



Proposal of Insurance

Town of Munster

1005 Ridge Road
Munster, IN 46321

Presentation Date: November 26, 2024

Arthur J Gallagher Risk Management Services, LLC
AJG License Nos. IL 100292093 / CA 0D69293



Gallagher

Insurance | Risk Management | Consulting

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Executive Summary

Town of Munster
1005 Ridge Road
Munster, IN

RE: **Insurance Brokerage and Risk Management Services**

Dear Trisia:

On January 1, 2025, Gallagher will continue its 31+ year relationship with the Town. We are truly honored to have the opportunity to be of service and continue our long-term partnership with the Town. Gallagher is pleased to present our Insurance Brokerage and Risk Management Services summary for your review. Our proposal highlights the services, capabilities and industry expertise that are available for utilization by the Town of Munster.

As a Company, Gallagher's Public Entity & Scholastic Division (PESD) specializes in serving the risk management and insurance needs of the public sector. This niche has long been a core competency of our company, and today represents a significant portion of our brokerage business.

The question of "Why do business with Gallagher?" is easily addressed by Gallagher's focus on understanding and providing the best available tools for PESD clients. Some highlights are noted below:

- Because we focus on public entity clients, we have widespread available expertise nationwide with over 320 people in 40+ branch offices.
- We have adopted a policy of "Transparency" when it comes to commissions and fees that cannot be matched by our peers. We are committed to clearly letting our clients know exactly what our income is on each and every account.
- We are innovators and are constantly looking for ways to improve coverage terms and introduce any applicable risk management strategies.
- Our focus is on the client and we strive to meet and exceed your expectations as laid out in our client service plan which is developed in conjunction with the district. Our goal is to bring the best team members possible to service your account, based on your needs.
- We focus on long-term relationships and the commitment that it requires.
- We are experienced risk managers. Insurance is a commodity that is readily available from many sources, but true risk management is a discipline that we believe is essential to the success of a complicated structure like the district's program.

Specializing in the Public Entity sector has allowed our staff, the staff assigned to your account, to concentrate on the exposures and risks of these sectors. We are committed to and have established relationships with the various markets that also specialize in providing insurance coverage to this sector. We understand the coverage and forms not only needed by this sector but being offered by the various insurance companies. We have extensive experience in marketing large, complex accounts.

Gallagher's Competitive Advantage

- Our Client Base consists of more than 19,700 Public Sector accounts including cities, counties, schools, state governments and special service districts
- Total Annual Premium Volume is in excess of \$1 Billion, which allows us to obtain the most competitive terms in the marketplace for our clients. We have access to all of the insurance companies that specialize in public sector risk.

- We are the only U. S. Broker with hundreds of sales and risk management experts focused strictly on public sector business. We have an excellent reputation in the public sector arena and we are dedicated to providing exceptional service in a highly ethical manner.
- Through CORE360 and our consultative approach, we assist our clients in managing their Total Cost of Risk (TCOR) and not just their insurance premiums.

Our clients have selected Gallagher as their broker not only for our national resources our specialized expertise in the public entity sector, and our relationships with insurance providers experienced in this market segment, but also for our personal approach to consistent, quality client service.

Town of Munster's Service Team Performance Objectives

- We consistently have marketed the program each year to several insurance companies in order to obtain the most favorable results available in the marketplace.
- In spite of Public Sector average premium increases ranging from 17-40% nationwide over the past two years, Town of Munster has performed extremely well with most rates well below the national average and some areas where rates have actually decreased.
- Ongoing day-to-day servicing goals and objectives as outlined and defined in our annual proposal review to include certificate issuance, policy coverage reviews, and compliance with audit standards for quality deliverables.

If you have any questions or comments, please do not hesitate to contact us.

Sincerely,

Rich Stokluska

Rich Stokluska, ARM
Area Senior Executive Vice President

JoAnn Bonnevier

JoAnn Bonnevier, CIC, CISR
Client Service Director

Your Gallagher Team

Your Gallagher team is a true partner. We have the expertise to understand your business and we're here to service and stay alongside you, every step of the way.

<i>Service Team</i>	<i>Role</i>	<i>Email</i>	<i>Phone</i>
Rich Stokluska, ARM Area Senior Executive Vice President	Producer	Rich_Stokluska@ajg.com	(630) 285-4012 (p)
JoAnn Bonnevier, CIC, CISR, CIIP Client Service Director	Client Service Manager	Joann_Bonnevier@ajg.com	(630) 647-3082 (p)
Mark Noffert Area Executive Vice President	Consultant	Mark_Noffert@ajg.com	(630) 285-3758 (p)
Andrew Cole Area Executive Vice President	Branch President	Andrew_Cole@ajg.com	(312) 803-6380 (p)

Service Commitment

Account Service

At Gallagher, our goal is to provide you with an exceptional insurance and risk management program delivered by a world class service organization. Gallagher is committed to partnering with our clients to ensure we consistently deliver the highest quality service possible.

Renewals

We use a standard Renewal Timeline and start early to make sure your needs are met and we are able to offer you the most comprehensive and competitively priced insurance program. At each renewal, we will meet with you to establish a renewal game plan, determine how many markets should be approached, discuss pricing in the insurance marketplace, and identify what specific needs must be addressed. We will then approach markets that we feel will offer the best alternatives. These alternatives will be presented at renewal as an option, even if we feel the incumbent program is strongest. We will demonstrate how we have created competition within the marketplace to ensure that you receive the best renewal terms.

We make ourselves accountable by working with you to develop a written service schedule that meets your needs. You can track our service by referring to our written service commitment. Service becomes especially important as your type of organization continues to change and prosper.

As a top national broker, we have access to over 150 insurance companies and wholesalers. This maximizes your insurance options in any given policy year situation. In addition, our integrity and influence in the marketplace have resulted in excellent relationships with our markets. These factors are especially important to consider as the insurance needs of your organization become more complex and require more sophisticated solutions.

Automobile Identification Cards

ID cards will be issued upon binding of coverage.

Phone Calls

Phone calls will be returned within one working day of receipt.

Certificates of Insurance

Certificates of Insurance will be issued within one working day of request.

Claims

Claims will be reported to the company within two working days of receipt, and acknowledgment of receipt will be sent to you. We will follow up with the carrier within ten working days after receipt of a claim. Monthly claim reports will be provided if requested.

Loss Control

We will coordinate all loss control activities between you and the carrier. We recommend that service be provided on a quarterly basis.

Program Structure

Town of Munster



Package & Property Program – Aggregate Stop Loss 2025-2026 Protected Self-Insured Structure

Excess Workers Compensation Statutory Limits Excess of \$500,000 Fire & Law Excess of \$750,000 Arch Insurance Co.	\$5,000,000 Per Occurrence/ \$6,000,000 Agg.	\$5,000,000 Per Occurrence/ \$6,000,000 Agg.	\$5,000,000 Per Occurrence/ \$6,000,000 Agg.	\$87,065,309 (1) \$6,634,426 Street Lights. Property/Boiler & Machinery Fireman's Fund	\$1,000,000 Excess of \$50,000 All Package Options	\$1,000,000 aggregate Protection Excess of Loss Fund Old Republic & Ambridge
	\$500,000 Other Class Code \$750,000 Fire & Law Self-Insured Retention	\$200,000 Self-Insured Retention	\$200,000 Self-Insured Retention	\$200,000 Self-Insured Retention	\$50,000 Self-Insured Retention (2)	\$50,000 Self-Insured Retention
Workers Compensation	General Liability Law Enforcement Liability Employee Benefits	Automobile Liability	Errors & Omissions Public Official Employment Practices Liability	Property	Crime	

Named Insured

<i>Named Insured</i>	<i>Line of coverage</i>
Town of Munster	All Lines of coverage included in this Proposal

Note: Any entity not named in this proposal may not be an insured entity. This may include affiliates, subsidiaries, LLCs, partnerships, and joint ventures.

Market Review

We approached the following carriers in an effort to provide the most comprehensive and cost effective insurance program.

<i>Line Of Coverage</i>	<i>Insurance Company ** (AM Best Rate/Financial Strength)</i>	<i>Market Response *</i>	<i>Admitted ***</i>
Package including Crime	Ambridge -Lloyd's of London (A XV)	Quoted	Non-Admitted
	Travelers Indemnity Company Charter Oak Fire Ins. Co. (A++ XV)	Quoted	Admitted
	Old Republic Union Insurance Company (A+ XV)	Quoted	Non-Admitted
	Liberty Mutual Insurance Company	Declined to Quote - Adverse Claims Experience	Admitted
	Affiliated FM Insurance Company	Declined to Quote - Adverse Claims Experience	Admitted
	American International Group, Inc	Declined to Quote - Pricing not Competitive	Admitted
	Cincinnati Insurance Company	Declined to Quote – Cannot Compete	Admitted
	Princeton Excess & Surplus Lines Insurance Company (A+ XV)	Quoted – Not Competitive	Non-Admitted
Excess Property	Fireman's Fund Insurance Company (A+ XV)	Recommended Quote	Admitted
Excess Workers' Compensation	Arch Insurance Company (A+ XV)	Quoted	Admitted
	Midwest Employers (A XV)	Recommended Quote	Admitted
Cyber Liability	Houston Casualty Company (A++ XV)	Recommended Quote	Non-Admitted
	Federal Insurance Company (A++ XV)	Recommended Quote	Admitted
Package - Methane Plant	American International Group, Inc	Declined to Quote - Pricing not Competitive	Admitted
Package - Methane Plant	Underwriters at Lloyd's London (A XV)	Recommended Quote	Non-Admitted
Property-Clubhouse & Amphitheater	Beasley Excess & Surplus Insurance	Recommended Quote	Non-Admitted

*If shown as an indication, the actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

**Gallagher companies use AM Best rated insurers and the rating listed above was verified on the date the proposal document was created.

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***If coverage placed with a non-admitted carrier, it is doing business in the state as a surplus lines or non-admitted carrier, and is neither subject to the same regulations as an admitted carrier nor do they participate in any state insurance guarantee fund.

Gallagher companies make no representations and warranties concerning the solvency of any carrier, nor does it make any representation or warranty concerning the rating of the carrier which may change.

Market Summary

Line of Coverage	Expiring	Renewal Incumbent	Option 1	Option 2	Option 3
	2024 Old Republic	2025 Old Republic	Ambridge	Travelers	Munich RE
Package Premium	\$309,550	\$366,712	\$332,375	\$303,296	\$339,795
Loss Fund	\$632,000	\$696,000	\$525,000	N/A	\$1,395,000
Retention	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000

Other Lines Comparison	Expiring	Renewal Incumbent	Option 1	
	2024 Premium	2025 Premium	Optional Quotes	
Property Allianz	\$104,640.00	\$119,936.00		
Methane Plant	\$85,212.00	\$95,062.00		
Clubhouse	\$71,750.00	\$76,875.00		
Cyber \$3MM Limit Lloyds	\$33,589.70	\$38,684.48	Cyber \$3MM - Houston	\$26,255.38
Excess WC - Midwest	\$97,495.00	\$93,698.00	Excess WC - Arch	\$93,797
Rate	1.1397	0.9473	0.9473	
Subtotal Premium	\$392,687.84	\$424,255.48		
AJG Fee	\$83,618.00	\$86,127.00		
Total Ancillary Costs	\$476,305.84	\$510,382.48		\$498,052.38

Total Cost Each Package Option With expiring Carriers			Total Cost Each Package Option with Optional Carriers	
Package Carrier	2024 Premium	2025 Premium	Package Carrier	2025 Premium
Old Republic Pkg	\$785,854.70	\$877,094.48	Old Republic pkg	\$864,764.38
Travelers Pkg		\$813,687.48	Travelers Pkg	\$801,348.38
Ambridge Pkg		\$842,757.48	Ambridge Pkg	\$830,427.38

Exposure Comparison

Property Exposure	2024 - 2025	2025 - 2026	Change %
Building values - Excluding Methane Plant, Clubhouse & Amphitheater	\$53,013,116.00	\$53,271,307.00	0.49%
Content Values - Excluding Methane Plant, Clubhouse & Amphitheater	\$3,462,281.00	\$3,600,773.00	4.00%
Mobile Equipment	\$3,690,998.00	\$3,838,638.00	4.00%
Misc. Property	\$26,898,913.00	\$27,974,870.00	4.00%
Total Package TIV	\$87,065,308.00		
Business Income	\$14,924,159.00	\$14,924,159.00	0.00%
Automobile Physical Damage Value	\$4,884,077.00	\$7,660,655.00	56.85%
Property & Content TIV - Clubhouse & Theater	\$15,961,714	\$15,961,714	0.00%
Methane Plant - Bldg Limit	\$127,567	\$127,567	0.00%
Methane Plant - Content	\$4,248,290	\$4,248,290	0.00%

Exposure Change Summary	2024 - 2025	2025 - 2026	Change %
Payroll	\$8,554,454	\$9,901,532	16%
Population	22,604	23,664	5%
Full-Time Employees	116	120	3%
Part-Time Employees	92	58	-37%
Operating Expense	\$33,347,830	\$34,091,143	2%
Revenue	\$48,248,875	\$56,165,697	16%

Location Schedule

<i>Line of Coverage</i>	<i>Locations</i>
Property, Crime & Cyber liability	All locations as per Statement of values received 9/26/2024 (Excluding Methane Plant, Clubhouse & Amphitheater)
Package - Methane Plant	10121 Calumet Ave. Munster IN
Property - Clubhouse & Amphitheater	9701 Calumet Ave. Munster IN

Full Program Details

Package – Old Republic Incumbent

<i>Carrier Information</i>	<i>Proposed</i>
Policy Term	1/1/2025 - 1/1/2026
Carrier	Old Republic Union Insurance Company
A.M. Best Rating	A+ XV
Admitted/Non-Admitted	Non-Admitted
Payment Plan	Payment due in full within 30 days of binding
Payment Method	Agency Bill

Premium & Exposures	Proposed
Premium	\$355,500.00
Surplus Lines Tax	\$8,887.50
TRIA - Optional	\$2,325.00
Minimum Type	Minimum And Deposit Premium
Minimum Amount	\$355,500.00
Estimated Cost	\$366,712.50

Standard Coverages	Proposed
Loss Fund	\$696,000
Excess LOSS FUND Protection Annual Aggregate Limit	\$1,000,000
Crime Coverage Part:	
-Money and Securities	\$1,000,000
-Forgery or Alteration	\$1,000,000
-Employee Dishonesty	\$1,000,000
Automobile Coverage Part:	
-Automobile Liability Per Accident	\$5,000,000
-Automobile Physical Damage Per Accident	\$50,000
General Liability Coverage Part:	
-General Liability Per Occurrence	\$5,000,000
-General Liability Annual Aggregate	\$6,000,000
-Liquor Liability	Included
-Incidental Medical Malpractice	Included
-Fire Damage Legal Liability	Included
Law Enforcement Liability Coverage Part:	
-Law Enforcement Liability Per Occurrence	\$5,000,000
-Law Enforcement Liability Annual Aggregate	\$6,000,000
-Incidental Medical Services	Included
Errors and Omissions Liability Coverage Part:	
-Errors and Omissions Liability Per Claim	\$5,000,000

Standard Coverages	Proposed
Loss Fund	\$696,000
Excess LOSS FUND Protection Annual Aggregate Limit	\$1,000,000
-Errors and Omissions Liability Annual Aggregate	\$6,000,000
-Employment Practices	Included
-Sexual Harassment Liability	Included
Sexual Abuse Liability Coverage Part:	
-Sexual Abuse Liability Per Claim	Included in Errors and Omissions Liability
-Sexual Abuse Liability Annual Aggregate	Included in Errors and Omissions Liability
Employee Benefits Liability Coverage Part:	
-Employee Benefits Liability Per Claim	\$5,000,000
-Employee Benefits Liability Annual Aggregate	\$6,000,000
Aggregate Loss Fund Protection - Loss Fund Protection Annual Aggregate	\$1,000,000

Deductibles/SIR	Proposed
Self-Insured Retentions:	
-Crime Per Loss	\$50,000
-Automobile Liability Per Accident	\$200,000
-Automobile Physical Damage Per Accident	\$150,000
-General Liability Per Occurrence	\$200,000
-Liquor Liability	Included
-Incidental Medical Malpractice	Included
-Fire Damage Legal Liability	Included
-Law Enforcement Liability Per Occurrence	\$200,000
-Incidental Medical Services	Included
-Errors and Omissions Liability Per Claim	\$200,000
-Employment Practices	Included
-Sexual Harassment Liability	Included
-Sexual Abuse Liability Per Claim	Included in Errors and Omissions Liability
-Employee Benefits Liability Per Claim	\$200,000
-Aggregate Loss Fund Protection - Loss Fund	\$696,000

Form Type	Proposed
Form Type	Crime, General Liability - Occurrence, Errors and Omissions Liability - Claims Made, Employment Practices Liability - Claims Made, Sexual Harassment Liability - Claims Made, Sexual Abuse Liability - Claims Made, Employee Benefits Liability - Claims Made

Form Type	Proposed
Retroactive Date	Errors and Omissions Liability - 12/31/1990, Employment Practices Liability - 12/31/1990, Sexual Harassment Liability - 01/01/2014, Sexual Abuse Liability - 01/01/2014, Employee Benefits Liability - 12/31/1998

Definition Of Claim:
Claim means any written demand for monetary damages, or suit, made against you

Incident/Claim Reporting Provision:
Immediately report all incidents or claims to Gallagher Basett.

Claims Made Disclaimer:
Should you elect to change carriers (if a new retroactive date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier within 30 days of the expiration date. The cost of this extended reporting period is 0% of the annual premium and is fully earned. The extended reporting period extends only to those claims made during the extended reporting period for wrongful acts that occurred prior to the expiration date and would have been covered by the policy. Claims must be reported to the carrier within 60 days of the end of the policy period. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

Endorsements (including but not limited to)
Economic and Trade Sanctions Condition - AR IL 01 20 02 23
U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders - IL P 001 01 04
Signature Page - AR SIPP SP 01 07 22
Self-Insured Package Policy Common Policy Declarations - AR SIPP DS 01 07 24
Self-Insured Package Policy - AR SIPP 00 00 07 24
Sexual Abuse Liability Coverage Part Included With Errors and Omissions Liability Coverage Part (Claims-Made) - AR SIPP 13 02 09 19
Claim Notice - AR SIPP 20 27 06 21
Terrorism Endorsements - TBD

Binding Requirements:

Description
Subject to:
-Completed and signed Terrorism Acceptance/Rejection Form.

Other Significant Terms and Conditions/Restrictions:

Description
Allocated Loss Adjustment Expenses: Inside the Self-Insured Retention and Inside the Limits of Insurance
Risk Control: Old Republic Specialty Insurance Underwriters agrees to pay the \$2,000.00 amount towards any pre-approved third-party risk control services or safety training expenses pertaining to the coverage lines afforded
Cancellation: 1) 10 days before the effective date of cancellation if we cancel for non-payment of premium, or 2) The number of advance days before the effective date of cancellation required to comply with state regulatory requirements if we cancel for any other reason.

Package – Ambridge – Option 1

<i>Carrier Information</i>	<i>Proposed</i>
Policy Term	1/1/2025 - 1/1/2026
Carrier / A.M. Best Rating / Admitted/Non-Admitted	Ambridge
Payment Plan	Premium due within 30 days of binding
Payment Method	Agency Bill

Premium & Exposures	Proposed
Premium	\$320,000.00
Surplus Lines Tax	\$8,000.00
TRIA - Optional	\$4,375.00
Minimum Type	Minimum Earned Premium
Minimum Amount	50.00%
Minimum Amount Text	\$160,000
Estimated Cost	\$328,000.00

Standard Coverages	
Loss Fund	\$525,000
Excess LOSS FUND Protection Annual Aggregate Limit	\$1,000,000
Coverage Section I Property - Specific Excess Limit of Insurance for Each Occurrence – All Coverages under Section I combined	
Subject to the Following Sublimits/Annual Aggregates Which are Part of, And not in Addition to, The Coverage Section I Property Specific Excess Limit of Insurance Above:	
Automobile Physical Damage Only	\$1,000,000
Flood and Surface Water Annual Aggregate	\$1,000,000
Earthquake Annual Annual Aggregate	\$1,000,000
Named Windstorm	\$1,000,000
Coverage Section II General Liability: Specific Excess Limit of Insurance for Each Occurrence - All coverages under Coverage Section II combined:	\$5,000,000
Coverage Section II General Liability: Specific Excess Limit of Insurance for Each Occurrence - All coverages under Coverage Section II combined:	\$6,000,000 Annual Aggregate
Subject to the Following Sublimits/Annual Aggregates Which are Part of, And not in Addition to, The Coverage Section II General Liability Specific Excess Limit of Insurance and Annual Aggregate Limit Above II General Liability Specific Excess Limit of Insurance and Annual Aggregate Limit above:	
Sexual Harassment Liability	\$5,000,000
Sexual Harassment Liability	\$6,000,000 Annual Aggregate
Coverage Section III AUTOMOBILE Liability: Specific Excess Limit of Insurance for Each Occurrence:	
All Coverages under Coverage Section III combined:	\$5,000,000
Coverage Section IV Errors and Omissions Liability: Specific Excess Limit of Insurance for Each Claim:	
All coverages under Coverage Section IV combined:	\$5,000,000

Standard Coverages	
All coverages under Coverage Section IV combined:	\$6,000,000 Annual Aggregate
Subject to the following SUBLIMITS/Annual Aggregates which are part of, and not in addition to, the Coverage Section IV Errors and Omissions Liability – Specific Excess Limit of Insurance and Annual Aggregate Limit above:	
Errors & Omissions	\$5,000,000
Errors & Omissions	\$6,000,000 Annual Aggregate
Employment Practices Liability	\$5,000,000
Employment Practices Liability	\$6,000,000 Annual Aggregate
Sexual Harassment Liability	\$5,000,000
Sexual Harassment Liability	\$6,000,000 Annual Aggregate
Coverage Section VI Employee Benefits Liability: Specific Excess Limit of Insurance for Each Claim	\$5,000,000
Coverage Section VI Employee Benefits Liability: Specific Excess Limit of Insurance for Each Claim	\$6,000,000 Annual Aggregate
Coverage Section VII Crime - Specific Excess Limit of Insurance for Each Occurrence	
Money and Securities	\$1,000,000
Forgery or Alteration	\$1,000,000
Employee Dishonesty	\$1,000,000
Computer Theft	\$1,000,000
Coverage Section VIII Law Enforcement Liability: Specific Excess Limit of Insurance for Each Occurrence:	
All coverage under Coverage Section VIII Combined	\$5,000,000
All coverage under Coverage Section VIII Combined	\$6,000,000 Annual Aggregate
Subject to the following SUBLIMITS/Annual Aggregates which are part of, and not in addition to, the Coverage Section VIII Law Enforcement Liability – Specific Excess Limit of Insurance and Annual Aggregate Limit above:	
Sexual Harassment Liability	\$5,000,000
Sexual Harassment Liability	\$6,000,000 Annual Aggregate
Coverage Section X Sexual Abuse Liability - Specific Excess Limit of Insurance for Each Claim	
Coverage Section X Sexual Abuse Liability - Specific Excess Limit of Insurance for Each Claim	\$5,000,000
Coverage Section X Sexual Abuse Liability - Specific Excess Limit of Insurance for Each Claim	\$6,000,000 Annual Aggregate

Deductibles/SIR	Proposed
Self-Insured Retention – All coverages	\$200,000*
Maintenance Deductibles are Payable by the Insured and Only Apply when an Amount is Filled in. Maintenance Deductibles do not Apply to the Erosion of the Loss Fund	
Deductible - I. Property unless listed below	\$1,000*
Deductible - Automobile Physical Damage	\$1,000*
Deductible - Flood and Surface Water	\$1,000*
Deductible - Earthquake:	\$1,000*
Deductible - Named Windstorm	\$1,000*

Form Type	Proposed
Form Type	General Liability - Occurrence; Errors & Omissions, Employment Practices Liability, Sexual Harassment Liability, Employee Benefits Liability, Sexual Abuse Liability - Claims Made; Crime
Retro Active Date	Errors & Omissions, Employment Practices Liability - 12/31/1990; Sexual Harassment Liability - 1/1/2014; Employee Benefits Liability - 12/31/1998; Sexual Abuse Liability - 1/1/2014

Definition Of Claim:
Claim means any written demand for monetary damages, or suit, made against you

Incident/Claim Reporting Provision:
Immediately report all claims to TPA / Gallagher Bassett.

Claims Made Disclaimer:
Should you elect to change carriers (if a new retroactive date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier within 30 days of the expiration date. The cost of this extended reporting period is 100% of the annual premium and is fully earned. The extended reporting period extends only to those claims made during the extended reporting period for wrongful acts that occurred prior to the expiration date and would have been covered by the policy. Claims must be reported to the carrier within 90 days of the end of the policy period. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

Endorsements (including but not limited to)
TRIA (Rejected / Accepted) - TBD
Coverage Section I Property- Limitation AUTOMOBILE Physical Damage Only - PENP5012042021
Procedures for Third Party Claims Administrators - PENP5044032023
Crisis Management Endorsement - PENP5004042024
General Policy Condition- Satisfaction of SIR - PENP5085012022
General Policy Condition 7 Amendment - PENP5086092022
Indiana Changes – Definition of Pollutants Amendment - PENP5088122022

Exclusions (including but not limited to)
Communicable Disease Exclusion - PENP5046042021
PFAS and Related Chemicals Exclusion - PENP5087122022

Multi-Carrier Schedule:

Carrier	Participating Limit
Lloyd's Syndicate 2987	40.000%
Lloyd's Synd 4711Aspen Managing Agency Limited (4711)	20.000%
Lloyd's Syndicate 1686 (Axis Managing Agency Limited)	5.000%
Endurance Worldwide Insurance Limited	14.000%

Multi-Carrier Schedule:

Carrier	Participating Limit
United Specialty Insurance Company	21.000%

Binding Requirements:

Description
Subject to Signed Uninsured/Underinsured Motorist Coverage Forms must be received by Underwriters within 30 days of binding
Subject to Policyholder Disclosure Notice of Terrorism Insurance Coverage
Subject to Completed Ambridge Law Enforcement application due at binding

Other Significant Terms and Conditions/Restrictions:

Description
Coverage: Automobile Physical Damage, General Liability, Automobile Liability, Employee Benefits Liability, Crime, Law Enforcement Liability, Sexual Abuse Liability and as More Fully Defined Below and in the Ambridge Public Entity Non-Profit Wording (Hereinafter Referred to as "Wording" or "Policy") Which is Understood to be Incorporated in and Form Part of This Quotation or Binder
Territorial Limits: Worldwide as more fully defined in the attached Wording and applicable Forms and Endorsements
Limits of Liability: Underwriters' Limits of Liability shall not exceed the limits as indicated for each coverage in the Wording and applicable Endorsements and shall apply only to those coverages for which a limit is shown. Underwriters' Limits of Liability are excess over a self-insured retention loss fund (if applicable) as specified in the Policy and applicable Endorsements
*Per Endorsement No. 2, Section I Property applies to AUTOMOBILE Physical Damage only.
Gallagher Bassett is the appointed Third Party Administrator subject to their signed acceptance of the attached TPA Reporting Guidelines
Quote based on Ambridge Public Entity & Non-Profit Wording.
Please note that Terrorism coverage for Coverage Section V (Worker's Compensation) cannot be rejected

Package – Travelers Insurance Comp. Option 2

Carrier Information	Proposed
Policy Term	1/1/2025 - 1/1/2026
Carrier	Travelers Casualty and Surety Co of America
A.M. Best Rating	A++ XV
Admitted/Non-Admitted	Admitted
Payment Plan	Payment due in full within 30 days of binding
Payment Method	Agency Bill

Premium & Exposures	Proposed
Premium Package Including Crime	\$303,296.00

Standard Coverages	
General Liability Limit	\$1,000,000
General Aggregate Limit	\$3,000,000
Products/Completed Operations Aggregate Limit	\$1,000,000
Personal and Advertising Injury Liability Any One Person or Organization Limit	\$1,000,000
Damage to Premises Rented to You Limit (Any One Premises)	\$50,000
Medical Expense Limit (Any One Person)	Excluded
Sewage Back-Up Limit	\$1,000,000
Failure To Supply Limit	\$1,000,000
Public Entity Management Liability: Each Wrongful act	\$1,000,000
- Aggregate Limit	\$2,000,000
Employment Practices Liability: Each Wrongful Act	\$1,000,000
- Aggregate Limit	\$2,000,000
Sexual Abuse & Molestation: Each Wrongful Act (Once Procedures are Put into place for Camps)	\$1,000,000
- Aggregate Limit	\$2,000,000
Auto Liability	\$1,000,000
Auto Physical Damage	Symbol 10: All owned autos except: 1948 Mack TL 85LS1268; 1996 SAFE HSE M01 1211SM019U6290183 1997 Goldstar 8 x 5 4N7UA0818VS001511 2011 Ford Crown Vic 2FABP7BV6BX135659
Crime Coverage	
1. Employee Theft	See Endorsement - Single Loss Limit of Insurance
B - Forgery or Alteration	\$1,000,000 - Single Loss Limit of Insurance
C - On Premises	\$1,000,000 - Single Loss Limit of Insurance
D - In Transit	\$1,000,000 - Single Loss Limit of Insurance
E - Money Orders and Counterfeit Money	\$1,000,000 - Single Loss Limit of Insurance
F - Computer Crime	
- Computer Fraud	\$1,000,000 - Single Loss Limit of Insurance

Standard Coverages	
General Liability Limit	\$1,000,000
General Aggregate Limit	\$3,000,000
Products/Completed Operations Aggregate Limit	\$1,000,000
Personal and Advertising Injury Liability Any One Person or Organization Limit	\$1,000,000
Damage to Premises Rented to You Limit (Any One Premises)	\$50,000
Medical Expense Limit (Any One Person)	Excluded
Sewage Back-Up Limit	\$1,000,000
Failure To Supply Limit	\$1,000,000
Public Entity Management Liability: Each Wrongful act	\$1,000,000
- Aggregate Limit	\$2,000,000
- Computer Program and Electronic Data Restoration Expense	\$100,000 - Single Loss Limit of Insurance
G - Funds Transfer Fraud	\$1,000,000 - Single Loss Limit of Insurance
H - Personal Accounts Protection	
- Personal Accounts Forgery or Alteration	\$250,000 - Single Loss Limit of Insurance
- Identity Fraud Expense Reimbursement	\$25,000 - Single Loss Limit of Insurance
I - Claim Expense	\$5,000 - Single Loss Limit of Insurance
Umbrella	
General Aggregate Limit	\$5,000,000
Products – Completed Operations Aggregate Limit	\$5,000,000
Occurrence Limit	\$5,000,000
Crisis Management Service Expenses Limit	\$50,000
Schedule of Underlying:	
- General Liability	\$1,000,000
- Employee Benefits	\$1,000,000
- Auto Liability	\$1,000,000
- Law Enforcement Liability	\$1,000,000
- Public Entity Management Liability	\$1,000,000
- Public Entity Employment-Related Practices Liability	\$1,000,000

Optional Crime Coverages
Premium - \$4,955.00, Subject to - Please complete the Social Engineering Fraud Application for limits over \$100k (Attached). All responses need to be favorable.(Quote 2 Only).

Deductibles/SIR	Proposed
Self-Insured Retention: All Liability lines	\$200,000
Self-Insured Retention: Auto Comp & Collision	\$25,000
Self-Insured Retention: Umbrella	\$10,000
Retention: Crime	\$50,000
Retention: Crime- Personal Accounts Forgery or Alteration	\$2,500

Form Type	Proposed
Form Type	General Liability - Occurrence; Errors & Omissions, Employment Practices Liability, Sexual Harassment Liability, Employee Benefits Liability, Sexual Abuse Liability - Claims Made; Crime
Retro Active Date	Errors & Omissions, Employment Practices Liability - 12/31/1990; Sexual Harassment Liability - 1/1/2014; Employee Benefits Liability - 12/31/1998; Sexual Abuse Liability - 1/1/2014

Definition Of Claim:
Claim means any written demand for monetary damages, or suit, made against you

Incident/Claim Reporting Provision:
Immediately report all incidents or claims to Gallagher Basett.

