STATE AUTHORITY OPERATIONAL LIABILITY POLICY

JULY 1, 2015 – JUNE 30, 2016

STATE AUTHORITY OPERATIONAL LIABILITY POLICY

Policy No. AOLP-401-11-16

This is a contract issued by the Georgia Department of Administrative Services for the purpose of providing a self insured liability insurance policy to cover the operations of State Authorities.

NAMED INSUREDS:

1) Participating Authorities who elect to purchase coverage.
2) Employees of participating Authorities in their official capacity.
3) Board Members in their official capacity.
4) Elected or appointed directors and officers of participating Authorities in their official capacity.
5) Additional Insureds, when Added by Endorsement or have previously been named additional insureds and are included in body of policy (Part I (E) CONTRACTS WHERE LIABILITY HAS PREVIOUSLY BEEN ASSUMED)

**Official capacity shall mean that the liability in question is, in effect, that of the Authority.*

TERRITORY:

This policy covers occurrences anywhere in the world, if an insured's responsibility to pay "damages" is determined in a "lawsuit" or in a settlement we agree to in the United States of America (including its territories and possessions) or Canada.

RENEWAL:

Unless cancelled by the Authority Liability Trust Fund, this coverage is to be renewed annually, for a minimum of five (5) years, unless notice of intent not to renew is given by the participating Authority, and the Authority Liability Trust Fund agrees to the non renewal. Premium notices will be directed to each participating Authority prior to the expiration date, or as near as possible to said date.

PART I – INSURING AGREEMENT:

The insurance afforded by this liability policy applies only to accidents or happenings or events that occur during the stated policy period unless an insured Authority elects to purchase coverage to an earlier retroactive date as stated on the Declarations Page. This policy will respond to any covered allegation in order to defend and pay damages for any insured authority when a claim or lawsuit is filed in a State Court other than the State of Georgia's court or in the Courts of the United States of America. However, this policy does not provide any coverage to State authorities for any claim or law suit filed in any State Court system operated by any government entity of the State of Georgia that is covered by the Georgia Tort Claims Act. The State Authority Operational Liability Insurance Trust Fund, hereinafter referred to as "The Fund" will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages resulting from bodily injury, property damage, or personal injury to which this insurance applies, caused by an occurrence, and the Fund shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury, property damage, or personal injury even if any of the allegations of the suit are groundless, false or fraudulent, and the Fund may make such investigation and settlement of any claim or suit as it deems expedient, but the Fund shall not be obligated to pay any claim or judgement or to defend any suit after the applicable limit of the Fund's liability has been exhausted by payment of court costs, attorney fees, litigation expenses, judgments or settlements.

The following section will list several types of coverage provided by this policy. Since this policy insures all types of negligence committed by the insured, the coverages are not limited to the following.

A. GENERAL LIABILITY COVERAGE

The Fund will pay on behalf of any insured, all sums which the insured shall become legally obligated to pay as damages, court costs, litigation expenses and attorneys' fees because of bodily injury, property damage or personal injury caused by any insured in the course of the insured's performance of the insured's job.

B. DIRECTORS AND OFFICERS (D&O) LIABILITY/AND ERRORS AND OMISSIONS COVERAGE

This policy, subject to its conditions and exclusions as hereinafter provided, shall pay on behalf of the insured Authority loss arising from any claim or suit against each and every person, jointly or severally, who was or now is or may hereafter be a Director or Officer of the Authority in their respective capacities as Directors or Officers of the Authority but only when the Directors and Officers are acting in their official capacity, during the policy period and/or retroactive period as stated on the Declarations Page.

C. LOCOMOTIVE LIABILITY COVERAGE

This policy will provide the limits of liability per occurrence for bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading, or unloading of authority owned, leased, borrowed, or bailment locomotives and any attached passenger cars and all other locomotive cars.

D. CONTRACTUAL LIABILITY COVERAGE

The Fund may pay on behalf of the Insured Authority all sums the insured, by reason of a contractual liability, has assumed through the contract up to limits of liability designated on the Declarations Page, unless separate limits are specified in the policy. However, the insured Authority must notify the Fund of this contractual assumption prior to a loss, so that the Fund may provide an endorsement for the Contractual Liability assumed if the Fund has determined it to be necessary or convenient to the public functions of an Authority. The Fund may also add additional insureds to the policy to protect the Authorities under any "Insured Contract". The Fund will defend and pay damages in behalf of any additional insured when a claim is filed in either State or Federal Court.

The Fund shall pay all damages for bodily injury or property damage to which this insurance applies, caused by an occurrence, and the Fund shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, but the Fund shall not be obligated to pay any claim or judgment, or to defend any suit after the limits of the Fund's liability has been exhausted by payment of judgments or settlements.

E. CONTRACTS WHERE LIABILITY HAS PREVIOUSLY BEEN ASSUMED

The following contractual liability agreements have been previously approved for coverage and the liability has been assumed by the Fund up to the limits of liability as stated in the following, if not stated, the limits are the same as stated on the Declarations Page of this policy.

