



**MCIT**  
Minnesota Counties  
Intergovernmental Trust

**2026 Coverage Summary**



*The complete 2026 Coverage Document was sent to each MCIT member in December 2024. It is an outline of the coverage provided because of your participation in the Minnesota Counties Intergovernmental Trust. The Coverage Document is not an insurance policy and is subject to change, modification and interpretation at any time by the MCIT Board of Directors.*

11-20-2025

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This booklet is a summary of the 2026 MCIT Coverage Document, and it is meant for general information purposes only. It is not intended to provide legal or coverage advice on a specific situation. Please refer to the 2026 MCIT Coverage Document for a complete list of coverage terms, conditions, limitations and exclusions. All claims are subject to the provisions of the MCIT Coverage Document.

One of the advantages of participating in a risk-sharing pool is the ability to share the cost of coverage for similar exposures to loss with other members or to spread the risk across all members. Exclusions are generally applied when:

- The exposure to loss is limited to just one member or a few members, thereby mitigating the spread of risk.
- Providing coverage is not beneficial to all members.
- Cost of coverage is prohibitive.
- The exposure has the potential to affect reinsurance adversely.
- Providing coverage is against public policy.
- The assets of MCIT would be at risk.

Exclusions are necessary and should be viewed as a way to protect the assets of MCIT and to maintain member equity.

## Reference Pages

The sections of this 2026 booklet correspond to the 2026 MCIT Coverage Document as follows.

SECTION	COVERAGE SUMMARY	COVERAGE DOCUMENT
<b>Property</b>	1-15	1-65
<b>Drone Endorsement</b>	16	1-3
<b>Liability</b>	17-26	1-70
<b>Automobile</b>	27-30	Liability: 20-40, 42-67, 69
<b>Cyber</b>	31-33	1-4
<b>Bond</b>	34-35	1-12
<b>Workers' Compensation and Employer's Liability</b>	36	1-7



## Submitting a Claim

**FOR ALL PROPERTY AND LIABILITY CLAIMS, SUBMIT THROUGH [MCIT.ORG](https://www.mcit.org):**

- Click orange Member Portal button to access the online member portal
- Complete and submit the appropriate incident notice

**FOR EMPLOYEES INJURED ON THE JOB:**

- Call the Workplace Injury Hotline at **833.523.0277** at time of injury for situations that are not emergencies or if an employee has not already sought medical care.
- If the employee has already sought medical attention, do not call this hotline. Submit the claim through the member portal at [MCIT.org](https://www.mcit.org) following the above instructions

All claims should be reported as soon as possible to allow adequate and prompt investigation.

**NEED ASSISTANCE WITH CLAIMS?**

- Call: 866.547.6516
- Email: [info@mcit.org](mailto:info@mcit.org)



## Contact your risk management consultant with questions.

MCIT risk management consultants respond to members' coverage, liability and risk management concerns. Consultation services include:

- Advice about how members can best manage risks
- Coverage discussions and explanation
- Review of contracts from a risk management perspective
- Training about specific topics

**CONTACT YOUR RISK MANAGEMENT CONSULTANT:**

- **Joe Cieminski:** 866.547.6516, ext. 6460 or [jcieminski@mcit.org](mailto:jcieminski@mcit.org)
- **Jim Karels:** 866.547.6516, ext. 6447 or [jkarels@mcit.org](mailto:jkarels@mcit.org)
- **Richard Mieke (data-, cybersecurity concerns):** 866.547.6516, ext. 6431 or [rmieke@mcit.org](mailto:rmieke@mcit.org)

Find MCIT resources all in one spot!

 Cyber Security

**MCIT.ORG/RESOURCES**

This is the hub for finding materials on all topics provided to MCIT members: articles, handbooks, guides, awareness materials, videos, webinar recordings, forms, checklists and more.



**Coverage Video Series**

Individual, on-demand videos detailing aspects of each line of coverage are provided for those who need a full review of MCIT coverage. Visit [MCIT.org/resources](https://www.mcit.org/resources) to view.

These videos are particularly helpful for new officials and staff.



# PROPERTY



## PURPOSE:

To provide coverage for direct physical damage to property that the member owns, has an insurable interest in or is under obligation to cover resulting from a covered loss.

## Valuation

Two methods: Nature of property determines which valuation applies.

### REPLACEMENT COST (RC)

The cost to repair, rebuild or replace with material of like kind and quality *without deduction for depreciation*.

Applies to:

- Buildings
- Contents
- Property in the open (PIO)

### ACTUAL CASH VALUE (ACV):

The cost to repair or replace with material of like kind and quality *with deduction for depreciation*.

Applies to:

- Property of others for which the member is liable
- Scheduled property not used in normal operations, for example:
  - Tax forfeited
  - Confiscated by law enforcement
  - Court order
  - Condemnation
  - Gifts

- Property not replaced within two years
- Vacant buildings beyond 60 days (other than seasonally vacant park and fairgrounds locations)

## Limit of Coverage

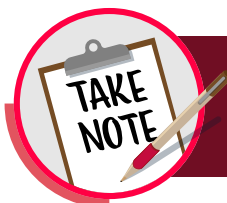
Unless otherwise stated elsewhere, the most MCIT will pay for loss to property covered shall not exceed the lesser of the following.

The value of the property as determined by its valuation measure, or

- 125 percent of each building's limit as shown in the schedule
- 125 percent of the contents limit at the scheduled location
- 125 percent of each property in the open item's limit as shown in the schedule

## Deductible

- See property schedule
  - Deducted from the total amount of loss
- Only one deductible applies to a single occurrence of property loss regardless of the number of lines of coverage applicable to the loss



Regarding antique, rare or historical property not considered objects of fine art, MCIT shall not be liable for any antique, rare or historical value, or for more than the actual cost to repair or replace covered property with material of like kind and quality at the time and place of loss or damage.



**Buildings**

**EXAMPLES OF BUILDINGS**

- Buildings listed on the property schedule
- The building, including fixtures, machinery and equipment that are a permanent part of the building without regard to whether they pertain to the service of the building (to include the value of attached equipment, such as conveyors, screeners, etc.)
- Appliances used for refrigeration, ventilation, cooking, dishwashing or laundering pertaining to the service of the building



**Contents**

**EXAMPLES OF CONTENTS**

- Furnishings and other items kept *in buildings* and included in the scheduled contents value at that location including but not limited to:
  - Office furniture/supplies
  - Contents when temporarily outside and within 500 feet of scheduled premises with scheduled contents coverage
  - Improvements and betterments
- For loss adjustment purposes, coverage on contents shall not include any item to which the foregoing building coverage applies

Contents coverage does *not* include the historic value of artifacts. See note on page 1.



## Property in the Open

### EXAMPLES OF PROPERTY IN THE OPEN (PIO)

Fixed items not contained within and not part of a building that is intended to be kept in the open. Items must be scheduled. Examples include:

- Statues and monuments when combined values exceed \$10,000 per occurrence
- Bridges *not* used by trains, trucks or automobiles when values exceed \$50,000
- Fences
- Radio/television antennas
- Satellite dishes
- Signs not attached to buildings
- Lighting fixtures
- Fuel pumps
- Flag poles
- Picnic tables
- Playground equipment
- Repeaters

### UNSCHEDULED PROPERTY IN THE OPEN (PIO)

1. The MCIT Coverage Document includes *limited* automatic coverage for
  - Statues and monuments, up to \$10,000 per occurrence
  - Bridges *not* used by trains, trucks or automobiles up to \$50,000 per occurrence
2. The MCIT Coverage Document includes a \$5,000 limit per occurrence regardless of the types and number of items lost or damaged for property not scheduled:
  - Fences
  - Radio/television antennas
  - Satellite dishes
  - Signs not attached to buildings
  - Shrubs, plants and trees planted in the ground
    - ◆ \$500 per tree, plant or shrub

Wind and weight of ice and snow are not specified covered perils.



## New Buildings, Buildings Under Construction

### NEW BUILDINGS AND NEW PROPERTY IN THE OPEN

- Maximum of \$750,000 per occurrence
- 60 days from date of acquisition, purchase or rental
- Members must notify MCIT when acquiring a building with an unusual occupancy.
- Buildings and PIO valued in excess of \$750,000 must be scheduled at time of acquisition or purchase.
- Members must notify MCIT at least two weeks prior to acquisition of any building with an estimated cost to replace of \$5 million or higher.
- Coverage cannot be bound without prior approval from the reinsurance carrier.

A separate builder's risk policy is necessary if the estimated completed value of the building exceeds \$750,000.

### BUILDINGS, ADDITIONS AND PIO UNDER CONSTRUCTION (INCLUDING ALTERATIONS AND REPAIRS)

- With an estimated completed value of \$750,000 or less
- 60 days from date of completion, including:
  - Materials and supplies
  - Service equipment and machinery while on the premises or within 500 feet
- Coverage does not include:
  - Materials in transit
  - Materials stored offsite

### CONTENTS OF NEW BUILDINGS, BUILDINGS UNDER CONSTRUCTION, ADDITIONS

- \$150,000 per occurrence



Personal Property of Others

**PERSONAL PROPERTY OF OFFICERS, EMPLOYEES AND VOLUNTEERS**

- Can be scheduled if used for the benefit of the member
- A maximum of \$5,000 per occurrence shall apply when:
  - Unscheduled personal property is used for the benefit of the member and is at scheduled locations or within 500 feet

Higher limits may be scheduled.