Claims Made Disclaimer:
Should you elect to change carriers (if a new retroactive date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier within 30 days of the expiration date. The cost of this extended reporting period is 100% of the annual premium and is fully earned. The extended reporting period extends only to those claims made during the extended reporting period for wrongful acts that occurred prior to the expiration date and would have been covered by the policy. Claims must be reported to the carrier within 90 days of the end of the policy period. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

Endorsements (including but not limited to)
XTEND Endorsement For Public Entities
Mobile Equipment Redefined - Public Entities
Cap On Losses From Certified Acts Of Terrorism
Amendment Of Common Policy Conditions - Prohibited Coverage - Unlicensed Insurance And Trade Or Economic Sanctions
Amendment - Non Cumulation Of Each Occurrence Limit Of Liability And Non Cumulation Of Personal And Advertising Injury Limit
Amendment Of Contractual Liability Exclusion - Exception For Damages Assumed In An Insured Contract Applies Only To Named Insured
Amendment Of Network And Information Security Wrongful Act Definition

Endorsements (including but not limited to)
Amendment Of Common Policy Conditions - Prohibited Coverage - Unlicensed Insurance And Trade Or Economic Sanctions
Amendment Of Law Enforcement Activities Or Operations Definition
Amendment Of Joint Powers Authority Definition
Exclusion - Other Employment Laws
Amendment Of Common Policy Conditions - Prohibited Coverage - Unlicensed Insurance And Trade Or Economic Sanctions
Amendment Of Law Enforcement Activities Or Operations
Mobile Equipment Redefined - Exclusion Of Vehicles Subject To Motor Vehicle Laws
Fungi Or Bacteria Exclusion
Amendment Of Common Policy Conditions - Prohibited Coverage -Unlicensed Insurance And Trade Or Economic Sanctions
Amendment Of Law Enforcement Activities Or Operations
Mobile Equipment Redefined - Exclusion Of Vehicles Subject To Motor Vehicle Laws
Removal Of Short-Rate Cancellation Endorsement - ACF-7006-0511
Global Coverage Compliance Endorsement – Adding Financial Interest Coverage And Sanctions Condition And Amending Territory Condition - CRI-19072-0315
Social Engineering Fraud Insuring Agreement Endorsement - CRI-19085-0919
Amendatory Endorsement For Certain Erisa Considerations - CRI-19101-1117
Telecommunication Fraud Insuring Agreement Endorsement - CRI-19115-0519
Replace Insuring Agreement F.2. Endorsement - CRI-19132-0223
Indiana Cancellation Or Termination Endorsement - CRI-5015-0613
Government Entity Crime Endorsement - Faithful Performance Of Duty - CRI-7126-0109
Government Entity Crime Endorsement Including Coverage For Treasurers And Tax Collectors - CRI-7129-0109

Exclusions (including but not limited to)
Third Party Employee Dishonesty
Government Action Exclusion
Accounting or Arithmetic Errors
Voluntary Parting of Property
Loss in which the existence of such loss is only proved by a profit and loss comparison or inventory records
Any theft or criminal act committed by a partner of the insured
Employee Dishonesty (does not apply to Employee Theft Coverage)

Binding Requirements:

Description
Subject to -
- Complete question 9a under Internal Control Information on page 1 of 4 of Travelers application.
- Under Loss Information answer question 20

Excess Property

<i>Carrier Information</i>	<i>Proposed</i>
Policy Term	1/1/2025 - 1/1/2026
Carrier	Fireman's Fund Insurance Company
A.M. Best Rating	A+ XV
Admitted/Non-Admitted	Admitted
Payment Plan	Payment due in full within 30 days of binding
Payment Method	Agency Bill

Premium & Exposures	Proposed
Premium	\$119,963.00
TRIA	\$2,979.00
Minimum Type	None
Estimated Cost	\$122,942.00

Standard Coverages	Proposed
Business Real Property, Business Personal Property, Extra Expense	\$87,065,309 - Loc.# All
Extra Expense	\$5,000,000 - Loc.# All
Blanket Earth Movement - Per Loss Event	\$5,000,000 - Loc.# All
Blanket Earth Movement - Annual Aggregate	\$5,000,000 - Loc.# All
Blanket Flood - Per Loss Event	\$5,000,000 - Loc.# 1-6, 9, 11, 13-16, 18-20, 22-28, 30, 32, 34-42, 44-49, 51-53, 55-61
Blanket Flood - Annual Aggregate	\$5,000,000 - Loc.# 1-6, 9, 11, 13-16, 18-20, 22-28, 30, 32, 34-42, 44-49, 51-53, 55-61

Additional Coverages	Proposed
Business Personal Property Subject to Sub-limits of Insurance:	
Accounts Receivable	\$5,000,000 - Loc.# All
Data, Media, Software	\$5,000,000 - Loc.# All
Personal Effects	\$1,000,000 - Loc.# All
Personal Property of Others	\$2,500,000 - Loc.# All
Prototypes	\$1,000,000 - Loc.# All
Research and Development Documentation	\$1,000,000 - Loc.# All
Valuable Papers and Records	\$5,000,000 - Loc.# All
Extensions of Coverage - Property Damage:	
Consequential Loss Assumption Coverage	\$250,000 - Loc.# All
Contract Penalty Clause Coverage	\$250,000 - Loc.# All
Debris Removal Coverage - Debris of Property Insured	\$25,000,000 - Loc.# All

Additional Coverages	Proposed
Debris Removal Coverage - Debris of Property Owned by Others	\$250,000 - Loc.# All
Extended Warranty Coverage	\$250,000 - Loc.# All
Fine Arts Coverage - Miscellaneous Unscheduled Fine Arts: Any One Item, Pair or Set	\$50,000 - Loc.# All
Fine Arts Coverage - Miscellaneous Unscheduled Fine Arts: Per Occurrence or Loss Event	\$250,000 - Loc.# All
Fine Arts Coverage - Fine Arts while at an Exhibition, Exposition, Fair, or Trade Show	\$50,000 - Loc.# All
Fire Department Service Charge Coverage	\$250,000 - Loc.# All
Fire Equipment Protection Coverage	\$250,000 - Loc.# All
Installation Coverage	\$250,000 - Loc.# All
Loss Avoidance or Mitigation Coverage	\$250,000 - Loc.# All
Mobile Communication Equipment Coverage	\$250,000 - Loc.# All
Money and Securities Coverage	\$250,000 - Loc.# All
Money Orders and Counterfeit Currency Coverage	\$250,000 - Loc.# All
Realty Tax Coverage	\$250,000 - Loc.# All
Removal of Property Coverage	\$250,000 - Loc.# All
Reward Coverage - Any One Person	\$10,000 - Loc.# All
Reward Coverage - Per Occurrence or Loss Event	\$250,000 - Loc.# All
Salesperson's Samples Coverage	\$250,000 - Loc.# All
Tenant's Lease Agreement Coverage	\$250,000 - Loc.# All
Theft of Precious Commodities Coverage	\$250,000 - Loc.# All
Extensions of Coverage - Business Income and Extra Expenses:	
Communicable Disease Coverage - Per Occurrence or Loss Event	\$10,000 - Loc.# All
Communicable Disease Coverage - Annual Aggregate	\$10,000 - Loc.# All
Fungus Remediation Coverage	\$100,000 - Loc.# All
Loss Adjustment Expense Coverage	\$500,000 - Loc.# All
Newly Acquired Location Coverage	\$10,000,000 - Loc.# All
Ordinance or Law Coverage - Coverage A	Included - Loc.# All
Ordinance or Law Coverage - Coverage B & C Blanket	\$10,000,000 - Loc.# All
Ordinance or Law Coverage - Coverage D	\$5,000,000 - Loc.# All
Ordinance or Law Coverage - Coverage E	\$1,000,000 - Loc.# All
Outdoor Trees, Shrubs, Plants, and Lawn Coverage - Any One Tree, Shrub, Plant, or Lawn	\$2,500 - Loc.# All
Outdoor Trees, Shrubs, Plants, and Lawn Coverage - Per Occurrence or Loss Event	\$250,000 - Loc.# All
Pollutant Cleanup Coverage - Per Occurrence or Loss Event	\$500,000 - Loc.# All
Pollutant Cleanup Coverage - Annual Aggregate	\$500,000 - Loc.# All
Trade Show Coverage	\$1,000,000 - Loc.# All
Transit Coverage - Your Vehicles	\$1,000,000 - Loc.# All
Transit Coverage - Carriers for Hire	\$1,000,000 - Loc.# All
Transit Coverage - International Air Shipments	\$1,000,000 - Loc.# All
Unintentional Property Errors and Omissions Coverage	\$2,500,000 - Loc.# All
Unnamed Location Coverage	\$2,500,000 - Loc.# All
Utility Services Coverage	\$2,500,000 - Loc.# All
Property-Gard Pinnacle - Additional Property Insured Subject to Sub-limits of Insurance	\$6,634,426 - Loc.# All
Property-Gard Pinnacle - Green Coverage	Included - Loc.# All
Property-Gard Pinnacle - Green Coverage Extensions of Coverage:	
Green Certification Upgrade Coverage	\$25,000

Additional Coverages	Proposed
Vegetated Roof and Heat Island Effect Coverage	Refer to Outdoor Trees, Shrubs, Plants and Lawns Coverage
Professional Design Consulting Coverage	\$25,000
Commissioning Expense Coverage - Commissioning or Retro-Commissioning Services	\$25,000
Commissioning Expense Coverage - Test and Balance Analysis	\$25,000
Certification Fees Coverage	\$25,000
Recycling Additional Expense Coverage	\$25,000
Flush-out Coverage	\$25,000
Green Financial Incentive Coverage	\$25,000
Porous Paving Coverage	\$25,000
Green Mobile Equipment Coverage	\$25,000
Miscellaneous Green Property Coverage	\$25,000
Property-Gard Pinnacle - Golf Course Extension - Applicable to Property, Business Income, and	Extra Expense Coverage:
Golf Course Coverage - Any One Outdoor Tree (Other than a Designated Tree) Shrub or Plant	\$2,500 - Loc.# All
Golf Course Coverage - Debris Removal: Golf Course property other than a Designated Tree	\$2,500 - Loc.# All
Golf Course Coverage - Per Occurrence: Golf Course property other than a Designated Tree	\$250,000 - Loc.# All
Property-Gard Pinnacle - Golf Course Extension -Applicable Only to Property Coverage:	
Golf Cart Coverage - any One Golf Cart	\$5,000
Golf Cart Coverage - Per Occurrence or Loss Event	\$250,000
Hole-in-One Expense Reimbursement Coverage - any One Tournament	\$250,000
Hole-in-One Expense Reimbursement Coverage - Annual Aggregate	\$250,000
Errant Golf Ball Vehicle Damage Coverage - any One Vehicle	\$2,500
Errant Golf Ball Vehicle Damage Coverage - Per Occurrence	\$5,000
Property-Gard Pinnacle - Golf Course Extension - Applicable only to Business Income and Extra	Expense Coverage:
Golf Cart Rental Reimbursement Coverage - Any One Golf Cart	\$5,000
Golf Cart Rental Reimbursement Coverage - Per Occurrence or Loss Event	\$250,000
Equipment Breakdown Coverage Limits of Insurance:	
Property Insured	Follows Applicable Limit - Per Accident
Business Income Coverage	Follows Applicable Limit - Per Accident
Extra Expense Coverage	Follows Applicable Limit - Per Accident
Expediting Expense Coverage	\$250,000 - Per Accident
Hazardous Substance Coverage	\$250,000 - Per Accident
Perishable Stock Coverage	\$250,000 - Per Accident
Data Restoration Coverage	\$250,000 - Per Accident
Service Interruption Coverage	\$50,000 - Per Accident
Fungus Remediation Coverage	\$50,000 - Per Accident
Property-Gard Pinnacle - Detrimental Code Coverage - Per Occurrence Limit of Insurance	\$50,000
Property-Gard Pinnacle - Detrimental Code Coverage - Annual Aggregate Limit of Insurance	\$50,000
Additional Extensions of Coverage - Detrimental Code Coverage - Expediting Expense Coverage	\$25,000



Additional Coverages	Proposed
Additional Extensions of Coverage - Detrimental Code Coverage - Loss Adjustment Expense Coverage	\$25,000
Property-Gard Pinnacle - Crisis Management Coverage:	
Crisis Event Response Communication Cost - Per Occurrence or Loss Event	\$10,000
Crisis Event Response Communication Cost - Annual Aggregate	\$10,000
Crisis Event Business Income and Extra Expense Coverage - Per Occurrence or Loss Event	\$10,000
Crisis Event Business Income and Extra Expense Coverage - Annual Aggregate	\$10,000
Post Crisis Event Expense Coverage - Per Occurrence or Loss Event	\$10,000
Post Crisis Event Expense Coverage - Annual Aggregate	\$10,000
Property-Gard Pinnacle - Municipality Extension Applicable only to Property Coverage:	
Commandeered Property Coverage - Per Occurrence or Loss Event	\$50,000
Commandeered Property Coverage - Annual Aggregate	\$50,000
Lost Key Coverage	\$50,000
Property-Gard Pinnacle - Municipality Extension Applicable only to Business Income and Extra Expense Coverage:	
Emergency Vacating Expense - Per Occurrence or Loss Event	\$50,000
Emergency Vacating Expense - Annual Aggregate	\$50,000
Property-Gard Pinnacle - Mobile Equipment Coverage Applicable only to Property Coverage Miscellaneous Unscheduled Mobile Equipment:	
Miscellaneous Unscheduled Mobile Equipment - Any One Item	\$50,000
Miscellaneous Unscheduled Mobile Equipment - Per Occurrence or Loss Event	\$100,000
Property-Gard Pinnacle - Mobile Equipment Coverage Applicable only to Property Coverage Schedule of Individually Described Mobile Equipment:	
Per schedule on file	\$3,690,998
Rental Reimbursement Coverage - Consecutive Calendar Days	60 Days
Rental Reimbursement Coverage - Limit of Insurance	\$10,000
Newly Acquired Mobile Equipment Coverage - Consecutive Calendar Days	120 Days
Newly Acquired Mobile Equipment Coverage - Limit of Insurance	\$100,000
Property-Gard Pinnacle - Vehicle Coverage Applicable only to Property Coverage:	
Miscellaneous Unscheduled Vehicles	250 Miles
Miscellaneous Unscheduled Vehicles - Any One Vehicle	\$50,000
Miscellaneous Unscheduled Vehicles - Per Occurrence or Loss Event	\$50,000
Schedule of Individually Described Vehicles - Schedule on file	250 Miles - Loc.# All
Schedule of Individually Described Vehicles - Schedule on file	\$5,164,948 - Loc.# All

Deductibles/SIR	Proposed
Deductible: Property-Gard Pinnacle - Combined Dollar Deductible	\$50,000 - Loc.# All
Deductible: Extensions of Coverage - Property Damage:	
Deductible: Consequential Loss Assumption Coverage	Policy Deductible - Loc.# All
Deductible: Contract Penalty Clause Coverage	Policy Deductible - Loc.# All
Deductible: Debris Removal Coverage - Debris of Property Owned by Others	Policy Deductible - Loc.# All
Deductible: Extended Warranty Coverage	Policy Deductible - Loc.# All
Deductible: Fine Arts Coverage - Miscellaneous Unscheduled Fine Arts: Any One Item, Pair or Set	Policy Deductible - Loc.# All
Deductible: Fine Arts Coverage - Miscellaneous Unscheduled Fine Arts: Per Occurrence or Loss Event	Policy Deductible - Loc.# All

Deductibles/SIR	Proposed
Deductible: Fine Arts Coverage - Fine Arts while at an Exhibition, Exposition, Fair, or Trade Show	Policy Deductible - Loc.# All
Deductible: Fire Department Service Charge Coverage	Policy Deductible - Loc.# All
Deductible: Installation Coverage	Policy Deductible - Loc.# All
Deductible: Mobile Communication Equipment Coverage	Policy Deductible - Loc.# All
Deductible: Money and Securities Coverage	Policy Deductible - Loc.# All
Deductible: Money Orders and Counterfeit Currency Coverage	Policy Deductible - Loc.# All
Deductible: Realty Tax Coverage	Policy Deductible - Loc.# All
Deductible: Salesperson's Samples Coverage	Policy Deductible - Loc.# All
Deductible: Tenant's Lease Agreement Coverage	Policy Deductible - Loc.# All
Deductible: Theft of Precious Commodities Coverage	Policy Deductible - Loc.# All
Deductible: Extensions of Coverage - Business Income and Extra Expenses:	
Deductible: Communicable Disease Coverage - Per Occurrence or Loss Event	Policy Deductible - Loc.# All
Deductible: Fungus Remediation Coverage	Policy Deductible - Loc.# All
Deductible: Loss Adjustment Expense Coverage	Policy Deductible - Loc.# All
Deductible: Newly Acquired Location Coverage	Policy Deductible - Loc.# All
Deductible: Ordinance or Law Coverage - Coverage A through E	See Below
Deductible: Outdoor Trees, Shrubs, Plants, and Lawn Coverage - Per Occurrence or Loss Event	Policy Deductible - Loc.# All
Deductible: Pollutant Cleanup Coverage - Per Occurrence or Loss Event	Policy Deductible - Loc.# All
Deductible: Trade Show Coverage	Policy Deductible - Loc.# All
Deductible: Transit Coverage - Your Vehicles	Policy Deductible - Loc.# All
Deductible: Transit Coverage - Carriers for Hire	Policy Deductible - Loc.# All
Deductible: Transit Coverage - International Air Shipments	Policy Deductible - Loc.# All
Deductible: Unintentional Property Errors and Omissions Coverage	Policy Deductible - Loc.# All
Deductible: Unnamed Location Coverage	Policy Deductible - Loc.# All
Deductible: Utility Services Coverage - Business Income Deductible	24 Hours - Loc.# All
Deductible: Property Damage Deductible	\$100,000 - Loc.# 3, 27, 46
Deductible: Time Element Deductible	\$50,000 - Loc.# 3, 27, 46
Deductible: Earth Movement	\$100,000 - Loc.# All
Deductible: Flood	\$100,000 - Loc.# 1-2, 4-6, 9, 11, 13-16, 18-20, 22-26, 28, 30, 32, 34-42, 44-45, 47-49, 51-53, 55-61
Deductible: Storm Deductible - Property Damage Deductible	\$50,000 - Loc.# All
Deductible: Storm Deductible - Time Element Deductible	\$50,000 - Loc.# All
Deductible: Property-Gard Pinnacle - Additional Property Insured Subject to Sub-limits of Insurance Deductible	\$50,000 - Loc.# All
Deductible: Golf Course Coverage - Per Occurrence: Golf Course property other than a Designated Tree - Deductible Property Damage Loss	\$5,000 - Loc.# All
Deductible: Golf Cart Coverage - Per Occurrence or Loss Event - Deductible Property Damage Loss	\$1,000
Deductible: Golf Cart Rental Reimbursement Coverage - Per Occurrence or Loss Event: Deductible Time Element Loss	24 Hours
Deductible: Equipment Breakdown Coverage Deductibles:	

Deductibles/SIR	Proposed
Deductible: Property Insured	Follows Applicable Deductible - Per Accident
Deductible: Time Element Loss	Follows Applicable Deductible - Per Accident
Deductible: Time Element Loss - Minimum Time Element Deductible	\$50,000
Deductible: Perishable Stock	5% - Per Accident
Deductible: Perishable Stock - Minimum Time Element Deductible	\$50,000
Deductible: Detrimental Code Coverage Deductibles:	
Deductible: Deductible Property Damage Loss	\$5,000
Deductible: Deductible Time Element Loss	48 Hours
Deductible: Minimum Time Element Deductible	\$50,000
Deductible: Property-Gard Pinnacle - Crisis Management Coverage:	
Deductible: Crisis Event Business Income and Extra Expense Coverage - Per Occurrence or Loss Event - Deductible Time Element Loss	24 Hours
Deductible: Crisis Event Business Income and Extra Expense Coverage - Per Occurrence or Loss Event - Minimum Time Element Deductible	\$50,000
Deductible: Property-Gard Pinnacle - Municipality Extension - Commandeered Property Coverage Per Occurrence or Loss Event - Deductible Property Damage Loss	\$50,000
Deductible: Mobile Equipment - Miscellaneous Unscheduled Mobile Equipment - Per Occurrence or Loss Event	\$50,000
Deductible: Mobile Equipment - Per schedule on file	\$50,000
Deductible: Newly Acquired Mobile Equipment Coverage	\$50,000
Deductible: Miscellaneous Unscheduled Vehicles - Per Occurrence or Loss Event	\$50,000
Deductible: Schedule of Individually Described Vehicles - Schedule on file	\$50,000

Valuations	Proposed
Replacement Cost	Applies, Except;
Actual Cash Value	Mobile Equipment - Miscellaneous Unscheduled Mobile Equipment - Per Occurrence or Loss Event; Mobile Equipment - Per schedule on file
Actual Cash Value	Miscellaneous Unscheduled Vehicles; Schedule of Individually Described Vehicles - Schedule on file

Coinsurance	Proposed
Coinsurance	No Coinsurance Applies

Endorsements (including but not limited to)
Disclosure of Premium and Estimated Premium for Certified Acts of Terrorism Coverage (Pursuant to Terrorism Risk Insurance Act) - 145927 01 15
Property Coverage Section - Declarations
Property-Gard Pinnacle Coverage Form - 250000 01 13
Property-Gard Pinnacle - Additional Covered Causes Of Loss - 250001 01 13
Property-Gard Pinnacle - Storm Deductible Endorsement - 250004 01 13
Property-Gard Pinnacle - Additional Property Insured Subject To Sub-limits Of Insurance - 250011 01 13
Property-Gard Pinnacle - Additional Property Not Insured - 250012 01 13
Property-Gard Pinnacle - Green Coverage Endorsement - 250031 01 13

Endorsements (including but not limited to)
Property-Gard Pinnacle - Combined Dollar Deductible - 250033 01 13
Property-Gard Pinnacle - Golf Course Extension Endorsement - 250042 10 22
Property-Gard Pinnacle - Equipment Breakdown Coverage Endorsement - 250048 01 13
Property-Gard Pinnacle - Detrimental Code Coverage Extension - 250061 01 13
Property-Gard Pinnacle - Crisis Management Coverage - 250062 10 22
Property-Gard Pinnacle - Municipality Extension Endorsement - 250063 01 13
Property-Gard Pinnacle - Combined Dollar Deductible - Specified Causes Of Loss - 250065 01 13
Property-Gard Pinnacle - Indiana State Exception Endorsement - 250079 01 13
Property-Gard Pinnacle - Blanket Mortgage Holder Or Loss Payee Provisions - 250126 01 15
Property-Gard Pinnacle - Mobile Equipment Coverage - 250131 10 17
Property-Gard Pinnacle - Vehicle Coverage - 250132 10 17
Property-Gard Pinnacle - Margin Provision - 250150 10 22

Exclusions (including but not limited to)
Government Action Exclusion
War Exclusion
Nuclear Hazard, Power Failure
Property-Gard Pinnacle - Conditional Vacancy Exclusion - 250050 01 13

Perils Covered:

Type	Description
Special Form Perils	Applies

Binding Requirements:

Description
Subject to Important Disclosure Notice Regarding Terrorism Coverage

Excess Workers' Compensation

Carrier Information	Proposed
Policy Term	1/1/2025 - 1/1/2026
Carrier	Arch Insurance Company
A.M. Best Rating	A+ XV
Admitted/Non-Admitted	Admitted
Payment Plan	Payment due in full within 30 days of binding
Payment Method	Agency Bill

Premium & Exposures	Proposed
Premium	\$93,797.00
Exposure / TIV	\$9,901,532 Annual Payroll
Rate	.9473
TRIA	Included
Estimated Cost	\$93,797.00

States
States Covered: IN
States Excluded: OH, ND, WA, WY
Extraterritorial Jurisdictions:

Standard Coverages	Proposed
Coverage A - Workers' Compensation	Specific Limit - Statutory
Employers Liability Limit	\$1,000,000

Optional Coverages	Proposed
Option #1: 2 year quote option	\$193,2122

Deductibles/SIR	Proposed
Specific Retention	\$500,000
Specific Retention - 7710 IN	\$750,000
Specific Retention - 7720 IN	\$750,000

Endorsements (including but not limited to)
More Than One Premium Adjustment (Policy No. 0253497) - ISI-285 (8-13)
Policyholder Disclosure Notice of Terrorism Insurance - CMB-199 (8-13)
Indiana Endorsement - ISI-IN- (8-13)

Exclusions (including but not limited to)
Owners or Officers
Bodily Injury to an Employee While Employed in Violation of Law
Bodily Injury Intentionally Caused by Insured

Exclusions (including but not limited to)
Longshore & Harbor Workers' Act
Federal Employers' Liability Act
Assumptions under Contract
Aircraft Exclusion - ISI-254-EXC (8-13)

State	Description	Exposure	Rate per \$100
IN	Workers' Compensation	\$9,901,532	.9473

Optional Worker' Compensation Quote
Midwest Insurance Co.: Premium - \$93,698.00 Annually, 2 year Rate Guarantee. Statutory/\$1,000,000 Limits; Retention \$500,000: Specific Retention Police & Fire \$750,000. – Total Est. Payroll \$9,901,532. Rate 0.9463

Cyber Liability

<i>Carrier Information</i>	<i>Proposed</i>
Policy Term	12/31/2024 - 12/31/2025
Carrier	Houston Casualty Company/Tokio Marine HCC
A.M. Best Rating	A++ XV
Admitted/Non-Admitted	Non-Admitted
Payment Plan	Payment of premium is due 30 days from the effective date of coverage.
Payment Method	Agency Bill

Premium & Exposures	Proposed
Premium	\$25,365.00
Surplus Lines Tax	\$640.38
- Broker Fee - RPS	\$250.00
TRIA	Included
Minimum Type	None
Estimated Cost	\$26,255.38

Standard Coverages	Proposed
Maximum Policy Aggregate Limit	\$3,000,000
Third Party Liability Insuring Agreements:	
Multimedia Liability Coverage	\$3,000,000/\$3,000,000
Security and Privacy Liability Coverage	\$3,000,000/\$3,000,000
Privacy Regulatory Defense and Penalties Coverage	\$3,000,000/\$3,000,000
PCI DSS Liability Coverage	\$3,000,000/\$3,000,000
Bodily Injury Liability Coverage	\$250,000/\$250,000
Property Damage Liability Coverage	\$50,000/\$50,000
TCPA Defense Coverage	\$50,000/\$50,000
First Party Insuring Agreements:	
Breach Event Costs Coverage	\$3,000,000/\$3,000,000
Post Breach Remediation Costs Coverage	\$25,000/\$25,000
BrandGuard™ Coverage	\$3,000,000/\$3,000,000
System Failure Coverage	\$3,000,000/\$3,000,000
Dependent System Failure Coverage	\$3,000,000/\$3,000,000
Cyber Extortion Coverage	\$3,000,000/\$3,000,000
Cyber Crime Coverage	
A. Financial Fraud Sublimit	\$250,000/\$250,000
B. Telecommunications and Utilities Fraud Sublimit	\$250,000/\$250,000
C. Phishing Fraud Sublimits	
1. Your Phishing Fraud Loss Sublimit	\$250,000/\$250,000
2. Client Phishing Fraud Loss Sublimit	\$250,000/\$250,000

Standard Coverages	Proposed
3. Phishing Fraud Aggregate Sublimit (C.1. & C. 2 combined)	\$250,000
Cyber Crime Aggregate Limit (A., B., & C. combined)	\$250,000
Bricking Loss Coverage	\$3,000,000/\$3,000,000
Property Damage Loss Coverage	\$50,000/\$50,000
Reward Expenses Coverage	\$50,000/\$50,000
Court Attendance Costs Coverage	\$25,000/\$25,000
Breach Event Costs Outside the Limit Enhancement	Included

Additional Coverages	Proposed
BrandGuard™ Coverage - Period of Indemnity	6 months
System Failure Coverage:	
B. Non-Physical Business Interruption - Period of Restoration	6 months
Dependent System Failure Coverage:	
B. Non-Physical Business Interruption - Period of Indemnity	4 months
Biometric Claims Sublimit - Each Biometric Claim	\$250,000
Biometric Claims Sublimit - Aggregate	\$250,000
Ransomware	\$3,000,000
Cyber Deception	\$250,000

Optional Coverages	Proposed Limit
Houston Casualty Option 2: Cyber Liability Premium: \$10,981.00	\$500,000 / \$10,000 Deductible - \$30K Aggregate
Houston Casualty Option 3: Cyber Liability Premium: \$12,201.00	\$1,000,000 / \$10,000 Deductible - \$30K Aggregate
Houston Casualty Option 4: Cyber Liability Premium: \$20,635.00	\$2,000,000 / \$10,000 Deductible - \$30K Aggregate
Lloyd's of London BCS Option 5: Cyber Liability Premium: \$38,107.00	\$3,000,000 / \$10,000 Deductible

Deductibles/SIR	Proposed
Deductible - Aggregate Deductible	\$30,000
Deductible - Multimedia Liability Coverage - each claim	\$10,000
Deductible - Security and Privacy Liability Coverage - each claim	\$10,000
Deductible - Privacy Regulatory Defense and Penalties Coverage - each claim	\$10,000
Deductible - PCI DSS Liability Coverage - each claim	\$10,000
Deductible - Bodily Injury Liability Coverage - each claim	\$10,000
Deductible - Property Damage Liability Coverage - each claim	\$10,000
Deductible - TCPA Defense Coverage - each claim	\$10,000

Deductibles/SIR	Proposed
Deductible - Breach Event Costs Coverage - each claim	\$10,000
Deductible - Post Breach Remediation Costs Coverage - each claim	\$10,000
Deductible - BrandGuard™ Coverage - Waiting Period - each claim	2 weeks
Deductible - System Failure Coverage	
Deductible - A. Data Recovery Deductible - each claim	\$10,000
Deductible - B. Non-Physical Business Interruption	Waiting Period - 8 hours
Deductible - Dependent System Failure Coverage	
Deductible - A. Data Recovery Deductible - each claim	\$10,000
Deductible - B. Non-Physical Business Interruption - each claim	Waiting Period - 12 hours
Deductible - Cyber Extortion Coverage - each claim	\$10,000
Deductible - Cyber Crime Coverage - each claim	\$10,000
Deductible - Bricking Loss Coverage - each claim	\$10,000
Deductible - Property Damage Loss Coverage - each claim	\$10,000
Deductible - Reward Expenses Coverage - each claim	\$10,000
Deductible - Biometric Claims Deductible - Each Biometric Claim	To match option selected

Defense Limitations	Proposed
The Limits of Liability for the Third Party Liability Insuring Agreements Include Defense Costs.	

Form Type	Proposed
Form Type	Cyber Liability - Third Party Liability: Claims Made and reported; First Party Coverage: Discovery; Biometric Claims: Claims Made
Retroactive Date	Cyber Liability - None; Full Prior Acts Coverage; Biometric Claims: None; Full Unknown Prior Acts.

Definition Of Claim:

“Claim” means:

(a) with respect to Multimedia Liability Coverage and Security and Privacy Liability Coverage only:

- i. a written demand made against an Insured for Damages or non-monetary relief;
- ii. a written request received by an Insured to toll or waive a statute of limitations relating to legal proceedings against an Insured; or

Definition Of Claim:

iii. the service of a civil lawsuit or the institution of arbitration or other alternative dispute resolution proceedings against an Insured seeking Damages, a temporary restraining order or a preliminary or permanent injunction;

(b) with respect to Privacy Regulatory Defense and Penalties Coverage only, a Privacy Regulatory Proceeding;

(c) with respect to PCI DSS Liability Coverage only, a PCI DSS Demand;

(d) with respect to Bodily Injury Liability Coverage only, a Bodily Injury Claim;

(e) with respect to Property Damage Liability Coverage only, a Property Damage Claim;

(f) with respect to TCPA Defense Coverage only, a TCPA Claim;

(g) with respect to Breach Event Costs Coverage only, written notice from an Executive to the Company of an Adverse Media Report, Security Breach or Privacy Breach;

(h) with respect to Post Breach Remediation Costs Coverage only, a written request by an Executive to the Company for indemnification of Post Breach Remediation Costs;

(i) with respect to BrandGuard Coverage only, written notice from an Executive to the Company of a Security Breach or Privacy Breach;

(j) with respect to System Failure Coverage only, written notice from an Executive to the Company of a System Failure;

(k) with respect to Dependent System Failure Coverage only, written notice from an Executive to the Company of a Dependent System Failure;

(l) with respect to Cyber Extortion Coverage only, written notice from an Executive to the Company of a Cyber Extortion Threat;

(m) with respect to Cyber Crime Coverage: Financial Fraud only, written notice from an Executive to the Company of Financial Fraud;

(n) with respect to Cyber Crime Coverage: Telecommunications and Utilities Fraud only, written notice from an Executive to the Company of Telecommunications Fraud or Utilities Fraud;

(o) with respect to Cyber Crime Coverage: Phishing Fraud only, written notice from an Executive to the Company of Phishing Fraud or Client Phishing Fraud;

(p) with respect to Bricking Loss Coverage only, written notice from an Executive to the Company of a Bricking Event;

(q) with respect to Property Damage Loss Coverage only, written notice from an Executive to the Company of an Occurrence;

(r) with respect to Reward Expenses Coverage only, a written request by an Executive to the Company for indemnification of Reward Expenses; and

(s) with respect to Court Attendance Costs Coverage only, a written request by an Executive to the Company for indemnification of Court Attendance Costs.

A Claim under Multimedia Liability Coverage or Security and Privacy Liability Coverage shall not include a Privacy Regulatory Proceeding, PCI DSS Demand or TCPA Claim.

A Claim under any Third Party Liability Insuring Agreement of this Policy will be deemed to have been first made against an Insured when any Insured first receives written notice of such Claim.

A Claim under any First Party Insuring Agreement of this Policy will be deemed to have been first made when the Company first receives written notice of such Claim.

Solely with respect to the Biometric Claims Sublimit, Section VI. DEFINITIONS, (18) Claim, is amended to include a Biometric Claim.