(1) Georgia Building Authority: Railroad Liability

Deductible per occurrence: **-0-**

Limits: **as specified on the Declarations Page**

The Fund will pay on behalf of the Georgia Building Authority all sums the assured has assumed from any Railroad through a Contractual Indemnity Agreement indemnifying the railroad from and against all liability, loss, costs, damages and expenses whatsoever which the railroad may incur, sustain or be subject to in connection with injury to or death of any person or persons, whomever (including employees and agents of the parties) or loss of or damage to any property whatsoever caused by the ownership, maintenance, operation, use, loading, or unloading of any locomotive and attached passenger cars owned, leased, borrowed or on bailment to the Georgia Building Authority.

The Fund does agree to assume all liability for any Federal Employers Liability Act (F.E.L.A.) claims that has been assumed by the Georgia Building Authority from any railroad, thus this contractual assumption amends paragraph N. under PART IV– EXCLUSIONS – ALL COVERAGES as stated in this policy, thus authorizing coverage for the Federal Employers Liability Act specifically and solely for the Georgia Building Authority.

CONDITIONS FOR COVERAGE:

In the event of a loss, the Fund reserves all rights to approve any lump sum settlement under the Federal Employers Liability Act or for any settlement on any tort claims resulting from any liability assumed by the Fund as a result of this Contractual Liability Assumption. The Railroad shall provide copies of all internal investigative reports, Workers' Compensation files, accounting records, legal files, and any other documentation arising out of a claim or claims made here under, as required by the Fund to substantiate the payment of any claim.

EXCLUSIONS:

This contractual assumption does not apply to liability resulting from breach of contract between the Georgia Building Authority and any Railroad other than those contractual terms to which this agreement relates.

Paragraph Q under Part IV – EXCLUSIONS – ALL COVERAGES applies.

(2) Georgia World Congress Center: License Liability Coverage

Deductible per occurrence: **-0-**

Liability Limits: **$1,000,000**

Premium: **$15.00 per 100 attendees with a minimum premium of $400**

The Fund will pay on behalf of the Georgia World Congress Center all sums the insured has assumed by reason of a contractual agreement by agreeing to provide any licensee, liability insurance coverage, when the licensee has failed to provide the Georgia World Congress Center verification of insurance as specified in their license agreement.

The Fund shall pay all damages for bodily injury or property damage to which this insurance applies caused by an occurrence during the license period for any licensee that the World Congress Center has purchased coverage, and has paid the appropriate premium to the Fund.

This endorsement provides Excess Liability Insurance above any other liability coverage available to the licensee.

EXCLUSIONS:

This contractual assumption does not apply:

A) To any allegations for which the insured or licensee may be held liable under any Workers' Compensation, Unemployment Compensation, or similar law.

B) To property damage that is owned, rented, or under the care, custody and control of the insured or the licensee.

C) To loss of use of rental property or any tangible property resulting from a delay in, or lack of performance by the insured or licensee.

D) See Paragraph Q under Part IV – EXCLUSIONS – ALL COVERAGES.

(3) Georgia World Congress Center – Pedestrian Bridge

Additional Named Insureds:	**(A) City of Atlanta, its officers, agents, and employees.**
	(B) Georgia Building Authority.
Deductible:	**-0-**
Liability Limits:	**$500,000 bodily injury per occurrence**
	$1,000,000 bodily injury per occurrence aggregate
	$1,000,000 property damage per occurrence

The Fund will pay on behalf of the Georgia World Congress Center all sums the insured has assumed through a contractual agreement with the City of Atlanta and the Georgia Building Authority whereby the Georgia World Congress Center has agreed to add the City of Atlanta and the Georgia Building Authority as named additional insureds under this policy in order to protect the named additional insureds from all damages and expenses, up to the limits of this endorsement, which the named additional insureds may incur for bodily injury, death, or property damage arising out of the construction, maintenance, use and removal of the pedestrian bridge located over the lower level of International Boulevard and below the International Boulevard Viaduct, which connects a parking deck to the Georgia World Congress Center.

EXCLUSIONS:

Liability resulting from breach of contract between the Georgia World Congress Center, City of Atlanta, and the Georgia Building Authority is excluded.

Paragraph Q under Part IV – EXCLUSIONS – ALL COVERAGES applies.

(4) Georgia World Congress Center

Additional Named Insureds:	**(1) Southern Railway Company**
	(2) Central of Georgia Railroad
	(3) Any subsidiary of the Southern Railway Company or Central of Georgia Railroad in which they have a majority ownership.
Limits:	**Maximum Limits Available**

The Fund shall pay on behalf of the Georgia World Congress Center all sums the Insured, by reason of a contractual liability, has assumed as respect an easement agreement executed with the State of Georgia for the benefit of the State of Georgia and the George L. Smith II Georgia World Congress Center up to the limits of liability designated on the Declarations Page.

EXCLUSIONS:

This Insurance does not apply to the failure of the named insureds or the additional insured to meet the level of performance required in their contractual agreement.

Paragraph Q under PART IV – ALL COVERAGES applies.

(5) Georgia Ports Authority

Additional Named Insureds:	**1) Seaboard System Railroad**
	2) Southern Railway Systems
Deductible per occurrence:	**-0-**
Limits:	**$1,000,000 per occurrence**
Premium	**-0-**

General Information:	Five (5) Railroad Crossings at East Point Terminal, Brunswick, Georgia.
Warranties:	It is understood and agreed with effect from inception that: "Warranted access to rail crossings to be supervised by security guard(s) and/or flagmen during all train movements."

