

CRISIS MANAGEMENT COVERAGE CRISIS MANAGEMENT COVERAGE ADDENDUM TO THE MEMORANDUM OF LIABILITY COVERAGE

NOTICE: Words that appear in **bold**, except for headings, have special meaning and are defined either in this Addendum or in the Memorandum of Liability Coverage to which it is attached.

COVERAGE LIMITS:

Coverage A: Crisis Response \$ 250,000 Each **Crisis Management Event**
and annual aggregate

Coverage B: Crisis Communication \$ 50,000 Each **Crisis Management Event**
and annual aggregate

COVERAGE AGREEMENT:

**A. Advancement of Crisis Response Costs during a Crisis
Management Event**

The **Authority** will pay on behalf of the **Member Agency** those **Crisis Response Costs** that may be associated with damages covered by the **Memorandum** arising from a **Crisis Management Event** that first commences during the Coverage Period, up to the amount of the **Crisis Response Coverage Limit**.

The **Authority** may advance the **Crisis Response Costs** that may be associated with damage covered by the **Memorandum** directly to third parties.

B. Crisis Communication Expenses

The **Authority** will pay on behalf of the **Member Agency** the costs of **Crisis Communication Services** arising from a **Crisis Management Event** that first commences during the Coverage Period, up to the amount of the **Crisis Communication Coverage Limit**.

C. A Crisis Management Event shall first commence at the time during the Coverage Period when a Key Executive of the Member Agency first becomes aware of an Occurrence that gives rise to a Crisis Management Event and shall end at the earliest of the time that the Authority determines that a crisis no longer exists or when the Crisis Response Coverage Limit and/or the Crisis Communication Coverage Limit, whichever applies, has been exhausted.

LIMITS OF COVERAGE:

- A. The **Crisis Response Coverage Limit** is the most the **Authority** will pay for all **Crisis Response Costs** under this Addendum, regardless of the number of **Crisis Management Events** first commencing during the Coverage Period.
- B. The **Crisis Communication Coverage Limit** is the most the **Authority** will pay for all **Crisis Communication Costs** under this Addendum, regardless of the number of **Crisis Management Events** first commencing during the Coverage Period.
- C. The **Authority** will have no obligation to advance **Crisis Response Costs** or to pay **Crisis Communication Costs** from the earliest of the time that the **Authority** determines that a crisis no longer exists or when the **Crisis Response Coverage Limit** and/or the **Crisis Communication Coverage Limit**, whichever applies, has been exhausted.

WORDS AND PHRASES WITH SPECIAL MEANING (DEFINITIONS):

- A. **Crisis Communication Coverage Limit** means the limit shown for Coverage B: Crisis Communication in the Coverage Limits of this Addendum.
- B. **Crisis Communication Firm** means any public relations firm approved by the **Authority** that is hired by the **Member Agency** to perform **Crisis Communication Services** in connection with the **Crisis Management Event**.
- C. **Crisis Communication Services** means those services performed by a **Crisis Communication Firm** in advising the **Member Agency** on minimizing potential harm to the **Member Agency** from a covered **Crisis Management Event** by maintaining and restoring public confidence in **Member Agency**.
- D. **Crisis Communication Costs** means the following amounts incurred during a **Crisis Management Event**:
 - 1. Amounts for the reasonable and necessary fees and expenses incurred by a **Crisis Communication Firm** in the performance of **Crisis Communication Services** for a **Member Agency** solely arising from a covered **Crisis Management Event**; and

2. Amounts for reasonable and necessary printing, advertising, mailing of materials, or travel by directors, officers, employees or agents of a **Member Agency** or a **Crisis Communication Firm** incurred at the direction of a **Crisis Communication Firm**, solely arising from a covered **Crisis Management Event**.

E. Crisis Management Event means an **Occurrence** that, in the good faith opinion of a **Key Executive** of the **Member Agency** and with the concurrence of the **Authority**, in absence of **Crisis Communication Services**, has been or may reasonably be associated with:

1. damages covered by the **Memorandum**; and
2. significant adverse regional or national news media coverage

Crisis Management Event shall include, without limitation, man-made disasters such as explosions, chemical releases, major vehicle, equipment or construction accidents resulting in multiple deaths, burns, dismemberment, traumatic brain injury, permanent paralysis, or contamination of food, drink or pharmaceuticals, or wide-spread property damage due to infrastructure failure.

F. Crisis Response Costs means the following reasonable and necessary expenses incurred during a **Crisis Management Event** directly caused by a **Crisis Management Event**, provided that such expenses have been pre-approved by the **Authority** and may be associated with damages that would be covered by the **Memorandum**.

1. Medical expenses;
2. Funeral expenses;
3. Psychological counseling;
4. Travel expenses;
5. Temporary living expenses;
6. Expenses to secure the scene of a **Crisis Management Event**; and
7. Any other expenses pre-approved by the **Authority**.

Crisis Response Costs will not include defense costs or **Crisis Communication Costs**.

- G. **Crisis Response Coverage Limit** means the limit shown for Coverage A: Crisis Response in the Coverage Limits of this Addendum.
- H. **Key Executive** means the General Manager, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Board President, or General Counsel of the **Member Agency**. A **Key Executive** also means any other person designated as such by the **Member Agency's** Board of Directors.

EXCLUSIONS:

This coverage will not apply to any **Crisis Response Costs** or **Crisis Communication Costs** in connection with a **Crisis Management Event**:

- A. arising out of, based upon or attributable to any acts alleged, or to the same or related acts alleged or contained, in any crisis, claim or **Suit** that has been reported, or in any circumstances where notice has been given under any coverage of which this **Memorandum** is a renewal or replacement or which it may succeed in time; or
- B. arising out, based upon or attributable to any pending or prior crisis, claim or **Suit** as of the inception date of this **Memorandum**.

CONDITIONS:

- A. The **Member Agency** must report any **Crisis Management Event** to the **Authority** within twenty-four (24) hours of the time that a **Key Executive** first becomes aware of an **Occurrence** that gives rise to a **Crisis Management Event** to be eligible for the advancement of **Crisis Response Costs** or the payment of any **Crisis Communication Costs**.

Notice of a **Crisis Management Event** may be given by calling the **Authority** at 1-800-231-5742. Written notice shall be given as soon as soon as practicable thereafter and should include:

- 1. how, when and where the **Crisis Management Event** is taking or took place;
- 2. the names, addresses and contact information of any injured parties and any witnesses; and

3. the nature and location of any injury or damage arising out of the **Crisis Management Event**.
- B. Any payments by the **Authority** for **Crisis Communication Costs** or advancement of **Crisis Response Costs** under this Addendum will not:
1. be deemed to be a determination of the **Member Agency's** liability with respect to any claim or **Suit** that results from a **Crisis Management Event**; and
 2. create any duty for the **Authority** to defend any **Suit** or to investigate any claim arising from a **Crisis Management Event**, nor any coverage obligations under the **Memorandum**.

All other terms, definitions, conditions and exclusions of the **Memorandum** remain unchanged.