Biometric Claim” means: (a) a written demand made against an Insured for Damages or non-monetary relief alleging a Biometric Wrongful Act; (b) the service of a civil lawsuit or the institution of arbitration or other alternative dispute resolution proceedings against an Insured alleging a Biometric Wrongful Act; (c) a written request received by an Insured to toll or waive a statute of limitations relating to legal proceedings against an Insured for a Biometric Wrongful Act; or (d) a civil or administrative proceeding, regulatory action, request for information or investigation instituted against an Insured by a federal, state, local or foreign governmental agency as a direct result of a Biometric Wrongful Act.

Incident/Claim Reporting Provision:

Immediately report all incidents/Claims to Houston Insurance company

Claims Made Disclaimer:

Should you elect to change carriers (if a new retroactive date is provided) or non-renew this policy, a supplemental extended reporting endorsement may be available subject to policy terms and conditions. You must request the extended reporting period in writing to the carrier within 30 days of the expiration date. The cost of this extended reporting period is 100% of the annual premium and is fully earned. The extended reporting period extends only to those claims made during the extended reporting period for wrongful acts that occurred prior to the expiration date and would have been covered by the policy. Claims must be reported to the carrier within 60 days of the end of the policy period. The extended reporting period does not increase the limits of liability and is subject to all policy terms, conditions and exclusions.

Endorsements (including but not limited to)

NetGuard Policy - NGP 1000 (4.2020)

Amendment of Other Insurance Provisions: Excess Insurance - NGP1082-52020

Biometric Claims Sublimit - NGP1077-122023

Policyholder Disclosure Notice of Terrorism Insurance Coverage - NGP1076-42020

Service of Suit - NGP1075-42020

RPS Cyber Amendatory - NGP1124-82024

Exclusions (including but not limited to)

Nuclear Incident Exclusion - NGP1078-52020

War and Cyber Operation Exclusion - NGP1109-102023

Package - Methane Plant (Property, General Liability)

Carrier Information	Proposed
Policy Term	1/1/2025 - 1/1/2026
Carrier	Federal Insurance Company
Admitted/Non-Admitted	Admitted
Payment Plan	Annual
Payment Method	Agency Bill

Premium & Exposures	Proposed
Premium	\$95,062.00
Exposure	1,641,000 KWH - Individual Power Production Electric (Base Load)

Standard Coverages	Proposed
Liability	
General Aggregate Limit (Products and Completed Operations are Subject to the General Aggregate)	\$2,000,000
Advertising Injury and Personal Injury Aggregate Limit	\$1,000,000
Each Occurrence Limit	\$1,000,000
Medical Expenses Limit	\$10,000
Damage to Premises Rented to You Limit	\$1,000,000
Non owned Watercraft	Less than 40 Feet
Property	
Building - Loc.# 1	\$137,772
- Automatic Increase in Limits	5%
Personal Property - Loc.# 1	\$4,588,153
- Automatic Increase in Limits	5%
Debris Removal Expense - Loc.# 1	\$1,000,000
Pollutant Clean-Up or Removal - Loc.# 1	\$100,000
Ordinance or Law Sub Limit - Loc.# 1	\$100,000
Machinery Breakdown	Included
Earthquake	
Policy Annual Aggregate Limit	\$4,375,857
Earthquake - Loc.# 1	
- Premises Annual Aggregate Limit	\$4,375,857
- Per Occurrence Limit	\$4,375,857
Flood	
Policy Annual Aggregate Limit	\$4,375,857
Flood - (Inundation, Back-up and Mud Flow Included) - Loc.# 1	

Standard Coverages	Proposed
- Premises Annual Aggregate Limit	\$4,375,857
- Per Occurrence Limit	\$4,375,857

Additional Coverages	Proposed
The Information Shown Above Applies to: All Premises Coverages; All Additional Coverages; And Debris Removal Coverage, And all Premises, Unless Corresponding Specific Information is Shown as Applicable to a Specific Premises or Coverage - Extended Period	12 Months
Additional Coverages – Specific Limits	
Prohibition of Access	
- Per Occurrence Limit	\$50,000
- Annual Aggregate Limit	\$100,000
Blanket Limit of Insurance	
- Accounts Receivable; Electronic Data Processing Property; Fine Arts; Leasehold Interest - Bonus Payment, Prepaid Rent, Sublease Profit, Tenants' Lease Interest; Leasehold Interest - Undamaged Tenant's Improvements & Betterments; Non-Owned Detached Trailers; Outdoor Trees, Shrubs, Plants or Lawns; Pair and Set; Public Safety Service Charges; Research and Development Property; Valuable Papers	\$250,000

Additional Property Coverages - the Following Additional Coverages Apply Separately at Each of Your Premises. In This Proposal, Any Additional Limits for These Coverages that You Have Purchased are Indicated at the Described Premises to Which the Increased Limits Apply. A Policy Level Deductible Applies to Each of the Additional Coverages, Unless Otherwise Indicated Below or at the Described Premises.

Any Other Location	
- Accounts Receivable	\$50,000
- Building Components	\$50,000
- Electronic Data Processing Property	\$50,000
- Fine Arts	\$50,000
- Personal Property	\$50,000
- Research and Development Property	\$50,000
- Valuable Papers	\$50,000
Debris Removal	
- Premises Shown in the Declarations	\$100,000
- any Other Location	\$25,000
- in Transit	\$25,000
Deferred Payments	\$25,000
Exhibition, Fair or Trade Show	
- Electronic Data Processing Property	\$50,000
- Fine Arts	\$50,000
- Personal Property	\$50,000
Extra Expense	\$100,000
Fungus Clean-up or Removal	\$25,000
Installation	
- any Job Site	\$25,000
- in Transit	\$25,000

Additional Coverages	Proposed
In Transit	
- Accounts Receivable	\$25,000
- Building Components	\$25,000
- Electronic Data Processing Property	\$50,000
- Fine Arts	\$25,000
- Personal Property	\$25,000
- Valuable Papers	\$25,000
Loss of Master Key	\$15,000
Loss Prevention Expenses	\$15,000
Mobile Communication Property (Greater than 1,000 Feet from a Premises Shown in the Declarations)	\$15,000
Money & Securities	
- on Premises	\$15,000
- off Premises	\$15,000
Personal Property of Employees	\$100,000
Pollutant Clean-up or Removal	\$25,000
Preparation of Loss Fees	\$10,000
Newly Acquired Premises or Newly Acquired or Constructed Property	
Building	\$2,500,000
Personal Property	\$1,000,000
Personal Property at Existing Premises	\$100,000
Electronic Data Processing Equipment	\$1,000,000
Electronic Data	\$50,000
Communication Property	\$50,000
Fine Arts	\$25,000

Deductibles/SIR	Proposed
Deductible - The Information Shown Above Applies to: All Premises Coverages; All Additional Coverages; And Debris Removal Coverage, And all Premises, Unless Corresponding Specific Information is Shown as Applicable to a Specific Premises or Coverage - Deductible	\$100,000
Deductible - Earthquake - Property Damage Per Premises/Per Occurrence Dollar Deductible - Loc.# 1	\$100,000
Deductible - Flood - (Inundation, Back-up and Mud Flow Included) - Loc.# 1	
Deductible - - Per Premises/Per Occurrence Waiting Period (Normal Business Hours)	48 Hours
Deductible - Per Premises/Per Occurrence Dollar Deductible	\$500,000

Valuations	Proposed
Replacement Cost	Cost of Replacement at any Location; Personal Property of Others, Business Personal Property You Lease and Personal Property of Employees; Research and Development Property if Repaired, Replaced or Reproduced; 24 Months to Decide to Repair or Replace
Actual Cash Value (ACV)	Valuation on Tenants' I & B when not Replaced
Selling Price	Finished Stock and Sold Personal Property

Form Type	Proposed
Form Type	General Liability - Occurrence

Endorsements (including but not limited to)
Supplementary Declarations Property (\$250K) - 42-02-1611 01-15
Boiler and Machinery Coverage - 42-02-1633 04-10
Power Property Extension - 42-02-2424 04-10
Additional Peril-Flood Limit/Deductible or Waiting Per Premium/Occurrence - 42-02-2448 04-10
Fungus Clean up or Removal Premium Coverage Amended - 80-02-0177 02-22
Malicious Programming and System - Def Amend - 80-02-0459 11-23
Building and Personal Property - 80-02-1000 06-05
Electronic Data Processing Property - 80-02-1017 07-03
Extra Expense - 80-02-1018 07-03
Accounts Receivable, Fine Arts, Money & Sec, Val. Papers - 80-02-1048 07-03
Property/Business Income Conditions & Definitions - 80-02-1097 06-05
Additional Peril- Earthquake Limit/Deductible or Waiting Period - 80-02-1303 10-06
Cap on Certified Terrorism Losses (all Premises) - 80-02-1658 01-15
Ord or Law & Existing Green Standards LPB - 80-02-5250 06-08
Additional Covg Added - Prohibition of Access - 80-02-5357 01-15
Auto Increase in Limits Provision Amended - 80-02-5702 10-22
How to Report a Loss - 80-02-9001 06-98
In Manda Cancellation & when we do not Renew - 80-02-9770 09-21
Condition - Civil Unions or Domestic Partnerships - 80-02-9790 03-12
Notice to Policyholders - Indiana - 80-10-9108 06-95
General Liability Coverage - 42-02-1004 10-01
Designated Premises, Project Or Operation Limit - 80-02-2313 06-18

Exclusions (including but not limited to)
Government Action Exclusion
War Exclusion
Nuclear Hazard, Power Failure
Malicious Programming Exclusion Added - 80-02-0081 03-20
Virus, Bacteria or Microorganism Exclusion Added - 80-02-2209 07-20
General Liability - Bodily Injury and Property Damage from pollutants - Absolute Exclusion
General Liability - Losses arising from the ownership maintenance or use of aircraft (including drones), autos, or watercraft, with some minor exceptions including certain contractual obligations

Exclusions (including but not limited to)
General Liability - Employment Related Practices Exclusion
General Liability - Liquor Liability Exclusion
General Liability - Aircraft Products Exclusion
General Liability - Professional Liability Exclusion
General Liability - Real Property in Your Care, Custody, and Control Exclusion

Perils Covered:

Type	Description
Special Form Perils	Applies

Description	Exposure
Individual Power Production Electric (Base Load)	1,641,000 KWH

Binding Requirements:

Description
Subject to:
- Building Registrant Owner Form
- Signed TRIA

Property – Clubhouse & Amphitheater

<i>Carrier Information</i>	<i>Proposed</i>
Policy Term	1/1/2025 - 1/1/2026
Carrier	Beazley Excess & Surplus Insurance Inc.
Admitted/Non-Admitted	Non - Admitted
Payment Plan	Payment due in full within 30 days of binding
Payment Method	Agency Bill

<i>Premium & Exposures</i>	<i>Proposed</i>
Premium	\$75,000.00
Surplus Lines Tax	\$1,875.00
Minimum Earned percent	25%
TRIA – Optional	\$3,750.00
Estimated Cost	\$76,875.00

<i>Standard Coverages</i>	<i>Proposed</i>
Business Real Property, Business Personal Property, Mobile Equipment	\$15,961,714

<i>Deductibles/SIR</i>	<i>Proposed</i>
Deductible	\$50,000 Per Occurrence

<i>Valuation</i>	<i>Limitations</i>
Replacement Cost	Property, Personal Property & Mobile Equipment
Actual Cash Value	Limitations on Coverage for Roof Surfacing, Paragraphs A & B Only Apply to Roof Surfaces Greater than 10 Years Old at all Covered Premises

<i>Coverage Type</i>	<i>Description</i>
Basic Perils	Blanket

<i>Exclusions (including but not limited to)</i>
Earth Movement Exclusion
Flood Exclusion
Government Action Exclusion
War Exclusion
Nuclear Hazard, Power Failure
Sinkhole Collapse is Excluded
Seepage & Pollution, Land, Air Water Exclusion & Debris Removal Endorsement

Binding Requirements:

DESCRIPTION
Subject to Signed TRIA Form
Signed SOV

Premium Summary

The estimated program cost for the options are outlined in the following table:

<i>Line of Coverage</i>		Ambridge Package	Old Republic Union Insurance Company	Travelers Package
Package Including Crime	Premium	\$320,000.00	\$355,500.00	\$303,296.00
	Estimated Cost*	\$332,375.00	\$366,712.50	\$303,296.00
		Fireman's Fund Insurance Company		
Excess Property	Premium	\$119,963.00		
	Estimated Cost*	\$119,963.00		
		Arch Insurance	Midwest Employers Casualty Company	
Excess Workers' Compensation	Premium	\$93,797.00	\$93,698.00	
	Estimated Cost*	\$93,797.00	\$93,698.00	
	Payroll Rate	\$9,901,532 .9473	\$9,901,532 0.9463	
		Houston Casualty Company	Lloyd's of London (BCS)	
Cyber Liability	Premium	\$25,365.00	\$37,531.80	
	Estimated Cost*	\$26,255.38	\$38,684.48	
		Federal Insurance Company		
Package - Methane Plant	Premium	\$95,062.00		
	Estimated Cost*	\$95,062.00		
		Beazley Insurance Co.		
Clubhouse & Amphitheater	Premium	\$75,000.00		
	Estimated Cost*	\$76,875.00		
Service Fee		\$86,127.00	\$86,127.00	\$86,127.00
Opt. 1: Total Program Cost with Arch WC & Houston Cyber.		\$830,427.38	\$864,764.38	\$801,348.38
Opt. 2: Total Program Cost with Midwest WC & BCS Cyber.		\$842,757.48	\$877,094.48	\$813,687.48

*Estimated Cost includes all taxes, fees, surcharges and TRIA premium (if applicable)

Quote from **Midwest Employers Casualty Company (W. R. Berkley Group)** is valid until **12/30/2024**

Quote from **Travelers Casualty and Surety Co of America (The Travelers Companies, Inc.)** is valid until **1/1/2026**

Quote from **Fireman's Fund Insurance Company (Allianz SE)** is valid until **1/1/2025**

Quote from **Old Republic Union Insurance Company (Old Republic Insurance Group)** is valid until **1/1/2025**

Quote from **Houston Casualty Company (Tokio Marine Holdings, Inc.)** is valid until **12/31/2024**

Quote from **Federal Insurance Company (Chubb Group of Insurance Companies)** is valid until **1/1/2025**

Quote from **Lloyd's Syndicate 2987, Lloyd's Synd 4711 Aspen Managing Agency Limited (4711), etc...** is valid until **12/31/2024**

Gallagher is responsible for the placement of the following lines of coverage:

- Package**
- Crime**
- Excess Property**
- Excess Workers' Compensation**
- Cyber Liability**
- Package - Methane Plant**
- Other Casualty - Environmental Liability**
- Property - Property - Clubhouse & Amphitheater**
- Builders Risk**

It is understood that any other type of exposure/coverage is either self-insured or placed by another brokerage firm other than Gallagher. If you need help in placing other lines of coverage or covering other types of exposures, please contact your Gallagher representative.

Coinsurance Illustration

Coinsurance Formula:

$$\text{Insurance Carried} \div \text{Insurance Required} \times \text{Loss} - \text{Deductible} = \text{Settlement}$$

Example of Coinsurance formula applied to a hypothetical loss situation:

Property Value	=	\$1,000,000
Coinsurance Amount	=	80%
Deductible	=	\$500
Insurance Required	=	\$800,000 (80% of \$1,000,000)
Insurance Carried	=	\$400,000
Loss Incurred	=	\$200,000

Settlement determined by applying the coinsurance formula:

\$400,000

(Insurance Carried)

\$800,000

$$\times \$200,000 \text{ (Loss)} - \$500 \text{ (Deductible)} = \$99,500 \text{ Settlement}$$

Note: If the property in the above example is insured for the full insurance required (\$800,000), the insured will recover \$199,500. In the above example, the insured will suffer a \$100,000 penalty for not being insured to the proper limit.

Proposal Disclosures

Proposal Disclosures

The following disclosures are hereby made a part of this proposal. Please review these disclosures prior to signing the Client Authorization to Bind or e-mail confirmation.

Proposal Disclaimer

IMPORTANT: The proposal and/or any executive summaries outline certain terms and conditions of the insurance proposed by the insurers, based on the information provided by your company. The insurance policies themselves must be read to fully understand the terms, coverages, exclusions, limitations and/or conditions of the actual policy contract of insurance. Policy forms will be made available upon request. We make no warranties with respect to policy limits or coverage considerations of the carrier.

Compensation Disclosure

1. Gallagher Companies are primarily compensated from the usual and customary commissions, fees or, where permitted, a combination of both, for brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary based on market conditions and the insurance product placed for the client.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies that provide for additional compensation if certain underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company, not on an individual policy basis. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. If you do not wish to have your commercial insurance placement included in consideration for additional compensation, contact your producer or service team for an Opt-out form.
3. Gallagher Companies may receive investment income on fiduciary funds temporarily held by them, or from obtaining or generating premium finance quotes, unless prohibited by law.
4. Gallagher Companies may also access or have an ownership interest in other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace some of which may earn and retain customary brokerage commission and fees for their work.

If you have specific questions about any compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.

TRIA/TRIPRA Disclaimer

If this proposal contains options to purchase TRIA/TRIPRA coverage, the proposed TRIA/TRIPRA program may not cover all terrorism losses. While the amendments to TRIA eliminated the distinction between foreign and domestic acts of terrorism, a number of lines of coverage excluded under the amendments passed in 2005 remain excluded including commercial automobile, burglary and theft insurance; surety insurance, farm owners multiple perils and professional liability (although directors and officers liability is specifically included). If such excluded coverages are required, we recommend that you consider purchasing a separate terrorism policy. Please note that a separate terrorism policy for these excluded coverages may be necessary to satisfy loan covenants or other contractual obligations. TRIPRA includes a \$100 billion cap on insurers' aggregate liability.

TRIPRA is set to expire on December 31, 2027. There is no certainty of extension, thus the coverage provided by your insurers may or may not extend beyond December 31, 2027. In the event you have loan covenants or other contractual obligations requiring that TRIA/TRIPRA be maintained throughout the duration of your policy period, we recommend that a separate "Stand Alone" terrorism policy be purchased to satisfy those obligations.

Property Estimator Disclaimer

These property values were obtained using a desktop Property Estimator software operated by non-appraisal professionals. These property values represent general estimates which are not to be considered a certified appraisal. These property values include generalities and assumptions that may produce inaccurate values for specific structures.

Terms and Conditions

It is important that we clearly outline the nature of our mutual relationship. The following terms and conditions (these "Terms") govern your relationship with Gallagher unless you have separately entered into a written services agreement with Gallagher relative to the policies and services outlined in this Proposal, in which case that services agreement will govern and control with respect to any conflicts with these Terms. These Terms will become effective upon your execution of the Client Authorization to Bind Coverage (the "CAB") included in this Proposal and shall survive for the duration of your relationship with Gallagher relative to the policies placed pursuant to the CAB or otherwise at your request.

Services

Gallagher will represent and assist you in all discussions and transactions with insurance companies relating to the lines of insurance coverage set forth in the CAB and any other lines of insurance coverage with which you request Gallagher's assistance. Gallagher will consult with you regarding any matters involving these or other coverages for which you have engaged Gallagher. You have the sole discretion for approving any insurance policies placed, as well as all other material decisions involving your risk management, risk transfer and/or loss prevention needs.

Although you are responsible for notifying applicable insurance companies directly in connection with any claims, demands, suits, notices of potential claims or any other matters as required by the terms and conditions of your policies, Gallagher will assist you in determining applicable claim reporting requirements.

Treatment of Information

Gallagher understands the need to protect the confidentiality and security of your confidential and sensitive information and strives to comply with applicable data privacy and security laws. Your confidential and sensitive information will be protected by Gallagher and only used to perform services for you; provided that Gallagher may disclose and transfer your information to our affiliates, agents or vendors that have a need to know such information in connection with the provision of such services (including insurance markets, as necessary, for marketing, quoting, placing and/or servicing insurance coverages). We may also disclose such information as required by applicable data protection laws or the order of any court or tribunal, subject to our providing you with prior notice as permitted by law.

We will (i) implement appropriate administrative, physical and technical safeguards to protect personal information; (ii) timely report security incidents involving personal information to affected parties and/or regulatory bodies; (iii) create and maintain required policies and procedures; and (iv) comply with data subjects' rights, as applicable. To the extent applicable under associated data protection laws, you are a "business" or "controller" and Gallagher is a "service provider" or "data processor." You will ensure that any information provided to Gallagher has been provided with any required notices and that you have obtained all required consents, if any and where required, or are otherwise authorized to transfer all information to Gallagher and enable Gallagher to process the information for the purposes described in this Proposal and as set forth in Gallagher's Privacy Policy located at <https://www.ajg.com/privacy-policy/>. Gallagher may update its Privacy Policy from time to time and any updates will be posted to such site.

Dispute Resolution

Gallagher does not expect that it will ever have a formal dispute with any of its clients. However, in the event that one should arise, we should each strive to achieve a fair, expedient and efficient resolution and we'd like to clearly outline the resolution process.

A. If the parties have a dispute regarding Gallagher's services or the relationship governed by this Proposal ("Dispute"), each party agrees to resolve that Dispute by mediation. If mediation fails to resolve the Dispute, you and Gallagher agree to binding arbitration. Each party waives all rights to commence litigation in court to resolve a Dispute, and specifically waives all rights to pursue relief by class action or mass action in court or through arbitration. However, the parties do not waive the ability to seek a court order of injunction in aid of the mediation and arbitration required by these Terms.

B. The party asserting a Dispute must provide a written notice ("Notice") of the claim to the other party and to the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules and Mediation Procedures. All Dispute resolutions will take place in Chicago, IL, unless you and Gallagher agree to another location. The parties will equally divide all costs of the mediation and arbitration proceedings and will each pay their own attorneys' fees. All matters will be before a neutral, impartial and disinterested mediator or arbitrator(s) that have at least 20 years' experience in commercial and insurance coverage disputes.

C. Mediation will occur within sixty (60) days of filing the Notice with the AAA. Mediation results will be reduced to a memorandum of understanding signed by you, Gallagher and the mediator. A Dispute that is not resolved in mediation will commence to binding arbitration. For Disputes in excess of \$500,000, either party may elect to have the Dispute heard by a panel of three (3) arbitrators. The award of the arbitrator(s) must be accompanied by a reasoned opinion prepared and signed by the arbitrator(s). Except as may be required by law, neither

you, Gallagher, nor a mediator or arbitrator may disclose the existence, content or results of any Dispute or its dispute resolution proceeding without the prior written consent of both you and Gallagher.

Electronic Delivery

In lieu of receiving documents in paper format, you agree, to the fullest extent permitted by law, to accept electronic delivery of any documents that Gallagher may be required to deliver to you (including, but not limited to, insurance policies and endorsements, account statements and all other agreements, forms and communications) in connection with services provided by Gallagher. Electronic delivery of a document to you may be made via electronic mail or by other electronic means, including posting documents to a secure website.

Miscellaneous Terms

Gallagher is engaged to perform services as an independent contractor and not as your employee or agent, and Gallagher will not be operating in a fiduciary capacity.

Where applicable, insurance coverage placements and other services may require the payment of federal excise taxes, surplus lines taxes, stamping or other fees to the Internal Revenue Service, various State(s) departments of revenue, state regulators, boards or associations. In such cases, you will be responsible for the payment of the taxes and/or fees, which Gallagher will separately identify on related invoices.

The Proposal and these Terms are governed by the laws of the State of Illinois, without regard to its conflict of law rules.

If an arbitrator/court of competent jurisdiction determines that any provision of these Terms is void or unenforceable, that provision will be severed, and the arbitrator/court will replace it with a valid and enforceable provision that most closely approximates the original intent, and the remainder of these Terms will remain in effect.

Except to the extent in conflict with a services agreement that you may enter into with Gallagher, these Terms and the remainder of the Proposal constitute the entire agreement between you and Gallagher with respect to the subject matter of the Proposal, and supersede all prior negotiations, agreements and understandings as to such matters.

Client Signature Requirements

Coverages for Consideration

Overview

Gallagher recommends that you consider purchasing the following additional coverages for which you have exposure. A Proposal for any of the coverages below can be provided.

- Active Assailant

Please note the recommendations and considerations summarized in this section are not intended to identify all potential exposures. Gallagher is not an expert in all aspects of your business and assumes no responsibility to independently investigate the risks your business faces. Gallagher has relied upon the information you provided in making our insurance Proposals. If you are interested in pursuing additional coverages other than those listed above, please list the additional coverages in the Client Authorization to Bind.

Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated 11/26/2024, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

	Coverage/Carrier
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Package
<input type="checkbox"/> Option # 1	Ambridge (Lloyd's of London) Premium \$332,375.00
<input type="checkbox"/> Option # 2	Old Republic Insurance Co. Premium \$366,712.00.
<input type="checkbox"/> Option # 3	Travelers Insurance Co. Premium \$303,296.00
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	TRIA - Package
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Excess Property
	Fireman's Fund Insurance Company Premium \$119,936.00
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	TRIA - Excess Property
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Excess Workers' Compensation
<input type="checkbox"/> Option # 1	Arch Insurance Co. 1 year term: Premium \$93,797.00
<input type="checkbox"/> Option # 2	Arch Insurance Co. 2 year term: Premium \$187,594.00
<input type="checkbox"/> Option # 3	Midwest Employers Casualty Company 1 year term: Premium \$93,698.00
<input type="checkbox"/> Option # 4	Midwest Employers Casualty Company 2 year term: Premium \$187,396.00
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Cyber Liability
<input type="checkbox"/> Option # 1	Houston Casualty Company \$3,000,000 Limit / \$10,000 Deductible - \$30K Aggregate
<input type="checkbox"/> Option # 2	Houston Casualty Company \$500,000 / \$10,000 Deductible - \$30K Aggregate
<input type="checkbox"/> Option # 3	Houston Casualty Company \$1,000,000 / \$10,000 Deductible - \$30K Aggregate
<input type="checkbox"/> Option # 4	Houston Casualty Company \$2,000,000 / \$10,000 Deductible - \$30K Aggregate
<input type="checkbox"/> Option # 5	Lloyd's of London \$3,000,000 / \$10,000 Deductible
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	TRIA - Cyber Liability
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Package – Methane Plant
	Federal Insurance Company
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	TRIA – Package – Methane Plant

	Coverage/Carrier
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Property – Clubhouse & Amphitheater Beazley Insurance Co.
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	TRIA - Property

*For this coverage, TRIA cannot be rejected

Additional Recommended Coverages

Gallagher recommends that you purchase the following additional coverages for which you have exposure. By checking the box(es) below, you are requesting that Gallagher provide you with a Proposal for this coverage. By not requesting a Proposal for this coverage, you assume the risk of any uncovered loss.

Other Coverages to Consider

Active Assailant

The above coverage(s) does not necessarily represent the entirety of available insurance products. If you are interested in

Exposures and Values

You confirm the payroll, values, schedules, and any other information pertaining to your operations, and submitted to the underwriters, were compiled from information provided by you. If no updates were provided to Gallagher, the values, exposures and operations used were based on the expiring policies. You acknowledge it is your responsibility to notify Gallagher of any material change in your operations or exposures.

Additional Terms and Disclosures

Gallagher is not an expert in all aspects of your business. Gallagher’s Proposals for insurance are based upon the information concerning your business that was provided to Gallagher by you. Gallagher expects the information you provide is true, correct and complete in all material respects. Gallagher assumes no responsibility to independently investigate the risks that may be facing your business, but rather have relied upon the information you provide to Gallagher in making our insurance Proposals.

Gallagher's liability to you arising from any of Gallagher's acts or omissions will not exceed \$20 million in the aggregate. The parties each will only be liable for actual damages incurred by the other party, and will not be liable for any indirect, special, exemplary, consequential, reliance or punitive damages. No claim or cause of action, regardless of form (tort, contract, statutory, or otherwise), arising out of, relating to or in any way connected with the Proposal, any of Gallagher's services or your relationship with Gallagher may be brought by either party any later than two (2) years after the accrual of the claim or cause of action.

Gallagher has established security controls to protect Client confidential information from unauthorized use or disclosure. For additional information, please review Gallagher’s Privacy Policy located at <https://www.aig.com/privacy-policy/>.

You have read, understand and agree that the information contained in the Proposal and all documents attached to and incorporated into the Proposal, is correct and has been disclosed to you prior to authorizing Gallagher to bind coverage and/or provide services to you. By signing below, or authorizing Gallagher to bind your insurance coverage through email when allowed, you acknowledge you have reviewed and agree with terms, conditions and disclosures contained in the Proposal.

By: _____
Print Name (Specify Title)

Company

Signature

Date: _____

Appendix

Bindable Quotations & Compensation Disclosure Schedule

Client Name: Town of Munster

Coverage	Insurance Company	Wholesaler, MGA, or Intermediary Name ¹	Est. Annual Premium ²	Comm. % or Fee ³	Gallagher U.S. Owned Wholesaler, MGA, or Intermediary % and/or Fee %
Package	Old Republic Union Insurance Company	N/A	\$355,500.00	0 %	
Package	Ambridge (Lloyd's of London)	Ambridge Partners LLC	\$320,000.00	0 %	
Package	Charter Oak Fire Insurance Company Travelers Indemnity Company (The Travelers Companies, Inc.)	N/A	\$303,296.00	0 %	
Excess Property	Fireman's Fund Insurance Company (Allianz SE)	N/A	\$119,963.00	0 %	
Excess Workers' Compensation	Midwest Employers Casualty Company (W. R. Berkley Group)	N/A	\$93,686.00	0 %	
Excess Workers' Compensation	Arch Insurance Company	N/A	\$93,797.00	0 %	
Cyber Liability	Underwriters at Lloyd's London	Risk Placement Services	\$35,956.86	15%	6% + \$200.00
Cyber Liability	Houston Casualty Company (Tokio Marine Holdings, Inc.)	Risk Placement Services	\$25,365.00	13.34 %	6.66 % + \$250.00
Package - Methane Plant	Federal Insurance Company (Chubb Group of Insurance Companies)	N/A	\$95,062.00	0 %	*

<i>Coverage</i>	<i>Insurance Company</i>	<i>Wholesaler, MGA, or Intermediary Name¹</i>	<i>Est. Annual Premium²</i>	<i>Comm. % or Fee³</i>	<i>Gallagher U.S. Owned Wholesaler, MGA, or Intermediary % and/or Fee %</i>
Property – Clubhouse & Amphitheater	Beazley Excess & Surplus Lines	RPS	\$75,000.00	0 %	7.5 %
Service Fee				\$86,127.00	

1 We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.

2 If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

* A verbal quotation was received from this carrier. We are awaiting a quotation in writing.

3 The commission rate is a percentage of annual premium excluding taxes & fees.

* Gallagher is receiving ___% commission on this policy. The fee due Gallagher will be reduced by the amount of the commissions received.

Binding Requirements

Coverage (Issuing Carrier)	Binding Requirements
Package Old Republic Union Insurance Company	-Completed and signed Terrorism Acceptance/Rejection Form.
Package Ambridge (Lloyd's)	Subject to Policyholder Disclosure Notice of Terrorism Insurance Coverage
	Subject to Completed Ambridge Law Enforcement application due at binding
	Subject to Signed Uninsured/Underinsured Motorist Coverage Forms must be received by Underwriters within 30 days of binding
Excess Property Fireman's Fund Insurance Company	Subject to Important Disclosure Notice Regarding Terrorism Coverage
Cyber Liability Houston Casualty Company	Subject to:
	- PRIOR TO BINDING: A completed TMHCC NetGuard New Business Application (Attached), signed and dated no more than 45 days prior to the proposed effective date. Property - - Signed TRIA

Claims Reporting By Policy

Immediately report all claims. Each insurer requires notice of certain types of claims depending on the potential exposure or particular injury types. It is important to thoroughly review your policy to ensure you are reporting particular incidents and claims, based upon the insurer's policy requirements.

If you are using a third party administrator ("TPA"), your TPA may or may not report claims to an insurer on your behalf. Although we will assist you where requested, it is important that you understand whether your TPA will be completing this notification.

