

Montana Municipal
Interlocal Authority
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DEFINITIONS—PROPERTY MOC SECTION I

ACTUAL CASH VALUE

Replacement Cost less depreciation

REPLACEMENT COST

Cost of repairing, replacing, constructing or reconstructing (whichever is the least) property on same site, using new materials of like kind and quality and for like occupancy without deduction for depreciation, subject to the following:

1. Until property is actually repaired, replaced or reconstructed, maximum amount recoverable shall be actual cash value of lost or damaged property;
2. Replacement shall be effected by Member within 18 months after date of loss. If Member does not repair or replace damaged property within 18 months after the date of loss then MMIA will pay on the least of the following:
 - a. Cost it would have taken to repair; or
 - b. Actual cash value; at the time of the loss

STATED AMOUNT

Agreed value between the member and MMIA.

GENERAL PROVISIONS—PROPERTY MOC SECTION II

MMIA agrees to cover Entity or Member; Lessors and other parties of interest; Mortgagees to whom MMIA has issued Certificates of Insurance. Limits of Liability – Shared Pool Limits and Sub-Limits (Declarations Page) apply across participating pool membership, not specific to an individual Member.

PROPERTY DAMAGE -PROPERTY MOC SECTION III A & B

Subject to the terms, conditions and exclusions, covers all property – real & personal (including improvements, betterments and remodeling), of the Member or property of others in the care, custody or control of the Member, for which the Member is liable or under obligation to cover. Extensions of Coverage – personal effects; property in course of construction & additions; fire fighting expenses; debris removal; demolition cost; increased cost of construction; animals; leasehold interest; automatic acquisition.

PROPERTY NOT COVERED – PROPERTY MOC SECTION III C

NOT ALL INCLUSIVE –REFER TO MOC FOR COMPLETE LIST

1. Aircraft, watercraft over 27 feet in length, and rolling stock unless scheduled.
2. Standing timber, bodies of water, growing crops.

3. Land, (including land on which covered party is located), and land values (except athletic fields, landscaping, sand traps, tees and greens).
4. Power transmission, feeder lines and underground pipes more than 1,000 feet from the premises of the Member unless specifically scheduled and included in the Summary of Values.
5. Tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, streetlights, traffic signals (excess of sub-limit on Dec), unless specific values scheduled.
6. Retaining walls, unless scheduled with a value.

LOSS PAYMENT BASIS/VALUATION - PROPERTY MOC SECTION III D

REAL & PERSONAL PROPERTY, INCLUDING PROPERTY OF OTHERS IN THE CARE, CUSTODY OR CONTROL OF THE MEMBER:

Replacement Cost at time of loss without deduction for depreciation; provided Member has elected Replacement Cost coverage at last annual Declaration renewal. Using whichever is the least amount of the following:

- a. Replacement Cost on Summary of Values.
- b. Cost to repair.
- c. Actual Cost Value if property is not repaired or replaced within 18 months from date of loss.

Stated Amount at time of loss without deduction for depreciation; provided Member has elected Replacement Cost coverage at last annual Declaration renewal. Using whichever is the least amount of the following:

- a. Stated Amount on Summary of Values.
- b. Cost to repair.
- c. Actual Cost Value if property is not repaired or replaced within 18 months from date of loss.

IMPROVEMENTS & BETTERMENTS

Replacement Cost at time of loss without deduction for depreciation – lesser of repair or replace paid. If not repaired/replaced within 18 months Actual Cash Value paid.

LIBRARY CONTENTS

Replacement cost or valuation table in policy, whichever is less plus shelving cost.

VEHICLES AND CONTRACTORS/MOBILE EQUIPMENT

Replacement Cost where (New Values) specified on Summary of Values, loss or damage shall be 100% of the Replacement Cost (New) at time of loss.

Partial losses based on lesser cost of repairing/replacing damaged portion up to Replacement Cost value.

Stated Amount values specified on Summary of Values, loss or damage based on lesser cost of repairs or substitution in like-kind and quality, not to exceed Stated Amounts. If cash payment elected in lieu of physical repair/replacement/substitution, recovery is Actual Cash Value.

