	\$15,000,000
Products Liability	25,000,000
Self-Insured Retention	
Each and Every loss	\$300,000

Quote Option: \$50,000,000

Required Conditions

Territory

The Island of Guam as respects General Liability, worldwide as respects Products Liability. Employees, Officials and Directors of GWA are covered while conducting business for the Authority Worldwide.

Additional Insureds. Waivers of Subrogation

Additional Insureds, Waivers of Subrogation, Indemnities and Contractual Agreements, Hold Harmless Agreements and Cross Liability Clauses shall be automatically included hereon as expiring and as required by the Insured; any *new* agreements "held covered" to be agreed by the Insurers as soon as possible.



Required Conditions (Continued)

Jurisdiction

This insurance shall be governed by and construed in accordance with the laws of the Guam and the exclusive jurisdiction of the USA. This insurance shall be governed by and construed in accordance with the laws of the Guam and the United States. Any and all actions governing this insurance shall be brought in either the Guam Superior Court or the Guam District Court as applicable.

Waiver of Sovereign Immunity Clause

In the event of a claim under this Policy, Insured waives the right to invoke the legal defense of Sovereign Immunity.

Special Events

Coverage extends to the insured's liability arising out of events held throughout the year on the insured's premises.

Host Liquor Liability

Coverage extends to include liability of the insured for bodily injury and/or property damage caused by an occurrence arising out of the giving or serving of alcoholic beverages by the insured at functions incidental to the insured's business.

Cancellation Clause

If Underwriters desire to cancel this policy, other than for non-payment, they shall give not less than ninety (90) days prior written notice by email and Certified Mail to:

Miguel C. Bordallo, P.E.
General Manager
Guam Waterworks Authority
Ste 200, Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913
mcbordallo@guamwaterworks.org



DIRECTORS & OFFICERS LIABILITY SPECIFICATIONS

Named Insured: Guam Waterworks Authority

Term: May 1, 2022 to 2025 at 12:01 AM Local Time (Three years), or
 May 1, 2022 to 2027 at 12:01 AM Local Time (Five years) Term

Claims: No claims five years.

Coverages Required

Coverage	Limit of Liability
Directors and Officers Liability and Corporate Reimbursement, any one claim and in the aggregate	\$2,000,000
Employment Practice Liability (part of and not in addition to the limit)	\$1,000,000
Self-Insured Retention	Nil

Quote Options (shared & unshared limits): \$5,000,000 & \$10,000,000 Coverage A & B
 \$5,000,000 & \$10,000,000 Employment Practices

Required Conditions

Retroactive Date June 30, 2008

Territory Worldwide

Jurisdiction

This insurance shall be governed by and construed in accordance with the laws of the Guam and the United States. Any and all actions governing this insurance shall be brought in either the Guam Superior Court or the Guam District Court as applicable.



Required Conditions (Continued)

Cancellation Clause

If Underwriters desire to cancel this policy, other than for non-payment, they shall give not less than ninety (90) days prior written notice by email and Certified Mail to:

Miguel C. Bordallo, P.E.
General Manager
Guam Waterworks Authority
Ste 200, Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913
mcbordallo@guamwaterworks.org



AUTOMOBILE INSURANCE SPECIFICATIONS

Named Insured: Guam Waterworks Authority, and any person or entity using the insured vehicle with the Authority’s permission.

Term: May 1, 2022 to 2025 at 12:01 AM Local Time (Three years), or
 May 1, 2022 to 2027 at 12:01 AM Local Time (Five years) Term

Coverages Required

Coverage	Limits
Bodily Injury and Property Damage Liability each accident for Owned, Non-Owned and Hired Auto Liability	\$2,000,000 Combined Single Limit
Medical Payments	\$1,000
Comprehensive	Not Covered
Collision	\$1,000
Uninsured Motorist – Each Person, Each Vehicle	\$25,000/\$50,000
Personal Accident – Each Person, Each Vehicle	Not Covered
Loss of Use	Not Covered
Passenger Risk	Not Covered

Optional quote: Include cost to increase UM to \$1,000,000

Required Conditions

Valid Driver’s License Waiver

The requirement that drivers possess a valid driver’s license is waived as respects the Authority.

Under-Age Driver Waiver

The exclusion of Material Damage coverage should the vehicle be operated by a driver under the age of 25 is waived as respects the Authority.