Reporting Direct to Carrier [Only When Applicable]

<i>Coverage(s): Crime</i>	<i>Report To:</i>
Insurer: Travelers Casualty and Surety Company of America Policy Period: 1/1/2025 - 1/1/2026	Insurer/TPA Name: Travelers Casualty and Surety Company of America Phone: 800-842-8496 Fax: 888-460-6622 Email: BSIclaims@travelers.com Web: https://www.travelers.com/claims/
<i>Coverage(s): Property</i>	<i>Report To:</i>
Insurer: Fireman's Fund Insurance Company Policy Period: 1/1/2025 - 1/1/2026	Insurer/TPA Name: Fireman's Fund Insurance Company Phone: 1.888.347.3428 Fax: 1.800.511.3720 Email: CIFNOL@ffic.com Web: https://fnolicus.firemansfund.com/aics.webfnol/webfnol/webfnol/webform.aspx?LOB=P
<i>Coverage(s): Excess Workers' Compensation</i>	<i>Report To:</i>
Insurer: Midwest Employers Casualty Company Policy Period: 1/1/2025 - 1/1/2027	Insurer/TPA Name: Midwest Employers Casualty Company Phone: 636-449-7167 Email: newclaim@MECasualty.co

Coverage(s): Package	Report To:
Insurer: Old Republic Union Insurance Company Policy Period: 1/1/2025 - 1/1/2026	Insurer/TPA Name: Old Republic Union Insurance Company Phone: 503-636-1266 Email: newclaim@nationalclaims.net Web: http://www.nationalclaims.net/

Coverage(s): Cyber Liability	Report To:
Insurer: Underwriters at Lloyd's London Policy Period: December 31, 2024 to December 31, 2025	Insurer/TPA Name: Underwriters at Lloyd's London Phone: 1-866-288-1705 Email: RPSCyberClaims@bakerlaw.com Web:

Coverage(s): Cyber Liability	Report To:
Insurer: Houston Casualty Company Policy Period: December 31, 2024 to December 31, 2025	Insurer/TPA Name: Houston Casualty Company Phone: 888.627.8995 Email: CyberClaims@tmhcc.com Web:

Coverage(s): Package - Methane Plant : General Liability	Report To:
Insurer: Federal Insurance Company Policy Period: 1/1/2025 - 1/1/2026	Insurer/TPA Name: Federal Insurance Company Phone: 1-800-2524670 Fax: 1-800-300-2538

Coverage(s): Package	Report To:
Insurer: Syndicate BRT 2987, Syndicate ASP 4711, Syndicate AXS 1686, Endurance Worldwide Insurance Limited Policy Period: 1/1/2025 - 1/1/2026	Insurer/TPA Name: Syndicate BRT 2987, Syndicate ASP 4711, Syndicate AXS 1686, Endurance Worldwide Insurance Limited Phone: Email:

Reporting to Gallagher or Assistance in Reporting

<i>Coverage(s):</i>	<i>Report To:</i>
Gallagher Claim Center	Phone: 855-497-0578 Fax: 225-663-3224 Email: ggb.nrcclaimscenter@ajg.com

Gallagher STEP



Reduce Your Risk and Simplify Training

Safety training programs and educational materials for employees are critical for reducing accidents, increasing retention, and minimizing your total cost of risk now and in the future.

Gallagher Safety Training Education Platform (STEP) is our proprietary learning management system (LMS) that supports your safety program, provides real-time access to your loss control plans and keeps employees up to date with the latest safety standards.

Key Benefits of Gallagher STEP

- **Register** for up to 10 complimentary modules every year from a library of over 100 training and safety shorts. In addition, monthly bulletins are available, covering topics such as general and environmental safety, human resources, and health and wellness.
- **Save** valuable time by assigning employee training and monitoring their latest progress and completion.
- **Simplify** the process of training to stay in compliance and avoid costly penalties.
- **Onboard and train** an unlimited number of users while enhancing your overall risk control program.
- **Customize** your platform with your company's logo, training content and modules tailored to your business, and personalized procedures and forms for an added fee.

Please visit ajg.com/us/gallagher-step/ to learn more.

Most Popular Training Modules

- Sexual Harassment and Discrimination
- Slip, Trip and Fall Training
- Electrical Safety Training
- Back Safety Training
- Bloodborne Pathogens
- Safe Lifting Practices
- Defensive Driving Basics
- Fire Prevention Basics
- Personal Protective Equipment
- GHS Hazard Communication



Gallagher CORE360® is our unique, comprehensive approach of evaluating your risk management program that leverages our analytical tools and diverse resources for custom, maximum impact on six cost drivers of your total cost of risk.

Sample of Available Training Modules and Safety Shorts

Human Resources Training

- Americans with Disabilities Act (ADA)
- California Ethics
- California Sexual Harassment & Discrimination—Employees (English and Spanish)
- California Sexual Harassment and Discrimination—Supervisors (English and Spanish)
- Connecticut Sexual Harassment Prevention and Response
- Diversity
- Drug-Free Workplace—Supervisor
- Ethics in Action
- Fair and Accurate Credit Transaction Act (FACTA)
- Family Medical Leave Act (FMLA)
- Interviewing Strategies
- Job Applications
- Maine Sexual Harassment Prevention and Response
- Personnel Files
- Sensitivity Basics: Creating Positive Working Relationships
- Sexual Harassment and Discrimination—Employees
- Sexual Harassment and Discrimination—Supervisors
- New York City Sexual Harassment and Discrimination—Employees (English and Spanish)
- New York City Sexual Harassment and Discrimination—Supervisors (English and Spanish)
- New York State Sexual Harassment and Discrimination—Employees (English and Spanish)
- New York State Sexual Harassment and Discrimination—Supervisors (English and Spanish)
- Smart Hiring
- Smart Risk Management—Core Principles
- Theft
- Unsafe Acts
- Violence Prevention
- Workers Compensation Essentials
- Workplace Investigations Basics
- Wrongful Termination

Safety Training

- Accident Investigation Techniques
- Asbestos Awareness (General Industry)
- Basic Conveyor Safety
- Bloodborne Pathogens (English and Spanish)
- Creating a Safe Holiday Celebration
- Common Fire and Life Safety Hazards
- Continuity of Operations Planning
- Defensive Driving—Accident Scene Management
- Defensive Driving—Backing Safely, R is for Reverse
- Defensive Driving Basics—Part I (English and Spanish)
- Defensive Driving—Changing Lanes Safely
- Defensive Driving—Driving Safely in School Zones
- Defensive Driving—General Auto Risk Management
- Defensive Driving—Intersections
- Defensive Driving—Reducing Deer-Related Incidents
- Defensive Driving—Safe Following Distance
- Defensive Driving—Spring Weather Conditions
- Defensive Driving—Winter Weather Conditions
- Determining the Root Cause of Accidents
- Disaster Planning 101
- Electrical Safety (English and Spanish)
- Ladder Safety
- Employee and Family Disaster Planning
- Evacuation Planning and Procedures
- Fire Prevention Practices (English and Spanish)
- Forklift Safety Basics for General Industry
- Hazard Communication (English and Spanish)
- Hearing Protection
- Housekeeping—Custodial, Safe Housekeeping Practices
- Identifying Strain and Exertion Exposures (English and Spanish)
- Lead-Based Paint
- Lockdown Procedures
- Lockout/Tagout (English and Spanish)
- Machine Guarding (English and Spanish)
- Means of Egress (English and Spanish)
- Mold
- Office Ergonomics Defined
- Office Ergonomics—Working in Comfort
- Office Workstation Safety
- Office Workstation Safety for Supervisors
- Personal Protective Equipment (English and Spanish)
- Portable Fire Extinguishers I
- Portable Fire Extinguishers II
- Power Tool Safety
- Preparation for Physical Activity
- Preventing Back Injuries (English and Spanish)
- Preventing Slips, Trips and Falls (English and Spanish)
- Preventing Injuries When Lifting, Moving and Transferring Residents
- Safety Pays for Life
- Temp Staffing Services. Employee Safety Orientation (English and Spanish)

Safety Shorts

Two safety shorts are considered one module selection.

- Bloodborne Pathogens
- Electrical Safety
- Emergency Procedures
- Fire Prevention and Protection
- Hand and Power Tools
- Hazard Communication
- Housekeeping/Custodial—Before You Start
- Housekeeping/Custodial—Cleaning by Hand
- Housekeeping/Custodial—Emptying Trash
- Housekeeping/Custodial—Mopping and Emptying Buckets
- Housekeeping/Custodial—Preventing Slips, Trips and Falls
- Housekeeping—General
- Ladder Safety
- Lockout/Tagout
- Personal Protective Equipment
- Safe Lifting Practices
- Slip, Trip and Fall

The Gallagher Way.
Since 1927.

Please visit ajg.com/us/gallagher-step/ to learn more.

Insurance brokerage and related services provided by Arthur J. Gallagher Risk Management Services, LLC.
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Overview and Login Information

The Gallagher eRiskHub® portal provides you with exclusive risk management tools and best practices to improve your organization's cyber risk posture. This important resource serves your cyber risk management strategies by enhancing your capabilities in cyberattack prevention, loss mitigation and cyber risk transfer techniques.

To access the Gallagher eRiskHub® now:

1. Navigate to <https://eriskhub.com/gallagher>
2. Complete the new user registration at the bottom of the page. Choose your own user ID and password. The access code is **447597**.
3. After registering, you can access the hub immediately using your newly created credentials in the member login box located at the top right of the page.

If you have any questions about the Gallagher eRiskHub®, please reach out the eRiskHub® support staff at support@eriskhub.com

Key Features of the Gallagher eRiskHub®

- **Risk Manager Tools**—A collection of tools for risk managers including research of known breach events, information to calculate the potential cost of a breach event, sample policies, breach response planning and more.
- **Learning Center**—An extensive collection of thought leadership articles, webinars, videos and blog posts covering everything from emerging cyber threats to data protection and more.
- **Security and Privacy Training**—Resources for creating an effective security training program for your employees.
- **Strategic Third-Party Relationships and Partner Resources**—Information on third-party vendors that can assist your organization improve your overall cyber risk, as well as access to exclusive Gallagher discounts on tools.

Gallagher's Cyber Capabilities

Gallagher's Cyber practice has the expertise to deliver a full complement of cyber risk management and insurance services to help your team stay protected. We take a consultative, action-based approach to address the sophisticated and evolving nature of cyber liability to design custom solutions that meet your unique needs. For more information, please contact us.

ajg.com The Gallagher Way. Since 1927.



Insurance | Risk Management | Consulting

The information contained herein is offered as insurance industry guidance and provided as an overview of current market risks and available coverages and is intended for discussion purposes only. This publication is not intended to offer legal advice or client-specific risk management advice. Any description of insurance coverages is not meant to interpret specific coverages that your company may already have in place or that may be generally available. General insurance descriptions contained herein do not include complete insurance policy definitions, terms, and/or conditions, and should not be relied on for coverage interpretation. Actual insurance policies must always be consulted for full coverage details and analysis.

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Benefits and HR Consulting to Support Diverse Workforces and Organizational Wellbeing

Your organization's success is powered by your people. When you partner with Gallagher's Benefits & HR Consulting team, we deliver a comprehensive approach to benefits, compensation, retirement, and employee communication that aligns your people strategy with your overall business goals. Let our consultants help you build a workplace that works better, so you can face the future with confidence.

Gain strategic insights through:

Gallagher Better WorksSM Insights

Expand your perspective on trending HR and benefits topics.

Workforce Trends Report Series

Access benchmarking data and insights from thousands of employers.

Best-In-Class Benchmarking Analysis

Find out how best-of-the-best employers build a better workplace.

Access innovative resources at your fingertips.

We provide the tools and experience to deliver actionable insights to your organization.

- Compliance resources
- HR and benefits technology trends
- Workforce evaluation
- Organizational wellbeing polls
- Data warehousing and insights
- Industry-specific resources

Health & Benefits

- Compliance Consulting
- Employee Benefits Consulting
- Pharmacy Benefit Management Consulting
- Small Business Consulting
- Voluntary Benefits Consulting

Financial & Retirement Services

- Executive Life & Benefits
- Investment Consulting
- Retirement Plan Consulting

Human Resources & Compensation

- Communication Consulting
- Compensation and Rewards Consulting
- Data & Research
- Human Resources Consulting
- HR Technology Consulting
- Multinational Benefits & HR Consulting
- Executive Search & Leadership Advisors

FACTS AND FIGURES*

7,500+

Benefits & HR Consulting employees worldwide

300+

Benefits & HR Consulting offices worldwide

90+

Countries with client Benefits & HR Consulting capabilities

Specialized experience in:

- Energy
- Equity M&A
- Healthcare
- Hospitality and Restaurant
- Nonprofit
- Public Sector and K-12 Education
- Religious

*Gallagher Benefit Services, Inc.

Gallagher Better WorksSM Builds a Better Workplace

Gallagher Better WorksSM is a holistic approach to attracting, engaging, and retaining the talent you need to help your organization grow. We work with you to develop benefits and HR programs at the right cost to optimize your annual talent investment, mitigate organizational risk, and build a wellbeing-centric culture that allows your people to thrive. Best of all, you'll be able to face the future with confidence, having gained a competitive advantage from a workplace that simply works better.

Physical & Emotional Wellbeing Solutions

- Legislative compliance guidance
- Employee health plan design and total rewards
- Pharmacy benefit plan design, RFP, and cost optimization
- Voluntary benefit plan design, employee education, and enrollment solutions
- Small business and emerging markets benefits and compensation

Career Wellbeing Solutions

- Internal employee experience communications
- Total rewards consulting
- Internal employee surveys and external stakeholder research
- Human resources policy, management, and strategy
- HR technology strategy, sourcing, implementation, and optimization
- Global benefits and HR strategy, and duty of care
- Talent search, organizational strategy, and leadership development

Financial Wellbeing Solutions

- Executive planning strategies for attracting, retaining, and rewarding key talent
- Fiduciary and institutional investment consulting to optimize plan assets for improved retirement outcomes
- Retirement plan design, fiduciary compliance, employee financial wellbeing education, coaching, and planning

Organizational Wellbeing Outcomes

- Unique workplace culture
- Improved employee retention
- Robust recruiting efforts
- Reduced organizational risk
- Enhanced employee experience

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Business Continuity and Resilience Services

Businesses face so many challenges in today's marketplace that can disrupt operations or interrupt a supply chain, including:

- Cyber attacks
- COVID-19
- Natural disasters

Having a plan in place and being prepared to successfully manage these situations should be a critical component of any operating model.

The turbulence of 2020, especially the global COVID-19 pandemic, revealed to many organizations just how underprepared they are to effectively respond to and recover from major business disruptions or crises.

Organizations suddenly found they had to deal with unprecedented direct and indirect challenges to their businesses, including major supply chain disruptions, sudden shifts in customer demand and increased cyberthreats since a large portion of the workforce was operating remotely.

However, the incidence of these types of threats was escalating well before COVID-19, as were threats posed by workplace violence, societal unrest and natural disasters as a result of climate change.

To make matters worse, organizations are now faced with increased costs for insurance coverage as a result of a hard market.

Building resilient and recoverable operations has proven to be more difficult than ever. Organizations often struggle to develop a comprehensive yet pragmatic business continuity management framework to identify, assess and manage threats/vulnerabilities.

Underpreparedness has consequences. A minor incident can escalate to a major crisis that can consume an organization, and impact its brand/reputation and financial results for months, if not years.

According to Oxford Metrica, "Of the companies that faced a crisis, on average, more than three-quarters experienced a 20%-30% drop in their stock price as a result of the way the incident was managed."

For companies to achieve long-term resilience, they must be agile enough to respond and recover from any crisis, regardless of its nature or origin.

If COVID-19 taught us anything, it is that the ability to recover critical business processes builds confidence among key stakeholders such as employees, regulators, customers, investors, the media, the public and insurers.

Resilient organizations manage uncertainty. As a trusted partner and advisor, Gallagher's **Business Continuity and Resilience Services** team works with organizations to first assess their level of business resilience and then develop custom programs to improve it. We have developed business continuity, crisis management, crisis communications and supply chain risk management programs for clients in virtually every industry.

Oxford Metrica study 2020

Business Continuity

A business continuity plan reduces the operational impact of an incident by directly targeting the recovery of an organization's value drivers—those business processes that directly drive revenue and reputation—and enables an organization to recover more efficiently and effectively following a major business disruption or crisis.

Crisis Management

Crisis management plans prevent or mitigate risks to people, brands, reputations and financial results, and provide the overarching framework for all response and recovery activities within the organization. Moreover, these plans improve coordination and accelerate decision-making at all levels of an organization in the event of a crisis.

Crisis Communications

Crisis communication plans communicate promptly, accurately and confidently to all stakeholders during an incident or actual crisis, and enable organizations to better coordinate internal and external global communications with media, employees, regulators, customers, investors and the public at large.

Supply Chain Risk Management

A supply chain risk management program will help assess and manage third-party risks and vulnerabilities to ensure that products/services continue to be delivered both during and following a major disruption.

Leaders Where it Counts

Gallagher was founded on a culture of ethics, service and a common interest—doing what's in our clients' best interest, not ours. That's one of the reasons why Gallagher has been named as one of the World's Most Ethical Companies® by Ethisphere for 11 consecutive years.

We are proud to be the only insurance broker to receive this recognition honoring companies who understand the importance of leading, making hard but values-based decisions, and exemplifying overall commitment to integrity.



Insurance | Risk Management | Consulting

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Gallagher provides risk services consultation that is tailored to our clients' particular loss history, industry risk factors, and insurance program structure. Our services, summaries and recommendations can include claim advocacy, evaluation of loss frequency and severity, loss prevention strategy, sufficiency of self-insured retentions, risk transfer options, identification of risk exposures, and insurance coverage for particular claims. Our work can also include collaboration with carriers, our client's legal counsel, loss prevention or actuarial consultants. We emphasize that any of the above risk services, risk management opinions, and advice provided directly to clients or to clients' third-party vendors, is both confidential and intended for our clients' use and not for distribution. We also only offer the advice from an insurance/risk management perspective and it is NOT legal advice or intended to supplant the advice or services provided to clients from legal counsel and advisors. We recommend that our clients seek advice from legal counsel and third-party professionals to become fully apprised of all legal and financial implications to their businesses.

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Arthur J. Gallagher & Co. named one of the World's Most Ethical Companies® for 2022.

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A Next Generation Engagement Solution

Gallagher Insight is a user-friendly web portal that allows secure, real-time collaboration between you and your Gallagher team. It empowers Clients with 24/7 access to their summary insurance information and an array of materials needed to run your risk management program, all at your fingertips on any device. Gallagher Insight is a password-protected portal accessible through any browser on your mobile phone, tablet or PC. Insight offers a modern design, robust features and upgraded functionality, including:

- Secure web-based document libraries for our clients
- Policy and document sharing with your Gallagher account team
- A private social network between your global team and ours
- Stewardship through goals, events and tasks set up by you and your Gallagher team
- Access to Gallagher's resource library
- Submission and tracking of service requests

Insight can be accessed from any electronic device using a secure ID and password to login.



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Contractual Risk Compliance



Insurance | Risk Management | Consulting

Mitigate contractual risk with confidence

There is more to managing compliance than just collecting your third-party vendors' certificates. **Gallagher Verify**SM ensures you are tracking all the information you need to keep your company organized, compliant and properly protected. Take advantage of our intelligent technology and experienced compliance experts to gain insight into your level of risk, giving you the freedom to focus on your day-to-day operations.



Verified Testimonial

Gallagher Verify monitors expiration dates, insurance limits and other details across thousands of COIs. In addition, their team delivers a very consultative, custom approach, which has allowed us to significantly improve our overall risk exposure.

Protect your business from unknown risk

A majority of organizations face unknown risk. In fact, research shows that most organizations average only 20% compliance for vendor insurance. Gallagher Verify limits your unknown risk and significantly improves compliance. Most companies that use Gallagher Verify average over 80% compliance.*

Track more than just certificates of insurance (COIs)

Our cloud software has the capability to track and verify compliance for any type of document your business is required to keep on file. These documents can include but are not limited to:

W-9 forms	OSHA mod rates	Background checks
MVRs	Contracts	Certifications and licenses

Gallagher Verify brings big benefits to your business

- Increased profitability due to reduced internal administrative costs
- Insurance consulting with a risk advisor
- Reports and dashboards to manage compliance trends
- Ongoing monitoring of A.M. Best insurance carrier ratings and vendor compliance with A.M. Best ratings
- Easy-to-use cloud software used to track and record incoming COIs
- Proactive compliance calls to vendors
- Industry-specific software configurations

*Tier 2 model.



Learn More About CORE360®

Gallagher Verify is part of Gallagher CORE360, our unique, comprehensive approach to evaluating your risk management program that leverages our analytical tools and diverse resources for custom, maximum impact on six cost drivers of your total cost of risk.

We consult with you to understand your **contractual liability**, and how to mitigate risks and associated costs.

This will empower you to know, control and minimize your total cost of risk, and improve your profitability.

Tiers of service tailored to the needs of your organization

	Tier 1	Tier 2
Gallagher Verify cloud software	✓	✓
Dedicated implementation project managers (includes data entry and software configuration)	✓	✓
Automated COI endorsement and document compliance verification	✓	✓
Automated noncompliance and renewal notifications to vendors	✓	✓
Client access to software support	✓	✓
Customizable daily, weekly and monthly reports, and historical compliance dashboard widgets	✓	✓
Risk management consulting for clients (insurance requirement exception guidance)		✓
Outgoing vendor compliance enforcement and educational phone calls (up to four phone calls per certificate of insurance)		✓
Weekly or monthly client stewardship calls with a risk advisor		✓
Unlimited phone support for vendors with insurance and contract-related questions		✓

Verified Testimonial

When we initially implemented Gallagher Verify, our third-party insurance compliance was less than 20%. Today, compliance is more than 90%. The aggressive tracking of insurance requirements and vendor compliance mitigates financial exposure, should there be a claim.

The Gallagher Way.
Since 1927.

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The information contained herein is offered as insurance industry guidance and provided as an overview of current market risks and available coverages and is intended for discussion purposes only. This publication is not intended to offer legal advice or client-specific risk management advice. Any description of insurance coverages is not meant to interpret specific coverages that your company may already have in place or that may be generally available. General insurance descriptions contained herein do not include complete insurance policy definitions, terms, and/or conditions, and should not be relied on for coverage interpretation. Actual insurance policies must always be consulted for full coverage details and analysis.

Insurance brokerage and related services provided by Arthur J. Gallagher Risk Management Services, LLC. (License Nos. 100292093 and/or 0D69293).

Appended Documents





AMBRIDGE PARTNERS, LLC

AMBRIDGE CYBER, PUBLIC ENTITY & NON-PROFIT CLAIMS CONTACT SHEET

Name	Contact Information
Lindsay Boyd AVP, Cyber Claims	T. 312-577-3029 M. 816-387-3670 Lindsay.Boyd@ambridge-group.com
Pamela Cemel Senior Claims Adjuster, PENP	T. 312-577-5486 Pamela.Cemel@ambridge-group.com
Nicholas Franchak AVP, PENP	T. 312-577-3011 Nicholas.Franchak@ambridge-group.com
Jennifer Green Vice President, PENP	T. 312-577-5395 M. 773-550-0528 Jennifer.Green@ambridge-group.com
Ron Mazariegos Vice President, PENP	T. 312-577-9439 Ronald.Mazariegos@ambridge-group.com
Thomas Murray AVP, Cyber Claims	T. 212-871-5418 Thomas.Murray@ambridge-group.com
Anthony Silvestri AVP, PENP	T. 312-577-3002 Anthony.Silvestri@ambridge-group.com
Leonard Taylor Consultant, Work Comp, PENP	T. 661-360-8564 M. 818-257-4146 Leonard.Taylor@ambridge-group.com
Danielle Williams AVP, PENP	T: 212-651-4437 Danielle.Williams@ambridge-group.com

General Policy Conditions

Underwriters assume no other obligation or liability to the **INSURED** to indemnify sums or perform acts or services unless explicitly provided under this Policy.

These conditions shall survive the termination of this Policy without regard to whether said termination is due to cancellation or natural expiration of this Policy.

1. **Abandonment:** There shall be no abandonment to Underwriters of any property.
2. **Arbitration:** In the event the **INSURED** and Underwriters are unable to agree as to the amount recoverable by the **INSURED** from Underwriters under the terms and conditions of this Policy, each party shall name a competent and disinterested arbitrator, and the two so chosen shall, before proceeding further, appoint a competent and disinterested umpire. The arbitrators together shall calculate the indemnity due, and failing to agree, shall submit their differences to the umpire.

The award in writing, duly verified by any two, shall determine the points in question. Both parties shall pay the cost of their arbitrators and equally pro rate the cost of the umpire. The **INSURED'S** portion of such fee does not accrue to the **ULTIMATE NET LOSS**.

The decision by the arbitrators shall be binding on Underwriters and the **INSURED**, and that judgment may be entered in any court of competent jurisdiction.

3. **Assignment:** Assignment of interest under this Policy does not bind Underwriters unless Underwriters consent is endorsed hereon.
4. **Bankruptcy and Insolvency:** In the event of the bankruptcy or insolvency of the **INSURED** or any entity comprising the **INSURED**, Underwriters shall not be relieved of the payment of any covered loss amounts hereunder because of such bankruptcy or insolvency, but Underwriters shall be liable only to the same extent had there been no bankruptcy or insolvency.
5. **Cancellation and Non-Renewal:** In the event of non-payment of premium by the **NAMED INSURED**, Underwriters will give 10 days' notice of cancellation in writing to the **NAMED INSURED** and all coverage will terminate 10 days after the mailing of such notice. In the event of any other reason aside from non-payment of premium, Underwriters will give 60 days' notice of cancellation in writing to the **NAMED INSURED** and all coverage will terminate 60 days after the mailing of such notice. If Underwriters cancel, the earned premium is calculated pro rata, and the **NAMED INSURED** is responsible for the full amount of the **LOSS FUND** as stated in **Excess LOSS FUND Protection**.

The **NAMED INSURED** shown on the Declarations may cancel this Policy by giving notice of cancellation in writing. If the **NAMED INSURED** cancels, the earned premium is calculated in accordance with the short rate table and procedure subject to the minimum earned premium. The **NAMED INSURED** is responsible for the full amount of the **LOSS FUND** as stipulated in **Excess LOSS FUND Protection**.

If the period of limitation relating to the giving of notice is prohibited or made void by any law, such period is amended to provide the minimum period of limitation permitted by such law.

Non-Renewal: Either the **NAMED INSURED** or Underwriters may elect to non-renew this Policy at its expiration date for any reason.

6. **Changes:** By acceptance of this Policy the **INSURED** agrees that it embodies all agreements existing between the **INSURED** and Underwriters or any of their agents relating to this Policy. None of the provisions, conditions or other terms of this Policy shall be waived or altered except by endorsement; nor shall notice to any agent or knowledge possessed by any agent or by any other person be held in effect a waiver or change to any part of this Policy.

7. **CLAIMS, OCCURRENCES or SUITS:** Underwriters reserve the right to deny coverage under this Policy if there has not been full compliance with the following duties:

The **INSURED** shall as soon as practical notify Underwriters through the **THIRD PARTY CLAIM ADMINISTRATOR** of any **CLAIM, OCCURRENCE or SUIT** meeting the following criteria:

- (a) The cost of which is likely to result in payment by Underwriters under this Policy;
- (b) All **CLAIMS** reserved at 50% or more of the **SELF INSURED RETENTION**;
- (c) All **CLAIMS** where there has been a settlement demand above the **SELF INSURED RETENTION** and there is a trial, binding arbitration or binding mediation date within 90 days;
- (d) Catastrophic losses (including Paraplegia, Quadriplegia, Severe Burns, Fatalities, Significant Brain Injury, Amputation of Major Extremity);
- (e) Within 180 consecutive days following the **DISCOVERY** of any actual, attempted or pending alleged **SEXUAL ABUSE**;
- (f) Discrimination or Violation of Civil Rights where the **CLAIM** is reserved at 50% or more of the **SELF INSURED RETENTION** or within 90 days of a trial date, whichever is sooner;
- (g) Third-party **CLAIMS** involving **LAW ENFORCEMENT ACTIVITIES**;
- (h) Act or series of **ACTS OF TERRORISM**;
- (i) Any **CLAIMS** where there is a question as to whether there will be coverage under this Policy.

Underwriters shall have the right, but not the obligation, to be associated with the **INSURED** in, and/or assume charge of, the investigation, handling, defense or settlement of any **CLAIMS, SUIT** or proceedings relative to an **OCCURRENCE or CLAIM** where in the sole opinion of the Underwriters, Underwriters' liability under this Policy is likely to be involved.

The **INSURED** shall make no commitment to pay or settle any **CLAIMS, OCCURRENCES or SUITS** where Underwriters' liability under this Policy is involved without the prior written agreement of Underwriters. Underwriters shall not withhold agreement without just cause. Neither shall the **INSURED** refuse any reasonable opportunity to pay or settle a **CLAIM** when such refusal will result in Underwriters having liability under this Policy without the prior agreement of Underwriters. Underwriters shall not withhold agreement without just cause. If the **INSURED** refuses to consent to settlement of any **CLAIMS, OCCURRENCES or SUITS** where Underwriters' liability under this Policy is potentially involved, and settlement or compromise is recommended by Underwriters and acceptable to the claimant, then calculation of, and Underwriters' obligation under **ULTIMATE NET LOSS** with respect to the **CLAIMS, OCCURRENCES or SUITS** shall be limited to the amount of damages or payments for which the **CLAIMS, OCCURRENCES or SUITS** could have been settled for, plus any expenses payable under **ULTIMATE NET LOSS** incurred until the date of the **INSURED'S** refusal to settle or compromise the **CLAIMS, OCCURRENCES or SUITS** as recommended by Underwriters.

8. **Conflicting Statutes:** If any terms of this Policy conflict with the statutes of the state in which this Policy is issued, those terms are amended to conform to such statutes.
9. **Currency:** The premium and losses under this Policy are payable in United States Dollars. Payment of premium shall be made to Underwriters or via the **NAMED INSURED'S** intermediary.
10. **Due Diligence:** The **INSURED** shall use due diligence and concur in doing all things reasonably practical to avoid or diminish any loss of or damage to the property insured under this Policy.

11. **Duties:** Underwriters have no duty to investigate, handle, adjust, settle or defend any **CLAIM, OCCURRENCE**, proceeding or **SUIT** against the **NAMED INSURED**, any **INSURED**, or against any other person or organization for whom the **NAMED INSURED** is, or may be found to be, legally liable, or whom asserts or claims a right of coverage under the Policy. These duties shall be the responsibility of the **NAMED INSURED**.

Underwriters' duty under the Policy shall be to indemnify the **NAMED INSURED** for **ULTIMATE NET LOSS** in excess of the applicable **SELF INSURED RETENTION, MAINTENANCE DEDUCTIBLE**, or any other applicable deductible or deduction; and not more than the applicable **Specific Excess Limit of Insurance**.

Underwriters' duty to indemnify ends when the applicable **Specific Excess Limit of Insurance** is exhausted by the payment of the **ULTIMATE NET LOSS**.

Underwriters may, at their sole discretion, tender periodic advance payments of amounts in excess of the **SELF INSURED RETENTION**, before **ULTIMATE NET LOSS**, as defined in the Policy, is reached; provided that:

- (a) Only amounts where coverage is not in dispute will be used to compute the partial **ULTIMATE NET LOSS**; and
- (b) Only payments made by the **NAMED INSURED** and not disputed by Underwriters will be used to compute the partial **ULTIMATE NET LOSS**; and
- (c) Any potential **RECOVERY** source has been identified; has been put on notice if appropriate; and **RECOVERY** is being aggressively pursued; and
- (d) Delaying payment until the final **ULTIMATE NET LOSS** is determined will result in financial hardship to the **INSURED**; and
- (e) All payments are without prejudice.

Further, and in regard to advance payments under **Coverage Section I Property**; advance payments will be based upon **ACTUAL CASH VALUE** for property that is not being actively repaired or replaced.

12. **False or Fraudulent CLAIMS:** If the **INSURED** makes any **CLAIM** knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all **CLAIMS** hereunder shall be forfeited.
13. **Inspections / Audits / Verification of Values:** Underwriters or their duly authorized representatives may inspect the premises used by the **INSURED** and audit the **INSURED'S** books or records at any time during the **PERIOD OF INSURANCE** or within three (3) years after its expiration or termination. Underwriters assume no liability and will not be made liable for their right to make inspections or audit or not make inspections or not audit, or for their results, findings or reports, nor shall any inspection warranty the safety of a premises or an audit confirm the accuracy of books or records.
14. **Mortgagors, Creditors and Loss Payees:** Underwriters will pay for covered losses of or damage to **PROPERTY OF THE INSURED** covered by this Policy to each mortgage holder, lienholder, creditor or loss payee, when required by written contract, to the extent of their interest as of the date of loss or damage subject to the **Specific Excess Limits of Insurance** as shown in the **Schedule of Specific Excess Limits of Insurance** and subject to all terms and conditions of this Policy.
15. **Other Insurance:** If the **INSURED** has other insurance against loss or damage covered under this Policy, Underwriters are liable, under the terms of this Policy, only as excess of coverage provided by such other insurance. No monies payable or collectible from such other insurance shall accrue to the **LOSS FUND**. However, this clause does not apply to the purchase of excess insurance above

the **Specific Excess Limits of Insurance** stated in the **Schedule of Specific Excess Limits of Insurance** of this Policy.

