

# STATUTORY EXCLUSIONS OF COVERAGES

## INTRODUCTION

A.R.S. Sec. 41-621 K. excludes coverage for certain types of losses from both any insurance obtained by the Department of Administration and any self-insurance provided by the state.

### A.R.S. SEC. 41-621 K. EXCLUSION

The following exclusions shall apply to subsection A, B, and D:

1. Losses that arise from and are directly attributable to an act or omission determined by a court to be a felony by a state officer, agent or employee unless that state knew of the person's propensity for that action, except those acts arising out of the operation or use of a motor vehicle.
2. Losses arising out of contractual breaches.

### A.R.S. SEC. 41-622B. EXCLUSIONS

Additional exclusions that apply to property losses are contained in A.R.S. Sec. 41-622 B.

The permanent Risk Management revolving fund in the Department of Administration shall exclude any property loss arising from:

1. Obsolescence.
2. Non-serviceability.
3. Mysterious disappearance.
4. Inventory shortage.
5. Damage due to mechanical or electrical breakdown.
6. Ordinary wear and tear.

NOTE: Mysterious disappearance shall not be construed to include a loss if there is a reasonable presumption of theft.

### A.R.S. SEC. 41-622 C

This section states that, to qualify for payment for loss by theft or burglary of State-owned personal property, an agency must show evidence of forcible entry, or that threat of violence was used in the taking of the property, or there must be reasonable presumption of theft.

**SEE: RISK MANAGEMENT RULES AND REGULATIONS, CHAPTER 10, SEC. 2, FOR EXCLUSIONS.**