



DAVID H. LILLARD, JR.
STATE TREASURER

TREASURY DEPARTMENT
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0225

BELFOR Procedures for Emergency Services Cleanup (Water, Fire, Etc.)
Department of General Services *Edison Contract # 57108*

Facility Director/Manager Responsibilities

1. Call the BELFOR Call Center at 1-800-856-3333 immediately to speak to a customer service representative.
2. Tell representative that you are with the **State of Tennessee Account**. This is very important. With all of the various agencies across the state, BELFOR cannot keep up with all of them. The representative will get basic information such as your name and call back phone number, address, and basic description of loss.
Note: If you think the total loss (emergency service, building repair, contents replacement, etc.) will exceed \$25,000.00, contact Sarah Gregory, Department of Treasury, Risk Management, at work (615) 734-2205 or cell (615) 878-3558. An adjuster must be assigned to all losses exceeding the \$25,000.00 insurance deductible.
3. A BELFOR Project Manager will call you back within one (1) hour of initial notification to the call center as required by the contract. The Project Manager will ask several questions to determine size and scope of the damaged area.
4. BELFOR will dispatch the initial Project Management Team consisting of one (1) project manager and three (3) technicians to your facility as required by the contract to assess the situation and begin work immediately.
Note: The BELFOR project team must be on site within three (3) hours of notification as required by contract.
5. BELFOR will provide an initial scope of work and verbal projected price to the facility director and/or state's adjuster of record within Seventy-Two (72) hours from the time the contractor arrives on site. BELFOR will provide an estimate scope of work in the designated format (XACTIMATE estimating software) within five (5) days from the time BELFOR arrived on site. All of the above is required by contract. XACTIMATE software is allowed to be set for 10% overhead, and 10% profit for permanent finishing work.
6. Upon total completion of the emergency services job, BELFOR will provide a final invoice within thirty (30) business days as required by contract. The total invoice price will be discounted 33% from the final Xactimate invoice for restorations projects.
Note: Any job completed by the Contractor that exceeds \$200,000.00 will not include the contract discount. These jobs will refer to a time and material rate agreement with the State of Tennessee's insurer of record.
7. Upon total completion of the permanent repair job (if needed), BELFOR will provide a final invoice within thirty (30) business days as required by contract.
8. For questions on the specific contract, or to issue a valid complaint if the above procedures have not been followed or by specific work performed by BELFOR, please contact, Erik Busby, Contract Administrator (Dept. of General Services), at 615-253-8900 or via email erik.busby@tn.gov.

Agency/Facility Manager's Questionnaire BELFOR Disaster Response

For All Emergencies:

- Who will meet us at site?
- What are contact numbers for those responsible?

For Water Damage:

- What was cause of loss, sewer, sprinkler, water supply line or roof leak etc?
- How many rooms or if known, how many square feet are affected?
- How much drywall/ceiling tile is affected?
- Are there any contents involved?
- How much water is still standing, is it above carpet knap?
- Is the power still on, is the breaker panel accessible?
- Is the heat/ac still on?
- Is ductwork affected?
- Is there any hazardous material issues?

For Fire or Smoke damage:

- What was cause of loss, electrical, organic, possible arson?
- How many rooms or if known, how many square feet are affected?
- How much drywall/ceiling tile/flooring is affected?
- Is there any gas, sprinkler or alarm issues?
- Are there any contents involved?
- Was fire extinguished with water or extinguisher?
- Is the power still on, is the breaker panel accessible?
- Is the heat/ac still on?
- Is ductwork affected?
- Is there any hazardous material issues?

For Collapse, Earthquake or Vehicle Collision damage:

- How many rooms or if known, how many square feet are affected?
- What is the composition of the structure, steel, concrete, wood frame etc?
- Is there any natural gas or hazardous material issues?
- Is the power still on?
- How tall is the building?