Required Conditions (Continued)

Operator Waiver

Any exclusion of coverage should the vehicle be operated by a person while committing a felony or who is under the influence of intoxicating liquor or controlled drugs, or substances is waived as respects the Authority.

Newly Acquired and Substitute Vehicles

Newly acquired or substitute vehicles shall be automatically covered from the date of acquisition until the expiration of the policy. The additional premium for all such vehicles, and the return premium for vehicles deleted from the schedule, will be determined by final audit adjustment following expiration of the policy.

Errors & Omissions Clause

The Insured shall not be prejudiced by an unintentional or inadvertent error, omission, incorrect valuation, or incorrect description of any vehicle, provided that notice is given to Underwriters as soon as practical after discovery of any such error or omission.

Racing, Pacemaking or Speed Testing

The exclusion of coverage should the vehicle be operated for commercial travelling, racing, pacemaking or speed testing is waived as respects the Authority.

Jurisdiction

This insurance shall be governed by and construed in accordance with the laws of the Guam and the United States. Any and all actions governing this insurance shall be brought in either the Guam Superior Court or the Guam District Court as applicable.

Waiver of Sovereign Immunity

In the event of a claim, Underwriters waive any defense of Sovereign Immunity.



Required Conditions (Continued)

Cancellation Clause

If Underwriters desire to cancel this policy, other than for non-payment, they shall give not less than ninety (90) days prior written notice by email and Certified Mail to:

Miguel C. Bordallo, P.E.
General Manager
Guam Waterworks Authority
Ste 200, Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913
mcbordallo@guamwaterworks.org



CRIME INSURANCE SPECIFICATIONS

Named Insured: Guam Waterworks Authority

Term: May 1, 2022 to 2025 at 12:01 AM Local Time (Three years), or
May 1, 2022 to 2027 at 12:01 AM Local Time (Five years)

Coverages Required

Coverage	Limits	Deductible
Employee Dishonesty	\$1,000,000	\$50,000
Loss Inside the Premises	\$100,000	\$10,000
Loss Outside the Premises	\$100,000	\$10,000
Money Orders & Counterfeit Paper	\$100,000	\$50,000
Depositor's Forgery	\$100,000	\$50,000
Check Forgery	\$100,000	\$50,000
Third Party Computer Fraud	\$100,000	\$50,000
Costs	\$100,000	\$50,000

Policy Form

Comprehensive Dishonesty, Disappearance & Destruction

Required Conditions

Territory Guam

Governing Law and Jurisdiction

This insurance shall be governed by and construed in accordance with the laws of the Guam and the United States. Any and all actions governing this insurance shall be brought in either the Guam Superior Court or the Guam District Court as applicable.



Required Conditions (Continued)

Cancellation Clause

If Underwriters desire to cancel this policy, they shall give ninety (90) days prior written notice by email and Certified Mail to:

Miguel C. Bordallo, P.E.
General Manager
Guam Waterworks Authority
Ste 200, Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913
mcbordallo@guamwaterworks.org



CYBER LIABILITY INSURANCE SPECIFICATIONS

Named Insured: The Guam Waterworks Authority

Term: May 1, 2022 to 2025 at 12:01 AM Local Time (Three years), or
 May 1, 2022 to 2027 at 12:01 AM Local Time (Five years)

Please quote optional limits, as outlined below:

Coverage Type	Limit
Network Security and Privacy Liability	\$3, 5 & 10MM
Multimedia & Intellectual Property	\$3, 5 & 10MM
Breach Notification Costs	\$3, 5 & 10MM
Network Interruption & Recovery	\$3, 5 & 10MM
Cyber Crime/Network Extortion / Ransom	\$3, 5 & 10MM
Data Restoration/Asset Recovery	\$3, 5 & 10MM
Cyber Business Interruption	\$3, 5 & 10MM
Social Engineering Fraud	\$3, 5 & 10MM
Electronic Theft, Computer Fraud & Telecommunications Fraud	\$250,000

Retention options: \$50,000, \$100,000 & 250,000 each and every claim; except 8 hours for time element exposures

Include 3rd Party Coverage:

- Privacy Regulatory Defense & Penalties
- PCI DSS Liability
- TCPA Defense



Include 1st Party Coverage

- Post Breach Remediation Costs
- Event Support Services
- Reputational Damage
- System Failure
- Dependent System Failure/Dependent Business Income Loss and Data Asset Recovery
- Reward Expenses
- Court Attendance Costs
- Hardware Replacement
- Forensic Accounting Costs
- Invoice Manipulation Fraud
- Physical Damage, Physical Loss & Debris Removal

Required Conditions

Territory

Worldwide including USA/Canada

Cancellation Clause

If Underwriters desire to cancel this policy, they shall give ninety (90) days prior written notice by email and Certified Mail to:

Miguel C. Bordallo, P.E.
General Manager
Guam Waterworks Authority
Ste 200, Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913
mcbordallo@guamwaterworks.org



GUAM WATERWORKS AUTHORITY

V. INSURANCE APPLICATIONS

A copy of the insurance applications and related schedules and documents will be made available to interested bidders who sign the Non-Disclosure Agreement (NDA). Please email the signed NDA to psbids@guamwaterworks.org or visit GWA Procurement Office to obtain a copy of these documents.



VI. FORMS



Print Form



1000 B. Nelson Public Service Building
510 P.O. Box 10, P.O. Station, Mangilao, GU 96803

Guam Waterworks Authority
Confidentiality and Nondisclosure Agreement

This Confidentiality and Nondisclosure Agreement ("Agreement") dated this _____ 20____ is between the Guam Waterworks Authority and _____

In consideration of the promises contained herein, the Parties hereby agree as follows:

1. Either party (the "Disclosing Party") may supply the other party (the "Recipient Party") with information or data that is confidential, proprietary, or secret to the Disclosing Party. This includes information pertaining to the Disclosing Party's activities, business, or work related to activities performed in support of Guam Waterworks Authority's _____
Such information and data shall be deemed "Confidential Information" as discussed in this Agreement.
2. Information shall not be deemed to be Confidential Information where: (i) it becomes public information or otherwise generally available to the public through no act or fault of the Recipient Party; provided, Recipient Party shall not disclose such information unless, and then only to the extent, such information is obtained from a source other than the Disclosing Party, and such source did not receive the same directly or indirectly from the Disclosing Party; (ii) it was, prior to the date of this Agreement, already in the possession of the Recipient Party and was not received by the Recipient Party, directly or indirectly, from the Disclosing Party; (iii) it is hereafter rightfully received by the Recipient Party from a third person who did not receive the same directly or indirectly from the Disclosing Party; or (iv) it is at any time independently developed by employees or consultants of the Recipient Party, who have not had access to Confidential Information in the possession of the Recipient Party. The Recipient Party shall bear the burden of proof that such employees or consultants have not had access to Confidential Information. Specific information shall not be deemed to be within the exceptions of subparts (i) through (iv) merely because it is embraced by more general information when such exceptions (nor shall a combination of features) be deemed to be within such exceptions merely because the individual features are within such exceptions.
3. The Recipient Party agrees that any Confidential Information which has been or will be disclosed directly or indirectly to it by, or on behalf of the Disclosing Party shall be maintained in confidence, and shall not be disclosed to any third person without the Disclosing Party's prior express written consent. Such consent may only be granted by a duly authorized representative of the Disclosing Party.
4. The Recipient Party agrees that it will not make use of any Confidential Information received pursuant to this Agreement except for the limited purposes for which it (expressly) is given without the express prior written consent of the Disclosing Party. Such consent may only be granted by a duly authorized representative of the Disclosing Party.
5. The Recipient Party may disclose Confidential Information to any governmental or regulatory authority requiring such disclosure under color of law, provided that: (i) the Recipient Party notifies the governmental or regulatory authority that the materials are Confidential Information; and (ii) prior to such disclosure the Disclosing Party is given prompt notice of the required disclosure so that it may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of an injunction to prohibit such disclosure.
6. This Agreement shall not be construed as a license or authorization to the Recipient Party to utilize the Confidential Information for any purpose.



GUAM WATERWORKS AUTHORITY

- 7. This Agreement is for the benefit of the Disclosing Party and, without prejudice to the rights and remedies otherwise available to it, the Disclosing Party shall be entitled to equitable relief by way of injunction if the Recipient Party breaches or threatens to breach any of the premises of this Agreement. In addition, the Disclosing Party shall be entitled to recover all reasonable attorney's fees incurred in seeking such remedies.
- 8. This Agreement shall be interpreted, governed, and construed under the laws of Guam excluding provisions thereof which refer to the laws of another jurisdiction.
- 9. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original.
- 10. This Agreement is effective as of the date fully executed by both Parties.