16. **Representations:** By accepting this Policy and as a condition precedent to coverage, the **INSURED** agrees that:
- (a) The information contained within the **Declarations** is complete and accurate and is based upon representations made by the **INSURED** to Underwriters in the submission and/or application(s) for this Policy;
 - (b) Underwriters have issued this Policy in reliance upon the **INSURED'S** representations in the submission and/or application(s);
 - (c) Except as otherwise provided in this Policy or by law, this Policy is void in any case of fraud; or, if the **INSURED** conceals or misrepresents any material facts in the **INSURED'S** submission and/or application(s) for this Policy. If the Policy is wholly voidable due to fraud, misrepresentation or concealment by the **INSURED** as aforementioned, Underwriters, at their sole discretion, may elect to void coverage only for the particular loss or **CLAIM** which is affected by such concealment and/or misrepresentation and/or fraud.
17. **Risk Control Services:** Underwriters assume no liability for, nor will it be made liable by any person or organization for risk control or consulting services, including the results or failure of results, findings or failure of findings, performance or failure of performance of said services.
18. **Separation of INSUREDS:** With the exception of the **Specific Excess Limits of Insurance**, **SELF INSURED RETENTIONS** and any rights or duties specifically assigned in this Policy to the **NAMED INSURED**, this insurance applies:
- (a) As if each **INSURED** were the only **INSURED**; and
 - (b) Separately to each **INSURED** against whom a **CLAIM** is made or a **SUIT** is brought.
19. **Subrogation, Salvage and RECOVERY:** As a condition precedent to the issuance of this Policy, it is agreed that Underwriters shall be subrogated, at their sole discretion, to all rights which any **INSURED** may have against any person or other entity in respect to any **CLAIM** or payment made under this Policy; including any person or organization hired to investigate, handle, settle or defend any **OCCURRENCE, CLAIM, proceeding or SUIT** resulting in the aforementioned payment. The **INSURED** shall execute all papers required by Underwriters and must cooperate with Underwriters to secure and prosecute Underwriters' rights; to include the filing and prosecution of any **CLAIM** or **SUIT** for any right or cause of action which the **INSURED** cannot legally or contractually assign to Underwriters. If any reimbursement is obtained, or salvage or **RECOVERY** made by the **INSURED** or Underwriters on account of any loss covered by this Policy, the net amount of such reimbursement, salvage or **RECOVERY**, after deducting the actual cost of obtaining or making the same, shall be applied in the following order:
1. Amount of loss which exceeds the applicable **Specific Excess Limits of Insurance**;
 2. To reduce Underwriters' loss until Underwriters are fully reimbursed;
 3. To reduce the **INSURED'S** loss because of the application of the **SELF INSURED RETENTION**, and then any applicable **MAINTENANCE DEDUCTIBLE**.

In the event Underwriters decline to be subrogated to the rights which the **INSURED** may have against any person or other entity in respect to any **CLAIM** or payment made under this Policy, the **INSURED** shall regain its rights and may pursue **RECOVERY** against said parties at its discretion. If any reimbursement is obtained, or salvage or **RECOVERY** made by the **INSURED** on account of any loss covered by this Policy, the net amount of such reimbursement, salvage or **RECOVERY**, after

deducting the actual cost of obtaining or making the same, shall be applied in the following order:

1. Amount of loss which exceeds the applicable **Specific Excess Limit of Insurance**;
 2. To reduce the **INSURED'S** loss because of the application of the **SELF INSURED RETENTION**, but not any applicable **MAINTENANCE DEDUCTIBLE**;
 3. To reduce the Underwriters' loss until Underwriters are fully reimbursed;
 4. To reduce the **INSURED'S** loss because of the application of any **MAINTENANCE DEDUCTIBLE**.
20. **Territory:** This Policy applies worldwide; however, indemnity by Underwriters shall be made only if the original **SUIT** and any related legal actions is brought in the United States of America, its territories or possessions, or transferred to the United States of America, its territories or possessions from a foreign jurisdiction.
21. **THIRD PARTY CLAIMS ADMINISTRATOR:** It is a condition precedent to coverage that this Policy is issued by Underwriters on the express condition that:
- (a) The **NAMED INSURED** must contract with, and utilize the services of, a duly qualified and competent **THIRD PARTY CLAIMS ADMINISTRATOR**, as agreed upon by Underwriters prior to the **PERIOD OF INSURANCE**; and
 - (b) All **CLAIMS, SUITS** or **OCCURRENCES** for which coverage is sought under this Policy must be adjusted and handled by the contracted **THIRD PARTY CLAIMS ADMINISTRATOR**; and
 - (c) The duties involved in adjusting and handling **CLAIMS, SUITS** or **OCCURRENCES** by the **THIRD PARTY CLAIMS ADMINISTRATOR** include but are not limited to, timely investigations, setting ground up case reserves, documenting case reserve rationale, pursuing settlement and recording financials; and
 - (d) All **CLAIMS, SUITS** or **OCCURRENCES** for which coverage is sought under this Policy are adjusted and handled by the **THIRD PARTY CLAIMS ADMINISTRATOR** in accordance with all statutory and regulatory standards; and in accordance with all accepted industry standards and practices.

Underwriters or their representative shall have the right but not the duty to conduct audits and inspections of the **CLAIMS, SUITS** or **OCCURRENCES** reported to the **THIRD PARTY CLAIMS ADMINISTRATOR** to better inform Underwriters of the potential liability under this Policy. The **THIRD PARTY CLAIMS ADMINISTRATOR** will cooperate should the audit or inspection be requested.

The **NAMED INSURED** may utilize the services of an attorney or lawyer or other specialized party to assist the **THIRD PARTY CLAIMS ADMINISTRATOR** in the disposition of its duties, and defend an **INSURED**; but only provided that:

- (a) The **THIRD PARTY CLAIMS ADMINISTRATOR** retains control of the adjusting process, including reserving, settlement activity and documentation of the financials of the **CLAIMS** and erosion of the **SELF INSURED RETENTION** and;
- (b) The **THIRD PARTY CLAIMS ADMINISTRATOR** continues to monitor the actions of these other parties; and
- (c) Any control of the adjusting process designated to parties other than the **THIRD PARTY CLAIMS ADMINISTRATOR** must be approved by Underwriters in writing in advance; and
- (d) Any control of the adjusting process retained by the **NAMED INSURED** (i.e. self-administering

CLAIMS) must be approved by Underwriters in writing in advance; and

- (e) Payment to these other parties shall be subject to all other terms and conditions of the Policy; specifically, but not limited to, **General Policy Condition 11. Duties** and **General Policy Definition 36. ULTIMATE NET LOSS**.
- (f) Further, this Policy is issued by Underwriters on the express condition that all **CLAIMS, SUITS** or **OCCURRENCES**, for which coverage is sought under this Policy and which are being defended by an attorney or lawyer hired or employed by the **NAMED INSURED** or the **THIRD PARTY CLAIMS ADMINISTRATOR**, are defended by the attorney or lawyer in accordance with all statutory and regulatory standards; and in accordance with all accepted professional standards and practices.

In the event of cancellation, expiration or revision of the agreement between the **NAMED INSURED** and the designated **THIRD PARTY CLAIM ADMINISTRATOR**, the **NAMED INSURED** must notify Underwriters in writing 90 days prior to the effective date of such cancellation, expiration or revision, and the **NAMED INSURED** and Underwriters must agree upon the specifications for the new **THIRD PARTY CLAIM ADMINISTRATOR** or the revision of the incumbent **THIRD PARTY CLAIMS ADMINISTRATOR'S** agreement with the **NAMED INSURED**.

If the agreement between the **NAMED INSURED** and the **THIRD PARTY CLAIMS ADMINISTRATOR** is terminated for any reason without Underwriters prior written approval, Underwriters reserve the right to deny coverage under this Policy for any **CLAIM** or **OCCURRENCES** reported to Underwriters after the termination date of the **INSURED'S** agreement with the **THIRD PARTY CLAIMS ADMINISTRATOR**.

- 22. **Waiver of Subrogation:** This Policy shall not be invalidated if the **INSURED**, by written agreement, has waived or shall waive its right of **RECOVERY** from any party for loss or damage covered hereunder; provided that any such waiver is made prior to the **OCCURRENCE** of said loss or damage.
- 23. **Legal Action Against Us:** This Policy grants no rights whatsoever to any person or organization to sue Underwriters or join Underwriters as a party to any action against any **INSURED** to determine the liability of any **INSURED** nor shall Underwriters be impleaded by an **INSURED** or its legal representatives.
- 24. **Two or More Coverage Sections:** If an **OCCURRENCE** or **CLAIM** involves more than one of the following Coverage Sections: **Coverage Section II General Liability, Coverage Section III AUTOMOBILE Liability, Coverage Section IV Errors and Omissions Liability, Coverage Section VI Employee Benefits Liability, Coverage Section VIII Law Enforcement Liability** or **Coverage Section X SEXUAL ABUSE Liability**, the most Underwriters will indemnify the **NAMED INSURED** under this Policy will not exceed the largest **Specific Excess Limit of Insurance** of the involved Coverage Sections as stated in the **Schedule of Specific Excess Limits of Insurance**, regardless of the number of **INSUREDS** involved, **CLAIMS** made or **SUITS** brought, or persons or organizations making **CLAIMS** or bringing **SUITS**.

General Policy Exclusions

This Policy does not insure against:

- A.** Loss or damage caused by, or resulting from fraudulent or dishonest acts committed by an **INSURED**, whether working alone or with others, except as covered in **Coverage Section VII Crime**;
- B.** Expenses from any cost, civil fine, penalty or expense against any **INSURED** for any compliance or enforcement action from any Federal, State or local governmental regulatory or administrative agency; except as provided in **Coverage Section I Property – Condition 7. Ordinance Deficiency Clause** and **Coverage Section IV Errors and Omissions Liability – Exclusion F**;
- C.** Any liability arising out of the operation of the principles of eminent domain, condemnation proceedings, adverse possession or inverse condemnation proceedings by whatever name called, whether such liability accrues directly against the **INSURED** or by virtue of any agreement entered into by or on behalf of the **INSURED**;
- D.** **BODILY INJURY, PERSONAL INJURY, PROPERTY DAMAGE** or loss or damage to the **PROPERTY OF THE INSURED**, either directly or indirectly occasioned by, happening through, or in consequence of: war (including undeclared or civil war), warlike action by a military force (including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents), insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these; or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority, except as provided in **Coverage Section I Property – Condition 6. Civil Authority Clause**. This Exclusion does not apply to loss or damage to the **PROPERTY OF THE INSURED** caused secretly by a foreign enemy or agent of any government or sovereign power, when not in connection with the operations of armed forces in or against the country where the described location is situated;
- E.** (1) The investigation, defense, loss or damage, including loss of use, **BODILY INJURY, PERSONAL INJURY** or **PROPERTY DAMAGE** caused by the release, discharge, dispersal, seepage or migration of **POLLUTANTS** anywhere, anytime, in any way, whether accidental or intentional, sudden or intermittent or continuous:
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **INSURED**;
 - (b) At or from any premises, site or location which is or was at any time used by or for any **INSURED** or others for the handling, storage, disposal, processing or treatment of waste;
 - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any **INSURED** or any person or organization for whom any **INSURED** may be legally responsible;
 - (d) At or from any premises, site or location on which any **INSURED** or any contractor or subcontractor working directly or indirectly on any **INSURED'S** behalf are performing operations:
 - (i) If the **POLLUTANTS** are brought on or to the premises, site or location in connection with such operations by such **INSURED**, contractor or subcontractor; or
 - (ii) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **POLLUTANTS**;
 - (e) That are, or that are contained in any property that is:

- (i) Being transported or towed by, handled, or handled for movement into, onto or from, an **AUTOMOBILE** covered under **Coverage Section III AUTOMOBILE Liability**;
 - (ii) Otherwise in the course of transit by or on behalf of the **INSURED**; or
 - (iii) Being stored, disposed of, treated or processed in or upon an **AUTOMOBILE** covered under **Coverage Section III AUTOMOBILE Liability**;
- (f) Before the **POLLUTANTS** or any property in which the **POLLUTANTS** are contained are moved from the place where they are accepted by the **INSURED** for movement into or onto an **AUTOMOBILE** covered under **Coverage Section III AUTOMOBILE Liability**; or
- (g) After the **POLLUTANTS** or any property in which the **POLLUTANTS** are contained are moved from an **AUTOMOBILE** covered under **Coverage Section III AUTOMOBILE Liability** to the place where they are finally delivered, disposed of or abandoned by the **INSURED**.
- (2) The investigation, defense, loss or damage, including loss of use, caused by the release, discharge or dispersal of **POLLUTANTS** anywhere, anytime, in any way, whether accidental or intentional, sudden or intermittent or continuous for any loss, cost or expense arising out of any:
- (a) Request, demand, or other order that any **INSURED** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **POLLUTANTS**; or
 - (b) **CLAIM** or **SUIT** by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **POLLUTANTS**.

Except:

1. This exclusion does not apply to the reverse of flow of sewage into any building from a sewage facility, fixed conduit or sanitary sewer that the **INSURED** owns, operates or maintains.

As respects **Coverage Section II General Liability** only:

2. Subparagraph (1)(a) only of this exclusion does not apply to **BODILY INJURY, PERSONAL INJURY** or **PROPERTY DAMAGE** arising out of heat, smoke or fumes from a hostile fire as defined below:

As used in this Extension, the definition of **PROPERTY DAMAGE** excludes loss of use.

As used in this Extension, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

3. This exclusion does not apply to **BODILY INJURY, PERSONAL INJURY** or **PROPERTY DAMAGE** arising out of the use, handling, storage, discharge, dispersal, release or escape of chemicals when introduced by an **INSURED** into such **INSURED'S** drinking water system solely for the purpose of purifying or treating such drinking water; provided that the chemicals' generally accepted use is for the purification or treatment of drinking water.
4. This exclusion does not apply to **BODILY INJURY, PERSONAL INJURY** or **PROPERTY DAMAGE** arising out of the use, handling, storage, discharge, dispersal, release or escape of chemicals when used in the day-to-day operation and/or maintenance of swimming pools owned or operated by an **INSURED**; provided that the chemicals' generally accepted use is for the operation/maintenance of swimming pools.

5. This exclusion does not apply to **BODILY INJURY, PERSONAL INJURY** or **PROPERTY DAMAGE** arising out of the application of pesticides, or herbicides provided such application is performed by employees of the **NAMED INSURED** who are properly licensed or certified by a federal or state agency to apply those chemicals, pesticides or herbicides; and where the application or use is in strict compliance with all federal, state, and local laws, statutes, regulations, ordinances, or the like; and where the application or use is in compliance with industry standards for application or use.
6. This exclusion does not apply to **BODILY INJURY, PERSONAL INJURY** or **PROPERTY DAMAGE** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of chemicals, but only while such chemicals are used for educational purposes or while chemicals intended for educational purposes are stored on the **INSURED'S** premises when such storage is in compliance with all federal, state and local laws, statutes, regulations, ordinances, or the like; and where the storage is in compliance with industry standard practice.

As respects **Coverage Section III AUTOMOBILE Liability** only:

7. Subparagraph (1)(e) of this exclusion does not apply to fuels, lubricants, fluids, exhaust gases or other similar **POLLUTANTS** that are needed for, or result from the normal electrical, hydraulic or mechanical functioning of an **AUTOMOBILE** covered under **Coverage Section III AUTOMOBILE Liability** or its parts, if:
 - (a) The **POLLUTANTS** escape, seep, migrate, or are discharged, dispersed or released directly from an **AUTOMOBILE** part designed by its manufacturer to hold, store, receive or dispose of such **POLLUTANTS**; and
 - (b) The **BODILY INJURY, PERSONAL INJURY** or **PROPERTY DAMAGE** does not arise out of the operation of any equipment defined as **MOBILE EQUIPMENT**.
8. Subparagraphs (1)(c) and (1)(d) of this exclusion do not apply to accidents that occur away from premises owned by or rented to an **INSURED** with respect to **POLLUTANTS** not in or upon an **AUTOMOBILE** covered under **Coverage Section III AUTOMOBILE Liability** if:
 - (a) The **POLLUTANTS** or any property in which the **POLLUTANTS** are contained are upset, overturned or damaged as a result of the maintenance or use of an **AUTOMOBILE** covered under **Coverage Section III AUTOMOBILE Liability**; and
 - (b) The discharge, dispersal, seepage, migration, release or escape of the **POLLUTANTS** is caused directly by such upset, overturn or damage.

As respects **Coverage Section VIII Law Enforcement Liability** only:

9. This exclusion does not apply to **BODILY INJURY, PERSONAL INJURY, or PROPERTY DAMAGE** resulting from **LAW ENFORCEMENT ACTIVITIES** and due to the use of teargas, mace or similar substances by an **INSURED** within the scope of their employment by the **NAMED INSURED**. This coverage extension applies only if the **NAMED INSURED'S** operations meet all the standards of any statute, ordinance, regulation or license requirement of any federal, state or local government which apply to those operations;
- F. Loss of, damage to, or loss of use of **PROPERTY OF THE INSURED, BODILY INJURY, PERSONAL INJURY** or **PROPERTY DAMAGE** directly or indirectly caused by the presence of asbestos, silica, silica-related dust or lead in any form, except as covered in **Coverage Section I Property** and **Coverage Section V Part A Workers' Compensation for a Qualified Self- Insured**;
- G. Any **CLAIM** based upon the **INSURED'S** failure to comply with the Federal Employee Retirement Income Security Act of 1974 (ERISA), including subsequent amendments or any similar federal,

state or local law or regulations;

H. Any **CLAIM** arising out of investment activities, or the administration of self-insurance funds, except as covered in **Coverage Section VII Crime**;

I. **Nuclear Incident:**

- (a) Loss or damage to **PROPERTY OF THE INSURED**, or liability from **PROPERTY DAMAGE, BODILY INJURY** or **PERSONAL INJURY** accruing to the **INSURED** directly or indirectly from, any and all forms of radioactive **CONTAMINATION**;
- (b) Any loss or damage to **PROPERTY OF THE INSURED**, or liability from **PROPERTY DAMAGE, BODILY INJURY** or **PERSONAL INJURY** accruing to the **INSURED** directly or indirectly, from any Pool of Insurers or Reinsurers formed for the purpose of covering atomic or Nuclear Energy risks;
- (c) Any loss or liability accruing to the **INSURED**, directly or indirectly, for physical damage of **PROPERTY OF THE INSURED** including **BUSINESS INTERRUPTION** or consequential loss arising out of such physical damage, in addition to **PROPERTY DAMAGE, BODILY INJURY**, or **PERSONAL INJURY** due to:
 - (i) **NUCLEAR REACTOR** power plants including all auxiliary property on this site, or
 - (ii) Any **NUCLEAR MATERIALS**, or the dispersal or discharge of **NUCLEAR MATERIALS**, at any **NUCLEAR FACILITY** owned by, or operated by or on behalf of, any **INSURED**;
 - (iii) Any other **NUCLEAR REACTOR** installation, including laboratories handling radioactive materials in connection with reactor installations, and critical facilities as such;
 - (iv) Installations for fabricating complete fuel elements or for processing substantial quantities of, **NUCLEAR MATERIALS** and for reprocessing, salvaging, chemically separating, storing or disposing of **SPENT NUCLEAR FUEL** or **WASTE** materials, or
 - (v) Installations other than those listed above using substantial quantities of radioactive isotopes or other products of nuclear fission;
 - (vi) Any **NUCLEAR MATERIALS** contained in spent fuel or **WASTE** and at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **INSURED**; or
 - (vii) Loss which arises out of the furnishing by an **INSURED** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **NUCLEAR FACILITY**;
- (d) Any loss or damage or liability resulting from the **HAZARDOUS PROPERTIES** of **NUCLEAR MATERIALS** and with respect to which:
 - (i) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (ii) The **INSURED** is, or had this Policy not been issued, would be entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization;
- (e) Any loss relating to expenses incurred with respect to:
 - (i) Immediate medical or surgical relief or first aid;

- (ii) **BODILY INJURY, PERSONAL INJURY, PROPERTY DAMAGE, or PROPERTY OF THE INSURED** resulting from the **HAZARDOUS PROPERTIES** of **NUCLEAR MATERIALS** and arising out of the operation of **NUCLEAR FACILITY** by any person or organization.

DEFINITIONS as used in this Exclusion:

- (1) **CONTAMINATION** means any unclean or unsafe or damaging or injurious or unhealthful condition arising out of the presence of **NUCLEAR MATERIALS, SPENT NUCLEAR FUEL or WASTE**, whether permanent or transient in any **ENVIRONMENT**.
 - (2) **ENVIRONMENT** includes any person, any real or personal property, animals, crops and vegetation, land including land under the building, bodies of water, underground water or water table supplies, air and any other feature of the earth or its atmosphere, whether or not altered, developed or cultivated, including, but not limited to, any of the above owned, or controlled, or occupied by any **INSURED**.
 - (3) **HAZARDOUS PROPERTIES** include radioactive, toxic or explosive properties.
 - (4) **NUCLEAR FACILITY** means:
 - (a) Any **NUCLEAR REACTOR**;
 - (b) Any equipment or device designed or used for separating the isotopes of uranium or plutonium, or processing or utilizing spent fuel, or handling, processing or packaging **WASTE**;
 - (c) Any equipment or device used for the processing, fabricating or alloying of **NUCLEAR MATERIALS** in the custody of the **INSURED** at the premises where such equipment or device is located;
 - (d) Any structure, basin, excavation, premises or place prepared or used for the storage of **WASTE** and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
 - (5) **NUCLEAR MATERIALS** means source material, special nuclear material, by-product material and have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
 - (6) **NUCLEAR REACTOR** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
 - (7) **SPENT NUCLEAR FUEL** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **NUCLEAR REACTOR**.
 - (8) **WASTE** means any waste material (1) containing by-product material from any ore processed primarily for its source material content and (2) resulting from the operation by any person or organization of any **NUCLEAR FACILITY** included within the definition of **NUCLEAR FACILITY**;
- J.** Any loss, damage, cost, **CLAIM**, expense, **BODILY INJURY** or liability of whatsoever nature directly or indirectly caused by, resulting from or in any way involving **FUNGAL PATHOGENS**. This exclusion shall apply regardless of any other cause or event that contributes concurrently or in sequence to the loss, damage, cost, **CLAIM**, expense, **BODILY INJURY** or liability.

This exclusion shall not apply to:

- (a) **Coverage Section I Property**; but only when such loss arises directly from a peril not otherwise

excluded under **Coverage Section I Property**;

- (b) **Coverage Section V Part A Excess Workers' Compensation for a Qualified Self-Insurer – Insuring Agreements**; but only when coverage for losses arising from **FUNGAL PATHOGENS** is required by law or regulation;
- (c) **Coverage Section II General Liability**; but only for **BODILY INJURY** or **PROPERTY DAMAGE** arising from the **NAMED INSURED'S** Food Products;

- K. Any **CLAIM** or allegation, including defense of same, arising directly or indirectly from any actual or alleged **SEXUAL ABUSE** of any person by any past, present or future officials, board or commission members, trustees, directors, officers, volunteer workers, or employees of the **NAMED INSURED**, or anyone to whom the **NAMED INSURED** is obligated by virtue of a written contract or agreement.

This exclusion also applies to any actual or alleged negligence or actual or alleged **WRONGFUL ACT** arising out of **SEXUAL ABUSE** including but not limited to negligent hiring, employment, training, investigation, supervision of any past, present or future official, board or commission member, trustee, director, employee, or volunteer worker, or anyone acting on behalf of any **INSURED** in respect of actual or alleged **SEXUAL ABUSE**. In addition, this exclusion applies to any actual or alleged negligence or actual or alleged **WRONGFUL ACT** arising out of **SEXUAL ABUSE** including but not limited to reporting to the proper authorities, or failure to so report; or retention of a person for whom any **INSURED** is or ever was legally responsible.

This exclusion does not apply to **Coverage Section X SEXUAL ABUSE Liability** only if a corresponding **Specific Excess Limit of Insurance** is stated in the **Schedule of Specific Excess Limits of Insurance**, and a **SELF INSURED RETENTION** is stated in the **Schedule of SELF INSURED RETENTIONS** under **Coverage Section X SEXUAL ABUSE Liability**;

- L. Any **CLAIM**, including defense of same, arising directly or indirectly from any actual or alleged **SEXUAL HARASSMENT** of any person by any past, present or future officials, board or commission members, trustees, directors, officers, volunteer workers, or employees of the **NAMED INSURED**, or anyone to whom the **NAMED INSURED** is obligated by virtue of a written contract or agreement; except as covered in **Coverage Section II General Liability – Insuring Agreement C. SEXUAL HARASSMENT Liability**, **Coverage Section IV Errors and Omissions Liability – Insuring Agreement C. SEXUAL HARASSMENT Liability**, and **Coverage Section VIII Law Enforcement Liability – Insuring Agreement C. SEXUAL HARASSMENT Liability**;

- M. Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any **ACT OF TERRORISM**, and/or the threat thereof, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any **ACT OF TERRORISM**.

This exclusion does not apply to **Coverage Section IX Terrorism** only if a corresponding **Specific Excess Limit of Insurance** is stated in the **Schedule of Specific Excess Limits of Insurance**, and a **SELF INSURED RETENTION** is stated in the **Schedule of SELF INSURED RETENTIONS** for the respective Coverage Subsections under **Coverage Section IX Terrorism**;

- N. Loss of, damage to, or loss of use of **PROPERTY OF THE INSURED**, **BODILY INJURY**, **PERSONAL INJURY** or **PROPERTY DAMAGE**, and any loss or **CLAIM** directly or indirectly caused by or arising out of:

- (a) Loss, theft, loss of use of, corruption, or inability to access or manipulate tangible or intangible **ELECTRONIC DATA** or paper data, whether owned by the **INSURED** or others, and including but not limited to any handheld or portable device with user-generated content;

- (b) Loss, theft, breach, publication, unauthorized access, disclosure or use, collection or disposal of any person's or organization's tangible or intangible **ELECTRONIC DATA** or paper data including but not limited to private, confidential or personal identifying information, medical, financial, employment, health and educational information which triggers any local, state or federal privacy regulations, as well as patents, trade secrets, processing methods or customer lists;
- (c) Any **CLAIM** for return or reimbursement of any sums or monetary value of any electronic fund transfers or transactions which is lost or diminished during the transfer, unless covered under the definition of **COMPUTER THEFT** under **Coverage Section VII Crime**;
- (d) Any threat or series of threats to commit an intentional act against a computer network or system for purposes of demanding money or other tangible or intangible value from the **INSURED**;
- (e) Cyberterrorism or any intrusive or disruptive activities against any computer system or network, or the explicit threat to use such activities with the intention to cause harm, by any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes;

In no event will this insurance provide coverage for any breach notification; credit, identity and health monitoring and restoration costs; public relations costs; compliance audits, data requests, legal fees; and any local, state, federal or industry or professional organization's investigation, enforcement, remediation or monitoring costs and any fines, penalties, claims, proceedings or **SUITS** arising directly or indirectly from (a –e) above.

- O.** Loss, damage, cost or expense arising out of the failure of any **INSURED** to adequately supply gas, oil, water, electricity or steam;
- P.** Any liability arising out of the flooding, cracking, seepage, accidental discharge, partial or complete structural failure or over-topping of a **DAM** for which the **INSURED** is legally liable;
- Q.** Any liability arising out of any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity.

General Policy Definitions

1. **ACT OF TERRORISM** means an act, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.
2. **AUTOMOBILE** means any motor vehicle intended or designed for highway use, trailer or semi-trailer, including its equipment and any other equipment permanently attached thereto, but **AUTOMOBILE** does not include **MOBILE EQUIPMENT**. However, self-propelled vehicles with the following types of permanently attached equipment are considered **AUTOMOBILE**:

Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning.
3. **BODILY INJURY** means physical injury (including death) to any person, and any mental anguish or shock, sickness, disease, disability or death associated with or arising from such physical injury.
4. **CLAIM** means a written or oral notice, including a **SUIT**, demanding payment of money to compensate for loss or injury.
5. **DAM** means any artificial barrier, including, but not limited to, spillways, berms or reservoirs that have the ability to impound water for the purpose of storage and/or control of water that is greater than 25 feet in height with storage capacity of more than 15 acre-feet or greater than 6 feet in height with storage capacity of more than 50 acre-feet. **DAM** also means levees and any dam classified as high hazard.
6. **DEFENSE COSTS** means the expenses incurred for the investigation and defense of a **CLAIM**, **OCCURRENCE** or **SUIT**. However, the salaries, expense and administrative cost of the **INSURED** or the **THIRD PARTY CLAIMS ADMINISTRATOR** are not included within the meaning of **DEFENSE COSTS**.
7. **DISCOVERY** of any actual, attempted or pending alleged **SEXUAL ABUSE** shall exist when any of the **NAMED INSURED'S** officials, trustees, directors, officers, partners or any person that the **NAMED INSURED** has made responsible in an official capacity to prevent **SEXUAL ABUSE** has taken receipt, learned, or in the exercise of reasonable care should have known:
 - (a) Of any lawsuit alleging **SEXUAL ABUSE**; or
 - (b) Of any demand for money or services based upon alleged **SEXUAL ABUSE**; or
 - (c) Of any criminal investigation or prosecution alleging **SEXUAL ABUSE**; or
 - (d) Of any allegation by an alleged victim or by a parent or guardian of the alleged victim of **SEXUAL ABUSE**, whether the allegation is or is not accompanied by a demand for money or services; or
 - (e) Of any report from any other person alleging **SEXUAL ABUSE**, and a person or group designated by the **NAMED INSURED** to investigate the allegation has investigated and as a result of the investigation has recommended that any action of any kind be taken by or on behalf of the **NAMED INSURED** with respect either to the alleged **INSURED** or the alleged victim; or
 - (f) That the alleged **INSURED** has admitted to acts of **SEXUAL ABUSE**; or

- (g) That an act of **SEXUAL ABUSE** has been committed.
8. **EARTHQUAKE** means seismic geologic activity, which causes movement in the earth's surface including loss or damage from any other cause or event that contributes concurrently or in any sequence to the loss, except direct loss of or damage to **PROPERTY OF THE INSURED** caused by ensuing fire and/or explosion. If more than one **EARTHQUAKE** shock occurs within any period of 168 hours during the **PERIOD OF INSURANCE**, such **EARTHQUAKE** shock is deemed to be a single **EARTHQUAKE OCCURRENCE**.
9. **ELECTRONIC DATA** means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, cloud computing platforms, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
10. **EMPLOYEE BENEFIT PROGRAMS** means group life insurance, group accident or health insurance, pension plans, profit sharing plans, employee savings and investment plans, employee stock subscription plans, travel or vacation plans, workers' compensation, unemployment insurance, social security, disability benefits insurance, employee welfare benefit plans and welfare plans, and any other similar **EMPLOYEE BENEFIT PROGRAMS**.
11. **EMPLOYMENT PRACTICES VIOLATION** means:
- (a) Refusal to employ;
 - (b) Termination of employment;
 - (c) Practices, policies, acts or omissions such as Coercion, Demotion, Failure to Promote, Evaluation, Reassignment, Discipline, Humiliation, Retaliation, Libel, Slander, Defamation of Character, Harassment (other than **SEXUAL HARASSMENT**), including Violation of Civil Rights or Discrimination by the **INSURED**, which are employment related;
 - (d) Any act relating to the selection, supervision or dismissal of any **INSURED**.
12. **FLOOD AND SURFACE WATER** means:
- (a) Waves, surge, storm surge, and all other movement of tide or tidal waters; or
 - (b) The accumulation and movement of rain, melting snow or melting ice, including run-off; or
 - (c) The rising (including the overflowing or breaking of banks, boundaries, berms, retaining walls or levees) of any body of water; including but not limited to ponds, lakes, reservoirs, creeks, streams, rivers, bayous, canals, inlets, harbors, bays, seas, oceans, storm water drains and drainage ditches, viaducts, aqueducts, and other similar bodies of water; whether the bodies of water and their boundaries are man-made or naturally occurring; and whether or not the preceding (a), (b) or (c) is a result, direct or indirect, of any man-made, mechanical, natural, unnatural or catastrophic **OCCURRENCE**, happening, cause or event.
13. **FUNGAL PATHOGENS** means any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota, including but not limited to, mold, mildew, mycotoxins, spores or any biogenic aerosols.
14. **INCIDENTAL MEDICAL MALPRACTICE** means **BODILY INJURY** or **PERSONAL INJURY** arising out of the rendering of or failure to render emergency and/or first aid medical services which shall be understood to include, but not limited to, the dispensing of medication and/or the administering of inoculations and/or blood tests and the like (i.e. medicines/tests normally administered by a Healthcare Department that are preventative in nature and do not require advanced medical

diagnosis) but where there are no overnight stays in a medical facility.