**PERSONAL PROPERTY OF OTHERS**

- A maximum of \$2,000 per occurrence shall apply to:
  - Personal property in the *custody* of the member
  - On premises or in the open within 500 feet of the premises
  - Personal property of others that the member is under obligation to cover
  - Personal property of others *does not* include property belonging to officers, employees or volunteers of:
    - ◆ The member
    - ◆ An entity or organization occupying the locations of the member



Conditions, Extra Expense

**EXAMPLES OF CONDITIONS**

- Vacant or unoccupied buildings
  - Must provide an acceptable level of fire protection and watch service
  - Valuation will revert to ACV on the 61st day of vacancy
  - Does not apply to seasonally vacant park and fairgrounds premises

**EXTRA EXPENSE**

- Actual loss sustained
  - Limit: Refer to property Declarations
  - Deductible: Refer to property Declarations
- During the period of restoration, excess of those costs normally incurred to conduct business prior to loss
- Applies to extra expense incurred as a result of a covered loss until the time when, with due diligence, the property could be repaired or replaced

**EXAMPLES OF EXTRA EXPENSE**

- Set up of computers and phones at temporary locations
- Rent for temporary locations
- Moving expenses
- Evacuation expenses

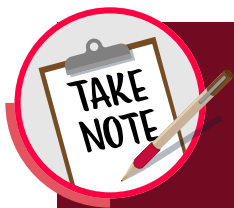
## Examples of Excluded Property

- Subject to General Exclusions
- Animals\*
- Aircraft
- Docks, piers
- Foundations and other property located below the lowest basement floor
  - This exclusion does not apply to elevator equipment or sump pumps
- Hot water boilers, steam boilers or other water heating equipment (for loss caused by any condition or event inside the boiler or equipment).\*
- Lawns, unless damaged by fire and explosion
- Money and securities\*
- Mobile equipment\*
- Objects of fine art\*
- Paths and trails, unless damaged by fire and explosion
- Property acquired through:
  - Tax forfeiture, unless specifically endorsed
  - Seizure or confiscation by law enforcement authorities, unless specifically endorsed
  - Court order
  - Condemnation
  - Gifts
- Railroad beds, railroad ties and tracks
- Roads, unless damaged by fire and explosion
- Standing timber
- Transmission or distribution lines outside the exterior walls of a covered building
- Valuable papers and records\*
- Watercraft\*

## Examples of Excluded Perils

- Subject to General Exclusions
- Artificially generated electric injury or disturbance (except for lightning strikes on scheduled premises)
  - Ensuing fire loss or damage is covered\*
- Collapse of buildings
  - Means an abrupt falling down or caving in of a building or substantial portion of a building with the result that the building or substantial portion of a building cannot be reoccupied for its intended purpose

- Coverage is provided if the collapse was caused by a specified cause of loss, which includes lightning, explosion, vandalism, weight of snow and water damage.
- Centrifugal force on moving parts\*
- Defects in materials, faulty workmanship, faulty construction or faulty design
  - Unless an accidental and fortuitous water loss not excluded elsewhere in the MCIT Coverage Document ensues, then MCIT shall be liable only for such ensuing loss
- Earth movement\*
- Explosion, rupture, bursting, cracking, burning or bulging of steam boilers\*
- Exposure to rain, sleet, snow, sand or dust to contents outside of buildings or property in the open
- Extremes or changes of temperature or dampness/dryness of atmosphere\*
  - See property schedule for limit of coverage on electronic data processing equipment\*
- Flood\*
- Interruption of incoming services to scheduled location\*
- Law or ordinance\*
- Marring and scratching
- Mechanical or structural breakdown of machinery and equipment\*
- Pollution: discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste material or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water
- Rust, corrosion, erosion or depletion
  - Unless an accidental and fortuitous water loss not excluded elsewhere in the MCIT Coverage Document ensues, then MCIT shall be liable only for such ensuing loss
- Settling, cracking, shrinking of foundations, walls, floors
- Coverage shall apply to loss from an ensuing covered peril\*



### \*THERE'S A BETTER WAY TO COVER THIS PROPERTY

Although excluded in this section, MCIT provides:

#### COVERAGE:

- Equipment breakdown
- Inland marine
- Valuable papers and records

- Theft, disappearance and destruction of money and securities

#### ENDORSEMENT:

- Fine arts endorsement

#### EXTENSIONS OF COVERAGE:

- Flood
- Earth movement
- Law and ordinance

Your risk management consultant can answer questions about which coverage works best.

# EQUIPMENT BREAKDOWN

## PURPOSE:

To provide coverage for an accident to covered equipment, including electronic circuitry impairment, the member owns or for which the member is legally liable when in the member's care, control or custody while at a scheduled location.



## EXAMPLES OF COVERED EQUIPMENT

- Boilers, pressure vessels, water heaters
- Electrical distribution systems
- Heating and cooling systems
- Refrigeration (including lost refrigerant)
- Equipment using computer technology
- Security and fire detection systems
- Elevators, escalators, cranes, hoists, lifts

## Examples of Definitions

### ACCIDENT:

- Direct physical damage to covered equipment:
  - Mechanical breakdown
  - Artificially generated electrical current
  - Explosions
  - Damage caused by a condition or event inside such equipment
  - Bursting, craking or splitting
- Damage to hot water boilers caused by a condition inside the equipment

### ELECTROINIC CIRCUITRY IMPAIRMENT:

- A fortuitous event involving electroinic circuitry within covered equipment that causes the equipment suddenly to stop functioning
- Microelectronic components, including circuit boards, integrated circuits, computer chips and disk drives

### COVERED EQUIPMENT:

- Built to operate under vacuum or pressure
- That generates, transmits or utilizes energy

## Valuation

- Cost to repair or replace the damaged property
- If replacement is requested, up to 150 percent of the cost for kind and quality when replacing with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced

## Limit of Coverage

A maximum of \$100 million for all loss, damage and expense arising from one accident and electronic circuitry impairment.

## Deductible

- Same as property deductible
- 24-hour business income and extra expense time deductible

## Examples of Extensions of Coverage

- Business income at all covered locations up to \$200,000
- Media and data, excess of MCIT coverage, up to \$300,000; coverage includes restoring damaged or lost data
- Expediting expense (reasonable extra cost) up to \$250,000
- Extra expense up to \$200,000
- Hazardous substance (declared by federal government) up to \$250,000
- Service interruption up to \$200,000
- Spoilage of perishable goods up to \$250,000
- Ammonia contamination
- Future loss avoidance up to \$10,000
- Green coverage up to \$25,000
- Off-premises equipment breakdown up to \$10,000

## Examples of Exclusions

- Subject to General Exclusions
- Covered equipment in transit
- Earth movement
- Fire or combustion explosion
- Mold and fungus
- Testing
- Water, flood, sewer backup
  - Will pay direct expense of drying out covered electrical equipment
  - Subject to the limit per accident

## EXTENSIONS OF COVERAGE



### Earth Movement Coverage

**PURPOSE:** To provide limited coverage for damage to covered property caused by any natural or manmade earth movement including earthquake, landslide or subsidence.

#### MEMBER LIMIT

- \$1 million per loss occurrence/  
\$1 million per coverage period
- Subject to property deductible
- Extra expense included within the limit

#### MCIT POOL LIMIT

- \$20 million per loss occurrence/  
\$20 million per coverage period
- All persons, entities and organizations combined

#### EXAMPLES OF EXCLUSIONS

- Cost and/or time required to remediate or restore land
- Equipment breakdown
- Flood
- Property in transit



### Flood Coverage

**PURPOSE:** To provide limited coverage for damage caused by flood waters; waves, tide, or tidal water; the release of water; the rising, overflowing or breaking of boundaries of natural or man-made bodies of water; or the spraying of any of the foregoing, including water that backs up through sewers or drains that are below the ground level caused by flood waters.

#### MEMBER LIMIT

- \$1 million per loss occurrence/  
\$1 million per coverage period
- Subject to property deductible
- Extra expense included within the limit

#### MCIT POOL LIMIT

- \$20 million per loss occurrence/  
\$20 million per coverage period
- All persons, entities and organizations combined

#### EXAMPLES OF EXCLUSIONS

- Equipment breakdown
- Cost and/or time required to restore, recover or de-water land
- Locations when any portion of which is located within high-risk areas, including zone A or zones prefixed A, zone V or zones prefixed V as classified under the National Flood Insurance Program, unless specifically endorsed.
- Property in transit



### Law or Ordinance Coverage

**PURPOSE:** To provide coverage for loss caused by the enforcement of any law or ordinance, in effect at the time of the loss, regulating the construction, repair, replacement or use of buildings covered for replacement cost.

#### EXAMPLES OF COVERED LOSS

- Increased cost to satisfy building code
- Demolition of any undamaged portion of a scheduled building or structure

#### MEMBER LIMIT

- Lesser of:
  - Limit of coverage for scheduled buildings or structures
  - Actual expenditures incurred
  - Cost of rebuilding on the same site

#### MCIT POOL LIMIT

- \$10 million per loss occurrence
- All persons, entities and organizations combined

#### EXAMPLES OF EXCLUSIONS

- Any form of contamination including pollutants
- Accessibility to the physically impaired
- Additional cost of features, systems or components that were not in the building at the time of loss



### Law Enforcement Canines

**PURPOSE:** To provide coverage for the accidental death of law enforcement canines during their service life.

#### MEMBER LIMIT

The most MCIT will pay for each law enforcement canine is based on the year of the animal's service life, according to the schedule to the right:

SERVICE YEAR	COVERAGE AMOUNT
1	\$ 20,000
2	\$ 20,000
3	\$ 20,000
4	\$ 15,000
5	\$ 10,000
6	\$ 7,500
7	\$ 6,000
8	\$ 4,500
9	\$ 3,000
10	\$ 1,500
11+	\$0

- Covers accidental death
  - Does not include disease, sickness or any other health condition
- No deductible
- Canine must be specifically scheduled with MCIT
- Service life does not include any time prior to the member taking initial physical possession of the canine



### SWCD Tree Sale Events

- A maximum of \$45,000 shall apply to:
  - Trees, shrubs and related supplies temporarily held for distribution
  - Actual cash value basis
  - 60 consecutive days of distribution
  - Limited peril coverage

## INLAND MARINE

### PURPOSE:

To provide coverage for direct physical loss of or damage to property the member owns or for which the member is legally liable, that is:

- Portable
- Movable
- Needs enhanced coverage



### COVERAGE PARTS AND EXAMPLES OF COVERED EQUIPMENT

- **Contractors equipment:**
  - Tractors
  - Snow blowers
  - Graders
  - Backhoes
  - Mowers
  - Dozers
  - Loaders
- **Miscellaneous personal property:**
  - Boats and motors, snowmobiles, ATVs
  - Personal watercraft (e.g., Jet Skis)
  - Sheriff's equipment not permanently mounted in squad cars
  - Portable radio units, including mobile radios, walkie-talkies (not 800 MHz radio)
  - Rescue/dive equipment
  - Portable air compressors and generators
  - Weatherization equipment
  - Lead testing equipment
  - Projectors
  - Video cameras
- **Electronic data processing:**
  - Laptops
  - Monitors
  - Modems
  - Hard drives
  - Printers
  - E911 systems
  - Voting equipment
  - AS400
  - GPS and GIS systems
  - 800 megahertz equipment
  - Copiers connected to a computer network
  - Uninterruptible power supply (UPS) systems