**Tennessee Treasury Department
Division of Claims and Risk Management**

Property Claim Reporting Procedures

1. The agency shall give **immediate notice** to Ken Abernathy, Sedgwick adjuster, at 423-290-6150 of any loss which may exceed the \$25,000 deductible. Sedgwick is the State's Adjuster of Record. Time is of the essence, especially in a building damage type loss. **Sedgwick will be dispatched to the loss site and will work with facility staff throughout entire claims process. In addition, contact Emergency Service Contractor (Belfor) immediately to assist agency in cleanup and water extraction.**
2. In building damage loss, clean-up as quickly as possible while Belfor is in route, in order to be able to better assess the damage properly. Please provide photographs of all damage and do not discard anything until adjuster arrives and inspects.
3. The agency shall protect the property from further damage.
4. The agency must separate the damaged and undamaged property.
5. The agency shall exhibit all that remains of the property described to the appointed insurance adjusting adjuster.
6. The agency must furnish a complete inventory of damaged or destroyed property, showing the amount of loss claimed, including the age of each item damaged.
7. It is at Risk Management's option to repair, restore, rebuild, or replace the property destroyed or damaged with other of like kind and quality.
8. Repair or replace the items. If bid situation exists, keep copies of all bids. Compile post-loss documentation and email to Adjuster.
9. Risk Management and the Adjuster will review claim. Risk Management will send proof of loss to the agency for signature.
10. Upon receipt of proof of loss, Risk Management will request from the Treasury Risk Management Fund an allotment revision to the appropriate agency allotment code.

Documentation Required by Risk Management and Property Adjuster

1. Contact Emergency Service Contractor (Belfor) immediately to assist agency in cleanup and water extraction.
2. Agency Accounting Department may want to set up a separate Code or Account Number for loss in order to track damage repair costs and employee hourly labor cost for work completed by employees outside of their normal duties.
3. Forward all repair costs invoices to the Adjuster—(Ken Abernathy) and his field adjuster on all losses. Only the actual invoices to document the actual repair cost incurred due to damages from loss will be accepted.
4. If loss damages are large enough to involve the State Building Commission, we will require the Bid scope to be approved by Adjuster before going out to bid; copies of the Bid Tab and the winning low bid; a copy of the final contract between the State and the Low Bid Contractor. In addition, information on the Pre-Construction meetings and any progress meetings, and notification of any change orders during the repair process must be communicated to the adjuster.
5. The Adjuster will need all invoices for all Property and Contents damages as soon as possible after repairs are completed. We cannot recommend payment for damages without the invoice documentation from Agency where the loss occurred.
6. The Agency must ensure that the Adjuster is notified of any changes in the scope of work agreed too during inspection of the loss. Failure to notify the Adjuster will result in the change of scope not being eligible for reimbursement.

Sarah Gregory, EHS Risk Manager, Claims and Risk Management	Ken Abernathy, General Adjuster, Sedgwick
(615) 734-2205, (615) 878-3558	(615) 590-1550
Sarah.Gregory@tn.gov	Kenneth.Abernathy@sedgwick.com

SWC #817 Emergency Services/Restoration Contract Information and Usage Instructions

*****The contact information and processes detailed in this document are subject to change at any time. Please go to <https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/state-agencies-/statewide-contract-instruction--swc-.html> for the most up-to-date version of statewide contract usage instructions.**

Contract Period: This contract has a total five-year term, with the initial term being three years and the remaining two years consisting of optional one-year renewals.

Contract Start Date: 2/1/2018

Current Contract Expiry Date: 1/31/2022

Summary/Background Information:

The purpose of this contract is for the State of Tennessee to receive emergency services for disaster recovery including restoration and finishing. Belfor USA Group is responsible for the immediate and initial response to emergency situations such as, but not limited to water/fire damage, vandalism cleanup, biohazard cleanup, sewage decontamination, deodorization, and mold remediation. Services such as: water extraction, drying of structure and contents, debris removal, etc. are also within the scope. This contract is available for use for all structures within all state agencies, departments, institutions, authorized local users, and higher education institutions.

