

**MORA-SAN MIGUEL ELECTRIC COOPERATIVE, INC.**  
**BOND AND INSURANCE**  
**BOARD POLICY NO 403**  
**Supersedes Policy # 18**

**SUBJECT:** Bond and Insurance Coverage

**OBJECTIVE:** To establish a policy to assure proper bonding and insurance coverage for the Cooperative

**POLICY:**

It shall be the responsibility of the Manager to see that sufficient insurance coverage is maintained at all times and to see that all such insurance policies are renewed 90 days before the date of their expiration, with approval of the Board, in accordance with the requirements of the Rural Utility Services ("RUS").

A. Mora/San Miguel Electric Cooperative, Inc. shall carry at all times, insurance and bonds of such classifications and in such amount as the Rural Utility Services may determine for the protection of the interest of the Cooperative and the government;

B. Insurance and Bonds required by the RUS Administrator, shall be purchased from companies of the Cooperative's choice, provided that the companies selected shall meet such standards as the RUS Administrator may establish;

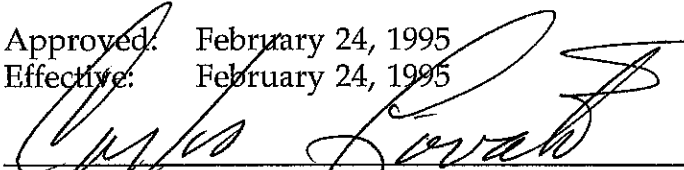
C. The Cooperative will submit to RUS all evidence of such insurance and bonds as shall be required by the RUS Administrator, and make such changes in the insurance and bonds as the Administrator shall determine to be advisable;

D. The insurance and bonds shall contain an endorsement requiring that:

1. Notice of any change or cancellation, and
2. A copy of each premium audit report shall be furnished to RUS;

The Board shall be responsible for the enforcement of this Policy.

Approved: February 24, 1995  
Effective: February 24, 1995

  
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Board Secretary