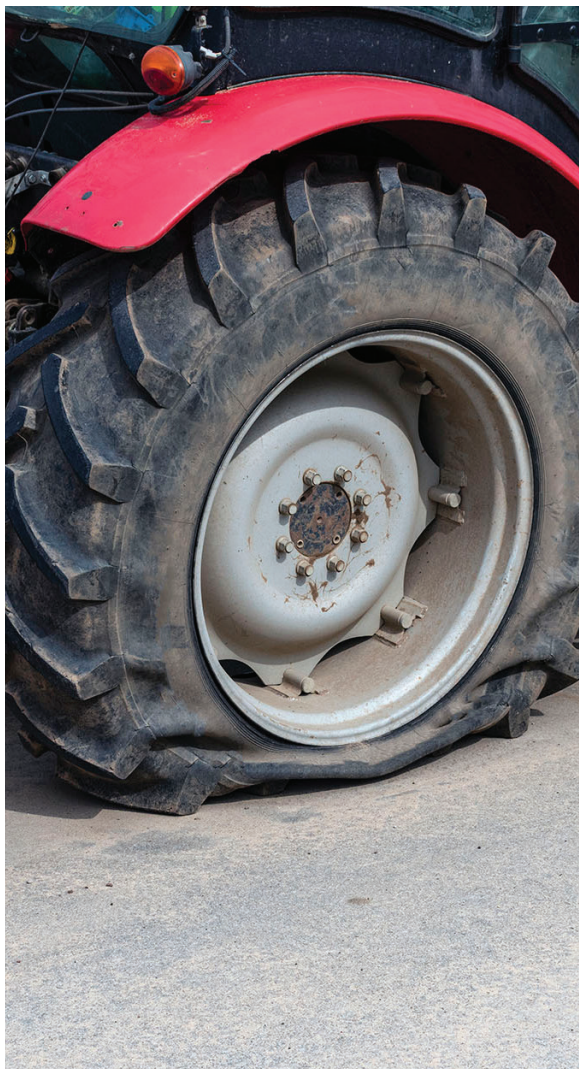
### Valuation

Two measures: The specific coverage part determines which applies.

1. Replacement cost (RC)
  - The cost to repair or replace with material of like kind, quality and function *without* deduction for depreciation
2. Actual cash value (ACV)
  - The cost to repair or replace with material of like kind and quality *with* deduction for depreciation

### Deductible

- Scheduled deductible applies to each claim
- Refer to inland marine schedule



### Contractors Equipment

**PURPOSE:** To provide coverage for damage to scheduled contractors equipment not usually licensed for road use.

#### LIMIT OF COVERAGE

- Refer to the inland marine schedule
- The lesser of:
  - Actual cash value of the item at the time of the loss; or
  - 125 percent of the limit specified in the schedule

#### DEDUCTIBLE

- Refer to the inland marine schedule

#### EXTENSIONS OF COVERAGE

- Newly acquired property for 30 days from acquisition
  - The most MCIT will pay for any one loss is the lesser of:
    - ◆ Actual cash value; or
    - ◆ 30 percent of the aggregate limit of coverage as shown on the schedule
- Loaned, leased or rented property of others for 30 days from acquisition
  - The most MCIT will pay for any one loss is the lesser of:
    - ◆ Actual cash value; or
    - ◆ 30 percent of the aggregate limit of coverage as shown on the schedule
- Extensions of coverage are not in addition to the limits of coverage provided elsewhere in this coverage section

#### EXAMPLES OF EXCLUSIONS

- Subject to General Exclusions
- Depreciation
- Loss or damage caused by weight load in excess of manufacturer's capacity
- Mechanical or structural breakdown or failure
- Short circuit or electrical disturbance of any kind, exclusive of lightning, unless fire ensues and then only for the fire loss



### Miscellaneous Personal Property

**PURPOSE:** To provide coverage for damage to scheduled items not appropriately covered under contents, contractors equipment or electronic data processing.

#### LIMIT OF COVERAGE

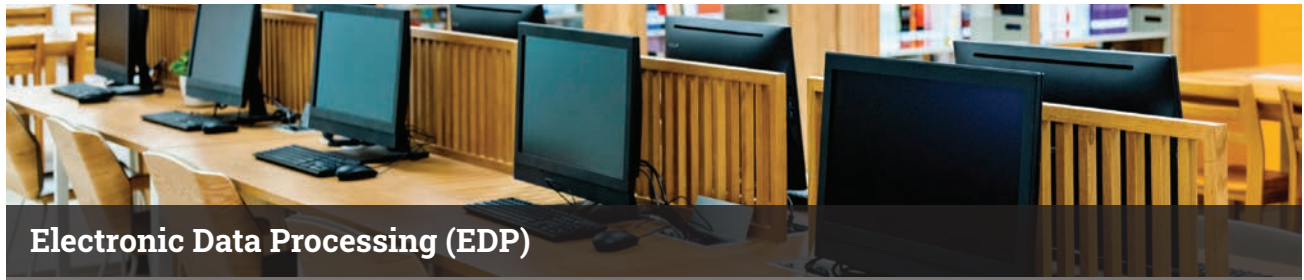
- The most MCIT will pay is the lesser of:
  - Actual cash value of the item at the time of the loss; or
  - 125 percent of the limit specified in the schedule

#### DEDUCTIBLE:

- Refer to the inland marine schedule

#### EXAMPLES OF EXCLUSIONS

- Subject to the General Exclusions
- Breakage, marring, scratching, rust and contamination
- Mechanical or structural breakdown or failure
- Short circuit or electrical disturbance of any kind (exclusive of lightning), unless fire ensues



## Electronic Data Processing (EDP)

**PURPOSE:** To provide enhanced coverage for damage to computer-related equipment, software and data.

### COVERED PROPERTY

- Blanket limit (as established by the member's EDP inventory on file with MCIT)
  - Electronic data processing equipment
  - Media
- Reproducing or restoring data if coverage is provided for equipment or media
  - \$100,000 per loss occurrence
  - If coverage is provided for EDP equipment or media, coverage is also provided for reproducing or restoring data that has been lost or damaged as a result of a covered loss.
  - The most MCIT pays for lost or damaged data is \$100,000 per loss occurrence unless an additional agreed amount of data coverage is specifically stated in the schedules of the MCIT Coverage Document, and then not more than that amount.

Higher limits may be scheduled.

### VALUATION

- The cost of repair or replacement with new equipment of equivalent capacity, kind and quality
- When not replaced, ACV

### LIMIT OF COVERAGE

- The most MCIT will pay for one loss occurrence is derived from the sum total replacement cost value of all property included on the member's EDP inventory, submitted annually to MCIT.

### DEDUCTIBLE:

- Refer to the inland marine schedule

### EXTENSIONS OF COVERAGE

- Duplicate media and data
  - \$100,000 while stored as duplicate and back up

- In a building 100 feet or more from the primary location
- Extensions of coverage are not in addition to the limits of coverage provided elsewhere in this coverage section

### EXTRA EXPENSE

- As a result of a covered loss, the sublimit is \$50,000

### EXAMPLES OF EXCLUSIONS

- Subject to the General Exclusions
- Latent defect
- Programming or instructions
- Types of property covered under this coverage part that is determined to have been acquired by the member more than 60 days prior to the date of the EDP inventory submitted to MCIT but not included on the inventory

### EXAMPLES OF DEFINITIONS

- **Data:** All information stored on media devices, including facts, concepts, software or computer programs converted to a form usable in a data processing operation
- **EDP inventory:** A detailed list maintained by the member of all electronic data processing equipment, media and data at replacement cost value. This establishes the equipment eligible for coverage and the blanket limit of coverage available. Equipment acquired after the inventory is submitted is eligible for coverage.
- **Electronic data processing equipment or EDP equipment:** An arrangement of interrelating electronic components and related accessories that can accept and manipulate data into a desired format or result. EDP equipment does not include software or data or the cost of reproducing software or data.

To maintain a blanket limit, members must provide MCIT with an itemized listing of all computer equipment on the EDP inventory with updated values upon request each year.

## VALUABLE PAPERS AND RECORDS

### PURPOSE:

To provide coverage for direct physical loss to printed or otherwise inscribed documents and records at scheduled premises.



### EXAMPLES OF COVERED ITEMS

- Abstracts
- Books
- Deeds
- Drawings
- Manuscripts
- Maps
- Mortgages

### Valuation

- MCIT shall not be liable under this coverage part for any antique, rare or historical value, or for more than actual cost to repair or replace covered valuable papers and records with:
  - Material of like kind and quality; and
  - The information contained therein, to be computed as of the time and place of loss or damage

### Limit of Coverage and Deductible

- Refer to property Declarations

### Deductible:

- Refer to property Declarations

### Examples of Excluded Property

- Property in storage at locations other than scheduled premises
- Data processing film, disc or other magnetic recording or storage media
- Property that cannot be replaced with materials of like kind and quality
- Property that is outside the prescribed period that the law requires retention or that is beyond the scope of the retention schedule adopted by the member

### Examples of Excluded Perils

- Subject to the General Exclusions
- Electrical or magnetic injury disturbance
- Erasure of electronic recordings (except loss caused by lightning)
- Errors or omissions in processing, duplicating or copying, except caused by fire and explosion

# MONEY AND SECURITIES

## PURPOSE:

To provide coverage for loss of money and securities resulting directly from theft, disappearance and destruction whether the loss occurs inside or outside the premises.