Supplier Name: Belfor USA Group Inc

Supplier ID: 70016

Edison Contract: 57108

State Contact Information:

Contract Administrator-

Erik Busby

Category Specialist

Central Procurement Office

(615) 253-8900

Erik.Busby@tn.gov

Vendor Contact Information:

Russ Dailey
615-885-6577 (office)
Russ.Dailey@us.belfor.com
595 Stewarts Ferry Pike
Nashville, TN 37214

Emergency Procedure Process:

The Facility Director or Manager should follow the steps below when in need of emergency service from the contractor:

1. Call the BELFOR call center at 1-800-856-3333 immediately to speak with a customer service representative.
2. Tell representative that you are with the State of Tennessee Account. This is very important. The representative will get basic information such as your name, call back phone number, address, and basic description of loss.

Note: If you think the total loss (emergency service, building repair, contents replacement, etc. will exceed \$25,000.00, contact Ken Abernathy, Vericclaim Adjuster, at (423) 290-6150 or via email at kabernathy@vericclaim.com. An adjuster must be assigned to all losses exceeding the \$25,000.00 insurance deductible.

3. A BELFOR Project Manager will call you back with within one (1) hour of the initial notification to the call center as required by the contract. The Project Manager will ask several questions to determine the size and scope of the damaged area.
4. BELFOR will dispatch the initial Project Management Team consisting of one (1) project manager and three (3) technicians to your facility as required by the contract to assess the situation and begin work immediately.

Note: The BELFOR project team must be on site within three (3) hours of notification as required by contract.

5. BELFOR will provide an initial scope of work for the emergency services job and verbal projected price to the facility director and/or state's adjuster of record within seventy-two (72) hours from the time the contractor arrives on site. The above is required by contract. (Note: The emergency services work is the work needed to stabilize the situation to protect the asset; it may or may not provide the permanent solution.)
6. BELFOR will provide an estimate scope of work for the permanent repair job (if needed) in the designated format (XACTIMATE estimating software) within five (5) days from the time BELFOR arrived on site. This is required by the contract.

Note: If the cost of the permanent repair job exceeds \$100,000, approval of the State Building Commission will be required prior to starting the permanent

repair work. It is recommended that if the BELFOR estimate for the permanent repair job exceeds \$85,000, you contact: Keith King at 615-366-3983 (for TBR facilities); Michelle Crowder at 865-974-2628 (for UT facilities); Natalie Hansen at 615-741-1579 (for all other facilities) to determine the appropriate course of action to accomplish the permanent repair work.

7. Upon total completion of the emergency services job, BELFOR will provide a final invoice within thirty (30) business days as required by contract. The total invoice price will be discounted **33%** from the final Xactimate invoice for restoration projects. A **3%** discount will be applied to any finishing work completed. These discounts are to be clearly listed on each invoice.

Note: Any job completed by the Contractor that exceeds \$200,000.00 will not include the contract discount. These jobs will refer to a time and material rate agreement with the State of Tennessee's insurer of record.

Additional State Contacts

Sarah A. Gregory
EHS Risk Manager

O: 615-734-22005

C: 615-878-3558

Sarah.Gregory@TN.Gov

Requisition and Purchase Order Generation:

For information on how to create a requisition and/or purchase order please reference our CPO Job Aids on the following page: <https://www.teamtn.gov/cpo/learning-development/cpo-job-aids.html>



Specifications for SWC 817 Emergency Services/Restoration

The purpose of this solicitation is for the State of Tennessee to secure a contract for statewide emergency services for disaster recovery: restoration and finishing. The contractor will be responsible for the immediate and initial response to emergency situations such as, but not limited to: water/fire damage, vandalism cleanup, biohazard cleanup, sewage decontamination, deodorization, and mold remediation. The contractor will be responsible for services such as: water extraction, drying of structure and contents, debris removal, etc. At the discretion of the State of Tennessee, the contractor may be responsible for any structural repair, construction, and finishing. Restoration work includes anything that is necessary to get the structure back to a functional, safe state and enable employees to return to the space to work. Finishing work includes interior design such as: paint, carpeting, etc. that is cosmetic. Contractors are required to use Xactimate software when preparing estimates for jobs under the performance of this contract.