GUAM WATERWORKS AUTHORITY

 (Name)

By: _____
 (Name)

By: _____
 (Name)

 (Signature)

 (Signature)

Title: _____

Title: _____

Date: _____

Date: _____



NON-COLLUSION AFFIDAVIT

Guam)
)ss:
Tamuning)

I, _____ first being duly sworn, depose and say:
(Name of Declarant)

1. That I am the _____ of _____.
(Title) (Name of Company or Person Bidding/RFP)

2. That in making the foregoing proposal or bid, that such proposal or bid is genuine and not collusive or sham, that said bidder/offeror has not colluded, conspired, connived or agreed, directly or indirectly, with any bidder or person, to put in a sham or to refrain from bidding or submitting a proposal and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the bid price of affiant or any other bidder, or to secure any overhead, project or cost element of said bid price, or of that of any bidder, or to secure any advantage against the GUAM WATERWORKS AUTHORITY or any person interested in the proposed contract; and

3. That all statements in said proposal or bid are true.

4. This affidavit is made in compliance with 2 G.A.R. § 3126(b).

So sayeth _____
(Declarant)

Signed on this ____ day of _____ 202_, before me a Notary Public in and for Guam, personally appeared _____, known to me to be the authorized representative of _____, whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed on behalf of _____, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the date last above written.

) Seal (
Notary Public



CERTIFICATION OF NON-EMPLOYMENT OF CONVICTED SEXUAL OFFENDERS

Pursuant to Guam Public Law 28-24, as amended by Guam Public Law 28-98, if a contract for services is awarded to the bidder or offeror, then the service provider must warrant that no person in its employment who has been convicted of a sex offense under the provisions of Chapter 25 of Title 9 of the Guam Code Annotated or of an offense defined in Article 2 of Chapter 28 of Title 9 of the Guam Code Annotated, or who has been convicted in any other jurisdiction of an offense with the same elements as heretofore defined, or who is listed on the Sex Offender Registry, shall provide services on behalf of the service provider while on government of Guam property, with the exception of public highways. If any employee of a service provider is providing services on government property and is convicted subsequent to an award of a contract, then the service provider warrants that it will notify the Government of the conviction within twenty-four hours of the conviction and will immediately remove such convicted person from providing services on government property. If the service provider is found to be in violation of any of the provisions of this paragraph, then the Government will give notice to the service provider to take corrective action. The service provider shall take corrective action within twenty-four hours of notice from the Government, and the service provider shall notify the Government when action has been taken. If the service provider fails to take corrective steps within twenty-four hours of notice from the Government, then the Government in its sole discretion may suspend temporarily any contract for services until corrective action has been taken.

I, _____ being a duly authorized representative acknowledge the
(print name)

directive as describe above and ensure the Bid Proposal as submitted addresses the directive.

(Company Name)

(Title)

(Signature)

(Date)



**SPECIAL PROVISION
FOR
OWNERSHIP DISCLOSURE AFFIDAVIT**

All Bidders/Offerors are required to submit a current affidavit as required below. Failure to do so will mean disqualification and rejection of the Bid/RFP.

5 GCA §5233 (Title 5, Section 5233) states:

Disclosure of Ownership, Financial, and Conflicts of Interest

- (a) Purpose. The disclosure required by this Section is intended to reveal information bearing on the responsibility of a bidder and can be obtained by an inquiry regarding responsibility prior to award.
- (b) Definitions.

As used herein, the term “person” shall be interpreted liberally to include the definition found in 1 GCA § 715, and in § 5030(n) of this Chapter, and includes a natural person as well as every entity of whatever form or composition (an “artificial person”) recognized under the laws of Guam other than a natural person, who is a prospective contractor under a bid, offer, proposal, or other response to a solicitation, or is a contractor under a contract with the government of Guam, and subject to the provisions of this Chapter.

- (c) Public Disclosure of Ownership.