## EXAMPLES OF COVERED PROPERTY

- **Money:**
  - Currency, coins, bank notes
    - ◆ Current use
    - ◆ Having face value
- Bullion
- Money orders
- Negotiable instruments
- **Securities:**
  - Negotiable and non-negotiable written instruments
  - Revenue stamps

## Limit of Coverage

- Actual loss sustained
  - Limit: Refer to property Declarations

## Deductible:

- Refer to property Declarations

## Examples of Exclusions

- Subject to the General Exclusions
- Accounting or arithmetical errors or omissions
- Money-operated devices unless recorded by a continuous recording instrument in the device

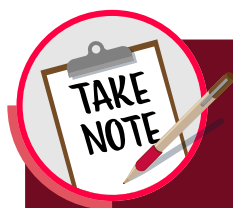
# GENERAL EXCLUSIONS

## Examples of Excluded Property

- Drones, unless the drone is specifically endorsed to and made a part of the MCIT Coverage Document, in which case all coverage is subject to the Inland Marine and Liability Endorsement—Drones.\*
- Land, reservoirs, dams, dikes, levees, water
- Mining property located below the surface of the ground
- Motor vehicles licensed for highway use
- Property owned by an EDA or HRA and
  - Rented or leased to others for residential, commercial or industrial ventures, unless scheduled and such use was approved by MCIT prior to April 13, 2001
- Tunnels and bridges used for railroad or public vehicular traffic
- Wind turbines and their towers, regardless of size

## Examples of Excluded Perils

- Asbestos: Damage or loss of any kind
  - Presence
  - Clean up
  - Removal
  - Disposal
- Certain computer-related losses due to dates and times
- Communicable disease
  - MCIT will not pay for loss, damage or cost arising out of a communicable disease
  - A communicable disease means a disease that can be transmitted from organism to organism, whether transmission is airborne, via bodily fluid, surface contact or other means



### \*THERE'S A BETTER WAY TO COVER THIS PROPERTY

Although excluded in this section, MCIT provides:

- Drone endorsement
- Employee dishonesty and faithful performance of duty coverage
- Cyber coverage

Your risk management consultant can answer questions about which coverage works best.

- The disease or the agent carrying the disease can cause damage to human health or welfare or can damage covered property
- Concealment, misrepresentation or fraud
  - Coverage is void:
    - In any case of fraud by member
    - If member intentionally conceals or misrepresents a material fact
- Electronic vandalism\*
  - MCIT will not pay for loss or damage caused directly or indirectly by electronic vandalism. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
  - For the purpose of this exclusion, “electronic vandalism” means:
    - Willful or malicious destruction of computer programs, content, instructions, or other electronic or digital data stored within computer systems
    - Unauthorized computer code or programming that deletes, distorts, corrupts or manipulates computer programs, content, instructions, or other electronic or digital data; or otherwise results in damage to computers or computer systems or networks to which it is introduced.
- Fungus, wet rot, dry rot and bacteria
  - Exclusion applies to claims arising from the general discovery or presence of fungus
  - Limited coverage for direct physical loss resulting from the presence or growth of fungus, wet rot, dry rot and bacteria caused by or arising out of a covered cause of loss
    - \$500,000 per occurrence maximum
    - \$1 million annual aggregate all members combined
- Inherent vice
- Insects or vermin
- Loss or damage from an actual or alleged privacy or security event or cyber-extortion threat as defined in Article Three—Privacy or Security Event Liability and Expense Coverage of the MCIT Coverage Document, except that coverage under Part C—Equipment Breakdown applies if such loss or damage arises from an accident as defined in that coverage part.\*
- Mysterious disappearance/inventory shortage
- Nuclear hazard
- Theft of member’s property by any associate, officer or employee of the member\*
- Pathogenic or poisonous biological or chemical materials
- Pollution

- “Pollution” is defined to include smoke; vapor; soot; fumes; acids; alkalis; chemicals; hazardous and unhealthy building materials, including asbestos and lead products; and waste, which includes raw sewage, and materials to be recycled, reconditioned or reclaimed.
- MCIT will not pay for any loss, cost or expense directly or indirectly arising out of, resulting as a consequence of or related to pollution, whether or not there is another cause of loss that may have contributed concurrently or in any sequence to a loss
- War and military action
- Wear and tear/gradual deterioration
  - Unless an accidental and fortuitous water loss not excluded elsewhere in the MCIT Coverage Document ensues, then MCIT shall be liable only for such ensuing loss
- Rain, snow, ice, sand or dust
  - Excludes coverage for damage to buildings and contents unless buildings first sustain damage by a covered cause of loss to the roofs or walls

## GENERAL CONDITIONS

### Member Responsibilities after a Loss

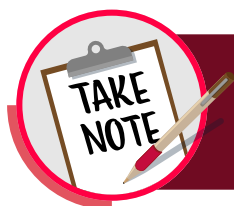
- Due diligence
- Give notice to MCIT as soon as practicable of every loss or damage that *may* become a claim
- Evidence retention: The member must identify, locate, preserve, store and retain physical evidence, information, documentation, electronic or otherwise, relating to or contributing to the cause of a covered loss or resulting damage.
- Send proof of loss within 90 days
  - Date, time, place and circumstance of the loss
  - Other insurance or coverage
  - Your interest and the interest of all others in the property
  - Changes in the title to the covered property
  - Estimates to repair or replace the covered property
  - Inventory of lost or damaged property
- Cooperate with MCIT in the investigation and settlement of any claim
- Member may not voluntarily make payments or assume obligations, except at the member’s own expense

### Recoveries

- Subrogation:
  - In the event of a loss, MCIT shall be subrogated to the extent of any payment made
  - Member shall do nothing after loss to prejudice such right
- All recoveries:
  - Member must notify MCIT or MCIT must notify member promptly if either receives a recovery for a loss that MCIT has paid
  - Costs incurred by either party in making the recovery are to be reimbursed first
  - MCIT is entitled to the surplus up to the amount paid
  - Member may keep any excess

### Transfer of Rights and Duties

- The member’s rights and duties under the MCIT Coverage Document may not be transferred without written consent from MCIT



Report all claims for damages, as well as any incident that might result in a claim, so that MCIT may investigate, reach a coverage determination, assign legal counsel if appropriate and provide the member with guidance through the claim process.

# DRONE ENDORSEMENT



**PURPOSE:** To provide physical damage coverage for the drone itself (Coverage A) and to defend and indemnify the member for third-party claims (Coverage B) from the use of a drone.

## Examples of Definitions

### DRONE

- Remotely piloted aircraft system, an unmanned aerial vehicle or unmanned aerial system including attached equipment and the manufacturer's related ground equipment.

## Limits of Coverage

### COVERAGE A:

- The lesser of the actual cash value of the drone or 125 percent of the limit shown in the schedules.

### COVERAGE B:

- For occurrences within the scope of Minnesota Statutes, Chapter 466, \$500,000 per claimant, \$1.5 million per occurrence. Outside of Chapter 466, \$2 million per occurrence.

## Deductibles

### COVERAGE A:

- \$1,000

### COVERAGE B:

- \$2,500

## Examples of Exclusions

### COVERAGE A:

- Subject to the Article One, Section III General Exclusions. In addition, there is no coverage for:
  - Mechanical breakdown or failure
  - Weight of a load exceeding manufacturer's capacity
  - Latent defect

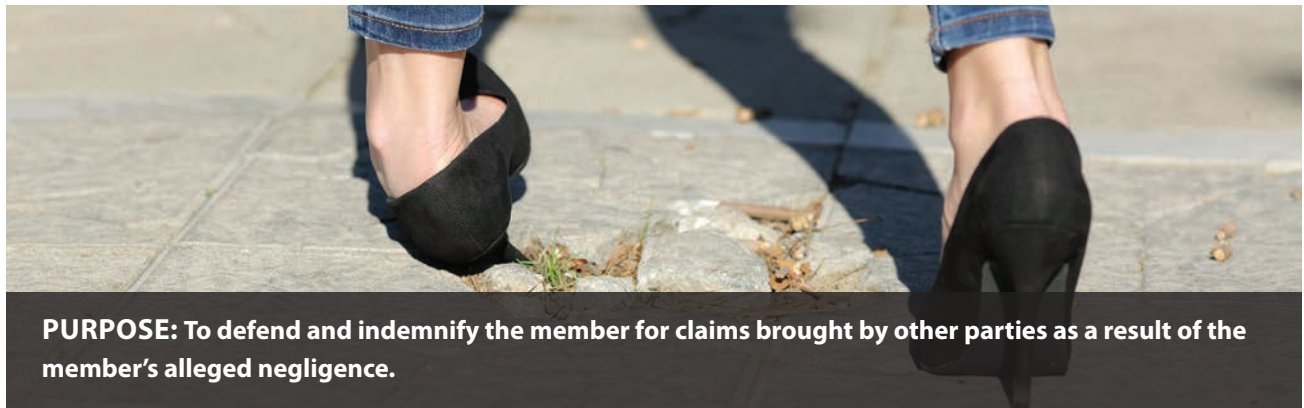
### COVERAGE B:

- Subject to the Article Two, Section IV General Exclusions. In addition, there is no coverage for:
  - Racing or stunting activities
  - Dishonest, illegal, criminal, malicious or fraudulent acts

## Examples of Conditions

- Any drone must be specifically endorsed to the MCIT Coverage Document, and all coverage is subject to this endorsement.
- A covered drone must be member owned and operated by a Member employee.
- A covered drone must be operated in compliance with Federal Aviation Administration regulations.

# LIABILITY



**PURPOSE:** To defend and indemnify the member for claims brought by other parties as a result of the member's alleged negligence.

## Examples of Definitions

### MEMBER

- Entity, named in the Declarations, including the following if under its jurisdiction, control and direction:
  - Any department
  - Subdivision
  - Committee
  - Commission or board

### COVERED PARTY

- The entity named in the Declarations and the following, but only for acts within the scope of their duties on behalf of the member:
  - Any elected or appointed official of the member
  - Any employee or authorized volunteer of the member
  - Any person officially appointed by the member to a board or commission
    - ◆ Of the member; or
    - ◆ As authorized by law; or
    - ◆ Any law enforcement personnel of the member
- For auto liability, any person while using with member permission a covered auto on behalf of or in conjunction with the member
  - Does not include foster parents or respite care providers

### CLAIM

- A demand received by a covered party for money or services that may include the service of a suit against a covered party; or
- A complaint to the Minnesota Department of Human Rights, the Equal Employment Opportunity Commission, any local civil or human rights commission, or a data practices complaint filed with the office of Administrative Hearings pursuant to Minn. Stat. § 13.085.
- Claim does not include other nonjudicial, administrative proceedings including but not limited to veterans preference hearings, employee grievances, merit system hearings, those arising from the licensing of a covered party, and any ensuing court appeals arising from such proceedings.