This contract will be available for use for all structures within all state agencies, departments, institutions, authorized local users, and higher education institutions. Currently, there are approximately 5,500 State of Tennessee structures under the scope of this contract. This contract is not limited to the buildings that are leased or owned by the State at the time of contract award. The State of Tennessee reserves the right to add or remove structures at any time. The contractor must be able to manage and staff multiple losses at multiple locations simultaneously.

Engineering or architectural services are outside of the scope of this contract, per Tenn. Code Ann. § 12-4-107.

1.) Staff Requirements:

- a) The contractor must have a minimum of four (4) project management teams made up of one (1) staff project manager and three (3) staff support technicians trained in emergency response. The contractor must have at least one (1) office and one (1) project management team in each of the three (3) grand divisions of Tennessee: East, Middle, and West. Grand Divisions are as defined in Tenn. Code Ann. §§ 4-1-201 - 204.

- b) Subcontractors may not be used to fulfill staffing or office location requirements. The contractor shall maintain the resources necessary to manage staff and perform the work within this contract. Contractor staff shall provide a quick response to the agency, and have the ability to manage multiple projects at multiple locations simultaneously. No temporary workers (temp agencies) will be allowed. Subcontractors may only be used for the finishing component of this contract, not restoration.
 - c) A list detailing the minimum three (3) offices and four (4) project management teams must be provided to the State. The list must include: the address of each office, the date the office was established at that location, the manager of each location with contact information, the project manager of each team with contact information and what office the team operates from. Each office must be an established location for at least three (3) years. This list must be updated and sent to the State contract administrator within thirty (30) days of any changes to the details above.
 - d) As stated in the terms and conditions: The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.
- 2.) The contractor must bid and perform contract services through the management of the corporate office in order to maintain consistency in work quality. Franchise locations under the corporate office can be considered a service location per section one (1) above.
- 3.) Equipment –
- a) In order to provide services in a time effective manner in the event of a disaster, the contractor must own a minimum of one million dollars (\$1,000,000) of restoration equipment within the State of Tennessee that will be used in the performance of this contract. Examples of equipment that may be required are: drying equipment, air scrubbers, foggers, moisture meters, etc.
 - b) All equipment intended to be used in the performance of this contract must be stored within the State of Tennessee throughout the duration of the contract. The contractor shall include an inventory list of this equipment with bid. The listing shall include the type of equipment and description, name of the manufacturer, current value, and office location of the equipment. The

contractor must submit an updated list of this inventory to the State contract administrator on an annual basis while the contract is in place.

4.) Project Estimates-

- a) The contractor will be required to utilize the project costing software Xactimate 27.5 or 28 licensed by Xactware, or the most current version, with monthly updates for loss locations by zip code. The contractor must provide Xactimate licensure. During the contract period, the contractor will estimate cost using the unit line pricing and incorporating the appropriate zip code pricing from the most current version of "Xactimate" cost estimating computer software. The complete cost for each job is then determined by multiplying the total of line item costs by the percent discount bid. The State of Tennessee will not be responsible for any additional overhead or profit charges. Base service charges, overhead, and profits will not be allowed in Xactimate. Price list from Xactimate cannot be changed or modified. There are no other add-ons to the subtotal price. Each job becomes a firm, fixed price and there will be no changes to price or quantities. Contractor shall adjust estimates for projects that result in a lower cost than the original firm, fixed price. See section 6.e. in instances of higher cost than the original estimate. Each estimate the contractor submits becomes the property of the State of Tennessee. Xactimate software is allowed to be set for 10% overhead, and 10% profit for permanent finishing work only.
- b) On large mitigation, remediation and/or restoration projects potentially exceeding a \$200,000 estimate or involving complex or unique situations would be billed on a time and material basis in accordance with the supplier's agreement with the property insurer of record. If the contractor does not have a time and material rate agreement with the State of Tennessee's insurer of record prior to contract award, these rates would be created and agreed upon between parties in the instance of a project exceeding \$200,000.

