



# ARIZONA MUNICIPAL RISK RETENTION POOL MUNICIPAL EXCESS LIABILITY COVERAGE AGREEMENT DECLARATIONS

Agreement #     2000170-1  
Replaces Agreement #   AE40172016

THIS DECLARATIONS PAGE AND THE ATTACHED MUNICIPAL EXCESS LIABILITY COVERAGE AGREEMENT COMPLETE THIS COVERAGE PART.

Item 1. "Named Member" and Principal Address:

San Luis, City Of  
PO Box 1170  
San Luis, AZ 85349

Item 2.

This Agreement takes effect at 12:01 A.M., 07/01/2017, and expires at 12:01 A.M., 07/01/2018.

These effective and expiration times are based upon the local times at the principal address of the Named Member stated in Item 1 above.

IN RETURN FOR THE PAYMENT OF MEMBERSHIP FEES, THE POOL AGREES TO PROVIDE THE MEMBER WITH THE FOLLOWING COVERAGES FOR WHICH A MEMBERSHIP FEE IS SHOWN, SUBJECT TO ALL THE TERMS AND CONDITIONS OF THE POOL'S INTERGOVERNMENTAL AGREEMENT AND THE APPLICABLE COVERAGE AGREEMENTS AND ENDORSEMENTS:

Item 3. **SCHEDULE**

| Description | Limit of Liability |
|-------------|--------------------|
| Aggregate   | \$ 3,000,000       |

Item 4. Description of Member: Municipality

Item 5. ENDORSEMENTS:

AZXSC (07/16)

Item 6. "Excess Retroactive Date": 08/01/1987

Item 7. Schedule of "Underlying Coverage"

**Excess coverage applies only to coverage's for which underlying Limits of Coverage are shown.**

Underlying Municipal Liability Coverage and Municipal Auto Liability Coverage provided by:

|                                                                     |                                       |
|---------------------------------------------------------------------|---------------------------------------|
| Underlying Carrier                                                  | Arizona Municipal Risk Retention Pool |
| Coverage Agreement Number                                           | 2000169-1                             |
| Rating Period                                                       | From: 07/01/2017 To: 07/01/2018       |
| Aggregate                                                           | \$ 6,000,000                          |
| Municipal Liability Products - Completed Operations Aggregate Limit | \$ 2,000,000                          |
| Municipal Liability Each Wrongful Act Limit                         | \$ 2,000,000                          |
| Municipal Liability Retroactive Date                                | 08/01/1987                            |
| Municipal Auto Liability Each Accident Limit                        | \$ 2,000,000                          |

Underlying Employers Liability Coverage provided by:

|                                                |                                       |
|------------------------------------------------|---------------------------------------|
| Underlying Carrier                             | Arizona Municipal Risk Retention Pool |
| Coverage Agreement or Policy Number            | 2000171-1                             |
| Rating Period or Policy Period                 | From: 07/01/2017 To: 07/01/2018       |
| Bodily Injury By Accident Limit                | \$ 1,000,000                          |
| Bodily Injury By Disease - Each Employee Limit | \$ 1,000,000                          |
| Bodily Injury By Disease - Policy Limit        | \$ 1,000,000                          |

**MEMBERSHIP FEE:** \$ **31,020**



# ARIZONA MUNICIPAL RISK RETENTION POOL MUNICIPAL EXCESS LIABILITY COVERAGE AGREEMENT NOTICE

THIS COVERAGE AGREEMENT IS ISSUED BY THE ARIZONA MUNICIPAL RISK RETENTION POOL ("POOL"). PLEASE READ THIS COVERAGE AGREEMENT CAREFULLY. ALL TERMS IN QUOTES HAVE A SPECIAL MEANING FOUND IN THIS COVERAGE AGREEMENT, UNDER THE DEFINITIONS SECTION, AS DEFINED IN THE "UNDERLYING COVERAGE", OR IN ANY COMMON CONDITIONS.

