

**NORTH DAKOTA INSURANCE RESERVE FUND**  
**PUBLIC ASSETS MEMORANDUM OF COVERAGE**  
**MOBILE EQUIPMENT AND PERSONAL PROPERTY COVERAGE FORM**  
**TABLE OF CONTENTS**

	Page
<b>COVERAGE</b>	2
Covered Property	2
Property Not Covered	2
Covered Causes of Loss	2
Coverage Extensions	3
<b>EXCLUSIONS</b>	4
<b>LIMITS OF COVERAGE</b>	6
<b>DEDUCTIBLE</b>	6
<b>ADDITIONAL CONDITIONS</b>	6
Valuation	6
Coinsurance	7
Records	8
Other Coverage	7
Loss Payment	7
<b>DEFINITIONS</b>	8



**NORTH DAKOTA INSURANCE RESERVE FUND**

**PUBLIC ASSETS MEMORANDUM OF COVERAGE**

**MOBILE EQUIPMENT AND PERSONAL PROPERTY COVERAGE FORM**

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

Throughout this memorandum, the words “you” and “your” refer to the Named Member shown in the Declarations. The words “we,” “us,” and “our” refer to the North Dakota Insurance Reserve Fund.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION IX. – DEFINITIONS.**

**I. COVERAGE**

**A. COVERED PROPERTY**

**Coverage A** – “Computers” and “Software” you own, lease, or rent or if you are legally responsible for it.

**Coverage B** – “Mobile equipment”, “travel trailers”, or “utility trailers” you own, lease or rent.

**Coverage C** – Personal property you own, lease, or rent other than **Coverage A or B.**

**Coverage D** – Emergency services equipment you own, lease, or rent.

**Coverage E** – Property specifically listed in the attached Equipment Schedule.

**We cover only the property indicated by a limit of coverage in the Declarations or specifically listed in an attached Equipment Schedule.**

**B. PROPERTY NOT COVERED**

“We” do not cover:

1. Accounts, bills, deeds, evidences of debt, money, notes or securities, plans, blueprints, specifications, designs, or any similar documents or property, except under **Coverage A** as they are converted to “computer” and “software” form and then only in that form;
2. Aircraft;
3. Automobiles, motor trucks, or truck tractors licensed and designed for travel on public roads;
4. Clothing, jewelry, or watches owned by officials, employees, or volunteers or in their care, custody or control;
5. “Computers” or “software” that are unused, obsolete, or that cannot be replaced with other of like kind or quality, but “we” will cover it when it is specifically declared and described in the Equipment Schedule.

**C. COVERED CAUSES OF “LOSS”**

"We" cover against **RISKS OF DIRECT PHYSICAL "LOSS"** unless the Cause of "Loss" is excluded in Section II. Exclusions, or is limited by other sections of this Coverage Form.

#### **D. COVERAGE EXTENSIONS**

##### **1. Additional Acquired Property Coverage E:** If during the memorandum period:

- a. You acquire additional property of the type currently covered under Coverage E; we will cover such property for up to 60 days. The most we will pay in a "loss" is the lesser of:
  - 1.) 25% of the Total Coverage Limit shown on Equipment Schedule, PA 50 01 (01/05);  
or
  - 2.) \$100,000.
- b. You acquire property as a temporary replacement for damaged property covered by this form, we will cover such replacement property for up to 60 days. The most we will pay in a "loss" to the replacement property is the lesser of:
  - 1.) The Coverage Total or, if applicable, the Coverage Item value indicated on the Equipment Schedule for the damaged property; or
  - 2.) The actual cash value of the replacement property.

You must report property to us within 60 days from the date acquired and pay any additional contribution due. If you do not report such property, coverage will cease automatically 60 days after the date the property is acquired.

##### **2. Personal property "you" do not own, lease or rent in "your" care, custody or control:**

"We" will pay "your" legal obligation for "loss":

- a. Under Coverage A., C., and D. not exceeding \$2,500, and
- b. Under Coverage B. not exceeding \$25,000.

**This coverage extension is excess of any other insurance or coverage applicable to such "loss."**

- 3. Personal Property of Emergency Personnel:** "We" will pay up to \$10,000 for a covered Cause of "Loss" to personal property of individual volunteer emergency personnel while responding to or at the scene of an emergency as long as the individual was acting on "your" behalf. Coverage is primary to any other collectible insurance or coverage. Valuation is on a replacement cost basis. No deductible applies to this coverage.
- 4. Towing and Debris Removal:** "We" will pay the cost to recover covered property to determine possible direct physical "loss", transport covered property that incurs direct physical "loss" to a place of repair, and remove debris of covered property that is caused by a covered cause of "loss." This coverage extension does not apply to:
  - a. The costs to extract pollutants from land or water; or
  - b. Remove, restore, or replace polluted land or water.