INSURING AGREEMENT:

The Fund will pay on behalf of the Georgia Ports Authority all sums The Georgia Ports Authority has assumed from Seaboard System Railroad or Southern Railway Systems through a Contractual Indemnity Agreement, indemnifying the railroads from and against a liability, loss, costs, damages and expenses which the railroad may incur, sustain or be subject to in connection with injury, death, personal injury, property damage, arising out of, connected with, or caused by:

A) railroad operations at or in the vicinity of said crossings; or

B) the construction, maintenance, or use of said crossings by the Georgia Ports Authority or others; or

C) the presence of equipment or personnel of the Georgia Ports Authority at or in the vicinity of said crossings or on or in the vicinity of the right of way of the railroads.

EXCLUSIONS:

The endorsement does not apply to liability from breach of contract than those contractual terms to which this endorsement relates.

Paragraph Q under PART IV – EXCLUSIONS – ALL COVERAGES applies.

(6) Agricultural Exposition Authority

Additional Named Insured:	**American Honda Motor Co., Inc. P.O. Box 50 Gardena, California 90247**
Deductible per occurrence:	**$5,000 if any breach of contract occurs**
Limits:	**$1,000,000 per occurrence**

INSURING AGREEMENT:

The Fund will pay on behalf of the Georgia Agricultural Exposition Authority (GAEA) all sums the GAEA has assumed from American Honda Motor Co., Inc. (up to GAEA's policy liability limits) by contractual agreement whereby the GAEA agrees to hold harmless, indemnify and defend against all liability, loss, costs, damages and expenses incurred, sustained or be subject to in connection with injury, death, personal injury, property damage, arising out of, connected with, or caused by the use of the donated all terrain vehicles (ATV), after they are in the custody of the Georgia Agricultural Exposition Authority.

EXCLUSIONS:

The Fund stipulates that if there is any breach of the agreements in the ATV Donation Agreement relating to (1) usage of the ATV, (2) training of personnel, and (3) wearing of protective gear shall result in $5,000.00 deductible per occurrence to be paid by GAEA.

Paragraph Q under PART IV – EXCLUSIONS – ALL COVERAGES applies.

(7) Georgia Ports Authority

Additional Named Insured:	**Norfork Southern Corporation**
Limits:	**$1,000,000**
Deductible:	**-0-**

General Information: 30" diameter storm drain crossing, located at East River Terminal, Brunswick, Georgia at a point 1,875 feet Northwest of mile post 429-H.

INSURING AGREEMENT:

The Fund will pay on behalf of the Georgia Ports Authority the above liability limits the Georgia Ports Authority has assumed from the Norfork Southern Corporation through a contractual indemnity agreement as amended on October 9, 1984, holding harmless the Norfork Southern Corporation from and against all claims, damages, expenses, and liability for loss of life, personal injury or damage to property, resulting from or in any manner attributable to the construction, maintenance, use, operation or presence of the 30" diameter storm drain crossing or to the presence of the equipment or employees of the Georgia Ports Authority on Norfork Southern Corporation's property.

EXCLUSIONS:

This endorsement does not apply to liability from breach of contract other than those contractual terms to which this endorsement relates.

Paragraph Q under PART IV – EXCLUSIONS – ALL COVERAGES applies.

(8) Herty Foundation

Additional Named Insureds: **E.I. Dupont De Nemours and Company**

Liability: **$500,000 Per Occurrence**

INSURING AGREEMENT:

The Fund will pay on behalf of the Herty Foundation, all sums the insured has assumed through a contractual agreement with Dupont, whereby, the Herty Foundation agrees to indemnify and defend the additional insured against all claims, liability, loss, damage, cost, attorney fees and expenses sustained or incurred by the additional insured on account of injury or death of any person, or loss of or any damage to property or the environment incurred by Dupont and resulting in any way from any act or omission, negligent or otherwise, on the part of Herty, in connection with the performance of this agreement.

EXCLUSIONS:

This endorsement does not apply:

A) To any obligation for which the insured or additional insured may be held liable under any workers' compensation, unemployment compensation, or disability law or similar law. The Fund will not reimburse Herty or Dupont for any obligation they may be held liable for under any workers' compensation, unemployment compensation, or disability law or similar law

B) To any property damage that is owned, rented or under the care, custody or control of the insured or the additional insured.

C) To liability for breach of contract, other than those contractual terms to which this endorsement relates.

D) To bodily injury, personal injury or property damage caused by, contributed to, or arising out of the discharge, dispersal, release, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, pollutants, contaminants, or hazardous materials into or upon the land, the atmosphere or any water course or body of water, whether above or below ground. This exclusion does to apply if such

discharge, dispersal, release, or escape was sudden, accidental, and results in a spontaneous loss.

E) To any liability or obligation resulting from any act or omission negligent or otherwise, on the part of any agent, employee, assignee, contractor or subcontractor of the Herty Foundation or Dupont.

F) **See Paragraph Q under PART IV – EXCLUSIONS – ALL COVERAGES.**

(9) Teachers Retirement System of Georgia – "Real Estate Management Agreement"

Additional Named Insured: **Brannen/Goddard Management, Inc.**

Liability Limits: **As specified on the Declarations Page**

The Fund will pay on behalf of the Teachers Retirement System of Georgia, all sums the insured has assumed through a contractual agreement with Brannen/Goddard Management, Inc., whereby the Teachers Retirement System of Georgia has agreed to indemnify and defend the additional insured for any bodily injury, property damage, or personal injury incurred as a result of managing the office building located a 75 Northside Drive, Atlanta, Georgia.