Complex or unique projects not exceeding \$200,000 must receive approval from the adjuster and Treasury before being billed on a time and material basis. Justification must be provided by the supplier supporting why Xactimate pricing would not adequately include all costs associated with the project.

- c) Contractor must work with and take direction from the State adjuster and the State's insurance carrier in the event there is an insurance claim as a result of the damage. Projects under \$1,000 may be handled at the discretion of the agency or facility management personnel.
- 5.) Contractors are responsible for providing their telephone and fax numbers, email address, and cellular phone and/or pager numbers to the State of Tennessee and/or the State adjuster. The contractor must maintain a 24/7 dedicated toll-free line that is staffed by contractor personnel or an answering service. The person answering the telephone must be trained and capable of obtaining all information needed in order to properly assess the existing loss information from the agency. For the duration of a project, the agency needs to have one point of contact with the contractor. Answering machines or voice mail systems are not acceptable. When away from their office station, the contractor's project manager and other supervisory staff involved with an ongoing job for the state shall be equipped with and accessible via mobile telephone service.
- 6.) Response time requirements:
- a) Upon receipt of notification for services, the contractor shall respond to the requesting agency representative within one (1) hour of the initial notification. The response must be by phone and an email confirmation is encouraged. A proper assessment, determined at the discretion of the State, must be completed by the contractor. After hours calls must be forwarded to a contractor staff employee's cell phone or 24/7 dedicated toll-free line. The one (1) hour response time requirement begins when the agency makes the initial contact with the contractor office, staff employee's cell phone, or 24/7 dedicated toll-free line.
 - b) Within three (3) hours of the initial notification, the contractor shall be on site with qualified personnel to determine the scope of work involved with the project. The contractor should have a management team which must be comprised of one project manager and three trained support technicians. They must be ready to start work immediately upon arrival at the loss location.
 - c) Within seventy-two (72) hours of the contractor arriving on site, the contractor shall provide an initial scope of work and projected price to the State's adjuster, if used, and/or an agency representative. The site must be visited to take exact measurements and examine the premises to become familiar with any problems or unusual circumstances. No allowances will be made by the State for errors in

quotations due to the contractor not visiting the site prior to submitting their projected price. Respondents shall be responsible for their own measurements.

- d) Within five (5) calendar days of the contractor arriving on site, the contractor shall provide an estimated scope of work in the Xactimate format to the State adjuster and/or an agency representative.
- e) If actual on site services are determined by the contractor to require a change in scope of work, budget, or time, the contractor shall contact the assigned adjuster and/or representative from the agency immediately upon such determination to receive approval to proceed with the change of work.
- f) Upon completion of a job, the contractor shall invoice the requesting agency and/or adjuster within thirty (30) business days of completion. The agency and/or adjuster will review and approve the invoice before payment is authorized. The agency representative or State adjuster will sign off on all completed restorations.