- (1) The ownership interests to be disclosed under this Section include the interests of a natural or artificial person who owns all or any part of a prospective contractor, bidder, or offeror, whether as proprietor, a partner, limited or otherwise, a shareholder of any class, in which case the percentage ownership interest test shall be based on each class, a member of an association or company, limited or otherwise, and any person owning a beneficial legal interest in any trust, and any other person having the power to control the performance of the contract or the prospective contractor.
- (2) Prior to award, every person who is a prospective contractor, bidder, or offeror of a contract to be acquired under any method of source selection authorized by this Chapter shall submit a Disclosure Statement, executed as an affidavit under oath, disclosing the name of each person who currently or has owned an ownership interest in the prospective contractor, bidder, or offeror greater than ten percent (10%) at any time during the twelve (12) month period immediately preceding the date of the solicitation (the “relevant disclosure period”). If a prospective contractor, bidder, or offeror is an artificial person, the Disclosure Statement shall disclose the name of each person who has owned an ownership interest in such artificial person (a “second tier owner”) greater than twenty-

five percent (25%) at any time during the relevant disclosure period. If any such second tier owner is also an artificial person, the Disclosure Statement shall disclose the name of each person who has owned an ownership interest in such second-tier owner (a “third tier owner”) of forty-nine percent (49%) or more during the relevant disclosure period. If the name of no natural person has been identified as an owner, or a second or third tier owner of the prospective contractor, bidder, or offeror, the Disclosure Statement shall identify the name, position, address, and contact information of the natural person having the authority and responsibility for the performance of the prospective contract, and the name of any natural person who has the authority and power to remove and replace the designated responsible person or otherwise control the performance of the prospective contract.

- (d) Disclosure of Financial Interest. A prospective contractor shall execute an affidavit disclosing the name of any person who has received or is entitled to receive a commission, gratuity, contingent fee or other compensation to solicit, secure, or assist in obtaining business related to the solicitation by means of a Disclosure Statement, executed as an affidavit under oath, disclosing such interest and shall also contain the amounts of any such commission, gratuity, contingent fee or other compensation.
- (e) Disclosure of Conflict of Interest. A prospective contractor shall disclose the name of any person who directly or indirectly participates in any solicitation if such person is also an employee of the government of Guam, or of the government of the United States if federal funds are used in payment of the contract.
- (f) Every disclosure of an ownership or financial interest of any person required to be identified by this Section shall name the person required to be disclosed and the street address of their principal place of business. All information disclosed or meant to be disclosed under this Section is public procurement data and shall be kept as part of the public record of each procurement.
- (g) Continuing Duty of Disclosure. Notwithstanding any other provision of this Chapter, the duty to disclose the information required under this Section shall be, upon award a continuing duty of a contractor of every contract subject to this Chapter, and all such information shall become part of the procurement record required by § 5249 of this Chapter. Throughout the term of a contract subject to the terms of this Chapter, the contractor shall promptly make any disclosures not made previously and update changes in the identities or other required information, interests, or conflicts of the persons required to be disclosed herein. Failure to comply with this Section shall constitute a material breach of contract.”

Section 2. Severability. If any provision of this Act or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity shall not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

1. If the affidavit is a copy, indicate the BID/RFP number and where it is filed.
2. Affidavits must be signed within 60 days of the date the bids or proposals are due.



4. That if no natural person has been identified as an owner in Section 1-3 above, the natural person having the authority and responsibility for the performance of the prospective contract:

<u>Name & Position</u>	<u>Street Address (Principal Place of Business)</u>	<u>Contact Information</u>
_____	_____	_____
_____	_____	_____

The natural person having the authority and power to remove and replace the designated responsible person or otherwise control the performance of the prospective contract:

<u>Name & Position</u>	<u>Street Address (Principal Place of Business)</u>	<u>Contact Information</u>
_____	_____	_____

5. Persons who have received or are entitled a commission, gratuity, or other compensation for procuring or assisting in obtaining business related to the Bid/RFP for which this Affidavit is submitted are as follows:

<u>Name</u>	<u>Address</u>	<u>Amount of Commission, Gratuity, or other Compensation</u>
_____	_____	_____
_____	_____	_____

6. Persons who directly or indirectly participated in this solicitation, if government of Guam employees (or government of the United States employees, if federal funds are used in payment of the contract):

<u>Name & Position</u>	<u>Street Address (Principal Place of Business)</u>	<u>Contact Information</u>
_____	_____	_____
_____	_____	_____

Further, affiant sayeth naught.