EXCLUSIONS:

A) Liability resulting from breach of contract between the Teachers Retirement System and Brannen/Goddard Management, Inc.

B) Attorney fees relating to enforcement or interpretation of the agreement as specified in section 16 of the agreement.

C) Statutory workers compensation coverage or employers liability coverage for employees of Brannen/Goddard Management, Inc.

D) Loss of Funds resulting from Brannen/Goddard maintaining a checking account as described in section 6 of the agreement.

E) **See Paragraph Q under PART IV – EXCLUSIONS – ALL COVERAGES.**

(10) Georgia Building Authority

"Lease Agreement – Property located at Northeast corner of Martin Luther King, Jr. Drive and Central Avenue, Atlanta, Georgia"

Additional Named Insured:

Catherine Wilmer
Charles Wilmer
Christine Barkus
Grant Wilmer
Knox Wilmer
Marshall Bennett
Natalie Blenk
Richard Wilmer, III
Stephen Wilmer
SunTrust Bank Trustee for Catherine Wilmer
SunTrust Bank Trustee for Knox Wilmer

Liability Limits:	**$1,000,000**
Deductible per occurrence:	**-0-**
Premium:	**No Additional Premium**

INSURING AGREEMENT:

The Fund will pay on behalf of the Georgia Building Authority all sums the insured has assumed through a contractual agreement to lease the property located at the Northeast Corner of Martin Luther King, Jr. Drive and Central Avenue in Atlanta, Georgia. The insured has agreed to indemnify and defend the additional insured for any bodily injury, property damage or personal injury incurred as a result of negligent acts by the Georgia Building Authority arising out of leasing said property.

EXCLUSIONS:

A) Liability resulting from breach of contract.

B) Liability resulting from non-payment of taxes and street assessments, or for any penalties, costs or damages imposed by any governmental entity for breaking laws, rules or ordinances.

C) Liability resulting from non-payment of rent or for the cost of collecting rent through legal action.

D) **See Paragraph Q under PART IV – EXLCUSIONS – ALL COVERAGES.**

(11) Georgia Agricultural Commodity Commission for Peanuts "Georgia Peanut Show"

Additional Named Insured:	**City of Albany, Georgia**
Liability Limits:	**$1,000,000**
Deductible per occurrence:	**-0-**

GENERAL INFORMATION:

This endorsement insures the City of Albany, Georgia for any claim arising from the contractual agreement relating to the leasing of the Albany James H. Gray, Sr. Civic Center for the Georgia Peanut Farm Show.

INSURING AGREEMENT:

The Fund will pay on behalf of the Georgia Agricultural Commodity Commission for Peanuts all sums the insured has assumed through the above listed contractual agreement with the city of Albany, Georgia. Whereby, the Georgia Agricultural Commodity Commission for Peanuts agrees to indemnify and defend the additional insured for claims, losses, damages and cost as specified in the contractual agreement up to the limits of this endorsement.

EXCLUSIONS:

A) This endorsement does not apply to liability for breach of contract.

B) **See Paragraph 17 under PART IV – EXCLUSIONS – ALL COVERAGES.**

(12) Georgia Ports Authority

Additional Named Insured: **Ikea Property, Inc.**

Liability Limits: **As specified on the Declarations Page**

INSURING AGREEMENT

The Fund will pay on behalf of the Georgia Ports Authority, all sums the insured has assumed through a contractual agreement with Ikea Property, Inc., whereby the Georgia Ports Authority has agreed to indemnify and defend the additional insured for any bodily injury, property damage, or personal injury incurred per the terms of "THE DEVELOPMENT AGREEMENT dated December 16, 2005 among the Savannah Economic Development Authority, the Georgia Ports Authority and Ikea Property, Inc.

EXCLUSIONS:

A) This endorsement does not apply to liability for breach of contract.

B) **See Paragraph 17 under PART IV – EXCLUSIONS – ALL COVERAGES.**

(13) Georgia Ports Authority

Additional Named Insured: **Target Corporation**

Liability Limits: **As specified on the Declarations Page**

INSURING AGREEMENT

The Fund will pay on behalf of the Georgia Ports Authority, all sums the insured has assumed through a contractual agreement with Target Corporation, whereby the Georgia Ports Authority has agreed to indemnify and defend the additional insured for any bodily injury, property damage, or personal injury incurred per the terms of "THE DEVELOPMENT AGREEMENT dated August 21, 2006 among the Savannah Economic Development Authority, the Georgia Ports Authority and Target Corporation.

EXCLUSIONS:

A) This endorsement does not apply to liability for breach of contract.

B) **See Paragraph 17 under PART IV – EXCLUSIONS – ALL COVERAGES.**

OTHER CONTRACTUAL ASSUMPTIONS:

Any additional contract assumptions by the Authority Liability Fund must be added by endorsement to this policy to be insured. The Fund does not insure any contractual liability that has not been approved and added to this policy for coverage.

F. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY COVERAGE

The Fund will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of personal injury or advertising injury to which this insurance applies, sustained by the insured and arising out of the conduct of the named insured's business and the Fund shall have the right and duty to defend any suit against the insured seeking damages on account of such injury, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient.