**The maximum amount “we” will pay under this coverage extension is 20% of the value of the damaged property or \$10,000, whichever is less.**

- 5. Rental Reimbursement:** “We” will pay for rental of property to replace covered property damaged by a covered cause of “loss”, if the following conditions are met:
- a. If “you” are unable to continue or resume “your” operations with similar equipment that is available to “you” at no additional expense and creates no restriction of “your” operations; and
  - b. The covered property’s applicable valuation exceeds \$5,000; and
  - c. Damage to the covered property exceeds the applicable deductible shown in the Declarations or, if applicable, in the Equipment Schedule; and
  - d. “You” make every reasonable effort to, without delay, repair, rebuild or replace the covered property.

**The maximum amount “we” will pay for rental reimbursement is 20% of the applicable valuation for the damaged property or \$10,000, whichever is less.**

- 6. Duplicates coverage:** “We” will pay for duplicate and backup “software” that is stored in a location separated by a minimum of 100 feet from the location of the “software.” The most “we” will pay is for such duplicate “software” is \$2,500.
- 7. Impaired Operations:** “We” will pay for “Computer” and “Software” expenses “you” incur to continue “your” operations if “you” cannot enter “your” “premises” due to:
- a. Direct physical “loss” to “your” “premises” resulting from a covered Cause of “Loss”;
  - b. Suspension or reduction of “your” normal operations due to direct physical “loss” to the air conditioning or electrical system that is needed to operate “your” “computers” caused by or resulting from a covered Cause of “Loss”;
  - c. An act of a civil authority that prohibits access to “your” “premises.” The act by a civil authority must be due to direct physical “loss” that occurs on premises “you” do not occupy, caused by or resulting from a covered Cause of “Loss”. This coverage extension will apply for a period of up to two consecutive weeks from the date the civil authority prohibits access to “your” premises.

**The maximum amount “we” will pay for impaired operations is 20% of the applicable valuation for the damaged property or \$10,000, whichever is less.**

- 8. Inflation Protection:** “We” will increase the Limit of Coverage of all Mobile Equipment and Personal Property Coverage by 4% at renewal. This inflation protection automatic increase does not apply to Coverage E.

## **II. EXCLUSIONS**

- A.** “We” will not pay for “loss” caused directly or indirectly by or resulting from any of the following:
1. Faulty construction or installation; error or omission in design, specifications, materials, or workmanship but “we” will pay for direct “loss” caused by resulting fire or explosion;

2. Delay, loss of use, loss of market, or consequential loss of any kind;
  3. Unexplained disappearance or shortage found upon taking inventory;
  4. Wear, tear, any quality in the property that causes it to damage or destroy itself, mechanical breakdown, hidden or latent defect, or gradual deterioration;
  5. Corrosion, rust, dampness or dryness of atmosphere, freezing or extremes of temperature, but we will pay for "loss" caused by freezing of emergency services equipment when that equipment is properly maintained;
  6. Dishonest acts by "you", or by any of "your" officers, trustees, or by anyone with an interest in the property, or by "your" employees, agents, or authorized representatives, or by anyone entrusted with the property except a carrier for hire, whether or not acting alone or in collusion with other persons;
  7. Enforcement of any local, state, or federal law or ordinance;
  8. Exceeding the manufacturers rated capacity of the equipment;
  9. "Loss" to tires or tubes caused by puncture or rupture, unless the "loss" is coincident with other "loss" covered by this memorandum.
- B.** "We" will not pay for "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in sequence to the "loss."

1. **Governmental Action** – Seizure or destruction of property by order of a governmental authority.

"We" will pay for 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 Form.

**2. War and Military Action**

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**3. Nuclear Hazard**

- a. Any weapon employing atomic fission or fusion; or
- b. Nuclear reaction or radiation, or radioactive contamination from any other cause. But, "we" will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

- C. Additional exclusions under Coverage A;** "We" will not pay for "loss" to "computers" or "software" or any related expense caused directly or indirectly by or resulting from:

1. Short circuit, blow-out, or other electrical disturbance – other than lightning – within the covered property; but “we” will pay for direct “loss” caused by resulting fire or explosion or from an electrical disturbance originating outside the covered property while the covered property is protected by a surge suppressor or similar device designed to halt transient electric voltage;
  2. Wear, tear, any quality in the property that causes it to damage or destroy itself, mechanical breakdown, hidden or latent defect, or gradual deterioration, unless “loss” results from a “virus” and the covered property is protected by anti-virus software;
  3. Processing or actual work upon covered property; but “we” will pay for direct “loss” caused by resulting fire or explosion;
  4. Dryness or dampness of atmosphere, extremes of temperature, corrosion, or rust, unless directly resulting from physical “loss” to the “computer” or computerized equipment’s air conditioning facilities caused by a covered Cause of “Loss”.
- D. Additional exclusion under **Coverage A, C, or D**; “We” will not pay for “loss” to personal property that is covered by other insurance or the North Dakota Fire and Tornado Fund.