7.) Contractor License Requirements:

- a) A contractor's license must be held by the contractor and provided when submitting a bid.
- b) The "Prime" (general) contractor (not a subcontractor), must have this license prior to bidding on the solicitation, offering a price, negotiating, performing work or contracting.
- c) Reciprocal agreements do NOT allow using another state's license in Tennessee.
- d) Contractor's license must have an "Unlimited" monetary limit and a "BC" classification.
- e) A contractor's license is obtained as a Sole Proprietor, Corporation, Partnership or LLC, and issued in the exact name of the entity listed on the financial statement. Must bid and operate in the exact name listed on the license.
- f) A contractor's license is required for all projects, even if a local permit is not required for inspections. Contractor must hold a local permit and licensing as required.
- g) The contractor is required to have proof of current certification and training for water restoration and mold remediation by the Institute of Inspection Cleaning

and Restoration Certification (IIRC) training council. All water mitigation work shall abide by the most current IIRC S500 guidelines for water restoration and the most current IIRC S520 guidelines for mold remediation.

- h) The contractor is required to be chartered with the State of Tennessee Department of Agriculture as a pest control applicator and provide proof of C14 commercial microbial pest control certification within Tennessee.
- 8.) Finishing work will be completed after restoration work at the discretion of the State. Not all jobs will require finishing work. The State will decide on a per-job basis if finishing work will be required.
- 9.) Statewide contract 102 – Building Materials and other statewide contracts are available to all authorized users for use in conjunction with the services provided under this contract. The contractor must work with State agencies to ensure uniformity with State aesthetic preferences.
- 10.) Contractor shall attend annual meetings with the Department of General Services and/or State adjutor to discuss the status of this contract.
- 11.) Transition Plan:
 - a) Upon expiration or termination of the contract, contractor shall provide detailed procedures to enable the contract to transition to the State or management by a third party at no additional cost to the State. Contractor shall work with the State under the State’s management supervision, prior to the expiration or termination of the Contract, to ensure the orderly transfer and efficient transition from current contractor to the State or management by a third party. Contractor shall provide full disclosure to the State and the third-party contractor about the equipment, software, or services required to perform the services for the State and shall transfer any and all records, files and logs to the State regarding work performed for the State during the contract period.
 - b) Any incomplete projects that are ongoing at the time of the new contract award will be completed by the current contractor. Any services requested after the new contract start date will be begun and completed by the new contractor.

- c) In the event that the State has entered into or enters into agreements with other contractors for additional work related to services rendered under the Contract, Contractor must cooperate fully with such other contractors. Contractor shall not commit any act which will interfere with the performance of work by any other contractor.

ENDORSEMENT # 5

This endorsement, effective 12:01 A.M., October 15, 2020

Forms a part of Policy No.:

Issued to: The State of Tennessee, including all its departments, agencies, institutions and divisions, including the University of Tennessee system and the Tennessee Board of Regents system, and subsidiaries, Austin Peay State University, East Tennessee State University, Middle Tennessee State University, Tennessee State University, Tennessee Technological University, University of Memphis, and associated companies and/or corporations and the insured's interest in partnerships and joint ventures as now exist or may hereafter be constituted or acquired and any party in interest to which the insured is responsible to insure.

DEDUCTIBLES SUBJECT TO ANNUAL AGGREGATE INSURED RETENTION ENDORSEMENT

This endorsement modifies insurance provided by the Policy:

Item **10.A.** of the Declarations is deleted in its entirety and replaced with the following:

SCHEDULE

Annual Aggregate Insured Retention Amount:	\$7,500,000		
Minimum Deductible:	\$25,000 per occurrence		
Maintenance Deductibles:			
Tier 1A:	\$75,000 per occurrence	Tier 1B:	\$50,000 per occurrence
Tier 2A:	\$50,000 per occurrence	Tier 2B:	\$50,000 per occurrence
Tier 3A:	\$25,000 per occurrence	Tier 3B:	\$25,000 per occurrence

The deductibles and Annual Aggregate Insured Retention Amount shown in the above Schedule apply to covered loss or damage, other than covered loss or damage from the perils of **earth movement, flood, named storm, windstorm or hail** or **equipment breakdown** (hereinafter, such perils other than **earth movement, flood, named storm, windstorm or hail** or **equipment breakdown** are referred to as **other perils**).