EXCLUSIONS:

This coverage does not apply:

A) To personal injury or advertising injury arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of the insured;

C) To personal injury or advertising injury arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the named insured was made prior to the effective date of this insurance;

D) To personal injury or advertising injury out of oral or written publication of material, if done by, or at the direction of the insured, with knowledge of its falsity.

G. COMPLETED OPERATIONS AND PRODUCTS LIABILITY INSURANCE

The Fund will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage to which this insurance applies, caused by an occurrence if the bodily injury or property damage is included within the completed operations hazard or the products hazard, and the Fund shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false, or fraudulent and may make such investigation and settlement of any claim or suit as it deems expedient.

EXCLUSIONS:

This coverage does not apply:

A) To any obligation for which the insured may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law;

B) To bodily injury to any employee of the insured arising out of and in the course of his employment by the insured or to any obligation of the insured to indemnify another because of damages arising out of such injury;

C) To loss of use of tangible property which has not been physically injured or destroyed resulting from (1) a delay in or lack of performance by or on behalf of the named insured of any contract or agreement, or (2) the failure of the named insured's products or work performed by on behalf of the named insured to meet the level of performance, quality, fitness or durability warranted or represented by the named insured; but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products or work performed by or on behalf of the named insured after such products or work have been put to use by any person or organization other than an insured;

E) To property damage to the named insured's products arising out of such products or any part of such products;

F) To property damage to work performed by or on behalf of the named insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;

G) To damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the named insured's products or work completed by or for the named insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;

H) To bodily injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acid, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water, but this exclusion does not apply if such discharge, dispersal, release or escape is sudden, accidental, and results in spontaneous loss.

H. PREMISES AND OPERATIONS IN PROGRESS LIABILITY COVERAGE

The Fund will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of bodily injury or property damage to which the insurance applies, caused by an occurrence and arising out of the ownership, maintenance or use of the insured premises and all operations necessary or incidental thereto, and the Fund shall have the right and duty to defend any suit against the insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Fund shall not be obligated to pay any claim or judgement or to defend any suit after the applicable limit of the Fund's liability has been exhausted by a payment of judgements or settlements.

EXCLUSIONS:

This coverage does not apply:

A) To bodily injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden, accidental, and results in a spontaneous loss.

B) To any obligation for which the insured or any carrier as his insurer may be held liable under any workers compensation, unemployment compensation or disability benefits law, or under any similar law;

C) To property damage to:

1) property owned or occupied by or rented to the insured.

2) property used by the insured; or

3) property in the care, custody or control of the insured or as to which the insured is for any purpose exercising physical control; but parts (2) and (3) of this exclusion do not apply with respect to liability under a written sidetrack agreement and part (3) of this exclusion does not apply with respect to property damage (other than to elevators) arising out of the use of an elevator at premises owned by, rented to or controlled by the named insured.

D) To loss of use of tangible property which has not been physically injured or destroyed resulting from:

1) A delay in or lack of performance by or on behalf of the named insured of any contract or agreement; or

2) The failure of the named insured's product or work performed by or on behalf of the named insured to meet the level of performance, quality, fitness or durability warranted or represented by the named insured; but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products or work performed by or on behalf of the named insured after such products or work have been put to use by any person or organization other than an insured.

E) To bodily injury or property damage arising out of operations performed for the named insured by independent contractors or acts or omissions of the named insured in connection with his general supervision of such operations, other than bodily injury or property damage which occurs in the course of:

1) maintenance and repairs at premises owned by or rented to the named insured; or

2) structural alterations at such premises which do not involve changing the size of or moving buildings or other structures.

I. REIMBURSEMENT OF EXPENSES

The Fund will pay reasonable reimbursement of expenses incurred by an insured at the request of the Fund in the investigation or defense of any claim or suit. Actual loss of earnings not to exceed $50.00 per day, plus expenses at the same rate paid to State employees may be reimbursed by the Fund for the defense of any claim or suit.

J. RETROACTIVE COVERAGE

The Fund will provide Retroactive Coverage to an Insured Authority who is converting from a commercial claims made policy to the Authority Operational Liability Occurrence Policy. This coverage will be available for an additional 15% of the premium for each 12 months of coverage. Any losses paid as a result of this retroactive coverage will be included in the loss experience of the insured authority when determining future yearly premiums.

EXCLUSIONS:

This coverage does not apply:

A) To any notice, claim, or law suit for any occurrence reported to the commercial claims made carrier.

B) To any occurrence during the claims made policy period where the insured was given notice of a potential claim and where the insured did not record the claim information and report the claim to the commercial carrier.

C) To any occurrence prior to the retroactive date shown in line "3" of the Declarations Page.

PART II – LIMITS OF LIABILITY

The limits of liability of the Fund under this policy shall be as stated on the Declarations Page attached hereto and made a part hereof and shall constitute total extent of the Fund's liability.

The per occurrence limit of liability shall constitute the limit which the Fund shall be legally liable to pay for any occurrence covered by this policy, regardless of (1) the number of insured persons and entities under this policy, or (2) the number of alleged occurrences in a lawsuit, or (3) the number of persons or organizations who sustain injury or damage, or (4) the number of claims made or suits brought on account of such occurrence or injury.