Date: _____

 Signature of individual if bidder/offeror is a sole Proprietorship; Partner if the bidder/offeror is a Partnership Officer if the bidder/offeror is a corporation.

Subscribe and sworn to before me this _____ day of _____, 2022.

Notary Public _____

In and for the Territory of Guam

My Commission expires _____



BID AND PERFORMANCE BOND FOR GOODS AND SERVICES
AS REQUIRED UNDER 5 G.C.A. § 5212

KNOW ALL MEN BY THESE PRESENTS, that (bidder name) _____
_____ as Principal, herein after called the Principal and (name
of surety) _____
as duly admitted insurer under the laws of the Territory of Guam, as Surety, hereafter called the Surety,
are held and firmly bound unto the Guam Waterworks Authority for the sum
of _____ Dollars
(\$ _____), for payment of which sum will and truly to be made, the said Principal and the said
Surety bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally
firmly by these presents:

WHEREAS, the Principal has submitted a bid for and is anticipated to enter into a contract in the
amount specified below, _____

NOW, THEREFORE, if the Guam Waterworks Authority shall accept the bid and the Principal shall not
withdraw said bid within one hundred twenty (120) calendar days after the opening of bids, and shall
within twenty one (21) calendar days after the prescribed forms are presented to him for signature, enter
into a Contract with the Guam Waterworks Authority in accordance with the terms of such bid. This bond
shall also be held by the Guam Waterworks Authority to secure the faithful performance of such Contract
and for the prompt payment of labor, goods, services and materials furnished in the prosecution thereof.
In the event of the failure of the Principal to enter into such Contract, or if the Principals (Bidder) fails to
perform in accordance with the requirements set out under the Bid or any other written instrument
requirement performance thereunder, the Surety, on behalf of the Principals shall pay to the Guam
Waterworks Authority the differences not to exceed the penalty hereof between the amounts specified in
said bid and such larger amount for which the Guam Waterworks Authority may in good faith contract
with another party to perform work covered by said bid or an appropriate liquidated amount as specified
in the Invitation for Bids then this obligation shall be null and void, otherwise to remain in full force and
effect.

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION is such that, if the Bidder shall
promptly and faithfully perform said Contract, and shall promptly make payment to all claimants as
hereinafter defined for all labor and material used or reasonably required for use in the performance of the
Contract, then this obligation shall be void; otherwise it shall remain in full force and effect, subject,
however, to the following conditions:

- A. The Surety hereby waives notice of any alteration or extension of the time made by the Authority
provided the same is within the scope of the Contract or any modification thereto.



B. Whenever the Bidder shall be and is declared in default by the Authority to be in default under the Contract, the Authority having performed its obligations hereunder, the Surety may promptly remedy the default or shall promptly:

1. Complete the Contract in accordance with its terms and conditions; or
2. Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by the Authority and the Surety of the lowest responsible bidder, arrange for a Contract between such bidder and the Authority, and make available as work progresses (even though there should be a default or a succession of defaults under the Contract or Contracts or completion arranged under this paragraph) sufficient funds to pay the cost of completion, less than balance of the Contract price, but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "balance of the Contract Price," as used in this paragraph shall mean the total amount payable by the Authority to Bidder under the Contract and any amendments thereto, less the amount properly paid by the Authority to Bidder. No right of action shall accrue on this bond to or for use of any person or corporation other than the Authority or successors of the Authority.

C. A claimant is defined as one having a direct contract with the Bidder or with a sub-bidder of the Bidder for labor, material, or both, used or reasonably required for use in the performance of the Contract, labor and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental of equipment directly applicable to the Contract.

D. The above named Bidder and Surety hereby jointly and severally agree with the Authority that every claimant as herein defined, who has not been paid in full before the expiration of a period of ninety (90) days after the date of which the last of such claimant's work or labor was done or performed, or materials were furnished by such claimant, may sue on this bond for use of such claimant, prosecute the suit to final judgment to final judgment for such sum or sums as may be justly due the claimant, and have execution thereon. The Authority shall not be liable for the payment of any costs or expenses of any such suit.

