

**GEORGIA INTERLOCAL RISK MANAGEMENT AGENCY**  
COMBINED AUTOMOBILE, CRIME, LIABILITY AND PROPERTY COVERAGES  
MEMBER COVERAGE AGREEMENT

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**II. GENERAL EXCLUSIONS APPLICABLE TO THE PROPERTY COVERAGE SECTIONS (pp16-30)**

The Property Coverage Section does not apply to any claim for damages, whether direct or consequential, or for any cause of action which is covered under any other Section of this Coverage Agreement. In addition to the General Coverage Agreement Exclusions cited above, the Property Coverage Section does not provide coverage for:

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A. loss or damage caused by or resulting from moth, vermin, termites or other insects; inherent vice, latent defect, wear, tear, gradual deterioration or depreciation; contamination, corrosion, rust, wet or dry rot, mold; fungus, mildew or yeast, including any spores, scents, toxins or by-products produced by or emanating from such mold, fungus, mildew or yeast; dampness of atmosphere, smog or extremes of temperature; or any loss or damage by settling, for any reason, including movement of any kind, shrinkage or expansion in building or foundation; unless such loss or damage is caused directly by fire or the combating thereof, or lightning, windstorm, hail, explosion, strike, riot or civil commotion, aircraft, vehicles, breakage of pipes or apparatus, sprinkler leakage, vandalism and malicious mischief, theft or attempted theft;

B. as respects property in the course of construction:

1. loss or damage to property caused by or resulting from errors in design or testing of that property but not excluding resultant physical loss or damage to property covered hereunder other than the property lost or damaged by error in the design or testing of that property;
2. the repair or replacement of faulty or defective workmanship, material or construction, but this exclusion shall not apply to physical damage to other property resulting from such faulty or defective workmanship or material;
3. penalties for non-completion of or delay in completion of contract or non-compliance with contract conditions, nor for loss of use of occupancy howsoever caused;

C. loss resulting from delay or loss of markets, or loss of use except as covered by Business Interruption and Extra Expense as defined in Property Coverage Section III.A. (pp19-21) of this Coverage Agreement.

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D. inventory shortage, mysterious disappearance or loss of or damage caused by or resulting from misappropriation, conversion, infidelity, dishonesty, fraudulent or criminal act(s) on the part of the Member or any other party of interest, whether acting alone or in collusion with others;

E. any increase of loss due to interference with rebuilding, repairing or replacing the property or with the resumption or continuation of business at the described premises caused by strikers or other persons;

F. loss or damage to personal property caused by processing, renovating, repairing or faulty workmanship thereon, or loss or damage to real property caused by faulty workmanship thereon, unless fire or explosion ensues, and then only for direct loss or damage caused by such ensuing fire or explosion;

G. loss or damage to personal property resulting from shrinkage, evaporation, loss of weight, leakage, depletion, erosion, marring, scratching, exposure to light, or change in color, texture or flavor, unless such loss or damage is caused directly by fire or the combating thereof, or lightning, windstorm, hail, explosion, strike, riot or civil commotion, aircraft, vehicles, breakage of pipes or apparatus, sprinkler leakage, vandalism and malicious mischief, theft or attempted theft;

H. loss or damage to real property resulting from cracking, bulging, expansion of pavements, foundations, walls, floors or ceilings, unless one or more of the building or structure's walls or roofs is physically broken and falls to the lower level; if however, direct loss by liquids or gases not otherwise excluded, or collapse results, then this Coverage Agreement shall cover only the resulting loss; extremes or changes of temperature (except to water piping or space heating equipment due to freezing) or changes in relative humidity, all whether atmospheric or not;

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I. loss or damage to electrical or electronic appliances, devices, system or network fixtures or wiring or device, appliance, system or network utilizing radio, cellular, microwave or satellite technology caused by artificially generated electrical current, including arcing, electrical charge produced or conducted by a magnetic or electromagnetic field, pulse of electromagnetic energy or electromagnetic waves or energy unless fire or explosion ensues, and then only for the actual loss or damage caused by such ensuing fire or explosion; however, this exclusion shall not apply with respect to Electronic Data Processing System Equipment Coverage or Equipment Breakdown Coverage;