### DAMAGES

- Monetary judgment, exemplary or punitive damages, award, award of attorney fees only for those arising out of a covered claim or suit
- Does not include fines, civil penalties, costs arising solely pursuant to Minn. Stat. § 466.101 or damages for which insurance coverage is prohibited by law
- For claims arising out of alleged Open Meeting Law violations or violations of the Minnesota Government Data Practices Act, opposing counsel's attorney fees are not covered.

### PRACTITIONER OF THE HEALING ARTS

- Any health practitioner who is licensed to diagnose and treat physical or mental health conditions including physicians, physician assistants, psychiatrists, advanced practice registered nurses, nurse practitioners and dentists.
- For purposes of this definition, "practitioner of the healing arts" does not include psychologists or social workers.

### Limits of Coverage

- Claims within the scope of Minnesota Statutes, Chapter 466
  - \$500,000 per claimant
  - \$1.5 million per occurrence
  - \$1 million per occurrence if the claim involves a nonprofit organization engaged in administering outdoor recreational activities funded in whole or in part by a municipality or operating under the authorization of a permit issued by a municipality
- Claims outside the scope of Minnesota Statutes, Chapter 466
  - Coverage shall not exceed \$2 million per occurrence
  - Annual aggregate limit is \$6 million
  - Annual aggregate limit of \$6 million for law enforcement liability claims

# BODILY INJURY AND PROPERTY DAMAGE LIABILITY

## PURPOSE:

To pay sums the member becomes legally obligated to pay as damages because of bodily injury or property damage caused by the member's negligence.



## EXAMPLES OF COVERAGE

- Slips and falls on member's premises
- Collision of nonroad licensed mobile equipment with another party's vehicle
- Road design
- Fire damage liability
  - Refer to Liability Declarations
- Herbicide/pesticide application (except aerial spraying)
- Limit: \$10,000 per claimant/\$10,000 per occurrence/\$50,000 annual aggregate
- Property damage only

## Deductible

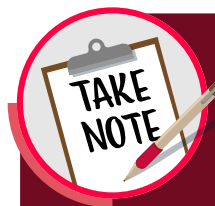
Refer to liability Declarations

## Examples of Exclusions

- Subject to the General Exclusions
- Amusement rides
- Automobiles\*
- Aviation activities, except:
  - Search and rescue operations
  - Criminal apprehension
  - Public safety/emergency service actions to address immediate threats to human life or property
  - Other law enforcement activities if specifically endorsed
- Damage to your work exclusion
- EDA/HRA rental property
  - Bodily injury or property damage arising out of
    - ◆ Property owned by an EDA or HRA; *and*
    - ◆ Rented or leased to others for residential, commercial or industrial ventures, *unless*
      - › Such use was approved by MCIT prior to April 13, 2001
- Failure of dams
  - Class I or Class II dams as classified by the DNR
  - Any dike, levee or similar structure
  - Class III dams as classified by the DNR are covered
- Fireworks
- Injury to employee or volunteer when arising out of employment or duties
  - If covered by workers' compensation (per Minn. Stat. § 176.011 and Minn. Stat. § 12.03)
- Liquor liability
- Racing/demolition derby
- Rodeos and animal racing
- Sledding hills
  - "Sledding hill" means areas operated for the purpose of recreational sledding on snow or ice and equipped with lifts of any type, including tow ropes, moving sidewalks, T-bars or chair lifts; or the rental of tubes, sleds or other devices for sledding
- Ski facilities
  - "Ski facility" means recreational areas that are operated for the purpose of downhill skiing or snowboarding; it does not apply to trails used for cross-country skiing
- Watercraft less than 26 feet in length used to carry persons or property for hire
- Watercraft 26 feet or longer
- Watercraft racing/stunting
- Workers' compensation\*

### Department of Natural Resources Classification of Dams:

- All existing and proposed dams shall be classified by the commissioner into the following three hazard classes: those dams where failure, misoperation or other occurrences or conditions would probably result in:
  - C. Class III: property losses restricted mainly to rural buildings and local county and township roads which are an essential part of the rural transportation system serving the area involved.



**\*THERE'S A BETTER WAY TO COVER THIS PROPERTY**

**Although excluded in this section, MCIT provides:**

- Automobile lines of coverage
- Workers' compensation coverage

**Your risk management consultant can answer any questions about which coverage works best.**

# PERSONAL AND ADVERTISING INJURY LIABILITY

**PURPOSE:**

To pay sums the member becomes legally obligated to pay as damages, other than for bodily injury or property damage, caused by the member’s negligence.



**EXAMPLES OF COVERAGE**

- **Personal injury:**
  - Assault or battery resulting from the use of reasonable force to protect persons or property, including the use of reasonable force, in the performance of law enforcement activities
  - Eviction of a person
- False arrest or imprisonment
- False, erroneous or improper service of papers
- Libel, slander
- Malicious prosecution
- Violation of right of privacy
- Wrongful detention
- Wrongful entry
- **Advertising injury—oral or written publications:**
  - Infringement of copyright, title or slogan
  - Libel, slander
  - Violation of person’s right of privacy

**Deductible**

Refer to liability Declarations

**Examples of Exclusions**

- Intentional falsehood
- Willful violation of a law
- Breach of contract

# MEDICAL PAYMENTS

**PURPOSE:**

To pay medical expenses incurred by another party caused by an accident on or next to member-owned or -rented premises, or because of the member’s operations.

- Regardless of fault
- At the discretion of the member and/or MCIT
- Expenses incurred and reported to the member within one year of the loss



**EXAMPLES OF COVERAGE**

- Immediate first aid
- Necessary ambulance, hospital, professional nursing and funeral services
- Necessary medical, surgical, X-ray or dental services

**Limit**

\$2,500 per person

**Deductible**

None

**Examples of Exclusions**

- Covered party
  - For purposes of this exclusion, “covered party” does not include an authorized volunteer of the member. Therefore, volunteers qualify for medical payments coverage if no other medical expense insurance or coverage is purchased or maintained.
- Persons hired to do work for the member
- Tenants
- Persons confined to a jail or correctional facility
- Persons injured while taking part in athletics
- A person while:
  - Covered by accident medical expense insurance or coverage purchased and maintained by a covered party
  - Attending a daycare program operated by a covered party
- Caused by or arising out of a ride, machine or any other apparatus while it is being operated or used for amusement purposes

# PUBLIC EMPLOYEES LIABILITY

## PURPOSE:

To pay sums the member becomes legally obligated to pay as damages caused by *unintentional* wrongful acts committed by a member, including officials, employees and duly authorized volunteers, within the course of their official duties.



## EXAMPLES OF COVERAGE

- Act of omission or neglect
- Actual or alleged error or misstatement
- Breach of duty
- Discrimination
- Violation of civil rights

## Deductible

Refer to liability Declarations

## Examples of Exclusions

- Subject to General Exclusions
- Arising from tax calculation, classification or valuation of property, tax withholding or tax avoidance
- Bonds or similar instruments
- Disposition of tax-forfeited property, except the administrative process of such disposition
- Any actual or alleged unfair labor practice as defined in the National Labor Relations Act (NLRA) and/or Public Employment Labor Relations Act (PELRA)
- Employee benefits or wages and department budgets or salaries
  - Seeking back salary of any type;
  - Seeking lost, past or future wages;
  - Seeking benefits wrongfully withheld or not withheld;
- Arising from collective bargaining agreements;
- By any official, department or agency related to budget, salaries, or similar issues; or
- Arising out of the administration of payroll
- Failure to purchase or secure adequate insurance, surety bonds or coverage
- Fiduciary responsibilities
- Fraud, dishonesty and malicious and criminal acts
- Illegal profit, taxes, fees, assessments or overcharges
  - This exclusion does not apply to that part of any claim not excluded elsewhere in the MCIT Coverage Document when alleging a violation of civil rights arising from a member's calculation or imposition of fees, assessments, governmental grants, entitlements, subsidies or overcharges
- Intentional wrongdoing
- PELRA or NLRA claims or suits or any other federal or state labor law

# LAND USE DEFENSE COVERAGE ENDORSEMENT

## PURPOSE:

To defend a covered party named in the following land use claims or suits typically excluded under General Exclusion M, but for which no other exclusions apply:

- Actions to require compliance with applicable law and regulations or seeking exemption therefrom, relating to land use, including actions for injunction or declaratory judgment, mandamus actions and actions to enforce or invalidate ordinances, zoning restrictions or contracts.



## Limit

\$125,000 per claim or suit arising from a land use occurrence

- Cost of defending also includes a judicial award of costs and disbursements to the opposing party.

## Examples of Definitions

### LAND USE OCCURRENCE

- All claims or suits arising from one land use decision by the member regardless of the number of claims or suits that result from that decision.
- “One land use decision” shall include a member’s actual or alleged failure to issue a land use decision pursuant to Minnesota statutes.

### CLAIM

- Includes a land use appeal filed with the Board of Water and Soil Resources (BWSR) relating to a member’s decision on an application submitted to the member under the Wetland Conservation Act.

# EMPLOYEE BENEFITS LIABILITY

## PURPOSE:

To pay sums the member becomes legally obligated to pay as damages arising out of a wrongful act in the administration of an employee benefits program.