E. No suit or action shall be commenced hereunder by any claimant:

1. Unless claimant, other than one having a direct contract with the Bidder, shall have given written notice to any two (2) of the following entities named below:

(a) the Bidder; (b) the Guam Waterworks Authority, or (c) the Surety above named, within ninety (90) days after such claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were furnished, or for whom the work or labor was done or performed. Such notice shall be personally served by mailing the same by registered mail or certified mail, postage prepaid,



in an envelope addressed to the Bidder at any place the principal maintains an office or conducts its business.

2. After the expiration of one (1) year following the date on which the last of the labor was performed or material was supplied by the party bringing suit.

3. Other than in a court of competent jurisdiction in and for the Territory of Guam.

F. The amount of the bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder.

SIGNED AND SEALED THIS _____ day of _____, 202_, A.D.

IN THE PRESENCE OF:

(Note: If the Principals are Partners, each must execute the Bond)

(WITNESS)

(BIDDER) (SEAL)

(TITLE)

(TITLE)

(MAJOR OFFICER OF SURETY)

(MAJOR OFFICER OF SURETY)

TITLE)

(TITLE)

(RESIDENT GENERAL AGENT)



WAGE AND BENEFIT DETERMINATION

Bid or RFP No.: _____ Name of Offeror: _____

I, _____ hereby certify under penalty of perjury as follows:

(1) That I am _____ [*please select one: the offeror, a partner of the offeror, an officer of the offeror*] making the bid or proposal in the foregoing identified procurement;

(2) That I have read and understand the provisions of 5 GCA 5801 and 5802 below and that I will ensure that I and my subcontractors will comply with said provisions which read as follows:

§5801. Wage Determination Established.

In such cases where the government of Guam enters into contractual arrangements with a sole proprietorship, a partnership or a corporation ("contractor") for the provision of a service to the government of Guam, and in such cases where the contractor employs a person(s) whose purpose, in whole or in part, is the direct delivery of service contracted by the government of Guam, then the contractor shall pay such employee(s) in accordance with the Wage Determination for Guam and the Northern Mariana Islands issued and promulgated by the U.S. Department of Labor for such labor as is employed in the direct delivery of contract deliverables to the government of Guam.

The Wage Determination most recently issued by the U.S. Department of Labor at the time a contract is awarded to a contractor by the government of Guam shall be used to determine wages, which shall be paid to employees pursuant to this Article. Should any contract contain a renewal clause, then at the time of renewal adjustments, there shall be made stipulations contained in that contract for applying the Wage Determination, as required by this Article, so that the Wage Determination promulgated by the U.S. Department of Labor on a date most recent to the renewal date shall apply.

§ 5802. Benefits

In addition to the Wage Determination detailed in this Article, any contract to which this Article applies shall also contain provisions mandating health and similar benefits for employees covered by this Article, such benefits having a minimum value as detailed in the Wage Determination issued and promulgated by the U.S. Department of Labor, and shall contain provisions guaranteeing a minimum of ten (10) paid holidays per annum per employee.

(3) That the offeror and its subcontractors are now or will be prior to beginning performance and throughout the contract term, in full compliance with 5 GCA 5801 and 5802.

(4) That I have attached the most recent wage and benefit determinations applicable to Guam issued by the U.S. Department of Labor and that I will ensure all of my employees and the employees of my subcontractors will be provided a minimum of ten (10) paid holidays per annum.

Signature



NON-GRATUITY or KICKBACKS AFFIDAVIT

Guam)
)ss:
Tamuning)

I, _____ first being duly sworn, depose and say:
(Name of Declarant)

1. That I am the _____ of _____.
(Title) (Name of Company or Person Bidding/Offeror)
2. To the best of my knowledge, neither I, nor any of Offeror's officers, representatives, agents, subcontractors, or employees have violated or are violating the prohibition against gratuities and kickbacks set forth in 2 GAR Division 4 § 11107. Further, I promise, on behalf of Offeror, not to violate the prohibition against gratuities and kickbacks as set forth in 2 GAR Division 4 § 11107.
3. To the best of my knowledge, neither I, nor any of Offeror's officers, representatives, agents, subcontractors, or employees have offered, given, or agreed to give, any GWA employee and/or former GWA employee any payment, gift, kickback, gratuity or offer of employment in connection with Offeror's proposal.
4. I make these statements on behalf of myself as a representative of Offeror, and on behalf of the Offeror's officers, representatives, agents, subcontractors, and employees.