However, **INCIDENTAL MEDICAL MALPRACTICE** does not include services provided by:

- (a) a hospital or emergency room facility;
 - (b) a physician, physician's assistant, nurse practitioner, medical doctor, osteopath, chiropractor, resident, extern, or intern;
 - (c) a psychiatrist;
 - (d) a pharmacist;
 - (e) a dentist, orthodontist, or periodontist
15. **INSURED** means not only the **NAMED INSURED** as stated in the **Declarations**, but also includes any past, present or future officials; members of boards or commissions; and trustees, directors, officers, volunteers, employees or student teachers of the **NAMED INSURED** while acting within the scope of their duties as such. **INSURED** shall also mean any person, organization, trustee or estate to whom the **NAMED INSURED** is obligated by virtue of a written contract or written mutual aid agreement or other written agreement to provide insurance such as is offered by this Policy, but only in respect to acts or operations by or on behalf of the **NAMED INSURED**, and subject to the limitations on coverage contained in any such written contract or written mutual aid agreement or other written agreement.
16. **LAW ENFORCEMENT ACTIVITIES** means the activities of any **INSURED** while acting as a law enforcement official, officer, auxiliary officer, employee or volunteer of a law enforcement agency or department of the **NAMED INSURED**. **LAW ENFORCEMENT ACTIVITIES** does not include **EMPLOYMENT PRACTICES VIOLATIONS**.
17. **LOSS FUND**, if applicable, means the aggregate United States Dollar amount specified in the **Schedule of SELF INSURED RETENTIONS** to be paid by the **INSURED** for covered loss amounts incurred during the **PERIOD OF INSURANCE** within the **SELF INSURED RETENTION**.
18. **MAINTENANCE DEDUCTIBLE** means that United States Dollar amount specified in the **Schedule of SELF INSURED RETENTIONS** which the **INSURED** is obligated to pay of the **ULTIMATE NET LOSS** prior to the application of the applicable **SELF INSURED RETENTION**. The **MAINTENANCE DEDUCTIBLE** is not considered part of the **SELF INSURED RETENTION** and does not accrue to the exhaustion of the **LOSS FUND**.
19. **MEDICAL PAYMENTS** means reasonable expenses for first aid, medical, surgical, X-ray and dental services, ambulance, hospital, professional nursing and funeral services as are necessary as a result of an **OCCURRENCE** not otherwise excluded on account of **BODILY INJURY** provided the **MEDICAL PAYMENTS** are incurred within one year of the **OCCURRENCE**.
20. **MOBILE EQUIPMENT** means any of the following types of land vehicles, including any attached machinery or equipment:
- (a) Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - (b) Vehicles maintained for use solely on or next to premises the **INSURED** owns or rents;
 - (c) Vehicles that travel on crawler treads;
 - (d) Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

- (i) Power cranes, shovels, loaders, diggers or drills; or
 - (ii) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- (e) Vehicles not described in (a), (b), (c), or (d) above, that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
- (i) Air compressors, pumps and generators including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (ii) Cherry pickers and similar devices used to raise or lower workers;
- (f) Vehicles not described in (a), (b), (c), or (d) above, maintained primarily for purposes other than the transportation of persons or cargo.
21. **NAMED INSURED** means the person and/or organization first named in Item 1. of the **Declarations** of this Policy.
22. **NAMED WINDSTORM** means a storm system that has been declared a Tropical Depression, Tropical Storm or Hurricane by the National Hurricane Center of the National Oceanic and Atmospheric Administration. As regards a **NAMED WINDSTORM**, an **OCCURRENCE** shall mean all Windstorm or Hail losses and ensuing rain damage, sustained by the **INSURED** occurring during any period of 72 consecutive hours arising out of and directly occasioned by the **NAMED WINDSTORM**.
23. **OCCURRENCE** means the definition as stated in the respective Coverage Sections.
24. **PERIOD OF INSURANCE** means the length of time that the Policy is in force as stated in Item 3. of the **Declarations** as the Effective Date and Expiration Date.
25. **PERSONAL INJURY** means any injury (other than **BODILY INJURY** or **PROPERTY DAMAGE**) arising out of one or more of the following:
- Wrongful Entry; Wrongful Eviction; Malicious Prosecution; Humiliation; Piracy; Infringement or Misappropriation of any Intellectual Property Rights (including: Copyrights; Patents; Trademarks; Service Marks; and Advertising, Broadcasting, and Publishing Ideas); Invasion of Rights of Privacy; Libel; Slander; Defamation of Character; Disparagement of Property; Erroneous Service of Civil Papers; False Arrest; False Imprisonment; and Detention.
- Injury includes: Mental Anguish, Shock, Sickness, Disease, Disability or Death, which do not arise from **BODILY INJURY** or **PROPERTY DAMAGE**.
- In addition, as respects **Coverage Section VIII Law Enforcement Liability** only, **PERSONAL INJURY** also includes any injury (other than **BODILY INJURY** or **PROPERTY DAMAGE**) arising out of Discrimination or Violation of Civil Rights.
26. **POLLUTANTS** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals, liquids, solids, gases, thermal pollutants, waste, and all other irritants, or contaminants. Waste includes materials to be recycled, reconditioned or reclaimed.
27. **PROPERTY DAMAGE** means direct damage to or destruction or loss of property, including all resulting loss of use of property, excluding, however, damage to the **PROPERTY OF THE INSURED**.
28. **PROPERTY OF THE INSURED** means all Real and Personal Property which is in the care, custody or control of the **INSURED** or which the **INSURED** owns or agrees to insure by any contractual agreement normal to its operation, including: leasehold improvements and betterments; Personal

Property in transit; Property in the course of construction, installation, repair, renovation and the like; **AUTOMOBILES; ACCOUNTS RECEIVABLE; DATA PROCESSING SYSTEMS; DATA PROCESSING MEDIA; FINE ARTS; VALUABLE PAPERS; and MOBILE EQUIPMENT.** However, **PROPERTY OF THE INSURED** does not include third party **AUTOMOBILES** left in the care, custody and control of the **INSURED**, as more fully described in **Coverage Section III AUTOMOBILE Liability – Insuring Agreement E. Garagekeeper’s Legal Liability.**

29. **RECOVERY** means all **CLAIMS, SUITS** or other causes of action that any **INSURED** has against any person or entity resulting from a covered loss; any right of subrogation, whether the **INSURED’S** or Underwriters’ resulting from a covered loss; and any rights that any **INSURED** has to the monetary value of any damaged Property, whether tangible or intangible, for which a **CLAIM** for total loss or damage is made under the Policy.

30. **SELF INSURED RETENTION** means that United States Dollar amount specified in the **Schedule of SELF INSURED RETENTIONS** which the **INSURED** is obligated to pay of the **ULTIMATE NET LOSS** for each **OCCURRENCE, ACCIDENT** or **CLAIM**, after the application of any applicable **MAINTENANCE DEDUCTIBLE**, and before the **Specific Excess Limit of Insurance** of this Policy responds to the same **OCCURRENCE, ACCIDENT** or **CLAIM**.

31. **SEXUAL ABUSE** means any actual, attempted or alleged criminal sexual conduct of a person by another person, or persons acting in concert, regardless if criminal charges or proceedings are brought, which causes physical injuries and/or mental anguish. **SEXUAL ABUSE** also includes actual, attempted or alleged: sexual molestation, sexual assault, sexual exploitation or sexual injury.

SEXUAL ABUSE includes any actual or alleged negligent hiring, employment, training, investigation, or supervision of any past, present or future official, board or commission member, trustee, director, employee, volunteer worker, or anyone acting on behalf of any **INSURED** in respect of actual or alleged **SEXUAL ABUSE**. **SEXUAL ABUSE** also includes reporting to the proper authorities, or failure to so report, or retention of a person for whom any **INSURED** is or ever was legally responsible, in respect of actual or alleged **SEXUAL ABUSE**.

But **SEXUAL ABUSE** does not include **SEXUAL HARASSMENT**.

32. **SEXUAL HARASSMENT** means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature of a person by another person, or persons acting in concert, which causes mental anguish:

But **SEXUAL HARASSMENT** does not include **SEXUAL ABUSE**.

33. **SUBLIMIT** means the maximum amount of **ULTIMATE NET LOSS** as specified in the **Schedule of Specific Excess Limits of Insurance** that may be attributable to an Insuring Agreement or a Coverage Subsection for any one **OCCURRENCE, ACCIDENT** or **CLAIM**. **SUBLIMITS** and any Aggregate Limits applicable to them are part of, and not in addition to, the **SELF INSURED RETENTION, Specific Excess Limit of Insurance** and Annual Aggregate Limit for the Coverage Section which they are a part of. Where a **SUBLIMIT** is specified as being ground up in the **Schedule of Specific Excess Limits of Insurance**, such **SUBLIMIT** is inclusive of, and may be contained within, the **SELF INSURED RETENTION**. Ground up **SUBLIMIT** payments within the **SELF INSURED RETENTION** shall contribute to the erosion of the **LOSS FUND**, if applicable, and will form part of the overall **ULTIMATE NET LOSS** for the **OCCURRENCE** or **CLAIM**.

34. **SUIT** means a civil proceeding in which injuries or damages are alleged. **SUIT** includes:

(a) An arbitration proceeding in which such damages are claimed and to which the **INSURED** submits with Underwriters’ consent; or

(b) Any other alternative dispute resolution proceeding in which such damages are claimed and to which the **INSURED** submits with Underwriters’ consent.

35. **THIRD PARTY CLAIM ADMINISTRATOR** means a duly qualified and competent firm that administers on behalf of the **INSURED** all **CLAIMS** under this Policy, which shall include **CLAIMS** processing, adjustment, field investigation, data collection and reporting duties, including **LOSS FUND** tracking if a limit is stated in the **Declarations** under **Excess LOSS FUND Protection**, in accordance with all statutory and regulatory standards and in accordance with all accepted industry standards and practices.
36. **ULTIMATE NET LOSS** means the total sum which the **INSURED** is obligated to pay because of loss or damage covered under any Coverage Section of this Policy, either through adjudication or compromise, after first making proper deductions for all subrogation, **RECOVERY(IES)** and salvages.

ULTIMATE NET LOSS also includes:

- (a) Premium on attachment, appeal or similar bonds (but without any obligation on the part of Underwriters to apply for or furnish such bonds); or
- (b) Expenses of lawyers, private investigators and other persons for litigation, settlement, adjustment and investigation of **CLAIMS** and **SUITS** which are paid as a consequence of any loss or damage covered hereunder.

However, the **ULTIMATE NET LOSS** does not include:

- (a) Any costs, fees and other expenses incurred by the **INSURED** for litigation, settlement, adjustment and investigation of **CLAIMS** or **SUITS** for any loss or damage not covered under any Coverage Section of this Policy;
- (b) Payment for any judgments or acts deemed uninsurable by law;
- (c) Contractual fees paid to the **THIRD PARTY CLAIMS ADMINISTRATOR** by the **INSURED** for services rendered in administering, investigating or settlement of any **CLAIM** for loss or damage;
- (d) Payments, including salaries and expenses, to any employee or official of the **INSURED** for services rendered in administering any **CLAIM** for loss or damage; or
- (e) Expenses incurred by the **INSURED** or the **THIRD PARTY CLAIMS ADMINISTRATOR** in the hiring of experts or other specialists to establish the existence or value of a covered **CLAIM** or **OCCURRENCE** unless specifically provided for in the Policy or agreed to in advance by Underwriters; or
- (f) Any costs, fees and other expenses incurred by the **INSURED** for attorneys or lawyers hired or employed by the **INSURED** to administer or adjust claims.

Underwriters are liable only for the **ULTIMATE NET LOSS** in excess of the applicable **MAINTENANCE DEDUCTIBLE** and **SELF INSURED RETENTION**, and not more than the **Specific Excess Limit of Insurance**. Underwriters' duty to indemnify ends when the applicable **Specific Excess Limit of Insurance** is exhausted by the payment of the **ULTIMATE NET LOSS**.

37. **UNMANNED AIRCRAFT** means an aircraft that is not designed, manufactured or modified after manufacture to be controlled directly by a person from within or on the aircraft.
38. **WRONGFUL ACT** means any actual or alleged error or mis-statement, omission, act or neglect or breach of duty due to misfeasance, malfeasance, and non-feasance, Discrimination, and Violation of Civil Rights by the **INSURED**.

Coverage Section I Property

Coverage Section I Property – Insuring Agreements

Coverage is provided for one or more of the Coverage Subsections in this Coverage Section only if a corresponding **Specific Excess Limit of Insurance** is stated in the **Schedule of Specific Excess Limits of Insurance**.

If direct physical loss or damage insured hereunder is caused by or results from the Perils of **FLOOD AND SURFACE WATER, EARTHQUAKE** or **NAMED WINDSTORM**, coverage under the following Coverage Subsections is further subject to the terms as specified within the definition of each Peril respectively.

- A. PROPERTY OF THE INSURED** (except **AUTOMOBILES** and **PROPERTY OF THE INSURED** in transit): Underwriters agree, subject to the Policy limitations, terms and conditions to indemnify the **INSURED** for direct physical loss or damage to **PROPERTY OF THE INSURED**, wherever located and identified in Schedule of Locations on file with Underwriters, unless provided for by **Coverage Section I Property – Condition 8. Automatic Acquisition Clause**, arising out of an **OCCURRENCE** first occurring during the **PERIOD OF INSURANCE**.
- B. AUTOMOBILE Physical Damage**: Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **INSURED** for direct physical loss or damage to **AUTOMOBILES** owned by the **INSURED** or for which the **INSURED** has an obligation to provide insurance, wherever located, arising out of an **OCCURRENCE** first occurring during the **PERIOD OF INSURANCE**.
- C. EXTRA EXPENSE**: Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **INSURED** for **EXTRA EXPENSE**, due to the necessary suspension of **OPERATIONS** during the **PERIOD OF RESTORATION**. The suspension must be caused by direct physical loss or damage insured hereunder, arising out of an **OCCURRENCE** occurring during the **PERIOD OF INSURANCE** to the **PROPERTY OF THE INSURED** at the premises described in the Schedule of Locations on file with Underwriters, which necessitates the incurrence of **EXTRA EXPENSE**. Underwriters will be liable for this **EXTRA EXPENSE**, not exceeding the actual loss sustained, and not exceeding such length of time, hereinafter referred to as the **PERIOD OF RESTORATION**.

This coverage also includes loss to **DATA PROCESSING** when (1) the premises in which the property is located is so damaged as to prevent access to such property or (2) as a direct result of a Peril insured against, the air conditioning system or electrical system necessary for the operation of the **DATA PROCESSING SYSTEMS** is so damaged as to reduce or suspend the **INSURED'S** ability to actually perform the operations normally performed by the **DATA PROCESSING SYSTEMS**. **EXTRA EXPENSE** for **DATA PROCESSING** includes the expense of using other property or facilities of other concerns or other necessary emergency expenses.

Interruption by Civil Authority: Coverage hereunder is extended to include actual loss sustained when access to the damaged premises is prohibited by order of civil authority as a direct result of the covered direct physical loss or damage.

- D. Transit**: Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **INSURED** for direct physical loss or damage to **PROPERTY OF THE INSURED**, or property held by the **INSURED** in trust or on commission or in the care, custody or control of the **INSURED** or for which the **INSURED** may be held legally liable, while in due course of transit, arising out of an **OCCURRENCE** occurring during the **PERIOD OF INSURANCE** (including general average and salvage charges on shipments covered while waterborne).

The **INSURED** may accept ordinary Bills of Lading or receipts insured by carriers including those containing released and/or partially released value provisions, but the **INSURED** shall not agree to release carriers from their common law or statutory liability.

- E. **BUSINESS INTERRUPTION:** Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **INSURED** for the actual loss sustained of **BUSINESS INCOME** and **RENTAL VALUE** due to the necessary suspension of **OPERATIONS** during, and not to exceed, the **PERIOD OF RESTORATION**. The suspension must be caused by direct physical loss or damage insured hereunder, arising out of an **OCCURRENCE** occurring during the **PERIOD OF INSURANCE** to the **PROPERTY OF THE INSURED** at the premises described in the Schedule of Locations on file with Underwriters.

Interruption by Civil Authority: Coverage hereunder is extended to include actual loss sustained when access to the damaged premises is prohibited by order of civil authority as a direct result of the covered direct physical loss or damage.

BUSINESS INCOME: If the necessary suspension of the **INSURED'S OPERATIONS** produces a loss of **BUSINESS INCOME** payable under this Policy, Underwriters will indemnify the **INSURED** for the actual loss of **BUSINESS INCOME** incurred during the **PERIOD OF RESTORATION** that would have existed if no direct physical loss or damage had occurred.

RENTAL VALUES: If the necessary suspension of the **INSURED'S OPERATIONS** produces a loss of **RENTAL VALUES** payable under this Policy, Underwriters will indemnify the **INSURED** for the actual loss of **RENTAL VALUES** incurred during the **PERIOD OF RESTORATION** and up to 90 consecutive days thereafter, that would have existed if no direct physical loss or damage had occurred.

Coverage Section I Property – Specific Excess Limits of Insurance

Underwriters' **Specific Excess Limit of Insurance** per **OCCURRENCE** for **Coverage Section I Property** is limited to, and not to exceed, the **Specific Excess Limits of Insurance** as stated in the **Schedule of Specific Excess Limits of Insurance** over the **SELF INSURED RETENTION**, as stated in the **Schedule of SELF INSURED RETENTIONS**.

If an Annual Aggregate applies to any coverage under this **Coverage Section I Property**, the total Aggregate **Excess Limit of Insurance** for such coverage under this Coverage Section combined during the **PERIOD OF INSURANCE** shall not exceed the Annual Aggregate limit as stated in the applicable Coverage Section of the **Schedule of Specific Excess Limits of Insurance**.

Coverage Section I Property – Conditions

Amounts paid by Underwriters under any of the following clauses are part of, and not in addition to, the **Specific Excess Limit of Insurance** per **OCCURRENCE** for **Coverage Section I Property** as stated in the **Schedule of Specific Excess Limits of Insurance** in the **Declarations** including any applicable Annual Aggregate.

1. Valuation:

- (a) **PROPERTY OF THE INSURED (except ACCOUNTS RECEIVABLE, AUTOMOBILES, DATA PROCESSING, FINE ARTS, MOBILE EQUIPMENT AND VALUABLE PAPERS):**

Underwriters will indemnify the **INSURED** for loss or damage based on the lesser of the cost to repair, rebuild or replace the destroyed or damaged property in a condition equal to, but not superior to, or more extensive, than its condition when new, provided that the **INSURED** has commenced repairs, rebuilding, or replacement within two years of the date of loss or damage; and subject to the following conditions:

If damaged or destroyed **PROPERTY OF THE INSURED** is not repaired, rebuilt or replaced within two years after loss or damage, Underwriters shall not be liable for any amount to repair,

rebuild, or replace in excess of the **ACTUAL CASH VALUE** of the property damaged or destroyed.

The **INSURED** may, at its discretion, elect to apply any **RECOVERY** for rebuilding or replacement due under this Coverage Section towards a new capital expenditure provided that:

- i. The new capital expenditure is made within two years of the date of loss or damage;
- ii. The new capital expenditure is in lieu of, and not in addition to, the Real or Personal Property damaged; and
- iii. The actual cost of the new capital expenditure is equal to, or greater than, the cost to rebuild or replace the Real or Personal Property damaged.

If the **INSURED** decides to replace destroyed or damaged property on another site, cost of such site is not included.

(b) **ACCOUNTS RECEIVABLE:** Underwriters will indemnify the **INSURED** for actual loss sustained for sums due the **INSURED**, including the expenses reasonably incurred in re-establishing the records of **ACCOUNTS RECEIVABLE**:

- i. When there is proof that a covered loss has occurred, but the **INSURED** cannot accurately establish the total amount of **ACCOUNTS RECEIVABLE** outstanding as of the date of such loss, such amount shall be based on the **INSURED'S** monthly statements and shall be computed as follows:
 - (1) Determine the total of the average monthly amounts of **ACCOUNTS RECEIVABLE** at the end of the 12 months immediately preceding the month in which the loss or damage occurs;
 - (2) Adjust that total for any normal fluctuations in the amount of **ACCOUNTS RECEIVABLE** for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
- ii. There shall be deducted from the total amount of **ACCOUNTS RECEIVABLE**, however established:
 - (1) The amount of accounts not lost or damaged;
 - (2) The amount of the accounts the **INSURED** is able to collect or re-establish;
 - (3) An amount to allow for probable bad debts that the **INSURED** is normally unable to collect;
 - (4) All unearned interest and services charges.

(c) **AUTOMOBILE:** Underwriters will indemnify the **INSURED** based on the lesser of the cost to repair the **AUTOMOBILE**, or the **ACTUAL CASH VALUE** of the **AUTOMOBILE** at the time of loss; including the cost to rent a vehicle of like kind during the period of repair up to a maximum of 30 days, unless agreed to in advance by Underwriters.

(d) **DATA PROCESSING:** Underwriters will indemnify the **INSURED** for:

- i. **DATA PROCESSING SYSTEMS** based upon the lesser of the actual cost to replace or repair the property. If the property is replaced, based upon the most closely equivalent property available similar in kind and function to that insured hereunder.

- ii. **DATA PROCESSING MEDIA** based upon the lesser of the actual cost to replace, repair or reproduce the property, or if not replaced, repaired or reproduced, the blank hardware value of the **DATA PROCESSING MEDIA**. If the property is replaced, based upon the most closely equivalent property available similar in kind and function to that insured hereunder.
- (e) **FINE ARTS**: Underwriters will indemnify the **INSURED** based on the lesser of the cost to repair the property, or if not repairable the replacement cost, or if not replaceable the appraised or market value.
- (f) **MOBILE EQUIPMENT**: Underwriters will indemnify the **INSURED** for loss or damage based on the lesser of the cost to repair, rebuild or replace the destroyed or damaged property in a condition equal to, but not superior to, or more extensive, than its condition when new.
- (g) **VALUABLE PAPERS**: Underwriters will indemnify the **INSURED** based on the lesser of the cost to replace, repair or reproduce the property with other of like kind, or if not replaced, repaired or reproduced the blank value of the **VALUABLE PAPERS**.
- (h) **Vacant Buildings**: Underwriters will indemnify the **INSURED** based on the lesser of the cost to repair a covered building or the **ACTUAL CASH VALUE** of a covered building that has been vacant for a period of more than 90 consecutive days at the time of loss.

Vacant means a covered building that is abandoned.

A covered building that is unoccupied is not considered vacant. A covered building is considered unoccupied when the building contains contents to conduct the **INSURED'S** customary operations, but such operations are temporarily suspended.

A covered building under construction or renovation is not considered vacant.

- (i) **BUSINESS INTERRUPTION**: Underwriters will indemnify the **INSURED** for the amount of **BUSINESS INCOME** or **RENTAL VALUES** loss based on:
 - i. The Net Income of the business before the direct physical loss or damage occurred;
 - ii. The likely Net Income of the business if no loss or damage occurred;
 - iii. The operating expenses including payroll expenses, necessary to resume **OPERATIONS** with the same quality of service that would have existed if no direct physical loss or damage occurred; and
 - iv. Other relevant sources of information including:
 - (1) Financial records and accounting procedures;
 - (2) Bills, invoices, and other vouchers;
 - (3) Deeds, liens or contracts.

- 2. **Expense to Reduce or Prevent Loss**: Underwriters will indemnify the **INSURED** for expenses necessarily incurred to reduce or prevent any loss covered under this Policy, not exceeding, however, the amount by which the loss under this insurance is thereby reduced.

As respects Coverage Section I Property – Insuring Agreement E. BUSINESS INTERRUPTION only, if there is a loss of **BUSINESS INCOME** or **RENTAL VALUES**, Underwriters will indemnify the **INSURED** for expenses necessarily incurred to reduce further loss of **BUSINESS INCOME** or **RENTAL VALUES**. The total payment for **BUSINESS INCOME** or **RENTAL VALUES** loss and expense to reduce loss will not be more than the **BUSINESS INCOME** or **RENTAL VALUES** loss

that would have been payable under this coverage if the expenses to reduce loss had not been incurred.

3. **Debris Removal:** In the event of a direct physical loss or damage to the property covered under this Policy, Underwriters will indemnify the **INSURED** for expenses incurred in removal of debris, and the cost of clean-up (other than **POLLUTANTS**) of the destroyed or damaged **PROPERTY OF THE INSURED**, from the premises of the **INSURED**.
4. **Asbestos and Lead Clean Up and Removal:** Notwithstanding **General Policy Exclusion F** in this Policy, Underwriters agree to extend **Coverage Section I Property** to cover expense to remove damaged asbestos or lead from any structure due to the enforcement of any law or ordinance regulating asbestos or lead, when the asbestos or lead is itself damaged by a Peril not otherwise excluded under this Policy, and then only to the extent of such damage.
5. **Architects' and Engineers' Fees:** This Policy covers the additional assessment involving architects' and engineers' fees for consultations arising from losses resulting from a Peril not otherwise excluded under this Policy.
6. **Civil Authority Clause:** Notwithstanding anything contained in this Policy, property which is insured under this Policy is also covered against the risk of damage or destruction by civil authority during a conflagration, and for the purpose of retarding the same; provided that neither such conflagration or destruction is caused or contributed to by war (including undeclared or civil war), warlike action by a military force (including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents), insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these. This coverage includes damage or destruction by civil authority during a conflagration, and for the purpose of retarding the same, if caused by terrorists or secretly by a foreign enemy or agent of any government or sovereign power, when not in connection with the operations of armed forces in or against the country where the described location is situated.
7. **Ordinance Deficiency Clause:** If Building property is damaged or destroyed by Perils not otherwise excluded under this Policy, Underwriters shall be liable for the increased cost to repair or reconstruct that Building property, including the undamaged part of that Building property, but only when the increased cost is a consequence of enforcement of any federal, state or municipal law, ordinance or code which necessitates such increased cost to repair or reconstruct to meet the minimum of such requirements. If demolition is required to comply with such enforcement, Underwriters shall also be liable for such additional cost, including the cost to demolish and clear undamaged parts of the Building property. Underwriters will not pay such increased cost to repair or reconstruct if the Building property is not repaired or reconstructed.
8. **Automatic Acquisition Clause:** This insurance is automatically extended to cover additional property and/or interests of the **INSURED**, usual and/or incidental to the operations of the **INSURED**, when newly acquired property values do not exceed the Newly Acquired Property Reporting Limit stated in the **Schedule of Specific Excess Limits of Insurance**, and which are acquired, or for which the **INSURED** becomes legally liable, during the **PERIOD OF INSURANCE** under this Policy.

This Policy is further extended to cover additional property and/or interests of the **INSURED**, usual and/or incidental to the operations of the **INSURED**, when newly acquired property values exceed the Newly Acquired Property Reporting Limit stated in the **Schedule of Specific Excess Limits of Insurance**, provided the **INSURED** reports details of said property and/or interests to Underwriters for premium consideration within 90 consecutive days from the date the **INSURED** acquires or becomes legally liable for the property provided that the property is acquired or for which the **INSURED** becomes legally liable during the **PERIOD OF INSURANCE** under this Policy.

9. **Unintentional Errors and Omissions:** The property insured under this Policy, and its insured value, is the property and values shown on the Schedule of Locations on file with Underwriters, as submitted by the **INSURED** prior to the inception of this Policy.

If any **PROPERTY OF THE INSURED** is omitted or undervalued because of negligence, error or oversight of the **INSURED**, Underwriters will accept that property provided it is usual or incidental to the **INSURED'S** operations. Such omission will not prejudice the **INSURED'S** right of **RECOVERY** under this Policy; except that for any **PROPERTY OF THE INSURED** unintentionally omitted from the Schedule of Locations on file with Underwriters, Underwriters shall not be liable for any amount to repair, rebuild, or replace in excess of the **ACTUAL CASH VALUE** of the property until payment of any applicable additional premium for the **PERIOD OF INSURANCE** that the **PROPERTY OF THE INSURED** was unintentionally omitted from the Schedule of Locations on file with Underwriters by the **INSURED**, as calculated by Underwriters, has been paid. Upon receipt of payment of the additional premium by Underwriters, the liability of Underwriters will revert to its liability as outlined in **Coverage Section I Property – Condition 1.(a)**. The **INSURED** agrees to report to Underwriters any omission of property as soon as practicable after omission becomes known by the **INSURED**.

10. Joint Loss Clause: In the event of damage to or destruction of property, at a location designated in this Policy and also designated in a boiler and machinery insurance policy and there is a disagreement between the insurers with respect to:

- (a) Whether such damage or destruction was caused by a Peril insured against by this Policy or by an accident insured against by such boiler and machinery insurance Policy; or
- (b) The extent of participation of this Policy and of such boiler and machinery insurance policy in a loss which is insured against, partially or wholly, by any or all policies.

Underwriters shall, upon written request of the **NAMED INSURED**, pay to the **NAMED INSURED** one-half of the amount of loss which is in disagreement, but in no event more than Underwriters would have paid if there had been no boiler and machinery insurance Policy in effect, subject to the following conditions:

- i. The amount of the loss which is in disagreement after making provisions for any undisputed **CLAIMS** payable under the said policies and after the amount of loss is agreed upon by the **INSURED** and the insurers, is limited to the minimum amount remaining payable by any or all policies;
- ii. The boiler and machinery insurer shall simultaneously pay to the **INSURED** one-half of said amount which is in disagreement;
- iii. The payments by the insurers hereunder and acceptance of the same by the **INSURED** signify the agreement of the insurers to submit to and proceed with arbitration within 90 consecutive days of such payments. The arbitrators shall be three in number, one of which shall be appointed by the boiler and machinery insurer and one of whom shall be appointed by Underwriters hereon and the third appointed by consent of the other two arbitrators, the decision by the arbitrators shall be binding on the insurers and that judgment upon such award may be entered in any court of competent jurisdiction;
- iv. The **INSURED** agrees to cooperate in connection with such arbitration but not to intervene within;
- v. The provisions of this clause shall not apply unless such other Policy issued by the boiler and machinery insurance company contains a similar clause or is similarly endorsed;
- vi. Acceptance by the **INSURED** of sums paid pursuant to the provisions of this clause including an arbitration award, shall not operate to alter, waive, surrender or in any way affect the rights of the **INSURED** against any of the insurers.

11. Resumption of Operations:

- (a) As respects **Coverage Section I Property – Insuring Agreement C. EXTRA EXPENSE**, it is a condition of this Policy that as soon as practical, the **INSURED** will resume **NORMAL** business operations and dispense with **EXTRA EXPENSE**.
- (b) As respects **Coverage Section I Property – Insuring Agreement E. BUSINESS INTERRUPTION**, Underwriters will reduce the amount of the **INSURED'S BUSINESS INCOME** or **RENTAL VALUES** loss to the extent the **INSURED** can resume **OPERATIONS**, with reasonable speed, in whole or in part, by using damaged or undamaged property at the described scheduled premises or elsewhere.

If the **INSURED** does not resume **OPERATIONS** with reasonable speed or does not resume **OPERATIONS** in whole or in part, Underwriters will indemnify the **INSURED** for a **BUSINESS INCOME** or **RENTAL VALUES** loss based on the length of time it would have taken to resume **OPERATIONS** with reasonable speed, or to resume **OPERATIONS** in whole or in part.