IN CONSIDERATION OF THE PAYMENT OF THE PREMIUM SHOWN IN THE DECLARATIONS AND IN RELIANCE ON ALL OF THE STATEMENTS AND REPRESENTATIONS MADE DURING THE APPLICATION PROCESS TO THE POOL, AND SUBJECT TO ALL THE TERMS, CONDITIONS AND LIMITS OF THIS COVERAGE AGREEMENT, THE POOL AGREES AS FOLLOWS:

## SECTION I - EXCESS COVERAGE AGREEMENT

- A.** The Pool will pay "damages" the "member" is legally obligated to pay in excess of an "underlying limit" of "underlying coverage." This Coverage Agreement only applies if:
1. the "damages" are covered by the "underlying coverage";
  2. if the "underlying coverage" is provided on a claims-made basis, the "damages" are caused by an act, error, omission, "occurrence" or "accident" which happened after the "excess retroactive date"; and
  3. the "underlying limit" has been satisfied by the actual payment of judgments for "damages" covered under this agreement or by final settlement of a "claim" or "suit" for covered "damages" to which the Pool agrees.
- B.** This coverage is subject to the terms and conditions of the applicable "underlying coverage" except:
1. Any provision in the "underlying coverage" related to defense or settlement; and
  2. This agreement's terms and conditions control if they conflict with any terms and conditions of the "underlying coverage."
- C.** The Pool has the right to defend the "member" against any "suit" seeking covered "damages" which exceed an "underlying limit". The Pool may, at the Pool's discretion, investigate any "claim" and settle any "claim" or "suit."
- D.** The Pool has the right to appeal any judgment which exceeds an "underlying limit."
- E.** If the limit of liability of applicable "underlying coverage" has been exhausted, the Pool has the duty to defend the "member" against a "suit" seeking covered "damages."
- F.** The Pool has no obligation to pay "damages", defend any "member" or incur any expense after the applicable limit of liability shown in the Declarations has been paid.

## SECTION II - COVERED EXPENSES AND COSTS

For any "claim" the Pool investigates or settles or any "suit" the Pool defends under this Excess Coverage Agreement, the Pool will pay:

1. Expenses, including attorney's fees, the Pool incurs.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable Limit Of Liability. The Pool does not have to furnish these bonds.
3. All reasonable expenses incurred by a "member" at the Pool's request to assist in the investigation or defense of the "claim" or "suit", including actual loss of earnings up to \$100 a day because of time off from work.
4. All costs, other than attorney's fees, taxed against the "member" in the "suit".
5. Prejudgment interest awarded against the "member" on that part of the judgment the Pool pays. If the Pool makes an offer to pay the applicable Limit Of Liability, the Pool will not pay any prejudgment interest incurred that accrued after the offer.
6. All interest on the full amount of any judgment that accrues after entry of the judgment and before the Pool has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Liability.

These payments shall be referred to as Loss Adjustment Expense and reduce the Aggregate Limit Of Liability. Loss Adjustment Expense shall be allocated between the underlying coverage and this coverage in proportion to the amount of damages paid.

### **SECTION III - EXCLUSIONS**

This Coverage Agreement does not apply to:

#### **A. Auto**

1. "Damages" arising out of the ownership, maintenance, use or entrustment to others of any "auto" which is not a "covered auto" under the "underlying coverage" for auto liability.
2. Any "damages", loss, cost or expense payable under any first party physical damage coverage; no-fault law; personal injury protection or auto medical payments coverage; or uninsured or underinsured motorists law.

#### **B. Municipal Liability Coverages**

"Damages", costs or expenses payable under the following additional coverages and sublimits in the scheduled underlying Municipal Liability Coverage Agreement:

1. Medical Payments;
2. "Back Wages";
3. "Data security breach";
4. Fire damage;
5. Land use;
6. Organic pathogens;
7. Pollution liability; or
8. Crisis Intervention Coverage.

#### **C. Molestation Of A Minor**

"Damages" arising out of the actual or threatened abuse or molestation by anyone of any minor.