So sayeth _____
(Declarant)

Signed on this ____ day of _____ 2022, before me a Notary Public in and for Guam, personally appeared _____, known to me to be the authorized representative of _____, whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed on behalf of _____, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the date last above written.

) Seal (

Notary Public



ETHICAL STANDARD AFFIDAVIT

Guam)
)ss:
Tamuning)

I, _____ first being duly sworn, depose and say:
(Name of Declarant)

1. That I am the _____ of _____.
(Title) (Name of Company or Person Bidding/Offeror)
2. To the best of my knowledge, neither I nor any officers, representatives, agents, subcontractors, or employees of Offeror have knowingly influenced any GWA employee to breach any of the ethical standards set forth in 5 GCA Chapter 5, Article 11. Further, I promise that neither I, nor any officer, representative, agent, subcontractor, or employee of Offeror will knowingly influence any GWA employee to breach any ethical standards set forth in 5 GCA Chapter 5, Article 11.
3. All statements in this affidavit and in the bid are true to the best of the knowledge of the undersigned. This statement is made pursuant to 2 GAR Division 4 § 3126.
4. I make these statements on behalf of myself as a representative of Offeror, and on behalf of the Offeror's officers, representatives, agents, subcontractors, and employees.

So sayeth _____
(Declarant)

Signed on this ____ day of _____ 2022, before me a Notary Public in and for Guam, personally appeared _____, known to me to be the authorized representative of _____, whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed on behalf of _____, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the date last above written.

) Seal (

Notary Public



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Guam)
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I, _____ first being duly sworn, depose and say:
(Name of Declarant)

1. That I am the _____ of _____.
(Title) (Name of Company or Person Bidding/Offeror)
2. That I represent and warrant that Offeror is duly registered and in good standing under the laws of Guam or will be duly registered and in good standing under the laws of Guam at the time award is made under IFB _____ [insert IFB Number].
3. I make these statements on behalf of myself as a representative of Offeror, and on behalf of the Offeror's officers, representatives, agents, subcontractors, and employees.

So sayeth _____
(Declarant)

Signed on this ____ day of _____ 2022, before me a Notary Public in and for Guam, personally appeared _____, known to me to be the authorized representative of _____, whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed on behalf of _____, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the date last above written.

) Seal (

Notary Public



GUAM WATERWORKS AUTHORITY

“Better Water. Better Lives.”
Gloria B. Nelson Public Services Building
688 Route 15, Mangilao, Guam 96913
PH: 300-6027/6030 Fax: 649-3750

March 29, 2022

Bid Amendment No: 1

Invitation for Bid: 2022-09

For: Property Insurance, General Liability Insurance, Directors and Officers Liability Insurance, Automobile, Insurance, Crime, and Cyber Liability Insurance

Prospective Bidders are hereby notified of the following:

Page 37. Under Section V. INSURANCE APPLICATION, A copy of the insurance applications and related schedules and documents will be made available to interested bidders who sign the Non-Disclosure Agreement (NDA). Please email the signed NDA to psbids@guamwaterworks.org or visit GWA Procurement Office to obtain a copy of these documents. Has been amended to now read as follows;

- Amendment to now read:

Under Section V. INSURANCE APPLICATION, A copy of the insurance applications and related schedules and documents will be made available to interested bidders who sign the Non-Disclosure Agreement (NDA). Please email the signed NDA to psbids@guamwaterworks.org or visit GWA Procurement Office to obtain a copy of these documents.

Due to the sensitivity of information and for security reasons, certain amendments issued/response to inquiries will only be provided to firms who have submitted the NDA form to GWA procurement. NDA forms can be sent to psbids@guamwaterworks.org, failure to submit, the required NDA form will be considered non-responsive and rejection of bid.



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PH: 300-6027/6030 Fax: 649-3750

April 13, 2022

Bid Amendment No: 2

Invitation for Bid: 2022-09

For: Property Insurance, General Liability Insurance, Directors and Officers Liability Insurance, Automobile Insurance, Crime and Cyber Liability Insurance

Prospective Bidders are hereby notified of the following:

Bid opening date scheduled for April 14, 2022 at 10:00 a.m. has been rescheduled.

**New bid submission date and time is scheduled for April 21, 2022 @ 10:00 a.m.
A virtual bid opening will be at 11:00 a.m.**

Nothing Follows:

Vincent Guerrero,
Supply Management Administrator