LANDSCAPING, SAND TRAPS, TREES, PUTTING GREENS, ATHLETIC FIELDS

Replacement Cost with replacement of tress, plants, shrubs limited to actual size at time of loss up to a maximum size of 25 gallons per item not to exceed \$25,000 per item.

Only covered if position/planting undertaken by human agency for cosmetic effect and excludes loss caused by or resulting from drought or weather thermal event.

SPECIAL CONDITION – AUTOMATIC COVERAGE/REPORTING CONDITIONS - PROPERTY MOC SECTION III E

If there is other insurance, this MOC shall not provide coverage until other insurance has been exhausted and then cover only its proportion of the excess loss over and above the amount due from other insurance.

If following a covered loss, it is determined damaged property has been owned or in the control of the Member for a period in excess of 18 months and not reported or declared on schedule for current year, claim will be adjusted Actual Cash Value basis.

INTERRUPTION OF BUSINESS EARNINGS/ EXTRA EXPENSE AND RENTAL INCOME – PROPERTY MOC SECTION IV A, B, C, D

COVERAGE

Against loss from interruption of business, service or Rental Value caused by direct physical loss or damage to real and/or personal property covered by this MOC, occurring during term of MOC.

MMIA liable for actual loss sustained by Member for Gross Earnings and Rental Value less charges and expenses which do not necessarily continue during interruption.

Cover necessary extra expenses incurred by the Member in order to continue normal operations following covered event.

EXTENSIONS OF COVERAGE

Ingress/egress; interruption by civil authority; demolition and increased time to rebuild; contingent time element coverage; contingent tax revenue interruption; extended period of indemnity; expenses to reduce loss.

EXCLUSIONS

The MMIA shall not be liable for any increase of loss which may be occasioned by the suspension, lapse, or cancellation of any lease or license, contract or order, unless loss results directly from the interruption of business.

With respect to loss resulting from damage or destruction of media for, or programming records pertaining to, Electronic Data processing or electronically controlled equipment, the length of time MMIA liable is limited.

CONDITIONS

If Member could reduce loss resulting from interruption of business by complete or partial resumption of operation or making use of Merchandise or other property then reduction shall be taken into account in arriving at the amount of the loss.

GENERAL CONDITIONS – PROPERTY MOC SECTION V A & B

PERILS COVERED

Subject to the terms, conditions and exclusions of the MOC, this Memorandum provides coverage against all risk of direct physical loss or damage occurring during the period of this Memorandum.

EXCLUSIONS—(NOT ALL INCLUSIVE-REFER TO PROPERTY MOC FOR COMPLETE LISTING)

Damage from moths, vermin, termites, or other insects, inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear, tear or gradual deterioration, contamination, rust, corrosion, wet or dry rot.

Loss or damage caused by or resulting from freezing, unless: (a) Member uses reasonable steps to maintain heat in the building or structure: or (b) Member drains the equipment and shut off the water supply if the heat is not maintained.

Loss or damage from misappropriation, conversion, inventory shortage, unexplained disappearance, infidelity or any dishonest act by employees

Loss or damage from war, nuclear event, mold

Course of Construction, the following exclusions shall apply:

- a. The cost of making good, faulty or defective workmanship, material, construction or design, but this exclusion shall not apply to damage by a peril not excluded resulting from such faulty or defective workmanship, material, construction or design.
- b. The cost of non-compliance of, or delay in, completion of contract.
- c. The cost of non-compliance with contract conditions.
- d. Contractors' Equipment or tools not a part, or destined to become a part, of the installation.

Loss, damage, from seepage and/or pollution and/or contamination, direct or indirect, arising from any cause whatsoever. Nevertheless if fire is not excluded from this Memorandum and a fire.

NOTICE OF LOSS & PROOF OF LOSS – PROPERTY MOC SECTION V J

Report claims timely and in writing.

Allow inspection of property at any reasonable time.

Cooperate with MMIA adjusters in the investigation of claims

Render a signed and sworn proof of loss as soon as practical, not to exceed 12 months after the loss

FINE ARTS FLOATER – PROPERTY MOC SECTION VI A, B, & C

Covers against all risks of physical loss of or damage to fine arts, which are the property of the Member or the property of others in the custody or control of the Member while on exhibition or otherwise for which the member is liable or under obligation to cover.