### III. LIMITS OF COVERAGE

The most “we” will pay for “loss” is the applicable Limit of Coverage shown in the Declarations Schedule or, if applicable, the Equipment Schedule subject to the appropriate valuation of the damaged or destroyed property and the application of the applicable deductible.

### IV. DEDUCTIBLE

“We” will pay only that part of “your” “loss” for the applicable coverage that exceeds the deductible amount indicated on the Declarations Schedule or, if applicable, the Equipment Schedule in any one occurrence. If more than one deductible applies in a single occurrence, only the largest deductible will apply.

### VIII. ADDITIONAL CONDITIONS

The following conditions apply as well as the Public Assets Conditions and the Common Memorandum Conditions.

#### A. Valuation

1. **Coverage B** and **Coverage E** (if indicated as ACV under Valuation in the Equipment Schedule) – **Actual Cash Value** is the least of the following amounts:
  - a. Replacement cost of covered property reduced by applicable depreciation for past use of property similar to the covered property that has sustained the “loss”;
  - b. The cost of reasonably restoring the covered property to its condition immediately before “loss”; or
  - c. The cost of replacing that property with substantially identical property.
2. **Coverage A, C, D, and Coverage E** (if indicated as Replacement under Valuation in the Equipment Schedule) – **Replacement Cost** is the value of covered property’s actual

replacement cost, without depreciation; with property similar to the covered property that has sustained the "loss."

Until the damaged or destroyed property is repaired or replaced coverage is provided on an Actual Cash Value basis as described under A. Valuation 1. Coverage B – Actual Cash Value.

Damaged property must be replaced within 180 days of the date of "loss" for replacement cost valuation to apply.

3. **Coverage E** (if indicated as Stated under Valuation in the Equipment Schedule) – **Stated Value** is the least of the following amounts:
  - a. The item value shown in the coverage item column or coverage total column, whichever is less, of Equipment Schedule PA 50 01 (01/05);
  - b. The cost of reasonably restoring that property to its condition immediately before "loss";
4. **Pair or Set** – The value of a lost or damaged item which is part of a pair or set based on a reasonable proportion of the value of the entire pair or set. The "loss" is not considered a total "loss" of the pair or set.
5. **"Loss" to Parts** – The value of a lost or damaged part of an item that consists of several parts when it is complete is based on the value of only the lost or damaged part or the cost to repair or replace it.

In the event of "loss", the value of the property will be determined as of the date of "loss."

## **B. Coinsurance**

All property must be covered for at least 80% of the total applicable actual cash value or applicable replacement cost as of the date of "loss" or you will incur a penalty. No coinsurance penalty will be applied on "loss" of \$5,000 or less.

The penalty is that "we" will pay only the proportion of any "loss" that the Limit of Coverage shown in the Schedule of Covered Property, for each Coverage, bears to 80% of the total actual cash value or replacement cost of all items of that coverage type as of the date and time of "loss." Under Coverage E "we" will pay only the proportion of any "loss" that the Coverage Total or, if applicable, the Coverage Item value shown in the Schedule of Covered Property bears to 80% of the actual cash value or replacement cost of that item.

**Coinsurance does not apply to Coverage E written on a Stated Value basis.**

## **C. Records**

"You" agree to keep accurate records of all property covered by this Coverage Form and retain them for three years after the memorandum ends.

## **D. Other Coverage**

**Coverage A, C, and D** does not apply to property covered by other insurance or coverage.

## **E. Loss Payment** – At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the covered property from the theft; or
- c. Take all or any part of the damaged or stolen property at a stated, agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

## IX. DEFINITIONS

- A. **"Computer"** means a programmable machine that performs high-speed processing of numbers, as well as of text, graphics, symbols, and sound. All computers contain a central processing unit that interprets and executes instructions; input devices, such as a keyboard and a mouse, through which data and commands enter the computer; memory that enables the computer to store programs and data; and output devices, such as printers and display screens, that show the results after the computer has processed data.
- B. **"Loss"** means accidental loss or damage.
- C. **"Premises"** means your land and the buildings on it.
- A. **"Software"** means written programs or procedures or rules and associated documentation pertaining to the operation of a computer system and that are stored in read/write memory.
- B. **"Mobile Equipment"** means self propelled vehicles designed and used primarily to carry mounted equipment or vehicles designed for highway use that are unlicensed and machinery, equipment and tools of a mobile nature.
- C. **"Travel Trailer"** means a furnished vehicle towed by a motor vehicle 36 feet or less in length and used when parked as a dwelling or office.
- D. **"Utility Trailer"** means a road vehicle, usually two-wheeled, towed by a motor vehicle and used for carrying goods.
- E. **"Virus"** means an externally introduced program, instruction, or command that adversely affects the operation of covered property including, but not limited to, a computer virus, Trojan horse, worm, or logic bomb.