## Examples of Definitions

### ADMINISTRATION

- Handling of records in connection with Member's employee benefit programs;
- Effecting enrollment, termination or cancellation of employees under member's employee benefit programs provided all such acts are authorized by the member

### EMPLOYEE BENEFIT PROGRAMS

- Group life insurance
- Group health insurance
- Group dental insurance
- Disability benefits insurance
- Deferred compensation plan
- Other benefit programs administered by the member

## Deductible

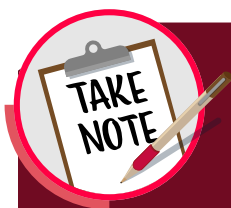
Refer to Liability Declarations

## Examples of Exclusions

- Subject to General Exclusions
- Any claim or suit arising out of a member's selection or retention of an employee benefit program including failure to meet state or federal requirements or an alleged aggregate reduction in benefits
- Arising from or involving the administration of payroll
- Interpreting or giving counsel to employees with respect to employee benefits programs
- Failure of any employee benefit program to perform
- Failure to comply with workers' compensation, unemployment insurance, Social Security, PERA or disability benefits, or similar laws
- Violations of ERISA or other similar pension plan or deferred compensation

## GENERAL EXCLUSIONS

- Asbestos and silica
- Communicable disease
  - Claims or suits arising out of the actual or alleged transmission of a communicable disease. This includes allegations of negligence or other wrongdoing in the:
    - ◆ Supervising, hiring, employing, training or monitoring of others who may be infected with and spread a communicable disease;
    - ◆ Testing for a communicable disease;
    - ◆ Failure to prevent the spread of a communicable disease;
    - ◆ Failure to report the communicable disease to authorities.
- Contractual liability
  - Claims or suits that the covered party is obligated to pay by reason of the assumption of liability in a contract or agreement
  - This exclusion does not apply to:
    - ◆ Liability that the covered party would have had in the absence of the contract or agreement
    - ◆ Liability assumed in a contract or agreement that is a covered party contract
      - › “Covered party contract” defined
      - › Limits of coverage for covered party contract claims are:
        - \$500,000 per claimant
        - \$1.5 million per occurrence
        - \$2 million when the claim arises under 13.f of the definition of “covered party contract” when the occurrence is not within the scope of Minnesota Statutes, Chapter 466 or any similar law
- Contractual penalties, breach of contract
  - Any claim based upon penalties for failure to comply with a contractual obligation; breach of contract or cost estimate overruns on any contract or project whether the contract or agreement is written or oral.
  - This exclusion also applies to any claim based upon, caused by, or arising from the exchange of information or negotiations in anticipation of an agreement, whether or not one is executed.
- Claims or suits arising from the actual or alleged privacy or security event or cyber-extortion threat as defined under Article Three—Privacy or Security Event Liability and Expense Coverage of the MCIT Coverage Document.
  - This exclusion does not apply to that portion of any claim or suit seeking damages or other relief for an alleged violation of the Minnesota Government Data Practices Act (MGDPA) or Driver’s Privacy Protection Act (DPPA) by a covered party.
  - In the event that there is available coverage under Article Three of the MCIT Coverage Document for damages or other relief for alleged violations of the MGDPA or DPPA by a covered party, the coverage under Article Two—Liability Coverages shall be excess over that of other available coverage.
- Tortious interference of contract
  - Any claim based upon interference with contractual obligations between other persons or entities. This includes, but is not limited to, actions based upon, caused by, or arising from alleged negligence or misrepresentation by any covered party in the period leading up to or in the performance of a written or oral agreement.
- Drones
  - Claims or suits arising out of the covered party’s ownership or use of a drone unless the drone is endorsed to and made a part of the MCIT Coverage Document, in which case all coverage is subject to the Inland Marine and Liability Endorsement—Drones.
- Eminent domain
  - Claims or suits based upon, caused by or arising out of the principles of eminent domain, including condemnation proceedings or inverse condemnation by whatever name called, whether such liability accrues directly against the covered party or by virtue of any agreement entered into, by or on behalf of the covered party
- Failure to supply sufficient water, gas, electricity, broadband, telecommunications, district heating or cable television services
- Nonmonetary relief or remedy (examples: election challenges, criminal prosecution and proceedings, actions for injunction)
  - This exclusion does not apply to claims or suits alleging:
    - ◆ Open meeting violations



### \*THERE’S A BETTER WAY TO COVER THIS PROPERTY

Although excluded in this section, MCIT provides cyber coverage.

Your risk management consultant can answer any questions about which coverage works best.

- ◆ Government data practices violations
- ◆ Writs of certiorari for employment-related matters
- Nuclear energy
- Perfluoroalkyl and polyfluoroalkyl substances (PFAS)
- Pollution
- Medical assistance, county-based purchasing for medical assistance, health maintenance organizations and accountable care organizations
  - Determinations regarding client/participant treatment, benefits or services
    - ◆ Defense coverage provided for claims or suits arising from determinations regarding the eligibility of persons to participate
  - Determinations regarding credentialing or selection of health care services or providers
  - Program financing
  - Procurement or maintenance of reinsurance or stop-loss coverage
- Intentional fires on property of others
- Fungus
  - Including bacteria
- War
- Terrorist activity
- Wind turbines
  - Claims or suits arising out of a covered party's ownership, operation, maintenance, use or involvement in any way of a wind turbine and its tower, regardless of size. This exclusion does not apply to claims or suits arising from the covered party's authority in making a land use or zoning decision.
- Medical facilities
  - Claims or suits arising out of the covered party's ownership, operation, control, direction or any other liability with respect to any hospital, nursing home or any other premises providing medical services where overnight bed care is provided. This exclusion does not apply to facilities utilized and functioning in direct response to and during a statutorily declared emergency. This exception to the exclusion in no way alters General Exclusion K. Medical Treatment.
- Medical treatment
  1. The rendering of or failure to render medical, surgical, dental, X-ray services or treatment by a practitioner of the healing arts.
  2. The furnishing or dispensing of medical, dental or surgical supplies by a practitioner of the healing arts.
    - ◆ Exclusions 1 and 2 above *do not apply* to services or treatments rendered or provided by emergency medical technicians (EMTs), paramedics, public safety employees, dental hygienists, registered nurses (RNs), licensed practical nurses (LPNs), public health nurses or home health aides while acting within the course and scope of their employment or volunteer capacity of the covered party
    - ◆ This exception *does not apply* to claims or suits arising from anyone's employment by or dedicated assignment to a hospital, nursing home or clinic where medical services or treatment are regularly provided unless the facility is operated by the member and certified as a Rule 29 mental health center or Rule 29 mental health clinic.
    - ◆ No coverage is provided under this exception to anyone for the act of prescribing medication
  3. Any liability arising out of the ownership, operation, control or direction of any hospital, nursing home or other premises where overnight bed care or emergency medical care is regularly provided
  4. The handling of dead bodies
    - ◆ *Does not apply* to emergency services personnel, sheriffs, chief law enforcement officials and peace officers exercising powers of arrest; guards at correctional institutions; auxiliary or reserve peace officers or posse members under the direct supervision of the sheriff; or authorized coroner/medical examiners who are unable to secure appropriate liability coverage elsewhere due to factors such as retirement from the medical profession.
    - ◆ *Does not apply* to a statutorily declared emergency.
  5. Performing of autopsies
  6. Prescribing of medication
- Gambling, lottery, raffle
  - Claims or suits arising out of a covered party's participation in planning, organizing or administering gaming activities including but not limited to gambling, lotteries and raffles of any kind

# GENERAL CONDITIONS

## Defense and Settlement

- MCIT shall have the right and duty to defend any covered claim or suit against the covered party seeking damages
- MCIT shall have sole authority to assign defense counsel to defend a covered claim or suit against the covered party
- MCIT shall have full authority to administer, defend and settle all covered claims or suits
- MCIT's duty to defend the member and covered party will end when it tenders the applicable limit of coverage. Following a determination that no covered claims remain in the action, MCIT will end its duty to defend any claim or suit. If MCIT ends its duty to defend, the member and covered party will be provided a 30-day notice

Members are required to report all claims for damage. MCIT recommends immediately reporting any incident that might result in a claim through the online member portal so that MCIT may investigate, reach a coverage determination, assign defense counsel if appropriate and provide the member with guidance through the claim process.

information relating to the claim or suit; advises MCIT of any other coverage available to him or her; and cooperates with MCIT in coordinating such coverage

- The indemnitee provides written authorization allowing MCIT to conduct and control the defense of the indemnitee in the claim or suit

## Duties in the Event of an Occurrence, Claim, Suit or Wrongful Act

- Notify MCIT promptly of any occurrence or wrongful act that may result in a claim or suit
- If a claim or suit is brought against a member, send MCIT electronic notice through the online member portal as soon as practicable. Immediately send MCIT a copy of any demand, notice, summons and complaint or legal papers
- Cooperate with MCIT in the investigation, settlement or defense of the claim or suit
- Identify, locate, preserve, store and retain information, documentation, electronic or

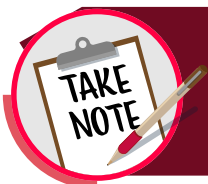
otherwise, property and physical evidence related or potentially related to an occurrence, wrongful act, claim or suit at the expense of the covered party.

## Defense of an Indemnitee

- If MCIT defends the member and an indemnitee of the member is also named in the claim or suit, MCIT will defend that indemnitee if:
  - The claim or suit against the indemnitee seeks damages that the member has assumed the liability of the indemnitee in a contract or agreement that falls within the definition of "covered party contract"
  - This coverage applies to the liability assumed by the member
  - The obligation to defend the indemnitee has also been assumed by the member in the covered party contract
  - No conflict exists or appears to exist between the interests of the member and the indemnitee
  - The member and the indemnitee ask MCIT to conduct and control the defense of the indemnitee and agree that MCIT can assign the same counsel to defend each party
  - The indemnitee agrees in writing to cooperate with MCIT in the investigation, settlement or defense of the claim or suit; promptly sends MCIT copies of all summonses, legal papers, demands, notices and

## Application of Two or More Coverage Parts Issued by MCIT

- If two or more coverage parts apply to the same claim or suit, the maximum limit of coverage under all coverage parts shall not exceed the highest applicable limit of coverage under any one coverage part. The deductible applicable to the coverage part providing the highest available limit of coverage shall be applied to the claim or suit.



Members are reminded that making payment, assuming any obligation or incurring any expense, other than for first aid, without the consent of MCIT will be at the Member's own expense.

# AUTOMOBILE COVERAGE

**PURPOSE:**

To protect members from claims or suits arising from the operation of covered autos.