Exclusions include loss or damage due to wear and tear, gradual deterioration, insects, vermin, inherent vice or damage sustained due to and resulting from any repairing, restoration or retouching process; war, nuclear event, fraud, criminal or dishonest act.

Valuation of each article of property covered is current fair market value if owned by the Member and if on loan, agreed upon value.

CONTRACTORS EQUIPMENT – PROPERTY MOC SECTION VII B & C

PERILS EXCLUDED

Wear, tear, rust, corrosion, latent defect, mechanical breakage or improper assemblage; loss due to weight of load exceeding the design capacity for which such machine was designed; damage to crane/derrick boom(s)/jib(s) of lattice construction while being operated; damage due to explosion arising from within steam boilers; damage to dynamos, exciters, lamps, switches, motors or other electrical appliances or devices; damage due to dishonesty of Member's employees or persons to whom property entrusted; damage caused by failure of Member to keep and maintain property in a thorough state of repair; war or nuclear event.

PROPERTY EXCLUDED

Automobiles, motorcycles, motor trucks, or parts thereof; Buildings; Machinery or equipment or building materials to be installed in any building; Property that is located underground; Property while waterborne except while being transported on any regular ferry; Storage risk of property not owned or required to be covered by the Member at premises controlled or leased by the Member, except where incidental to the regular or frequent use of the equipment or property; Plans, blue prints, designs or specifications.

ACCOUNTS RECEIVABLE – PROPERTY MOC SECTION VIII A, B, C

COVERAGE

Covers loss of, or damage resulting from, all risks of direct physical loss or damage to the Member's records of Accounts Receivable.

EXCLUSIONS

1. Loss due to fraudulent, dishonest or criminal act by Member, a partner or an officer, director, employee or trustee while working or otherwise.
2. Loss due to bookkeeping, accounting or billing errors or omissions.
3. Loss, the proof of which as to factual existence is dependent upon an audit of records or an inventory computation.
4. Loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of Accounts Receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property.

LOSS PAYMENT BASIS/EVALUATION

When there is proof that loss occurred but Member Cannot accurately establish the total amount of Accounts Receivable outstanding as of date of loss, amount shall be based on Member's monthly statements and computed as described in Property MOC VIII C 1-4.

BOILER & MACHINERY BREAKDOWN EXTENSION – PROPERTY MOC SECTION IX

ACCIDENT

Sudden and accidental breakdown of Object, which manifests itself at time of occurrence by physical damage to Object that necessitates repair or replacement of Object. Accident shall not mean:

1. Depletion, deterioration, corrosion , or erosion of material.
2. Wear and tear.
3. Leakage at any valve, fitting, shaft seal, gland packing, joint or connection.



We Are you.

4. Breakdown of any vacuum tube, gas tube or brush.
5. Breakdown of any structure or foundation supporting the Object or any part thereof.
6. Functioning of any safety device or protective device.

OBJECT

Equipment or apparatus which owned by, leased by or operated under the control of Member.

1. Boiler, fired vessel, unfired vessel subject to vacuum or internal pressure other than static pressure of contents, refrigerating and air conditioning vessels, or piping and its accessory equipment.

Object shall not include:

- a. Boiler setting, insulating or refractory material.
- b. Sewer piping, underground gas piping, piping forming a part of a sprinkler system or water piping other than:
 - i. Feed water piping between any boiler and its feed pumps or injectors,
 - ii. Boiler condensate returning piping.
1. Mechanical or electrical machine or electrical apparatus used for the generation, transmission or utilization of mechanical or electrical power. Object shall not include:
 - a. Structure or foundation other than a bedplate of a machine,
 - b. Vehicle, elevator, crane, hoist, power shovel or drag line, but not excluding any electrical equipment used with said machine or apparatus,
 - c. Any refractory material, or
 - d. Penstock or draft tube.

COVERED PROPERTY

Any property that:

1. The Member owns; or
2. Is in the Member's care, custody or control and for which they are legally liable.

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