If covered loss or damage arises out of **other perils**, then we shall first apply the applicable Minimum Deductible set forth in the above Schedule to such covered loss or damage. Losses in excess of the Minimum Deductible shall be paid by the Named Insured until such point as the Annual Aggregate Insured Retention Amount is exhausted. The Annual Aggregate Insured Retention Amount shall only be reduced by amounts in excess of the Minimum Deductible.

Upon the exhaustion of the Annual Aggregate Insured Retention Amount, the applicable Maintenance Deductibles set forth in the above Schedule shall apply to covered loss or damage arising out of **other perils** for any subsequent claim.

If the policy period is less than or longer than twelve months, then the above Annual Aggregate Insured Retention Amount shall be proportionately adjusted.

All claims to be taken into account in reducing the Annual Aggregate Insured Retention Amount shall be notified to us in accordance with the REQUIREMENTS IN CASE OF LOSS OR DAMAGE Subsection of the

CONDITIONS APPLICABLE TO LOSS ADJUSTMENT AND SETTLEMENT Section.

Insert Company Name shall adjust losses and pay loss adjustment expenses for losses subject to the Annual Aggregate Insured Retention until the Annual Aggregate Insured Retention Amount has been exhausted. Loss adjustment and loss adjustment expenses incurred after exhaustion of the Annual Aggregate Insured Retention Amount or in respect to claims not subject to the Annual Aggregate Insured Retention shall be the responsibility of the Insurers to whom claim is made under the Policy according to their proportionate shares. Loss adjustment expenses shall not be applied toward the Annual Aggregate Insured Retention.

The Policy definitions shall apply to this Policy and to this endorsement. The following definitions shall apply to this endorsement:

Tier 1A means the Property Damage and Time Element combined deductible to be applied to covered loss or damage at State entities with a three year annual average of covered Property Damage and Time Element losses in excess of \$1,500,000 under the most recent tier certification provided to us by the Tennessee Director of Claim & Risk Management for all covered loss or damage arising out of **water damage**.

Tier 1B means the Property Damage and Time Element combined deductible to be applied to covered loss or damage at State entities with a three year annual average of covered Property Damage and Time Element losses in excess of \$1,500,000 under the most recent tier certification provided to us by the Tennessee Director of Claim & Risk Management for all covered loss or damage arising out of causes other than **water damage**.

Tier 2A means the Property Damage and Time Element combined deductible to be applied to covered loss or damage at State entities with a three year annual average of covered Property Damage and Time Element losses greater than or equal to \$500,000 but less than \$1,500,000 under the most recent tier certification provided to us by the Tennessee Director of Claim & Risk Management for all covered loss or damage arising out of **water damage**.

Tier 2B means the Property Damage and Time Element combined deductible to be applied to covered loss or damage at State entities with a three year annual average of covered Property Damage and Time Element losses greater than or equal to \$500,000 but less than \$1,500,000 under the most recent tier certification provided to us by the Tennessee Director of Claim & Risk Management for all covered loss or damage arising out of causes other than **water damage**.

Tier 3A means the Property Damage and Time Element combined deductible to be applied to covered loss or damage at State entities with a three year annual average of covered Property Damage and Time Element losses less than \$500,000 under the most recent tier certification provided to us by the Tennessee Director of Claim & Risk Management for all covered loss or damage arising out of **water damage**.

Tier 3B means the Property Damage and Time Element combined deductible to be applied to covered loss or damage at State entities with a three year annual average of covered Property Damage and Time Element losses less than \$500,000 under the most recent tier certification provided to us by the Tennessee Director of Claim & Risk Management for all covered loss or damage arising out of causes other than **water damage**.

Water damage means:

- a. Discharge or leakage of water or steam from a plumbing, heating, air conditioning or other system or appliance; or
- b. Discharge or leakage from fire protection equipment, other than discharge due to a fire, explosion or **earth movement**.

All other terms and conditions remain unchanged.

Authorized Representative