The per person limit of liability shall constitute the limit which the Fund shall be legally liable to pay to any person irrespective of (1) the number of insured persons and entities under this policy, (2) the number of alleged occurrences in a lawsuit, (3) the number of persons or organizations who sustain injury or damage, or (4) the number of claims made (primary, derivative or otherwise) or lawsuits filed. For purposes of this policy, any and all damages claimed by any person or organization for care, services, consortium, companionship or death resulting at any time from the bodily injury or personal injury caused by an insured or otherwise causally related shall be included and limited by the per person limit as stated on the Declarations page of this policy.

The insurance does not waive sovereign immunity or any other factual or legal defense which any insured may have nor does this insurance policy pledge the credit of the state. The limits of liability herein stated are insurance limits on the expenditure of funds from the Fund. These insurance limits apply regardless of the size of the claim or the amount of money in the Fund. Notwithstanding the stated insurance limits of liability, the State's undertaking is limited to the expenditure of funds from the Fund and is not an undertaking to pay any sum from any other source or to cause the payment of any additional sums into the Fund from any source.

PART III – CONDITIONS FOR COVERAGE

A. Notice Of An Occurrence

In the event of any occurrence every insured shall provide written notice as soon as practicable to the authorized representative of the Fund: GEORGIA DEPARTMENT OF ADMINISTRATIVE SERVICES, RISK MANAGEMENT SERVICES, ROOM 1208 WEST TOWER, 200 PIEDMONT AVE., SE., ATLANTA, GEORGIA 30334; such notice shall contain particulars sufficient to

identify the insured and other information with respect to the time, place and circumstances of the occurrence as well as the names and addresses of the persons alleged to be injured and all available witnesses. This includes but is not limited to any reports of internal investigations of the occurrence. The insured shall cooperate with the Fund and the Fund's Claims Adjusters during any investigations.

B. Notice Of A Claim

A notice of an occurrence is not notice of a claim. If a claim is received by an insured the insured must (1) immediately record the specifics of the claim and the date received; (2) Notify the Fund as soon as practicable and forward all written documentation to the Fund.

C. Notice Of Suit

If a suit is filed against any insured, the insured shall immediately forward the original suit papers to THE DEPARTMENT OF LAW, STATE OF GEORGIA, 132 STATE JUDICIAL BUILDING, ATLANTA, GEORGIA, 30334 or to a Special Assistant Attorney General if one has been designated, with a copy of all suit papers to be sent to the authorized representative of the Fund addressed to the DEPARTMENT OF ADMINISTRATIVE SERVICES, ROOM 1208, WEST TOWER, 200 PIEDMONT AVE., SE., ATLANTA, GEORGIA 30334, including any demand, notice or summons received.

D. Voluntary Payments

The insured shall not, except at its own cost, voluntarily make payment, assume any obligation or incur any expense other than for such emergency medical attention to others as may be imperative at the time of the occurrence. The failure of the insured to cooperate with the Fund shall terminate the Fund's liability under this policy.

E. Impleading

No action shall lie against the Fund unless, as a condition precedent thereto, there shall have been full compliance with all of the terms and conditions of this policy or until the insured's obligation to pay shall have been finally determined either (1) by judgement against the insured at the trial or (2) by written agreement of the Fund. The Fund shall not be subject to being impleaded into any action by any insured(s) or representatives of any insured(s), and no third party shall have a right to join the Fund as a party to any action to establish the liability of any insured(s).

F. Subrogation

In the event of any payment under this policy, the Fund shall be subrogated to all of the insured's rights of recovery therefore and against any person or organization and the insured shall execute and deliver all instruments and papers and do whatever else is necessary to secure such rights. The insured shall do nothing after loss to prejudice such rights.

G. Policy Endorsements

Notice to, or knowledge possessed by, any representative of the Fund or by any other person shall not effect a waiver or a change in any part of this policy or estop the Fund from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

H. Assignment

There shall be no assignment of this contract.

I. Cancellation

This policy may be cancelled by the Department of Administrative Services for any or all Authorities upon notice to the affected Authority/Authorities electing coverage hereunder, or by any Authority after participating in the Fund for five (5) continuous years by mailing to the Fund written notice stating when thereafter the cancellation shall be effective. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Mailing of such written notice shall be equivalent to delivery. In the event of cancellation, earned premium shall be computed prorate. Premium adjustments may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective but payment or tender of unearned premium is not a condition of cancellation.

J. Governing Laws

This contract shall be deemed to be executed and delivered in the State of Georgia, shall be a contract made under and pursuant to the laws of the State of Georgia, and shall be governed by and construed under and in accordance with the laws of the State of Georgia.

K. Legal Representation

Legal representation for all insured authorities, and all insured employees, board members, directors, and officers acting in their official capacity, shall be by the Attorney General of the State of Georgia or by any designee properly appointed by the Attorney General. The Fund shall reimburse the Attorney General when assistance is provided through Special Assistant Attorney Generals or other designees and when assistance is provided through in-house staff where compensation or reimbursement is not otherwise provided.

If the Attorney General determines not to defend an insured authority, or insured employee, board member, director, or officer acting in official capacity, representation shall be as provided by law, and the Fund shall compensate retained counsel. Representation and compensation of counsel for an additional insured which is not a State authority or an employee, board member, director, or officer of an authority participating in an official capacity, shall be as arranged by the Fund.

