**ENDORSEMENT**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement, effective 12:01 A.M.,

Forms a part of Policy No.:

**PROPERTY COVERAGE AMENDATORY ENDORSEMENT FOR WATER DISTRICTS**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

SUPPLEMENTAL DECLARATIONS

**SCHEDULE**

|  |  |  |  |
| --- | --- | --- | --- |
| **Additional Coverages** | | **Limits** | |
| Pollution Cleanup and Removal | | $100,000 | |
| SCADA Updates | | $100,000 | |
| Contamination | | $100,000 | |
| Contract Penalties | | $100,000 | |
|  | |  | |
| **Coverage Extensions** | | **Limits** | |
| Tools and Equipment Owned by Employees | | $5,000 | |
| Unintentional Errors | | $100,000 | |
|  | |  | |

The BUILDING AND PERSONAL PROPERTY COVERAGE FORM is amended as follows:

1. Subparagraph **(3)** of Subparagraph **a. Building** of Paragraph **1. Covered Property** of Section **A. Coverage** is deleted in its entirety and replaced with the following:

**(3)**  Permanently installed:

**(a)** Machinery;

**(b)** Equipment;

**(c)** Piping above and below ground, including “penstocks” within 1,000 feet of the described premises;

**(d)** Solar Panels;

**(e)** Submersible pumps, pump motors and engines; and

**(f)** Underground vaults and machinery.

1. Subparagraph **m.** of Paragraph **2. Property Not Covered** of Section **A. Coverage** is deleted in its entirety.
2. Paragraph **4. Additional Coverages** of Section **A. Coverage** is amended to include the following additional Subparagraphs:

**“SCADA” Updates**

In the event of direct physical loss or damage by a Covered Cause of Loss to Covered Property, we will pay for the additional costs to upgrade your “SCADA” system in accordance with the following:

1. We will determine the amount payable for the total of all costs to upgrade your “SCADA” system as follows:
   1. Determine the amount otherwise payable to repair or replace the “SCADA” system with current upgrades due to direct physical loss from a Covered Cause of Loss by:,
      1. Excluding any increased cost attributable to this additional coverage that would be provided underthe Loss Payment and Valuation Conditions; and
      2. Adding the amount of the applicable deductible to the amount determined in Paragraph **(1)(a)(i)** above and multiply the sum by 25%.
   2. We will pay the least of the following amounts for the total of all costs attributable to “SCADA” Upgrades:
      1. The actual cost of covered “SCADA” Upgrades as determined in accordance with all applicable provisions of this additional coverage; or
      2. The amount determined in Paragraphs **(1)(a)(i)** and **(ii);** or
      3. $100,000.
2. We will only cover the following costs as Covered “SCADA” upgrades under this Additional Coverage:
3. The cost to upgrade to wireless systems;
4. The cost to upgrade to ENERGY STAR certified systems; and
5. The cost to replace undamaged telemetry units compatible with new control system.
6. The following costs are excluded under this Additional Coverage:
   1. The cost to repair or replace security cameras;
   2. The cost to repair or replace undamaged sensors;
   3. The cost to move permanently installed undamaged equipment; and
   4. The cost to repair or replace any property covered elsewhere in this policy.
7. **“SCADA**” means the Supervisory Control And Data Acquisition system used in water and wastewater treatment and distribution to monitor leaks, waterflow, water analysis, and other measurable items necessary to maintain operations.

**Contamination**

We will pay no more than the amount shown in the Schedule of above for any one occurrence of direct physical loss or damage to Covered Property because of “contamination” as a result of a Covered Cause of Loss.

For the purpose of this Additional Coverage only, **“Contamination**” means contact or mixture with ammonia, chlorine, or any chemical used in the water and / or wastewater treatment process. “Contamination” does not include any form of radioactive contamination.

1. Paragraph **5. Coverage** **Extensions** of Section **A. Coverage** is amended to include the following additional Subparagraph:

**Unintentional Errors**

**(1)** Any unintentional error or omission you make in determining or reporting values or in describing the Covered Property or described premises shall not void or impair coverage provided by this Endorsement.

**(2)** You must, however, report such errors or omissions to us in writing as soon as you discover them.

**(3)** You also agree to pay such additional premiums as may be appropriate.

**(4)** This provision does not apply to loss or damage caused directly or indirectly by flood, earth movement or property which is otherwise insured.

**V.** Subparagraph **b. Personal Effects and Property of Others** of Paragraph **5. Coverage Extensions** of Section **A. Coverage** is amended to include the following additional Subparagraph**:**

We will pay for direct physical loss or damage to tools and equipment owned by your employees or volunteers while at any premises or in transit, caused by or resulting from a Covered Cause of Loss provided the loss or damage occurs during the course of your operations. If other insurance coverage is available to the owner of the tools and equipment, then this coverage will only apply to the deductible of such other coverage. No deductible will apply to this extension.

The BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM is amended as follows:

Paragraph **5. Additional Coverages** of Section **A. Coverage** is amended to include the following additional Subparagraph:

**Contract Penalties**

We will pay the contract penalties you are required to pay due to your failure to deliver your product according to contract terms solely as a result of a direct physical loss of damage by a Covered Cause of Loss to Covered Property.

The SUPPLEMENTAL DECLARATIONS is amended as follows:

**Additional Coverages, Limits,** is amended as follows:

Pollution Clean Up And Removal $100,000.

All other terms and conditions of the policy remain the same.

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Authorized Representative