

## **NORTH DAKOTA INSURANCE RESERVE FUND**

### **PUBLIC ASSETS CONDITIONS**

The following conditions apply in addition to the Common Memorandum Conditions and applicable Additional Conditions in Public Assets Coverage Forms.

#### **I. LOSS CONDITIONS**

##### **A. ABANDONMENT**

There can be no abandonment of any property to us.

##### **B. APPRAISAL**

If we and you disagree on the value of the property or the amount of "loss", either may make written demand for an appraisal for the "loss". In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of "loss". If they fail to agree, they will submit their difference to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we still retain our right to deny the claim.

##### **C. DUTIES IN THE EVENT OF LOSS**

You must see that the following are done in the event of "loss" to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the "loss". Include a description of the property involved.
3. As soon as possible, give us a description of how, when, and where the "loss" occurred.
4. Take all reasonable steps to protect the Covered Property from further damage. If feasible, set the damaged property aside and in the best possible order for examination. Also, keep a record of your expenses for consideration in the settlement of the claim.
5. Make no statement that will assume any obligation or admit any liability for any "loss" for which we may be liable, without our consent.
6. Permit us to inspect the property and records proving "loss".
7. If requested, permit us to question you under oath, at such times as may be reasonably required, about any matter relating to this coverage or claim, including your books and records. In such event, your answers must be signed.

8. Send us a signed, sworn statement of "loss" containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Promptly send us any legal papers or notices received concerning the "loss".
10. Cooperate with us in the investigation or settlement of the claim.

#### **D. COVERAGE UNDER TWO OR MORE COVERAGES**

If two or more of this memorandum's coverages apply to the same "loss", we will not pay more than the actual amount of the "loss".

#### **E. LOSS PAYMENT**

We will pay or make good any "loss" covered under this Coverage Part within 30 days after:

1. We reach agreement with you;
2. The entry of final judgement; or
3. The filing of an appraisal award.

We will not be liable for any part of a "loss" that has been paid or made good by others.

#### **F. OTHER COVERAGE OR INSURANCE**

If you have other coverage or insurance covering the same "loss" as the coverage under this Coverage Part, we will pay only the excess over what you should have received from the other coverage or insurance. We will pay the excess whether you can collect on the other coverage or insurance or not.

#### **G. PAIR, SET, OR PARTS**

1. Pair or set. In case of "loss" to any part of a pair or set we may:
  - a. Repair or replace any part to restore the pair or set to its value before the "loss;" or
  - b. Pay the difference between the value of the pair or set before and after the "loss".
2. Parts. In case of "loss" to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

#### **H. PRIVILEGE TO ADJUST WITH OWNER**

In the event of "loss" involving property of others in your care, custody, or control, we have the right to:

1. Settle the "loss" with the owners of the property. A receipt for payment from the owners of that property will satisfy any claim of yours.

2. Provide a defense for legal proceedings brought against you. If provided, the expense of this defense will be at our cost and will not reduce the applicable Limit of Coverage under this Coverage Form.

## **I. RECORDS**

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

## **J. RECOVERIES**

Any recovery or salvage on a "loss" will accrue entirely to our benefit until the sum paid by us has been recovered.

## **K. REINSTATEMENT OF LIMIT AFTER LOSS**

The Limit of Coverage will not be reduced by the payment of any claim, except for total "loss" of a scheduled item, in which event we will refund the unearned contribution on that item.

## **L. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this coverage has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "loss" to impair them.

## **II. GENERAL CONDITIONS**

### **A. CONCEALMENT, MISREPRESENTATION, OR FRAUD**

This Coverage Part is void in any case of fraud by you relating to it. It is also void if you intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property; or
3. Your interest in the Covered Property.

### **B. COVERAGE TERRITORY**

We cover property, except as limited by other provisions of the applicable Coverage Form, wherever located within:

1. The United States of America; and
2. Canada.

**C. LEGAL ACTION AGAINST US**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of the Coverage Part;
2. Until 90 days after you have filed proof of loss with us; and
3. The action is brought within 2 years after you have first knowledge of the “loss”.

**D. NO BENEFIT TO BAILEE**

No person or organization, other than you, having custody of Covered Property, will benefit from this coverage.

**E. MEMORANDUM PERIOD**

We cover “loss” commencing during the memorandum period shown in the Declarations.