**Examples of Definitions**  
**COVERED AUTOS**

- Any auto shown in the schedule of the MCIT Coverage Document and owned autos the member acquires after the beginning of the coverage period.
- Newly acquired autos:
  - Must be reported to MCIT within 30 days of acquisition. Coverage will then become effective as of the date of acquisition.
  - Member may owe an additional contribution
  - Newly acquired autos not reported to MCIT within 30 days of acquisition are eligible for coverage effective as of the date they are reported to MCIT
- Mobile equipment while being towed by a covered auto
- Hired or non-owned autos:
  - “Non-owned autos” means only those autos the member does not own, lease, hire or borrow that are used in connection with the member’s business.
  - This consists solely of autos used by the following while in their official capacity and while conducting their duties on behalf of the member:
    - Elected or appointed officials
    - Employees
    - Duly authorized volunteers but only while the auto is being used in the scope of the volunteer’s authorized duties for the member and when the auto is owned by the volunteer or the volunteer’s family member
  - Liability coverage is in excess of any other coverage or insurance

- Physical damage coverage:
  - Does not apply to hired and non-owned vehicles
  - Exception: Members have not more than 30 days of comprehensive and collision physical damage coverage each coverage period for autos borrowed from public entities
- Deductible:
  - Largest deductible member maintains on owned autos for the applicable coverage
  - If the member has no physical damage coverage on owned autos, standard MCIT deductible of \$500 for comprehensive and \$1,000 for collision applies

**COVERED PARTY**

- Elected or appointed officials
- Employees and authorized volunteers
- Any person officially appointed to a board or commission of the member or as authorized by law
- With respect to auto liability only:
  - Any person while using with member permission a covered auto on behalf of or in conjunction with the member



## Automobile Liability

**PURPOSE:** To pay sums the covered party is legally obligated to pay as damages because of bodily injury or property damage sustained by another party as a result of the ownership, maintenance or use of a covered auto.

### Limit of Coverage

- Claims within the scope of Minnesota Statutes, Chapter 466
  - \$500,000 per claimant
  - \$1.5 million per occurrence
  - \$1 million per occurrence if the claim involves a nonprofit organization engaged in administering outdoor recreational activities funded in whole or in part by a municipality or operating under the authorization of a permit issued by a municipality
- Claims outside the scope of Minnesota Statutes, Chapter 466
  - Coverage shall not exceed \$2 million

### Deductible

None

### Examples of Exclusions

- Subject to General Exclusions
- Airport operations, except the maintenance or plowing of roads or parking areas
- Injury to employee or volunteer when arising out of employment or duties
  - If covered by workers' compensation (per Minn. Stat. § 176.011 and Minn. Stat. § 12.03)
- Racing/demolition derby



## Personal Injury Protection (PIP or No-fault)

**PURPOSE:** To pay personal injury protection (PIP) benefits to a covered party who sustains bodily injury resulting from the ownership, maintenance or use of a covered auto, except when workers' compensation applies.

### Limit of Coverage

Subject to sublimits

### Deductible

None

### Examples of Exclusions

- Illegal use of vehicle
- Intentional injury/death
- Motorcycle
- Racing/demolition derby

For vehicles not required to be registered pursuant to Minnesota Statutes, Chapter 168, coverage is limited to employees, authorized volunteers and elected/appointed officials while occupying the auto.



## Automobile Physical Damage

**PURPOSE:** To provide comprehensive and collision coverage for a covered auto and its attached equipment, according to the member's vehicle schedule.

- Comprehensive
  - Deductible: Refer to vehicle schedule
    - ◆ Except loss caused by fire or lightning
- Collision
  - Deductible: Refer to vehicle schedule
- \$3,000 aggregate deductible applies for a single incident with multiple covered vehicles
- Glass breakage
  - Repair: Deductible is waived
  - Replace: Deductible applies
- Rental coverage (theft)
  - \$50 per day to maximum of \$1,500 incurred by member for a replacement rental vehicle because of the total theft of a covered auto
  - Covered auto must have comprehensive coverage
  - Pay rental vehicle expenses incurred from the verified date of theft and ending when the covered auto is returned to use or MCIT pays for its loss

Physical damage does not pertain to hired and non-owned vehicles. MCIT recommends purchasing coverage from the car rental company.

### Example of Definition

#### ATTACHED EQUIPMENT

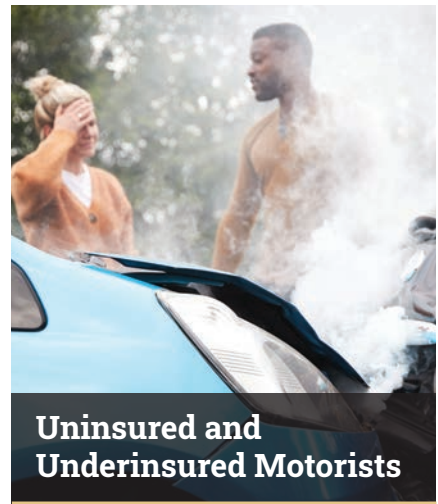
- The equipment, machinery and accessories all when mounted to and constituting a permanent part of an auto including but not limited to external lighting, computers, video or surveillance cameras, monitors, sound-reproducing equipment and radios.

### Examples of Exclusions

- Wear and tear
- Blow outs, punctures or other road damage to tires
- Mechanical or electrical breakdown
- Equipment not attached, including that which is
  - Mobile
  - Not affixed
  - Docks temporarily in the auto



Can be covered under inland marine



## Uninsured and Underinsured Motorists

**PURPOSE:** To pay damages that a covered party is legally entitled to recover from the owner or driver of an uninsured or underinsured vehicle.

### Limit of Coverage

- Uninsured motorists
  - \$25,000 per claimant/  
\$50,000 per occurrence
- Underinsured motorists
  - \$25,000 per claimant/\$50,000 per occurrence

Higher limits available

### Deductible

None

### Examples of Exclusions

- Claims settled without MCIT consent
- Workers' compensation

For vehicles not required to be registered pursuant to Minnesota Statutes, Chapter 168, coverage is limited to employees, authorized volunteers and elected/appointed officials while occupying the auto.

# GARAGEKEEPERS COMPREHENSIVE COVERAGE

## PURPOSE:

To pay comprehensive-type losses the member legally must pay for damages to autos or auto equipment left in the member's care.



## EXAMPLES OF AUTOS

- Boats
- Land motor vehicles
- Trailers

## Limit of Coverage

- \$100,000 per occurrence
- Coverage is in excess of any other insurance or coverage

## Deductible

- \$1,000 per occurrence

## Examples of Exclusions

- Collision or overturn
- Liability resulting from agreement by which the covered party accepts responsibility for loss
- Flood or earthquake

# CYBER COVERAGE

## PURPOSE:

The privacy or security event liability and expense coverage applies to a broad range of cyber, data and computer system exposures. Coverage applies to first-party privacy response expenses and third-party liability, defense and settlement costs when responding to claims made against a member when arising out of a privacy or security event.



## Examples of Definitions

### PRIVACY OR SECURITY EVENT

- Actual or suspected theft, loss or unauthorized disclosure or access to personal information in the member's care, custody or control whether the information is maintained in electronic, paper or any other format
- A violation or failure of the security of a computer system, including unauthorized access, unauthorized use, a denial of service attack, or receipt or transmission of malicious code

### CLAIM

- Any demand or suit for damages, regulatory proceeding or PCI-DSS assessment resulting from a privacy or security event

### COMPUTER SYSTEM:

- Computers and associated input and output devices, data storage devices, networking equipment and backup facilities:
  - Operated by and owned by or leased to the member; or
  - Operated by a third-party service provider and providing hosted computer application services to the member or for processing, maintaining, hosting or storing the member's electronic data

### CYBER-EXTORTION THREAT

- A credible threat or series of threats to:
  - Release, divulge, disseminate, destroy or use confidential information taken because of a privacy or security event
  - Introduce malicious code, corrupt, damage, destroy, restrict or hinder access to a computer system

### PCI-DSS ASSESSMENT

- Any monetary penalty owed by a member due to noncompliance with payment card industry data security standards under an agreement enabling the member to accept payment cards

### PERSONAL INFORMATION

- An individual's name in combination with one or more of the following:
  - Information considered nonpublic personal information per the Gramm-Leach-Bliley Act of 1999
  - Medical or health information on an individual, including health information as defined in the Health Insurance Portability and Accountability Act of 1996
  - The individual's Social Security number; driver's license or state identification number; credit, debit or other financial account numbers and associated security codes, access codes, passwords or personal identification numbers that allow access to the individual's financial account information
  - Other nonpublic personally identifiable information as protected under any local, state, federal or foreign law
- Personal information does not include information that is lawfully available to the public

### REGULATORY PENALTY

- Any civil fine or monetary penalty imposed in a regulatory proceeding payable by a member to the government entity bringing the regulatory proceeding; and
- Any sum of money a member is legally obligated to deposit in a fund as equitable relief for payment of consumer claims due to an adverse judgment or settlement of a regulatory proceeding

## Examples of Coverage

- **Privacy or security event liability:** Pays sums a member is legally obligated to pay as damages because of a privacy or security event
- **Privacy response expense:** Includes the following expenses incurred within one year of a privacy or security event resulting in the loss, theft, unauthorized disclosure of or access to personal information:
  - Security expert designated by MCIT
  - Legal review consultant designated by MCIT
  - Notification to affected individuals
  - Identity theft protection services to affected individuals
  - Public relations services
- **Regulatory proceedings and penalties:** Pays fines and penalties that a member is legally obligated to pay from a regulatory proceeding resulting from a covered privacy or security event
- **PCI-DSS:** Responds to assessments from the payment card industry due to noncompliance with data security standards when the noncompliance resulted in a privacy or security event
- **Electronic equipment and electronic data damage:** Pays for damage to, loss of use of or destruction of electronic equipment caused by the reprogramming of its software, rendering it useless for its intended purpose
  - Includes necessary expenses to determine whether electronic data can or cannot be restored
  - Includes necessary expenses to restore data incurred by a member as a result of a privacy or security event
- **Network interruption costs:** Pays for business income loss, expenses to reduce the loss, extra expense incurred and expenses of preparing a proof of loss when incurred after the waiting hours period and solely because of a privacy or security event
  - Includes third-party forensic accounting services
- **Cyber-extortion expenses:** Covers expenses, including ransom payments, a member pays with MCIT's consent as a direct result of a cyber-extortion threat
- **Retroactive coverage:** Coverage is available for a privacy or security event or a cyber-extortion threat commencing on or after the retro date shown in the Declarations
  - A claim notice must be provided to MCIT

## WAITING HOURS PERIOD

- The number of hours set forth in the Declarations that must elapse once an interruption of business has begun directly caused by a privacy or security event

## Limit of Coverage

### ANNUAL MCIT LIMIT

This coverage is provided subject to a \$10 million annual MCIT program aggregate limit shared by all members for all privacy or security event claims inclusive of cyber-extortion threats during the coverage period.