L. Settlement

The decision to settle a claim prior to the filing of any lawsuit shall be determined by the Fund. With respect to all matters of official policy the Commissioner of the Department of Administrative Services after consultation with the Governor, shall be solely responsible for making settlement payments. With respect to claims which do not implicate official policies, the discretion of the Fund shall prevail. Decisions on all legal matters shall be made by the Attorney General. The decision to settle a lawsuit shall be made by the Fund. In addition, if an Authority elects to assume a deductible, the Fund shall maintain the exclusive right of determining the number of occurrences for all claims, to enable the Fund to decide the number of deductible(s) and the amount of money an Authority must pay on the claim(s).

M. Other Insurance

With respect to any occurrence covered by this policy, no duplicate or overlapping coverage shall be available under more than one insurance policy issued or purchased by the Fund and this policy is in excess of any other insurance policy purchased by the insured State entity. In addition, this policy is in excess of other valid and collectible insurance available to the named insureds as a result of the insureds being named as an additional insured under any policy as a result of any contractual agreement made by the State.

N. Contractual Agreement

Each State Authority should make it a requirement that all contractors and service providers indemnify and hold the State and the State's employees harmless when entering into any and all contractual agreements between the Authority and the contractor or service provider. The Authority then should obtain an insurance certificate to document that the contractor or service provider has purchased a Commercial General Liability Insurance Policy that would insure the contractual arrangement.

O. Sovereign Immunity

This insurance policy does not waive Sovereign Immunity or any other factual or legal defense which an insured may have nor does this insurance policy pledge the credit of the State.

P. Insurance Premiums

The total annual premium for the insurance coverage provided in this policy must be paid within 90 days of the invoice date or, this insurance policy may be canceled after the 90 day grace period and only will be reinstated when the premium, with any late penalty, is paid to the Fund. The DOAS commissioner is further authorized to establish incentive programs including but not limited to differential premium rates based on participation in loss control programs established by the department, increased or decreased deductibles based on participation in loss control programs established by the department, and the imposition of fines and penalties. If any premiums, deductibles, fines or penalties are unpaid, the department is authorized to deduct any unpaid amounts from the non-paying agency's or authority's budget subject to the approval of the Office of Planning and Budget and deposit those funds into the liability trust fund.

PART IV – EXCLUSIONS – ALL COVERAGES

This policy does not apply to the following:

A. To claims insured under "The Georgia Tort Claims Act" as specified in Title 50 of Chapter 21 of the Official Code of Georgia Annotated.

B. Bodily injury to an employee of the Authority for which the Authority is held liable under any Workers' Compensation Act, except where permissible by law.

C. Bodily injury or property damage arising out of (1) the ownership, maintenance, operation, use, loading, or unloading of any mobile equipment while being used in any pre-arranged or organized racing, speed or demolition contest of in any stunting activity or in practice preparation for any such contest or activity unless the exclusion is waived in writing by the Fund.

D. "Bodily Injury", "Personal Injury" and /or "Property Damage" (including the loss of use thereof) caused by, contributed to or arising out of the discharge, dispersal, release, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemical, liquids or gases, waste materials or other irritants, pollutants, contaminants, or hazardous materials into or upon the land, the atmosphere or any course or body of water, whether above or below ground. This exclusion does not apply if such discharge, dispersal, release, or escape was sudden, accidental, and results in a spontaneous loss. Also, this exclusion does not apply to bodily injury or property damage resulting from soot, smoke, vapors, fumes, gases, or other hazardous materials discharged from the operation of a locomotive.

E. Bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incidental to any of the foregoing.

F. Property loss or property damage to any property owned or occupied or rented to any insured or property used by any insured, or property in the care, custody, or control of any insured or as to which any insured is for any purpose exercising physical control, except as to any easement, sidetrack contract, or bailment by contract.

G. Loss of use of tangible property which has not been physically or destroyed resulting from a delay in or lack of performance by or on behalf of any insured with respect to any contract or agreement by the Authority or failure of the insured's products or work performed by or on behalf of any insured to meet the level of performance, quality, fitness or durability warranted or represented by the insured; provided that this exclusion does not apply to the loss of use of other tangible property resulting from the sudden and accidental injury to or destruction of the product or work produced or performed by or on behalf of any insured after such product or work has been put to use by any person or organization other than the insured.

H. Any damages claimed for the withdrawal and inspection, repair, replacement or loss of use (1) of any insured's product or work completed by or for any insured, or (2) of any property of which such product or work forms a part, when such product or work is withdrawn from the market or from use because of any known or suspected defect or deficiency therein.

I. Damages resulting from any dishonest, fraudulent or criminal act or omission of any insured for which a criminal prosecution has been successfully made against any insured by verdict or plea of guilty or plea of nolo contendere.

J. Any damages arising out of any occurrence that occurred prior to the effective date of this policy or the retroactive date if the insured purchased tail coverage.

K. Bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading, or unloading of any aircraft.

L. Employees or participating authorities sued in their individual capacity are not covered by this policy nor are volunteers covered.

M. Liability for all claims arising out of the Longshoremen and Harbor Workers' Benefit Act, the Jones Act, the Federal Employers Liability Act (Railroad Workers) or any Unemployment Compensation Act.