Coverage Section I Property – Exclusions

In addition to the General Exclusions of this Policy, this Coverage Section does not insure against:

- A. Any loss or **CLAIM** for damages, whether direct or consequential, or for any cause of action which is covered under any other Coverage Section of this Policy, whether or not a limit is stated in the **Schedule of Specific Excess Limits of Insurance**;
- B. Loss by moth, termite, or other insect(s); by vermin; by wear or tear; by rust, erosion, corrosion or other gradual deterioration; or by wet rot, dry rot or **FUNGAL PATHOGEN**, unless a loss from a peril not otherwise excluded ensues, and then only for direct loss or damage caused by such peril;
- C. Loss as a result of lack of proper maintenance;
- D. Loss of use (except as respects **Coverage Section I Property – Insuring Agreement B. AUTOMOBILE Physical Damage and C. EXTRA EXPENSE** and **Coverage Section I Property – Conditions 1.(f) MOBILE EQUIPMENT**), delay or loss of markets;
- E. Direct loss by breakdown of machinery and/or explosion of steam boilers, steam pipes, steam engines or steam turbines, unless a loss from a peril not otherwise excluded ensues, and then only for direct loss or damage caused by such peril. This exclusion does not apply to loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass;
- F. Loss of electrical appliances or devices of any kind, including wiring, arising from electrical injury or disturbance to the said electrical appliances or devices or wiring from artificially generated electrical current unless fire and/or explosion ensues, and then only for direct loss or damage caused by such ensuing fire and/or explosion, except as may be covered under **DATA PROCESSING**;
- G. Loss resulting from variation of humidity or temperature, shrinkage, evaporation, loss of weight or leakage in respect of a temperature controlled environment: unless a loss from a peril not otherwise excluded ensues, and then only for direct loss or damage caused by such peril;
- H. Loss by normal settling, normal shrinkage, or expansion of foundations, floors or ceilings;
- I. Inventory shortage, mysterious disappearances or loss resulting from any kind of infidelity or dishonesty on the part of the **INSURED** or any employees; whether alone or in collusion with others;
- J. Penalties for non-completion or delay as respects property in course of construction or undergoing

renovation;

- K. Loss by mechanical derangement, inherent defect or latent defect; unless a loss from a peril not otherwise excluded ensues, and then only for direct loss or damage caused solely by such ensuing peril;
- L. Loss resulting from processing or faulty workmanship with regard to all Property, unless a loss from a peril not otherwise excluded ensues, and then only for direct loss or damage caused solely by such ensuing peril;
- M. Loss of or damage to animals;
- N. Loss of or damage to aircraft including **UNMANNED AIRCRAFT**;
- O. Loss of or damage to watercraft over 50 feet;
- P. Loss of or damage to standing timber, growing crops, land and land value;
- Q. Loss of or damage to accounts, bills, currency, money, notes, securities, deeds, evidences of debts;
- R. Loss of or damage to underground pipes, sewers, flues and drains outside of the covered building, unless as otherwise listed on the Schedule of Locations on file with Underwriters;
- S. Loss of or damage to **ACCOUNTS RECEIVABLE** due to electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning, or as covered under **DATA PROCESSING**;
- T. Loss of or damage to:
 - (a) **DATA PROCESSING MEDIA** due to electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning;
 - (b) **DATA PROCESSING SYSTEMS** and **DATA PROCESSING MEDIA** due to dryness or dampness of atmosphere, extremes of temperature, corrosion, rust unless directly resulting from physical damage to the **DATA PROCESSING SYSTEM'S** air conditioning facilities caused by a Peril not otherwise excluded hereunder directly resulting therefrom;
 - (c) **DATA PROCESSING SYSTEMS** and **DATA PROCESSING MEDIA** due to loss of or damage to **DATA PROCESSING MEDIA** for accounts, bills, evidences of debt, **VALUABLE PAPERS**, records, abstracts, deeds, manuscripts or other documents, except as they may be converted to **DATA PROCESSING MEDIA** form, and then only in that form; or
 - (d) **DATA PROCESSING SYSTEMS** and **DATA PROCESSING MEDIA** due to loss or damage caused by error in machine programming or instructions to machine;
- U. Loss of or damage to electrical transmission and distribution lines outside of a covered building, unless as otherwise listed on the Schedule of Locations on file with Underwriters;
- V. Loss due to or resulting from **FLOOD AND SURFACE WATER** for any Property in Flood Zone A, Zone AO, Zone AH, Zones A1-A30, Zone AE, Zone A99, Zone AR, Zone AR/AE, Zone AR/AO, Zone AR/A1-A30, Zone AR/A, Zone V, Zone VE, and Zones V1-V30 or to any other Flood Zone with a designation that begins with the letter A or V;
- W. Direct loss due to freeze as result of any intentional or negligent failure to:
 - (a) Properly and sufficiently maintain heat in any unoccupied or vacant building or property, regardless of the length of or reason for any unoccupancy or vacancy, in accordance with all applicable standards or guidelines; or

- (b) Properly and sufficiently protect machinery, pipes, other systems and/or equipment in accordance with all applicable standards, guidelines or manufacturer's instructions;
- X.** Loss due to or resulting from Mine Subsidence, but not to exclude **EARTHQUAKE**;
- Y.** As respects **Coverage Section I Property – Insuring Agreement C. EXTRA EXPENSES** and **Insuring Agreement E. BUSINESS INTERRUPTION**:
- (a) The suspension, lapse or cancellation of any lease, license, contract or order beyond the **PERIOD OF RESTORATION**;
- (b) Interference at premises by strikers or other persons with the rebuilding, repairing or replacing of the property damaged or destroyed, or with the resumption or continuation of business;
- (c) Any other consequential loss;
- Z.** As respects **Coverage Section I Property – Insuring Agreement C. EXTRA EXPENSES** only:
- (a) Loss of income, profits or earnings;
- (b) The cost of repairing or replacing any of the Real or Personal Property covered hereunder, or the cost of research or other expense necessary to replace or restore damaged or destroyed books of account, abstracts, drawings, card index systems or other records (including film, tape, disc, drum, cell or other magnetic recordings or **DATA PROCESSING MEDIA**), that have been damaged or destroyed by the Perils insured against, except cost in excess of the normal cost of such repair, replacement or restoration necessarily incurred for the purpose of reducing loss under this Policy. In no event shall such excess cost exceed the amount by which the total **EXTRA EXPENSE** loss otherwise payable under this Policy is thereby reduced;
- (c) Loss resulting from theft of any property which at the time of loss is not an integral part of a building or structure (except direct loss by pillage and looting occurring during and at the immediate place or a riot or civil commotion), unless loss by a Peril covered under this Policy ensues from theft or attempted theft, and then Underwriters are liable for only such ensuing loss;
- AA.** As respects **Coverage Section I Property – Insuring Agreement D. Transit** only:
- (a) Shrinkage, evaporation, loss of weight, leakage, breakage of glass or other fragile articles, marring, scratching, exposure to light, or change in color, texture or flavor, unless such loss is caused by a Peril not otherwise excluded in this Policy;
- (b) Loss caused by or resulting from misappropriation, conversion, infidelity or any dishonest act on the part of the **INSURED** or other party of interest, or employees or agents or others to whom the property may be delivered or entrusted (carriers for hire excepted);
- (c) Loss caused by breakdown or derangement of refrigerating units;
- (d) Shipments by mail after delivery into the custody of any governmental postal service;
- BB.** As respects **Coverage Section I Property – Insuring Agreement E. BUSINESS INTERRUPTION** only:
- (a) Enforcement of any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures.

Coverage Section I Property – Definitions

1. **ACCOUNTS RECEIVABLE** means the sums due the **INSURED** from customers; interest charges on any loan to offset impaired collections pending repayment of such sums; collection expense in excess of normal collection cost.
2. **ACTUAL CASH VALUE** means the present day value of the cost to repair, rebuild, or replace property at the time of loss after first deducting for any physical wear and tear, and obsolescence of the property.
3. **BUSINESS INCOME** means the:
 - (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
 - (b) Continuing normal operating expenses incurred, including payroll.
4. **BUSINESS INTERRUPTION** means the loss sustained during the suspension of **OPERATIONS** as a result of direct physical damage to the property insured.
5. **DATA PROCESSING** means the **DATA PROCESSING SYSTEMS** and **DATA PROCESSING MEDIA** owned, leased or rented, or under the control of the **INSURED** or for which the **INSURED** is liable.
6. **DATA PROCESSING MEDIA** means the recording or storage devices such as films, tapes, discs, drums or cells, used with **DATA PROCESSING SYSTEMS**.
7. **DATA PROCESSING SYSTEMS** means the electronic equipment and its component parts used in the **INSURED'S DATA PROCESSING** operations.
8. **EXTRA EXPENSE** means the excess (if any) of the total cost incurred during the **PERIOD OF RESTORATION** chargeable to the continuance of the **INSURED'S** operations, over and above the total cost that would normally have been incurred to conduct those operations during the same period had there been no direct physical loss or damage to the property.

Any salvage value of property obtained for temporary use during the **PERIOD OF RESTORATION** which remains after resumption of **NORMAL** operations, will be taken into consideration in the adjustment of any loss incurred.
9. **FINE ARTS** means paintings, etchings, pictures, tapestries, and other bona fide works of art including but not limited to statuary, marbles, bronzes, antique furniture, rare books, antique silver, rare manuscripts, porcelains, rare glass, and bric-a-brac of rarity, historical value or artistic merit.
10. **NORMAL** means the condition that would have existed had no loss occurred.
11. **OCCURRENCE** means an accident or accidental happening or accidental event or a series of related accidents or accidental happenings or accidental events involving one or more **INSUREDS** which results in a direct physical damage or loss to the **PROPERTY OF THE INSURED** that is both unexpected and unintended by the **INSURED(S)**. Only one Policy, one **SELF INSURED RETENTION**, and one **Specific Excess Limit of Insurance** is applicable to any one **OCCURRENCE**.
12. **OPERATIONS** means:
 - (a) The **INSURED'S** business activities occurring at the scheduled premises; and
 - (b) The tenantability of the scheduled premises.

13. PERIOD OF RESTORATION means the period of time that:

- (a) Begins after a direct physical loss or damage to the **PROPERTY OF THE INSURED**; and
- (b) Ends the earlier of:
 - (i) The date when the property or such part of property that was damaged or destroyed at the Schedule of Locations on file with Underwriters is repaired, rebuilt or replaced with reasonable speed or similar quality; or
 - (ii) The date when the property or such part of property that was damaged or destroyed could have been repaired, rebuilt or replaced with the exercise of due diligence; or
 - (iii) The date when business is resumed at a new permanent location or at the same repaired, rebuilt or replaced location.

PERIOD OF RESTORATION does not include any increased period required due to the enforcement of any ordinance or law that:

- (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (b) Requires any **INSURED** or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of **POLLUTANTS**.

The **PERIOD OF RESTORATION** is not limited by the expiration date of this Policy.

14. RENTAL VALUES means the:

- (a) Total anticipated rental income from tenant occupancy at the premises in the Schedule of Locations on file with Underwriters as furnished and equipped by the **INSURED**; and
- (b) Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be the **INSURED'S** obligations; and
- (c) Fair **RENTAL VALUES** for any portion of the premises stated in the Schedule of Locations on file with Underwriters, which is occupied by the **INSURED**.

15. VALUABLE PAPERS means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts, but does not mean money or securities.

Coverage Section II General Liability

Coverage Section II General Liability – Insuring Agreements

Coverage is provided for one or more of the Coverage Subsections in this Coverage Section only if a corresponding **Specific Excess Limit of Insurance** is stated in the **Schedule of Specific Excess Limits of Insurance**.

- A. General Liability:** Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **INSURED** for all sums which the **INSURED** is legally obligated to pay by reason of the liability imposed upon the **INSURED** by law or assumed by the **INSURED** under contract or agreement, for damage direct or consequential, and expenses, all as more fully defined by the term **ULTIMATE NET LOSS**, on account of **PERSONAL INJURY** or **BODILY INJURY**, and/or **PROPERTY DAMAGE** sustained or alleged to have been sustained by any person(s) or organization(s) arising out of an **OCCURRENCE** from any cause including **HOST LIQUOR LIABILITY** and/or **LIQUOR LIABILITY**, and **INCIDENTAL MEDICAL MALPRACTICE** (except **INCIDENTAL MEDICAL MALPRACTICE**, arising out of **LAW ENFORCEMENT ACTIVITIES**) first occurring during the **PERIOD OF INSURANCE**.
- B. Premises MEDICAL PAYMENTS:** Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **INSURED** for all reasonable **MEDICAL PAYMENTS** incurred by the **INSURED** to others (except employees of the **INSURED** injured in the course of their employment, and to and/or for students), as are necessary at the time of an **OCCURRENCE** on account of **BODILY INJURY** occurring during the **PERIOD OF INSURANCE**.
- C. SEXUAL HARASSMENT Liability:** Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **NAMED INSURED** for all sums which the **NAMED INSURED** is legally obligated to pay, as more fully defined by the term **ULTIMATE NET LOSS**, for the liability on the part of the **NAMED INSURED**, including liabilities arising from negligent hiring, training and supervision, arising out of any **OCCURRENCE** resulting from any actual or alleged acts of **SEXUAL HARASSMENT** by any past, present or future officials, board or commission members, trustees, directors, employees or volunteer workers, of the **NAMED INSURED** or other person or persons first committed during the **PERIOD OF INSURANCE** against another person who is not an **INSURED** under this Policy. This provision applies only to the liability of the **NAMED INSURED** to pay any settlement, verdict or judgment; providing that the sole liability imposed on the **NAMED INSURED** does not arise from any contractual duty to indemnify.

All actual or alleged acts of **SEXUAL HARASSMENT** by any past, present or future officials, board or commission members, trustees, directors, employees, or volunteer workers of the **NAMED INSURED**, acting alone or in concert, shall be considered as arising out of one **OCCURRENCE**, regardless of:

- (a) The number of persons alleging **SEXUAL HARASSMENT**;
- (b) The number of locations where the **SEXUAL HARASSMENT** occurred;
- (c) The number of acts of **SEXUAL HARASSMENT**; or
- (d) The period of time over which the **SEXUAL HARASSMENT** took place, whether the **SEXUAL HARASSMENT** is during, before or after the **PERIOD OF INSURANCE**.

Underwriters will not make payment for any loss, **OCCURRENCE**, **SUIT** or for any **DEFENSE COSTS** for any past, present or future officials, board or commission members, trustees, directors, employees or volunteer workers of the **NAMED INSURED** or other person or persons in respect of actual or alleged **SEXUAL HARASSMENT**; however, with respect only to this **Coverage Section II General Liability – Insuring Agreement C SEXUAL HARASSMENT**, Underwriters agree, subject to all other Policy limitations, terms and conditions, that as to any loss, **OCCURRENCE** or **SUIT** for

any actual or alleged **SEXUAL HARASSMENT** against another person who is not an **INSURED** under this Policy alleged to have been committed by a past, present or future official, board or commission member, trustee, director, employee or volunteer worker of the **NAMED INSURED** only, Underwriters will indemnify the **NAMED INSURED** for all reasonable **DEFENSE COSTS** for that official, board or commission member, trustee, director, employee or volunteer worker of the **NAMED INSURED** to the extent such **DEFENSE COSTS** are incurred prior to the date on which, by either agreement, admission, or settlement of a loss or by an adjudication, it is determined that the official, board or commission member, trustee, director, employee or volunteer worker of the **NAMED INSURED** committed an act of **SEXUAL HARASSMENT**. Coverage only applies if the act of **SEXUAL HARASSMENT** was first committed during the **PERIOD OF INSURANCE**.

- D. Damage to Premises Rented to the INSURED:** Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **INSURED** for all sums which the **INSURED** is legally obligated to pay for loss or damage caused by fire, explosion, smoke, riot or civil commotion occurring during the **PERIOD OF INSURANCE** to premises rented to the **INSURED** or temporarily occupied by the **INSURED** with the permission of the owner.

Coverage Section II General Liability – Excess Limits of Insurance

Underwriters' **Specific Excess Limit of Insurance** per **OCCURRENCE** for **Coverage Section II General Liability** is limited to, and not to exceed, the **Specific Excess Limits of Insurance** as stated in the **Schedule of Specific Excess Limits of Insurance**, over the **SELF INSURED RETENTION**, as stated in the **Schedule of SELF INSURED RETENTIONS**.

If an Annual Aggregate applies to any coverage under this **Coverage Section II General Liability**, the total Aggregate **Excess Limit of Insurance** for such coverage under this Coverage Section combined during the **PERIOD OF INSURANCE** shall not exceed the Annual Aggregate limit as stated in the applicable Coverage Section of the **Schedule of Specific Excess Limits of Insurance**.

Coverage Section II General Liability – Exclusions

In addition to the General Policy Exclusions, this Coverage Section does not insure against:

- A.** Any **CLAIMS** for damages, whether direct or consequential, or for any cause of action which is covered under any other Coverage Section of this Policy, whether or not a limit is stated in the **Schedule of Specific Excess Limits of Insurance**;
- B. BODILY INJURY, PROPERTY DAMAGE, or PERSONAL INJURY** which the **INSURED** intended or expected; unless resulting from:
- (a) **BODILY INJURY** resulting from the use of reasonable force to protect persons or property;
 - (b) Corporal punishment (unless providing coverage for corporal punishment is prohibited by law);
or
 - (c) **Coverage Section II General Liability – Insuring Agreement C. SEXUAL HARASSMENT Liability**, but only to the extent that a corresponding **Specific Excess Limit of Insurance** for **SEXUAL HARASSMENT** is stated in the **Schedule of Specific Excess Limits of Insurance** and a **SELF INSURED RETENTION** is stated in the **Schedule of SELF INSURED RETENTIONS** under **Coverage Section II General Liability**;
- C.** Liability arising out of the ownership, maintenance or use, including loading or unloading, of watercraft over 50 feet, except with respect to use of same where operations are performed by independent contractors;

- D. Damage to or destruction of **PROPERTY OF THE INSURED**;
- E. Liability arising out of the ownership, maintenance, loading or unloading, use or operations of any aircraft including **UNMANNED AIRCRAFT**, airfields, runways, hangars, buildings, or other properties in connection with aviation activities, other than premises liability in buildings to which the general public is admitted;
- F. Any **CLAIM** for **BODILY INJURY** to any **INSURED** or to any liability for indemnity or contribution brought by any party against the **INSURED** for **BODILY INJURY** to an **INSURED** or any obligation for which the **INSURED** may be held liable under any Workers' Compensation, unemployment compensation, disability benefits law, employers' liability or under any similar law;
- G. The cost of any investigation, disciplinary or criminal proceedings against an individual **INSURED** except that Underwriters may, at their own option and expense, associate counsel in the defense of any such investigation, criminal or disciplinary proceeding. Should Underwriters elect to associate counsel, such elections shall not constitute a waiver or estoppel of any rights Underwriters may have pursuant to the terms, conditions, exclusions and limitations of this Policy;
- H. Any **CLAIMS** arising from **WRONGFUL ACTS** and/or **EMPLOYMENT PRACTICES VIOLATIONS**;
- I. Any **CLAIMS** arising from **LAW ENFORCEMENT ACTIVITIES**;
- J. Any **CLAIMS** arising out of Medical Malpractice, but not to exclude **INCIDENTAL MEDICAL MALPRACTICE**.

Coverage Section II General Liability – Definitions

- 1. **HOST LIQUOR LIABILITY** and/or **LIQUOR LIABILITY** means indemnification for the **INSURED'S** liability for the sale or distribution of alcoholic beverage by reason of any local, State or Federal liquor control laws in force at the time of the **OCCURRENCE**.
- 2. **OCCURRENCE** means an accident or a happening or event or a continuous or repeated exposure to conditions first occurring during the **PERIOD OF INSURANCE** which results in **BODILY INJURY, PROPERTY DAMAGE, PERSONAL INJURY, SEXUAL HARASSMENT**.

All **BODILY INJURY, PERSONAL INJURY** or **SEXUAL HARASSMENT** to one or more persons and/or **PROPERTY DAMAGE** arising out of an accident or a happening or event or a continuous or repeated exposure to conditions shall be deemed one **OCCURRENCE**. All **CLAIMS** arising out of the same **OCCURRENCE** and all interrelated **OCCURRENCES** shall be deemed one **OCCURRENCE**, regardless of the number of **CLAIMS** made or persons or **INSUREDS** involved, and such **OCCURRENCE** shall be deemed to have first occurred on the earliest date alleged in such **CLAIMS**, regardless of whether such date is before or during the **PERIOD OF INSURANCE**. Only **OCCURRENCES** deemed to have first occurred during the **PERIOD OF INSURANCE** are covered. Only one Policy, one **SELF INSURED RETENTION**, and one **Specific Excess Limit of Insurance** is applicable to any one **OCCURRENCE**.

Coverage Section III AUTOMOBILE Liability

Coverage Section III AUTOMOBILE Liability – Insuring Agreements

Coverage is provided for one or more of the Coverage Subsections in this Coverage Section only if a corresponding **Specific Excess Limit of Insurance** is stated in the **Schedule of Specific Excess Limits of Insurance**.

- A. **AUTOMOBILE Liability:** Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **INSURED** for all sums which the **INSURED** is obligated to pay by reason of the liability imposed upon the **INSURED** by law or assumed by the **INSURED** under contract or agreement, including non-owned and hired **AUTOMOBILES**, for damages direct or consequential, and expenses, all as more fully defined by the term **ULTIMATE NET LOSS**, arising out of any **OCCURRENCE** on account of **BODILY INJURY** or **PERSONAL INJURY**, suffered or alleged to have been suffered by any person(s) or organization(s) and/or **PROPERTY DAMAGE**, arising out of the ownership, operation, maintenance or use of an **AUTOMOBILE**, occurring during the **PERIOD OF INSURANCE**.
- B. **AUTOMOBILE MEDICAL PAYMENTS:** Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **INSURED** for all reasonable **MEDICAL PAYMENTS** incurred by the **INSURED** to others (except employees of the **INSURED** injured in the course of their employment and to and/or for students) as are necessary at the time of an **OCCURRENCE** on account of **BODILY INJURY** arising out of the ownership, operation, maintenance or use of an **AUTOMOBILE** occurring during the **PERIOD OF INSURANCE**.
- C. **Uninsured Motorists/Underinsured Motorists:** Uninsured/Underinsured Motorist Coverage is afforded in respect of any **OCCURRENCE** at least to the minimum extent required by the law of the State in which each owned or hired **AUTOMOBILE** is principally garaged, not to exceed the **SUBLIMIT** stated in the **Schedule of Specific Excess Limits of Insurance**.
- D. **No Fault Insurance:** No Fault insurance is afforded in respect of any **OCCURRENCE** at least to the minimum extent required by the law of the State in which each owned or hired **AUTOMOBILE** is principally garaged, not to exceed the **SUBLIMIT** stated in the **Schedule of Specific Excess Limits of Insurance**.
- E. **Garagekeeper's Legal Liability:** Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **INSURED** for all sums which the **INSURED** is legally obligated to pay for loss or damage occurring during the **PERIOD OF INSURANCE** to **AUTOMOBILES** left in the **INSURED'S** care for which the **INSURED** is legally obligated.

Coverage Section III AUTOMOBILE Liability – Specific Excess Limits of Insurance

Underwriters' **Specific Excess Limit of Insurance** per **OCCURRENCE** for **Coverage Section III AUTOMOBILE Liability** is limited to, and not to exceed the **Specific Excess Limits of Insurance** as stated in the **Schedule of Specific Excess Limits of Insurance**, over the **SELF INSURED RETENTION**, as stated in the **Schedule of SELF INSURED RETENTIONS**.

If an Annual Aggregate applies to any coverage under this **Coverage Section III AUTOMOBILE Liability**, the total Aggregate **Excess Limit of Insurance** for such coverage under this Coverage Section combined during the **PERIOD OF INSURANCE** shall not exceed the Annual Aggregate limit as stated in the applicable Coverage Section of the **Schedule of Specific Excess Limits of Insurance**.

Coverage Section III AUTOMOBILE Liability – Exclusions

In addition to the General Policy Exclusions, this Coverage Section does not insure against:

- A. Any **CLAIMS** for damages, whether direct or consequential, or for any cause of action which is covered under any other Coverage Section of this Policy, whether or not a limit is stated in the **Schedule of Excess Limits of Insurance**;
- B. Any **CLAIM** for **BODILY INJURY** to any **INSURED** or to any liability for indemnity or contribution brought by any party against the **INSURED** for **BODILY INJURY** to an **INSURED** or any obligation for which the **INSURED** may be held liable under any Workers' Compensation, unemployment compensation, disability benefits law, employers' liability or under any similar law.

Coverage Section III AUTOMOBILE Liability – Definitions

- 1. **OCCURRENCE** means an accident or a happening or event or a continuous or repeated exposure to conditions which results in **BODILY INJURY**, **PROPERTY DAMAGE**, or **PERSONAL INJURY** during the **PERIOD OF INSURANCE**.

All **BODILY INJURY** or **PERSONAL INJURY** to one or more persons and/or **PROPERTY DAMAGE** arising out of an accident or a happening or event or a continuous or repeated exposure to conditions shall be deemed one **OCCURRENCE**. All **CLAIMS** arising out of the same **OCCURRENCE** and all interrelated **OCCURRENCES** shall be deemed one **OCCURRENCE**, regardless of the number of **CLAIMS** made or persons or **INSUREDS** involved. Only one Policy, one **SELF INSURED RETENTION**, and one **Specific Excess Limit of Insurance** is applicable to any one **OCCURRENCE**.

- 2. **INSURED** means not only the **INSURED** as defined in the **General Policy Definitions**, but under this **Coverage Section III AUTOMOBILE Liability** also includes any person while using an owned or hired **AUTOMOBILE** with the permission of the **INSURED**.

Coverage Section IV Errors and Omissions Liability

This is a Claims Made Section

Coverage Section IV Errors and Omissions Liability – Insuring Agreements

Coverage is provided for one or more of the Coverage Subsections in this Coverage Section only if a corresponding **Specific Excess Limit of Insurance** is stated in the **Schedule of Specific Excess Limits of Insurance**.

- A. Errors & Omissions:** Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **INSURED** for all sums for which the **INSURED** is legally obligated to pay, as more fully defined by the term **ULTIMATE NET LOSS**, because of a **WRONGFUL ACT**.

This coverage applies only if a **CLAIM** for damages, because of a **WRONGFUL ACT**, is first made against the **INSURED** during the **PERIOD OF INSURANCE**. The **WRONGFUL ACT** must have first occurred on or after the Retroactive Date shown in the **Schedule of Specific Excess Limits of Insurance**, but in no event any later than the last day of the **PERIOD OF INSURANCE**. The **CLAIM** must be reported to Underwriters as soon as practical but in no event later than 60 consecutive days following the expiration of the **PERIOD OF INSURANCE**, or during the Extended Reporting Period applicable to this coverage, if any. All **CLAIMS** based on or arising out of one **WRONGFUL ACT** shall be considered first made when the first of such **CLAIMS** is made to the **INSURED**.

All **CLAIMS** based on or arising out of the same **WRONGFUL ACT** or a series of related **WRONGFUL ACTS** by one or more **INSUREDS** shall be deemed one **CLAIM**, regardless of the number of **CLAIMS** made or persons or **INSUREDS** involved. Only one Policy issued by Underwriters, one **SELF INSURED RETENTION**, and one **Specific Excess Limit of Insurance** is applicable to any one **CLAIM**.

- B. Employment Practices Liability:** Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **INSURED** for all sums for which the **INSURED** is legally obligated to pay, as more fully defined by the term **ULTIMATE NET LOSS**, because of an **EMPLOYMENT PRACTICES VIOLATION**, including mental anguish resulting from an **EMPLOYMENT PRACTICES VIOLATION**. Furthermore, Underwriters agree to indemnify the **INSURED** for **DEFENSE COSTS** and **CLAIMS** arising out of charges filed with the Equal Employment Opportunity Commission or comparable federal, state or local administrative agency based on, or arising out of the same **EMPLOYMENT PRACTICES VIOLATION** or a series of related **EMPLOYMENT PRACTICES VIOLATIONS** by one or more **INSUREDS**.

This coverage applies only if a **CLAIM**, because of an **EMPLOYMENT PRACTICES VIOLATION**, is first made against the **INSURED** during the **PERIOD OF INSURANCE**. The **EMPLOYMENT PRACTICES VIOLATION** must have first occurred on or after Retroactive Date shown in the **Schedule of Specific Excess Limits of Insurance**, but in no event any later than the last day of the **PERIOD OF INSURANCE**. The **CLAIM** must be reported to Underwriters as soon as practical but in no event later than 60 consecutive days following the expiration of the **PERIOD OF INSURANCE**, or during the Extended Reporting Period applicable to this coverage, if any. All **CLAIMS** based on or arising out of one **EMPLOYMENT PRACTICES VIOLATION** shall be considered first made when the first of such **CLAIMS** is made to the **INSURED**.

All **CLAIMS** based on or arising out of the same **EMPLOYMENT PRACTICES VIOLATION** or a series of related **EMPLOYMENT PRACTICES VIOLATIONS** by one or more **INSUREDS** shall be deemed one **CLAIM**, regardless of the number of **CLAIMS** made or persons or **INSUREDS** involved. Only one Policy issued by Underwriters, one **SELF INSURED RETENTION**, and one **Specific Excess Limit of Insurance** is applicable to any one **CLAIM**.

- C. SEXUAL HARASSMENT Liability:** Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **NAMED INSURED** for all sums for which the **NAMED INSURED** is

legally obligated to pay, as more fully defined by the term **ULTIMATE NET LOSS**, because of any actual or alleged acts of **SEXUAL HARASSMENT** by any past, present or future official, board or commission member, trustee, director, employee, or volunteer worker of the **NAMED INSURED** against another **INSURED**. This provision applies only to the liability of the **NAMED INSURED** to pay any settlement, verdict or judgment; providing that the sole liability imposed on the **NAMED INSURED** does not arise from any contractual duty to indemnify.

This coverage applies only if a **CLAIM** for damages, because of **SEXUAL HARASSMENT**, is first made against the **INSURED** during the **PERIOD OF INSURANCE**. The **SEXUAL HARASSMENT** must have first occurred on or after the Retroactive Date shown in the **Schedule of Specific Excess Limits of Insurance**, but in no event any later than the last day of the **PERIOD OF INSURANCE**. The **CLAIM** must be reported to Underwriters as soon as practical but in no event later than 60 consecutive days following the expiration of the **PERIOD OF INSURANCE**, or during the Extended Reporting Period applicable to this coverage, if any.

All actual or alleged acts of **SEXUAL HARASSMENT** by any past, present or future officials, board or commission members, trustees, directors, employees, or volunteer workers of the **NAMED INSURED**, acting alone or in concert, shall be deemed one **CLAIM** and shall be considered first made when the first of such **CLAIMS** is made to the **INSURED**, regardless of:

- (a) The number of persons alleging **SEXUAL HARASSMENT**;
- (b) The number of locations where the **SEXUAL HARASSMENT** occurred;
- (c) The number of acts of **SEXUAL HARASSMENT** prior to or after the first **CLAIM** is made; or
- (d) The period of time over which the **SEXUAL HARASSMENT** took place, whether the **SEXUAL HARASSMENT** is during, before or after the **PERIOD OF INSURANCE**. However, only acts of **SEXUAL HARASSMENT** that take place after the Retroactive Date shown in the **Schedule of Specific Excess Limits of Insurance** and before the end of the **PERIOD OF INSURANCE** are covered.

Underwriters will not make payment for any loss, **CLAIM** or for any **DEFENSE COSTS** for any past, present or future officials, board or commission members, trustees, directors, employees, or volunteer workers of the **NAMED INSURED** in respect of actual or alleged **SEXUAL HARASSMENT** to an **INSURED**. However, with respect only to this **Coverage Section IV Errors and Omissions Liability – Insuring Agreement C. SEXUAL HARASSMENT Liability**, Underwriters agree, subject to all other Policy limitations, terms and conditions, that as to any **CLAIM** for **SEXUAL HARASSMENT** against an **INSURED** by a past, present or future official, board or commission member, trustee, director, employee, or volunteer worker of the **NAMED INSURED**, Underwriters will indemnify the **NAMED INSURED** for all the reasonable **DEFENSE COSTS** for that official, board or commission member, trustee, director, employee, or volunteer worker of the **NAMED INSURED** to the extent such **DEFENSE COSTS** are incurred prior to the date on which, by either agreement, admission, or settlement of a **CLAIM** or by an adjudication, it is determined that the official, board or commission member, trustee, director, employee, or volunteer worker of the **NAMED INSURED** committed an act of **SEXUAL HARASSMENT** against an **INSURED**. This coverage forms part of the overall **SEXUAL HARASSMENT Liability** limit, and not in addition thereof, as stated in the **Schedule of Specific Excess Limits of Insurance**.

Coverage Section IV Errors and Omissions Liability – Specific Excess Limits of Insurance

Underwriters' **Specific Excess Limit of Insurance** per **CLAIM** for **Coverage Section IV – Errors and Omissions Liability** is limited to, and not to exceed, the **Specific Excess Limits of Insurance** as stated in the **Schedule of Specific Excess Limits of Insurance**, over the **SELF INSURED RETENTION** as stated in the **Schedule of SELF INSURED RETENTIONS**.

If an Annual Aggregate applies to any coverage under this **Coverage Section IV Errors and Omissions Liability**, the total Aggregate **Excess Limit of Insurance** for such coverage under this Coverage Section combined during the **PERIOD OF INSURANCE** shall not exceed the Annual Aggregate limit as stated in the applicable Coverage Section of the **Schedule of Specific Excess Limits of Insurance**.

Coverage Section IV Errors and Omissions Liability – Conditions

1. **Basic Extended Reporting Period:**

A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the **PERIOD OF INSURANCE** and lasts for 60 consecutive days.

If, however, this Policy and this Coverage Section is succeeded by similar Claims Made insurance coverage, with any insurer, on which the Retroactive Date is the same as or earlier than the Retroactive Date shown in the applicable Coverage Section of the **Schedule of Specific Excess Limits of Insurance** of this Policy, the succeeding Policy shall be deemed to be a renewal of this Policy, and the **INSURED** shall have no right to an Extended Reporting Period from Underwriters under this Policy.

The Basic Extended Reporting Period does not apply to **CLAIMS** that are covered under any subsequent insurance applicable to this Coverage Section which the **INSURED** purchases, or that would have been covered but for exhaustion of the amount of insurance applicable to such **CLAIMS**.

2. **Supplemental Extended Reporting Period:**

Underwriters will provide an Extended Reporting Period, as described below, if:

- (a) This Policy or this Coverage Section of this Policy is cancelled or non-renewed; or
- (b) Underwriters renew or replace this Policy, or this Coverage Section of this Policy, with insurance that does not apply to a **WRONGFUL ACT, EMPLOYMENT PRACTICES VIOLATION, or SEXUAL HARASSMENT** on a Claims Made basis.

A Supplemental Extended Reporting Period of one year duration is available but only by endorsement to this Policy and for an additional premium not to exceed 200% of the annual premium for this Coverage Section. This supplemental period starts when the Basic Extended Reporting Period ends.

The **INSURED** must give Underwriters a written request for the endorsement within 30 consecutive days after the end of the **PERIOD OF INSURANCE**. The Supplemental Extended Reporting Period will not go into effect unless the **INSURED** pays the additional premium within 30 consecutive days. This endorsement will set forth the terms consistent with the Coverage Section.

Underwriters shall determine the additional premium in accordance with its applicable rules, rates and underwriting practices. Coverage for **CLAIMS** received during such Supplemental Extended Reporting Period is excess over any other valid and collectible insurance available under any other policies.

Extended Reporting Periods do not reinstate or increase the applicable **SELF INSURED RETENTION**, the **LOSS FUND**, the applicable **Specific Excess Limit of Insurance**, or the **Excess LOSS FUND Protection**.

Extended Reporting Periods do not extend the **PERIOD OF INSURANCE** or change the scope of coverage provided within this Coverage Section. They apply to **CLAIMS** arising out of a **WRONGFUL ACT, EMPLOYMENT PRACTICES VIOLATION, SEXUAL HARASSMENT** that take place before the end of the **PERIOD OF INSURANCE** in which this Policy and this Coverage Section are in force.

Once in effect, Extended Reporting Periods may not be cancelled.

3. Reporting to Underwriters:

For the purposes of compliance with the reporting requirements of this Coverage Section, the **INSURED'S** reporting of a **CLAIM** to the **THIRD PARTY CLAIMS ADMINISTRATOR** shall be considered reporting of the **CLAIM** to Underwriters, provided that the **CLAIM** is reported to the **THIRD PARTY CLAIMS ADMINISTRATOR** no later than 60 consecutive days following the expiration of the **PERIOD OF INSURANCE** or the applicable **Extended Reporting Period**.