### MEMBER LIMIT

This is claims-made and -reported coverage. A member's annual aggregate limit applies to claims covered under the various coverage sections.

MCIT coverage is excess over any other valid or collectible coverage available to the member in the event of a covered claim

### Limit, Sublimits for County Members

- \$500,000 annual aggregate coverage limit
- \$100,000 forensics per claim
- \$100,000 legal services per claim
- \$10,000 public relations per claim
- \$100,000 regulatory proceedings and penalties per claim
- \$100,000 PCI-DSS assessments per claim
- \$250,000 electronic equipment damage, data restoration and network interruption costs annual aggregate
- \$50,000 cyber-extortion annual aggregate
- \$25,000 misdirected payment and computer fraud (by endorsement) annual aggregate

### Limit, Sublimits for Noncounty Members

- \$250,000 annual aggregate coverage limit
- \$50,000 forensics per claim
- \$50,000 legal services per claim
- \$10,000 public relations per claim
- \$50,000 regulatory proceedings and penalties per claim
- \$50,000 PCI-DSS assessments per claim
- \$125,000 electronic equipment damage, data restoration and network interruption costs annual aggregate
- \$50,000 cyber-extortion annual aggregate
- \$10,000 misdirected payment and computer fraud (by endorsement) annual aggregate

## Deductible

- **Counties:** \$10,000 deductible per claim
- **Noncounties:** \$5,000 deductible per claim
- 12-hour waiting period

## Examples of Conditions

In the event of a claim, regulatory proceeding or loss, the member must:

- Provide written notice to MCIT of a claim, privacy or security event, or a cyber-extortion threat as soon as practicable
- Provide written notice to MCIT of a privacy or security event that may give rise to a claim, including a regulatory proceeding or PCI-DSS assessment as soon as practicable

## Examples of Exclusions

- Arising from the member's ownership, operation, control, direction or any other liability with respect to any hospital, nursing home or other premises providing medical services where overnight bed care is provided
- Any criminal, fraudulent or dishonest act, error or omission; or any intentional or knowing violation of the law
- Arising out of the actual or alleged transmission of a communicable disease
- For, arising out of or resulting from the member's alleged violation of the Minnesota Government Data Practices Act or the federal Driver's Privacy Protection Act



## Misdirected Payment and Computer Fraud Endorsement

### PURPOSE:

Responds to loss from a misdirected payment event or computer fraud event:

- Pays misdirected payment costs and computer fraud costs
- Must occur during the coverage period
- Must be reported as soon as practicable and within 60 days of discovery

## Examples of Definitions

- **Computer fraud costs:** Direct financial loss of money fraudulently obtained from the member due to unauthorized access of the member's computer system by a person who is not an employee
- **Misdirected payment costs:** Direct financial loss of money fraudulently obtained from the member due to an intentional and criminal deception of the member by a person who is not an employee

## Limit of Coverage

- **County members:** \$25,000 per occurrence/\$25,000 annual aggregate
- **Noncounty members:** \$10,000 per occurrence/\$10,000 annual aggregate
  - MCIT coverage is excess over any other valid or collectible coverage available to the member in the event of a covered claim.

## Deductible

- \$10,000 per occurrence for county members
- \$5,000 per occurrence for noncounty members

# EMPLOYEE DISHONESTY AND FAITHFUL PERFORMANCE OF DUTY

## PURPOSE:

To provide coverage for loss or damage to money, securities and property other than money and securities caused by employee dishonesty and lack of faithful performance of duty.



## EXAMPLES OF COVERAGE

### Employee Dishonesty:

Dishonest acts committed by an identified or unidentified employee acting alone or in collusion with other persons, with the manifest intent to:

- Cause the member to sustain loss and
- Obtain financial benefit for:
  - ◆ The employee; or
  - ◆ Any person or organization intended by the employee to receive that benefit

### Faithful Performance:

Loss of or damage to money, securities and property other than money and securities caused:

- Directly and immediately by the failure of an employee to perform his or her duties as prescribed by law

## Limit of Coverage

Limit of coverage shown on the Declarations Page of the MCIT Coverage Document

## Deductible

None

## Examples of Conditions

### LOSS DISCOVERY:

- Occurs when the member first become aware of facts that would cause a reasonable person to assume that a loss ... has been or will be incurred, even though the exact amount or details of loss may not then be known

### MEMBER RESPONSIBILITIES AFTER LOSS

- Upon discovery of a loss or situation that may give rise to a loss, the member must:
  - Notify MCIT as soon as the member reasonably should have known of any loss
  - Provide MCIT with a detailed statement of loss under oath if requested within 120 days after the loss
  - Cooperate in the investigation and settlement of any claim

## CANCELLATION OF COVERAGE ON AN EMPLOYEE

- Should the need arise to cancel coverage on any employee, the cancellation will be effective on the date specified in a notice mailed to the member. That date will be at least 30 days after the date of mailing.

## Examples of Definitions

### EMPLOYEE:

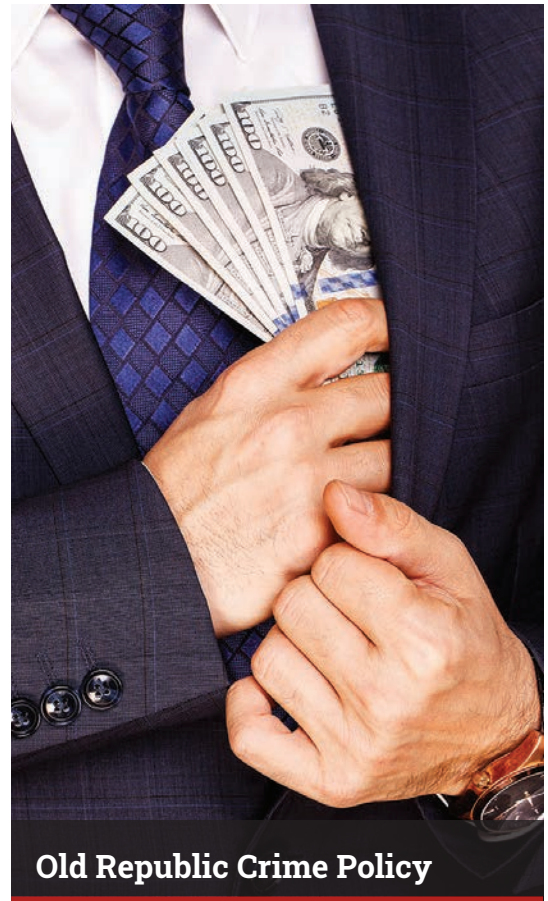
- Any person in the member's service and for 30 days after termination whom the member compensates by salary, wages or commissions and whom the member has the right to direct and control ...
- Substitutes for a permanent employee
- Sitting on the member's governing board, commission or committee; or
- Serving as one of the member's elected or appointed officials
- "Employee" does not mean ... a person leased to the member by a labor leasing firm ... independent contractor or representative ....



Volunteers and unpaid interns do not meet the definition of "employee"

## Examples of Exclusions

- Deprivation of civil rights or tortious conduct
  - Damages for which the member is legally liable as a result of:
    - ◆ The deprivation or violation of the civil rights of any person by an employee; or
    - ◆ The tortious conduct of an employee, except conversion of property of other parties held by the member in any capacity
- Failure of depository
- Inventory shortages
- Legal expenses
  - Expenses associated with legal actions
- Probate duties in a fiduciary capacity
  - Loss resulting from any person or class of persons acting in the capacity of public administrator, public guardian and any other employee performing probate duties in any fiduciary capacity



### Old Republic Crime Policy

If the member has purchased employee dishonesty coverage in excess of \$50,000, forgery or alteration coverage, or credit/debit/charge card forgery coverage, the member has been issued an Old Republic Insurance Company crime policy. Refer to the Old Republic policy in the Bond Section of the MCIT Coverage Document for the terms and conditions of coverage.

### Loss Adjustment

- Less than \$50,000: MCIT
- More than \$50,000: Entire loss Old Republic

### Cancellation of Coverage on an Employee

- MCIT: "Should the need arise..."
- Old Republic: "Immediately upon discovery ..."

**Old Republic bond coverage is continuous until canceled. Remember to forward the existing Old Republic bond to the current year's Coverage Document.**

## WORKERS' COMPENSATION

### PURPOSE:

To pay all benefits required of a Member by the Minnesota Workers' Compensation Act caused by an accident or occupational loss while acting within the course and scope of employment.



### Limits of Coverage

Statutory according to Minnesota Statutes, Chapter 176

### Deductible

None

### Volunteers

For members that utilize law enforcement and/or emergency management volunteers (per Minn. Stat. § 176.011 and Minn. Stat. § 12.03), MCIT's workers' compensation coverage extends to cover those volunteers engaged in both training and active duty if registered and under the direction and control of the member.

## EMPLOYER'S LIABILITY

### PURPOSE:

To pay all sums not covered by workers' compensation that a member is legally obligated to pay as damages for bodily injury to employees caused by accidents or occupational disease and arising out of and in the course and scope of employment by the member.



### Limits

- Bodily injury by accident
  - \$500,000 each employee
- Bodily injury by accident
  - \$1.5 million each accident
- Bodily injury by disease
  - \$500,000 each employee
- Bodily injury by disease
  - \$1.5 million coverage document limit

### Examples of Exclusions

- Liability assumed under contract
- Punitive or exemplary damages because of bodily injury to an employee employed in violation of law
- Bodily injury to an employee while employed in violation of law
- Any obligation imposed by law
- Bodily injury expected or intended by the member
- Damage arising out of discharge of, coercion of or discrimination against any employee in violation of any law or ordinance