This Exclusion applies:

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

#### **SECTION IV - LIMITS OF LIABILITY**

1. The Limits Of Liability shown in the Declarations and the rules below fix the most the Pool will pay regardless of the number of:
  - a. "Members" involved;
  - b. "Claims" made or "suits" brought;
  - c. Persons or organizations making "claims" or bringing "suits".
2. The General Aggregate Limit is the most the Pool will pay for the sum of all "damages" and expenses under Section II covered by this agreement.
3. These Limits of Liability apply over applicable "underlying coverage". The Pool will pay "damages" above the reduced or exhausted "underlying coverage" only if the applicable "underlying limit" has been exhausted by the actual payment of covered "damages".

#### **SECTION V - MEMBERS**

Any person or organization who qualifies as a "member" under the terms of the applicable "underlying coverage" qualifies as a "member" under this agreement.

#### **SECTION VI - DEFINITIONS**

- A. "Claim" means a written demand for money or services.
- B. "Suit" means a civil proceeding in which covered "damages" are alleged. "Suit" includes:
  1. An arbitration proceeding to which the "member" must submit or does submit with the Pool's consent; or
  2. Any other alternative dispute resolution proceeding to which the "member" submits with the Pool's consent."Suit" does not mean any criminal proceeding against any "member" or any open meeting law proceeding.
- C. "Underlying coverage" means the Coverage Agreements listed in the Municipal Excess Liability Declarations for which a premium has been paid.
- D. "Underlying limit" means the applicable limit of liability in the "underlying coverage."

#### **SECTION VII - CONDITIONS**

- A. **Duties In The Event Of Wrongful Act, Occurrence, "Offense", "Claim" or "Suit"**
  1. The "member" must notify the Pool is notified as soon as practicable of a "wrongful act", "occurrence", offense or "accident", "claim" or "suit" which is reasonably likely to result in a payment of "damages" in an amount which exceeds 50% of the applicable "underlying limit." The notice must include:
    - a. Details sufficient to identify the "member" involved;
    - b. How, when, and where the "wrongful act", "occurrence" or offense took place;

- c. The names and addresses of any injured persons and witnesses; and
  - d. The nature and location of any injury or damage.
2. The "member" and any other involved "member" must:
- a. Immediately send the Pool copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
  - b. Authorize the Pool to obtain records and other information;
  - c. Cooperate with the Pool in the investigation or settlement of the "claim" or defense against the "suit"; and
  - d. Assist the Pool, upon the Pool's request, in the enforcement of any right against any person or organization which may be liable to the "member" because of injury or damage to which this coverage may also apply.
3. No "member" will, except at that "member's" own cost, voluntarily make a payment, assume any legal obligation, or incur any expense, other than for first aid, without the Pool's consent.

**B. Bankruptcy**

In the event of bankruptcy or insolvency of any insurer who issued "underlying coverage", the coverage afforded by this coverage shall not replace the "underlying coverage" but shall apply as if the "underlying coverage" was valid and collectible. This coverage does not drop down to apply in lieu of any "underlying coverage".

**C. Maintenance Of "Underlying Coverage"**

The "member" must ensure that all policies listed in the Declarations as "underlying coverage" remain in full effect throughout the "rating period" of this Coverage Agreement. If "underlying coverage" is not in full effect, this agreement will only apply as if the "underlying coverage" was in full effect and does not drop down to apply in lieu of that coverage.

The "member" must notify the Pool within thirty days if the "underlying coverage" is changed, amended or replaced. The Pool may adjust the membership fee accordingly or amend this Coverage Agreement to address changes in exposure.

If the "underlying coverage" is canceled and not replaced, there is no coverage for that liability under this Coverage Agreement.

**D. Other Insurance**

The coverage afforded by this agreement is excess coverage over any other coverage, self-insurance or other risk transfer agreement, whether primary, excess, contingent or provided on any other basis, whether collectible or not. This provision does not apply to any policy that is written to be excess over this agreement.