N. Liability for the payment of any taxes, tariffs, fines, penalties, or bonds for the named insured or any additional insureds.

O. Wages and benefits that are due to employees of the insureds through either settlements or that are awarded by the courts are not covered by this policy

P. Where a lawsuit combines a cause(s) of action that is covered under this policy with a cause(s) of action that is excluded, and the Fund believes the substance of the lawsuit is based on the excluded cause(s) of action, the Fund shall have no duty to defend the Insured. However, should a final judgment be entered based on a covered cause(s) of action, the Fund will pay that portion of the award as apportioned by the court.

PART V – DEFINITIONS

The following definitions shall apply to words used in this policy unless the context in which the word appears demands another definition.

A. **"Personal Injury"** shall mean an injury sustained by any person arising out of one or more of the following circumstances;

(1) False arrest, detention or imprisonment, or malicious prosecution;

(2) The publication or utterance of libel or slander or other defamatory or disparaging material, or a publication or utterance in violation of an individual's rights of privacy; except publications or utterances in the course of or related to advertising activities conducted by or on behalf of any insured.

(3) Wrongful entry or eviction, or any other invasion of the right of private occupancy.

(4) Any act which gives rise to any liability under any Federal civil rights statute or the Fair Labor Standards Act if such act is committed during the policy period.

B. **"Bodily Injury"** means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including wrongful death at any time resulting therefrom.

C. **"Property Damage"** means any physical damage to or destruction or loss of tangible property which occurs during the policy period, including the loss of use of such property resulting from such damage or destruction.

D. **"Insured"** means any participating Authority, Board Members, Directors, Officers, or Employees of the insured Authority while acting in their official capacity. The election to accept coverage under this policy shall be exclusively determined by the Authorities but the election of coverage requires a five (5) year commitment by the Authority.

E. **"Automobile"** means a land motor vehicle, or semi-trailer designed for travel on public roads or railroads, to include any machinery or apparatus attached thereto.

F. **"Mobile Equipment"** means a land vehicle, or locomotives, to include any machinery or apparatus attached thereto, whether or not self-propelled, which is (1) not subject to the motor vehicle registration or (2) owned or leased or under bailment and maintained for use by the Authorities in its operations (3) designed for use principally on off-public roads or (4) designed and maintained for the sole purpose of affording mobility to the equipment of the following types and forming an integral part of or permanently attached to such vehicle: Power cranes, shovels, loaders diggers and drills, cement mixers (other than mixed-in-transit types), graders, scrapers, rollers and other road construction or repair equipment, air compressor, pumps, and generators, including spraying, welding and building cleaning equipment and geophysical exploration and well servicing equipment.

G. **"Occurrence"** means every act of an insured, including any continuous or repeated exposure to the same or substantially the same conditions, which results in bodily injury, property damage or personal injury. In addition, regardless whether there has been the same general condition, any series or sequence or personnel actions by one or more insureds from one or more departments against employee shall be deemed one occurrence.

H. **"Insured Contract"** means that part of contract or agreement pertaining to your Authority under which you assume the tort liability of another to pay damages because of "bodily injury" or "property damage" to a third person or organization, if the contract or agreement is made prior to the "bodily injury" or property damage". Tort liability means a liability that would be imposed by law in the absence of any contract or agreement. The contract must be endorsed in to this policy for coverage to be effective.

I. **Product Hazards**
The words "Product Hazards", wherever used in this policy, means bodily injuries and property damage arising out of the insured's products or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injuries or property damages occurs away from premises owned by or rented to the named Authority and after physical possession of such products have been relinquished to others.

J. **Insured's Product**
The words "Insured's Products", wherever used in this policy, mean goods or products manufactured, sold, handled or distributed by the Authority or by others trading under their name, including any container thereof (other than a vehicle) but "Insured's Products" shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold.

K. **Administrative Hearing**
This policy does not provide coverage for or pay any attorney fees for any administrative hearing before any governmental body.

L. **Completed Operations Hazard**
The words "Completed Operations Hazard", wherever used in this policy, mean personal injuries and property damage arising out of operations or reliance upon a representation or warranty made at anytime with respect thereto, but only if the personal injuries or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the Authority.

"Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

(1) When all operations to be performed by or on behalf of the insured under the contract have been completed,

(2) When all operations to be performed by or on behalf of the insured at the site of the operations have been completed,

(3) When the portion of the work out of which the personal injuries or property damage arises have been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect of deficiency, but which are otherwise completed, shall be deemed completed.

The Completed Operations Hazard does not include personal injuries or property damage arising out of:

(1) Operations in connection with the transportation of property, unless the personal injuries or property damage arises out of a condition in or on a vehicle created by the loading or unloading thereof,

(2) The existence of tools, uninstalled equipment or abandoned or unused materials.

M. **"Advertising Injury"** means injury arising out of an offense committed during the policy period occurring in the course of the named insured's advertising activities, if such injury arises out of libel, slander, defamation, violation or right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

In order to be a contract, this writing has to be signed. This contract of insurance is issued pursuant to all premiums paid for the insurance coverage on the date and for the period first above written by the Department of Administrative Services as evidence to the rights and obligations of the parties.

DEPARTMENT OF ADMINISTRATIVE SERVICES
An Agency of the State of Georgia

Sid Johnson
Commissioner