Coverage Section IV Errors and Omissions Liability – Exclusions

In addition to the General Policy Exclusions, this Coverage Section does not insure against:

- A.** Any **CLAIMS** for damages, whether direct or consequential, or for any cause of action which is covered under any other Coverage Section of this Policy, whether or not a limit is stated in the **Schedule of Specified Excess Limits of Insurance**;
- B.** Any **CLAIM** for damages, whether direct or consequential for **BODILY INJURY, PERSONAL INJURY, or PROPERTY DAMAGE**;
- C.** Any **CLAIM** based upon or attributable to any **INSURED** gaining in fact any personal profit or advantage to which they were not legally entitled including remuneration paid in violation of law as determined by the Courts;
- D.** Any **CLAIM** based upon or attributable to the rendering or failure to render any opinion, treatment, consultation or service unless acting within the scope of their duties as an **INSURED**;
- E.** Any **CLAIM** arising out of or in any way involving any employee benefit plan, except as covered under this **Coverage Section IV Errors and Omissions Liability – Insuring Agreement B. Employment Practices Liability** for discrimination;
- F.** **CLAIMS**, proceedings, demands, or actions seeking relief or redress in any form other than monetary damages, including defense of same; or any loss, fees, costs or expenses which the **INSURED** may be obligated to pay to any third-party as a result of any adverse judgment for declaratory relief or administrative relief or injunctive relief, except that this exclusion shall not apply to any **CLAIM** made to the Equal Employment Opportunity Commission (E.E.O.C.), or such similar federal, state or local administrative agency established to handle or adjudicate **EMPLOYMENT PRACTICES VIOLATIONS** that involve or arise from alleged employment discrimination other than **CLAIMS** brought under the federal Fair Labor Standards Act or similar state act or law;
- G.** Any cost, civil fine, penalty or expense against any **INSURED** arising from any complaint or enforcement action from any federal, state or local governmental regulatory agency;
- H.** Any **CLAIM** for which an **INSURED** is entitled to indemnity under any Policy or Policies the term of which has expired prior to the inception date of this Policy, or for which an **INSURED** would be entitled to indemnity except for the exhaustion of the limit of such prior insurance;
- I.** Any **CLAIM** arising out of any pending or prior litigation or hearing, as well as future **CLAIMS** arising out of any pending or prior litigation or hearing. If this Policy is a renewal of a Policy issued by Underwriters, this exclusion shall only apply with respect to **CLAIMS** arising out of any pending or prior litigation or hearing, prior to the effective date of the first Policy issued and continuously renewed by Underwriters;
- J.** Any **CLAIM** brought as a counter-**CLAIM** or cross **CLAIM** by an **INSURED** against any other **INSURED** however, this exclusion does not apply to **EMPLOYMENT PRACTICES VIOLATIONS**;

- K. Any **CLAIM** alleging, based upon, arising out of or attributable to breach of any express, implied, actual or constructive contract, agreement, warranty, guarantee or promise, unless liability would have attached to the **INSURED** even in the absence of such contract, agreement, warranty, guarantee or promise. However, this exclusion shall not apply to **CLAIMS** alleging violation of employment contracts brought by employees or officials;
- L. Any **CLAIM** for the return of money or property, other than **PROPERTY OF THE INSURED**, that is being held by the **INSURED**, or that is in the care, custody, or control of the **INSURED**;
- M. Any **CLAIM** for the return of any fees, taxes, assessments, or other similar payments made to the **INSURED**;
- N. Any **CLAIM** arising from **LAW ENFORCEMENT ACTIVITIES**.

SPECIMEN

**Coverage Section V Excess Workers' Compensation and
Employers' Liability for a Qualified Self-Insurer**

Who is an INSURED: Under this Coverage Section, the **NAMED INSURED** as stated in the **Declarations**. If the **NAMED INSURED** is a partnership or joint venture, each partner or member of the joint venture is insured only in the capacity as employer of employees of the partnership or joint venture.

Coverage Section V Excess Workers' Compensation and Employers' Liability for a Qualified Self-Insurer Excess Limits of Insurance

Underwriters' **Specific Excess Limit of Insurance** per **ACCIDENT** or disease for **Coverage Section V Workers' Compensation and Employers' Liability for a Qualified Self-Insurer** is limited to, and not to exceed, the **Specific Excess Limits of Insurance** as stated in the **Schedule of Specific Excess Limits of Insurance**, over the **SELF INSURED RETENTION**, as stated in the **Schedule of SELF INSURED RETENTIONS**.

The most Underwriters will indemnify the **NAMED INSURED** will not change regardless of the number of persons or organizations who are **INSUREDS**, **CLAIMS** made or **SUITS** brought against any or all persons or organizations who are **INSUREDS**, or persons or organizations making a **CLAIM** or bringing a **SUIT**.

**Coverage Section V Part A Excess Workers' Compensation for a Qualified Self-Insurer –
Insuring Agreements**

- A. Underwriters agree, subject to the Policy limitations, terms and conditions to indemnify the **INSURED** for those sums that the **INSURED** is legally obligated to pay as a Qualified Self-Insurer under **WORKERS' COMPENSATION LAW**, all as more fully defined by the term **ULTIMATE NET LOSS**, on account of **BODILY INJURY** by **ACCIDENT** or disease, including resulting death of one or more employees of the **INSURED**, provided:
- (1) The **BODILY INJURY** by **ACCIDENT** occurs during the **PERIOD OF INSURANCE** in which this Policy and this Coverage Section are in force; or
 - (2) The **BODILY INJURY** by disease is caused or aggravated by the conditions of employment by the **INSURED**. The employee's last day of last exposure to those conditions of that employment causing or aggravating such **BODILY INJURY** by disease must occur during the **PERIOD OF INSURANCE** in which this Policy and this Coverage Section are in force.
- B. **Other STATES Excess Workers' Compensation Extension:** This coverage Extension applies in other **STATES** than the **STATE** of hire if an employee of the **INSURED** is injured in such a **STATE** and if the work of such injured employee of the **INSURED** was within the scope of such employee's employment, at the direction of the **INSURED**, and was temporary and transitory in such other **STATE** provided the **INSURED** is not insured or a Qualified Self-Insurer in such other **STATE**.

All other terms, conditions and exclusions applicable to **Coverage Section V Part A Workers' Compensation** shall apply to this Coverage Section.

**Coverage Section V Part A Excess Workers' Compensation For a Qualified
Self-Insurer – Exclusions**

In addition to General Policy Exclusions, this Coverage Section does not insure against:

- A. Any **CLAIMS** whether direct or consequential, or any cause of action which is covered under any other Coverage Section of this Policy, whether or not a limit is stated in the **Schedule of Specific Excess Limits of Insurance**;

- B. Loss payable under the **WORKERS' COMPENSATION LAW** of any **STATE** if the **INSURED** is protected from the loss by any other insurance;
- C. Punitive or exemplary **CLAIMS** because of:
 - (a) **BODILY INJURY** to any employee;
 - (b) The **INSURED'S** conduct or the conduct of anyone acting for the **INSURED** in investigation, trial or settlement, or failure to pay, or delay in payment of any Workers' Compensation **CLAIM**;
 - (c) The **INSURED'S** failure to comply with any health or safety law or regulation or any **WORKERS' COMPENSATION LAW**;
- D. Any payments made by the **INSURED** arising out of operations for which the **INSURED** has rejected any **WORKERS' COMPENSATION LAW**;
- E. Any assessment made upon the **INSURED** in the capacity as a Qualified Self-Insurer, whether imposed by statute, regulation or otherwise.

Coverage Section V Part B Employers' Liability – Insuring Agreement

Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **INSURED** promptly for **DAMAGES** that the **INSURED** is legally obligated to pay as a Qualified Self-Insurer of Employers' Liability, all as more fully defined by the term **ULTIMATE NET LOSS**, on account of **BODILY INJURY** by **ACCIDENT** or disease including resulting death of one or more employees which arises out of and in the course of the injured employee's employment by the **INSURED**, provided:

- (1) The **BODILY INJURY** by **ACCIDENT** occurs during the **PERIOD OF INSURANCE** in which this Policy and this Coverage Section are in force; or
- (2) The **BODILY INJURY** by disease is caused or aggravated by the conditions of employment by the **INSURED**. The employee's last day of last exposure to those conditions of that employment causing or aggravating such **BODILY INJURY** by disease must occur during the **PERIOD OF INSURANCE** in which this Policy and this Coverage Section are in force and employment by the **INSURED** is necessary or incidental to work conducted by the **INSURED** in the **STATE** of hire, or as covered under the **Coverage Section V Part A – Insuring Agreement B. Other STATES Excess Workers' Compensation Extension**.

Coverage Section V Part B Employers' Liability – Exclusions

In addition to General Policy Exclusions, this Coverage Section does not insure against:

- A. Any **CLAIMS**, whether direct or consequential, or for any cause of action which is covered under any other Coverage Section of this Policy, whether or not a limit is stated in the **Schedule of Specific Excess Limits of Insurance**;
- B. Liability assumed under a contract or agreement; however, this exclusion does not apply to a warranty that the **INSURED'S** work will be done in a workmanlike manner;
- C. Punitive or exemplary **DAMAGES**;
- D. **BODILY INJURY** to an employee while employed in violation of law;
- E. **DAMAGES** arising out of operations for which the **INSURED** or the **INSURED'S** supervisory

personnel have:

- (a) Violated or failed to comply with any **WORKERS' COMPENSATION LAW**;
 - (b) Rejected any **WORKERS' COMPENSATION LAW**;
 - (c) Intentionally caused or aggravated **BODILY INJURY**;
- F.** Any obligation imposed by a **WORKERS' COMPENSATION LAW**, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
- G.** **BODILY INJURY** occurring outside the United States of America, its territories or possessions. This exclusion does not apply to **BODILY INJURY** to a citizen or resident of the United States of America who is temporarily working outside of the United States of America, its territories or possessions for the **INSURED**;
- H.** Any obligation imposed by the:
- (a) Merchant Marine Act of 1920 known as the Jones Act, 46 U.S. Code, Section 688, 1970;
 - (b) Federal Employers' Liability Act (F.E.L.A.), 45 U.S. Code, Sections 51-60, 1970;
 - (c) U.S. Longshoremen's and Harbor Workers' Compensation Act (U.S.L. & H. Act);
 - (d) Defense Base Act, U.S. Code (1946) Title 42, Sections 1651-54, Public Law. 77th Congress, as amended;
 - (e) Outer Continental Shelf Lands Act, U.S. Code (1946) Title 33, Sections 901-49 as extended by Act of August 7, 1953, Public Law 212, 83rd Congress; or Section 8171, Public Law 85-538, 85th Congress.
- and any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;
- I.** Any **CLAIM** arising out of **EMPLOYMENT PRACTICES VIOLATIONS**.

**Coverage Section V Excess Workers' Compensation and
Employers' Liability for a Qualified Self-Insurer – Definitions**

1. **ACCIDENT** means an accident or series of accidents or a happening or a continuous or repeated exposure to conditions arising out of any one event. An **ACCIDENT** is deemed to end 72 hours after the event commences. Each subsequent 72 hours is deemed to be a separate **ACCIDENT** period.
2. **DAMAGES** means those amounts which the **INSURED** is legally obligated to pay due to **BODILY INJURY** by **ACCIDENT** or disease for:
 - (a) Which the **INSURED** is liable to a third party by reason of a **CLAIM, SUIT**, or proceeding against the **INSURED** by that third party to recover **DAMAGES** claimed against the third party as a result of **BODILY INJURY** to an employee of the **INSURED**;
 - (b) Care and loss of services of an injured employee of the **INSURED**;
 - (c) Consequential **BODILY INJURY** to a spouse, child, parent, brother or sister of the injured employee of the **INSURED**;

provided such **DAMAGES** in (a), (b), and (c) above are the direct consequence of **BODILY INJURY**

that arises out of and in the course of the injured employee's employment by the **INSURED**;

(d) **BODILY INJURY to** an employee of the **INSURED** arising out of and in the course of employment, claimed against the **INSURED** in a capacity other than as employer.

3. **STATE** means any **STATE** of the United States of America and the District of Columbia.

4. **WORKERS' COMPENSATION LAW** means the workers' or workmen's compensation law and occupational disease law of each **STATE** of hire, or as covered under **Coverage Section V Part A Excess Workers' Compensation for a Qualified Self-Insurer – Insuring Agreement B. Other STATES Excess Workers' Compensation Coverage Extension** and includes any amendments to those laws which are in effect during the **PERIOD OF INSURANCE**. It does not include provisions of any law that provides non-occupational disability benefits.

SPECIMEN

Coverage Section VI Employee Benefits Liability

This is a Claims Made Section

Coverage Section VI Employee Benefits Liability – Insuring Agreement

Underwriters agree, subject to the Policy limitations, terms and conditions to indemnify the **INSURED** for all sums for which the **INSURED** is legally obligated to pay, as more fully defined by the term **ULTIMATE NET LOSS**, because of a **NEGLIGENT ACT, ERROR OR OMISSION** committed in the **ADMINISTRATION** of the **INSURED'S EMPLOYEE BENEFIT PROGRAMS**.

This coverage applies only if a **CLAIM** for damages, because of a **NEGLIGENT ACT, ERROR OR OMISSION**, is first made against the **INSURED** during the **PERIOD OF INSURANCE**. The **NEGLIGENT ACT, ERROR OR OMISSION** must have first occurred on or after Retroactive Date shown in the **Schedule of Specific Excess Limits of Insurance**, but in no event any later than the last day of the **PERIOD OF INSURANCE**. The **CLAIM** must be reported to Underwriters as soon as practical but in no event later than 60 consecutive days following the expiration of the **PERIOD OF INSURANCE**, or during the Extended Reporting Period applicable to this coverage, if any. All **CLAIMS** based on or arising out of one **NEGLIGENT ACT, ERROR OR OMISSION** shall be considered first made when the first of such **CLAIMS** is made to the **INSURED**.

All **CLAIMS** based on or arising out of the same **NEGLIGENT ACT, ERROR OR OMISSION** or a series of related **NEGLIGENT ACTS, ERRORS OR OMISSIONS** by one or more **INSUREDS** shall be deemed one **CLAIM**, regardless of the number of **CLAIMS** made or persons or **INSUREDS** involved. Only one Policy, one **SELF INSURED RETENTION**, and one **Specific Excess Limit of Insurance** is applicable to any one **CLAIM**.

Coverage Section VI Employee Benefits Liability – Specific Excess Limits of Insurance

Underwriters' **Specific Excess Limit of Insurance** per **CLAIM** for **Coverage Section VI Employee Benefits Liability** is limited to and not to exceed the **Specific Excess Limits of Insurance** as stated in the **Schedule of Specific Excess Limits of Insurance**, over the **SELF INSURED RETENTION**, as stated in the **Schedule of SELF INSURED RETENTIONS**.

If an Annual Aggregate applies to any coverage under this **Coverage Section VI Employee Benefits Liability**, the total Aggregate **Excess Limit of Insurance** for such coverage under this Coverage Section combined during the **PERIOD OF INSURANCE** shall not exceed the Annual Aggregate limit as stated in the applicable Coverage Section of the **Schedule of Specific Excess Limits of Insurance**.

Coverage Section VI Employee Benefits Liability – Conditions

1. **Basic Extended Reporting Period:**

A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the **PERIOD OF INSURANCE** and lasts for 60 consecutive days.

If, however, this Policy and this Coverage Section is immediately succeeded by similar Claims Made insurance coverage, with any insurer, on which the Retroactive Date is the same as or earlier than the Retroactive Date shown in the applicable Coverage Section of the **Schedule of Specific Excess Limits of Insurance** of this Policy, the succeeding Policy shall be deemed to be a renewal of this Policy, and the **INSURED** shall have no right to an Extended Reporting Period from Underwriters under this Policy.

The Basic Extended Reporting Period does not apply to **CLAIMS** that are covered under any subsequent insurance applicable to this Coverage Section which the **INSURED** purchases, or that

would have been covered but for exhaustion of the amount of insurance applicable to such **CLAIMS**.

2. Supplemental Extended Reporting Period:

Underwriters will provide an Extended Reporting Period, as described below, if:

- (a) This Policy or this Coverage Section of this Policy is cancelled or non-renewed; or
- (b) Underwriters renew or replace this Policy, or this Coverage Section of this Policy, with insurance that does not apply to a **NEGLIGENT ACT, ERROR OR OMISSION** on a Claims Made basis.

A Supplemental Extended Reporting Period of one year duration is available but only by endorsement to this Policy and for an additional premium not to exceed 200% of the annual premium for this Coverage Section. This supplemental period starts when the Basic Extended Reporting Period ends.

The **INSURED** must give Underwriters a written request for the endorsement within 30 consecutive days after the end of the **PERIOD OF INSURANCE**. The Supplemental Extended Reporting Period will not go into effect unless the **INSURED** pays the additional premium within 30 consecutive days. This endorsement will set forth the terms consistent with the Coverage Section.

Underwriters shall determine the additional premium in accordance with its applicable rules, rates and underwriting practices. Coverage for **CLAIMS** received during such Supplemental Extended Reporting Period is excess over any other valid and collectible insurance available under any other policies.

Extended Reporting Periods do not reinstate or increase the applicable **SELF INSURED RETENTION**, the **LOSS FUND**, the applicable **Specific Excess Limit of Insurance**, or the **Excess LOSS FUND Protection**.

Extended Reporting Periods do not extend the **PERIOD OF INSURANCE** or change the scope of coverage provided within this Coverage Section. They apply to **CLAIMS** arising out of a **NEGLIGENT ACT, ERROR OR OMISSION** that take place before the end of the **PERIOD OF INSURANCE** in which this Policy and this Coverage Section are in force. Once in effect, Extended Reporting Periods may not be cancelled.

3. Reporting to Underwriters:

For the purposes of compliance with the reporting requirements of this Coverage Section, the **INSURED'S** reporting of a **CLAIM** to the **THIRD PARTY CLAIMS ADMINISTRATOR** shall be considered reporting of the **CLAIM** to Underwriters, provided that the **CLAIM** is reported to the **THIRD PARTY CLAIMS ADMINISTRATOR** no later than 60 consecutive days following the expiration of the **PERIOD OF INSURANCE** or the applicable Extended Reporting Period.

Coverage Section VI Employee Benefits Liability – Exclusions

In addition to General Policy Exclusions, this Coverage Section does not insure against:

- A. Any **CLAIMS** for damages, whether direct or consequential, or for any cause of action which is covered under any other Coverage Section of this Policy, whether or not a limit is stated in the **Schedule of Specified Excess Limits of Insurance**;
- B. Any **CLAIM** for damages, whether direct or consequential for **BODILY INJURY, PERSONAL INJURY**, or **PROPERTY DAMAGE**;
- C. Any **NEGLIGENT ACT, ERROR OR OMISSION** by, or at, the direction of the **INSURED** that are

dishonest, fraudulent, criminal or malicious;

- D. Any **CLAIM** for failure of performance of a contract by any **INSURED**, Insurer or Self Insurer;
- E. Any **CLAIM** based upon the **INSURED'S** failure to comply with any law concerning worker's compensation, unemployment insurance, social security, or disability benefits;
- F. Any **CLAIM** based upon failure of investments, including but not limited to, stocks, bonds, funds, to perform as represented by an **INSURED**;
- G. Any **CLAIM** based upon advice given by an **INSURED** to participate or not participate in any stock subscription plans;
- H. Any **CLAIM** arising out of actual or alleged discrimination including but not limited to discrimination based on race or national origin, religion or creed, age, sex, physical disability, military status, or employment practices whether or not any of the foregoing violated any federal, state or local government law(s) or regulation(s) prohibiting such discrimination;
- I. Any **CLAIM** for which an **INSURED** is entitled to indemnity under any Policy or Policies the term of which has expired prior to the inception date of this Policy, or for which an **INSURED** would be entitled to indemnity except for the exhaustion of the limit of such prior insurance;
- J. Any **CLAIM** arising out of any pending or prior litigation or hearing, as well as future **CLAIMS** arising out of any pending or prior litigation or hearing. If this Policy is a renewal of a Policy issued by Underwriters, this exclusion shall only apply with respect to **CLAIMS** arising out of any pending or prior litigation or hearing, prior to the effective date of the first Policy issued and continuously renewed by Underwriters.

Coverage Section VI Employee Benefits Liability – Definitions

- 1. **ADMINISTRATION** means:
 - (a) Giving counsel to employees with respect to **EMPLOYEE BENEFIT PROGRAMS**;
 - (b) Interpreting **EMPLOYEE BENEFIT PROGRAMS**;
 - (c) Handling of records in connection with **EMPLOYEE BENEFIT PROGRAMS**; and
 - (d) Effecting enrollment, termination, or cancellation of employees under **EMPLOYEE BENEFIT PROGRAMS**;Provided all such acts are authorized by the **NAMED INSURED**.
- 2. **NEGLIGENT ACT, ERROR OR OMISSION** means the failure to execute required actions, or mistaken actions committed in the **ADMINISTRATION** of the **INSURED'S EMPLOYEE BENEFIT PROGRAMS**.

Coverage Section VII Crime

Coverage Section VII Crime – Insuring Agreement

Coverage is provided for one or more of the Coverage Subsections in this Coverage Section only if a corresponding **Specific Excess Limit of Insurance** is stated in the **Schedule of Specific Excess Limits of Insurance**.

Coverage is provided under the following Coverage Subsections for loss that the **NAMED INSURED** sustains resulting directly from an **OCCURRENCE** taking place at any time which is **DISCOVERED** during the **PERIOD OF INSURANCE** or during the **Extended Period to DISCOVER Loss**.

Coverage Section VII Crime – Specific Excess of Limits of Insurance

Underwriters' **Specific Excess Limit of Insurance** per **OCCURRENCE** for **Coverage Section VII – Crime** is limited to, and not to exceed, the **Specific Excess Limits of Insurance** as stated in the **Schedule of Specific Excess Limits of Insurance**.

If an Annual Aggregate applies to any coverage under this Coverage Section, the total Aggregate **Excess Limit of Insurance** for such coverage under this Coverage Section combined during the **PERIOD OF INSURANCE** shall not exceed the Annual Aggregate limit as stated in the applicable Coverage Section of the **Schedule of Specific Excess Limits of Insurance**.

In the event more than one Coverage Subsection could apply to an **OCCURRENCE** for which coverage is provided in this Coverage Section, only the **SELF INSURED RETENTION** for the Coverage Subsection that results in the largest **ULTIMATE NET LOSS** will be applied.

In the event more than one Coverage Subsection could apply to an **OCCURRENCE** for which coverage is provided in this Coverage Section, the amount Underwriters will indemnify the **NAMED INSURED** will not exceed the largest **Specific Excess Limit of Insurance** for any single applicable Coverage Subsection as stated in the **Schedule of Specific Excess Limits Insurance**, regardless of the number of **INSUREDS** involved or **DISHONEST ACTS** committed.

Coverage Section VII Crime – MONEY and SECURITIES Insuring Agreement

A. MONEY and SECURITIES Coverage: Underwriters will indemnify the **NAMED INSURED** for direct physical loss of **MONEY** or **SECURITIES** owned by the **NAMED INSURED** inside the **PREMISES** or **BANKING PREMISES** resulting directly from:

- (a) **THEFT** committed by a person present inside such **PREMISES** or **BANKING PREMISES**;
- (b) Disappearance;
- (c) Destruction; or
- (d) **BURGLARY**.

B. MONEY and SECURITIES Coverage Extension: Underwriters will indemnify the **NAMED INSURED** under this Coverage Subsection for:

- (a) Damage to a safe, vault, cash register, cash box or cash drawer located inside the **PREMISES** resulting directly from an actual or attempted **THEFT** of, or unlawful entry into, such containers;
- (b) Direct physical loss of **MONEY** or **SECURITIES** outside the **PREMISES** in the care and custody of a **MESSENGER** resulting directly from **THEFT**, disappearance or destruction;

- (c) Direct physical loss of **MONEY** or **SECURITIES** outside the **PREMISES** in the care and custody of an armored vehicle company resulting directly from **THEFT**. However, the **NAMED INSURED** will be indemnified for only the amount of loss that the **NAMED INSURED** cannot recover:
 - (i) Under the **NAMED INSURED'S** contract with the armored motor vehicle company; and
 - (ii) From any insurance or indemnity carried by, or for the benefit of customers of the armored vehicle company.

Coverage Section VII Crime – FORGERY or Alteration Insuring Agreement

- A. **FORGERY or Alteration Coverage:** Underwriters will indemnify the **NAMED INSURED** for loss resulting directly from **FORGERY** or alteration of, on, or in any **INSTRUMENT**.
- B. **FORGERY or Alteration Coverage Extension:** Underwriters will indemnify the **NAMED INSURED** under this Coverage Subsection for loss resulting directly from the **NAMED INSURED'S** good faith acceptance of:
 - (a) Any United States or Canadian post office, express company, or national or state (or Canadian) chartered bank money order that is not paid upon presentation to the issuer; or
 - (b) Counterfeit United States or Canadian paper currency;in exchange for merchandise, money or services or as part of a normal business transaction.

Coverage Section VII Crime – EMPLOYEE Dishonesty Insuring Agreement

- A. **EMPLOYEE Dishonesty Coverage:** Underwriters will indemnify the **NAMED INSURED** for the loss of or damage to real or business personal property, **INSTRUMENTS, MONEY** and **SECURITIES** owned or held by the **NAMED INSURED** resulting directly from **DISHONEST ACTS** committed by any of the **NAMED INSURED'S EMPLOYEES**, acting alone or in collusion with other persons.
- B. **EMPLOYEE Dishonesty Coverage Extension:** Underwriters will indemnify the **NAMED INSURED** under this Coverage Subsection for loss caused to the **NAMED INSURED** through failure of any of the **NAMED INSURED'S EMPLOYEES**, acting alone or in collusion with others, to perform faithfully his or her duties as prescribed by law or to account properly for all monies and property received by virtue of his or her position of employment when such failure has as its direct and immediate result a loss of real or business personal property, **INSTRUMENTS, MONEY** and **SECURITIES**.

Coverage Section VII – COMPUTER THEFT Insuring Agreement

COMPUTER THEFT Coverage: Underwriters will indemnify the **NAMED INSURED** for loss of **MONEY** or **SECURITIES** owned by the **NAMED INSURED** resulting directly from **COMPUTER THEFT**.

Coverage Section VII Crime – Conditions

- 1. **Extended Period to DISCOVER Loss:** An Extended Period to **DISCOVER** a loss is automatically provided without additional charge. This period starts with the end of the **PERIOD OF INSURANCE** and lasts for sixty (60) days.

If, however, this Policy and this Coverage Section is succeeded by similar discovery-based Crime

coverage with any insurer, whether it provides coverage for prior occurring losses or not, the succeeding policy shall be deemed to be a renewal of this Policy, and the **INSURED** shall have no right to an Extended Period to **DISCOVER** loss from Underwriters.

The Extended Period to **DISCOVER** Loss does not apply to any loss that is covered under any subsequent insurance applicable to this Coverage Section which the **INSURED** purchases, or that would have been covered but for exhaustion of the amount of insurance applicable to such loss.

2. **Coverage Extensions** do not increase, but just form part of, the **Specific Excess Limits of Insurance** as shown in the **Schedule of Specific Excess Limits of Insurance**.
3. **Duties in the Event of a Loss:** If the **INSURED** has reason to believe that any loss of, or loss from damage to, **MONEY** or **SECURITIES** involves a violation of law, the **INSURED** must notify the appropriate law enforcement authorities.
4. **Loss Payment:** The **Specific Excess Limits of Insurance** as shown in the **Schedule of Specific Excess Limits of Insurance** is the most that will be paid for a loss even though it may occur over more than one **PERIOD OF INSURANCE**.
5. **No Benefit to Bailee:** The Insurance afforded herein shall not inure directly or indirectly to the benefit of any carrier or other Bailee for hire.
6. **Proof of Loss:** As respects Coverage Subsection **FORGERY or Alteration**, the **NAMED INSURED** must include with proof of loss, any covered **INSTRUMENT** involved in that loss, or, if not possible, an affidavit setting forth the amount and cause of loss.
7. **Policy Bridge – Discovery replacing Loss Sustained:** If this Policy replaces insurance that provided an extended period of time after cancellation in which to **DISCOVER** loss and which did not terminate at the time this Policy became effective:
 - (a) Coverage under this Policy does not apply to any loss that occurred during the Policy period of that prior insurance which is **DISCOVERED** during such extended period to discover loss, unless the amount of loss exceeds the Limit of Insurance of that prior insurance. In that case, Underwriters will indemnify the **NAMED INSURED** for the excess loss subject to the terms and conditions of this Policy.
 - (b) However, any payment under this Policy for the excess loss will not be greater than the difference between the Limit of Insurance of that prior insurance and the applicable **Specific Excess Limit of Insurance** stated in the **Schedule of Specific Excess Limits of Insurance** of this Policy. The applicable **SELF INSURED RETENTION** will not be applied to the loss and payments made under the prior insurance shall not accrue to the exhaustion of the **LOSS FUND**.
8. **Valuation:**

The value of any loss for purposes of coverage under this Coverage Section shall be determined as follows:

 - (a) **MONEY:** Face value.
 - (b) **SECURITIES:** actual cash value at the close of business on the day the loss was **DISCOVERED**.
 - (c) **Property other than MONEY and SECURITIES:** the lesser of:
 - (i) The actual cash value of the property at the time of loss; or
 - (ii) The cost to repair or replace with property of equivalent kind and quality.

Coverage Section VII Crime – Exclusions

In addition to the General Policy Exclusions, this Coverage Section does not insure against:

A. As respects **Coverage Section VII Crime – MONEY and SECURITIES** only:

- (a) Loss of **MONEY** or **SECURITIES** after they have been transferred or surrendered to a person or place outside the **PREMISES** based upon unauthorized instructions or as a result of a threat to do bodily harm or damage to any property;

But, this exclusion does not apply to loss of **MONEY** or **SECURITIES** while outside the **PREMISES** or in **BANKING PREMISES** in the care and custody of a **MESSENGER** if the **INSURED**:

- (i) Had no knowledge of any threat at the time the conveyance began; or
- (ii) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat;
- (b) Loss resulting from the giving or surrendering of property in any exchange or purchase;
- (c) Loss of property in any **MONEY** operated device unless the amount of **MONEY** deposited in it is recorded by a continuous recording instrument in the device;

B. As respects **Coverage Section VII Crime – EMPLOYEE Dishonesty** only:

- (a) Any part of a loss involving any **EMPLOYEE** occurring after any **THEFT, COMPUTER THEFT, or DISHONEST ACTS** committed by that **EMPLOYEE** whether before or after being employed by the **INSURED** has been **DISCOVERED**. This exclusion applies only when **DISCOVERED** by an **INSURED** not in collusion with the **EMPLOYEE**;
- (b) Loss resulting from trading, whether in the **INSURED'S** name or in a genuine or fictitious account;

C. Loss resulting from **THEFT, COMPUTER THEFT or DISHONEST ACTS** committed by any of the **NAMED INSURED'S EMPLOYEES** or authorized representatives, acting alone or in collusion with any other person, or whether performing services for the **NAMED INSURED** or otherwise, except to the extent coverage is provided under **Coverage Section VII Crime – EMPLOYEE Dishonesty**;

D. Any loss or **CLAIM** for damages, whether direct or consequential, or for any cause of action which is covered under any other Section of the Policy, whether or not a limit is stated in the **Schedule of Specific Excess Limits of Insurance**;

E. Loss resulting from accounting or arithmetical errors or omissions;

F. Loss resulting from an **INSURED'S**, or anyone acting on an **INSURED'S**, express or implied authority, being induced by any **DISHONEST ACT** to voluntarily part with title to or possession of any property, including but not limited to **MONEY** or **SECURITIES**;

G. Any loss, caused by order of any civil authority, including seizure, confiscation or destruction of property, regardless of other causes or events that contribute to or aggravate the loss, whether such causes or events act to produce the loss before, at the same time as, or after the excluded causes or events;

H. Any loss for which an **INSURED** is entitled to indemnity under any Policy or policies the term of which has expired prior to the inception date of this Policy, or for which an **INSURED** would be entitled to indemnity except for the exhaustion of the limit of such prior insurance, unless specifically provided

under **Coverage Section VII Crime – Condition 7. Policy Bridge – Discovery replacing Loss Sustained**;

- I. Loss involving virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency;
- J. Loss, or that part of any loss, where the only proof of the loss or amount of the loss is dependent upon an inventory computation or a profit and loss computation;
- K. Loss that is an indirect result of an **OCCURRENCE** covered by this Coverage Section including but not limited to, loss resulting from:
 - (a) An **INSURED's** inability to realize income that it would have realized had there been no loss of or damage to **MONEY, SECURITIES** or other property.
 - (b) Payment of damages of any type for which the **NAMED INSURED** is legally liable. But we will pay compensatory damages arising directly from a loss covered under this Coverage Section;
 - (c) Payment of costs, fees, or other expenses incurred in establishing either the existence or the amount of loss under this insurance; or
 - (d) Costs, fees or other expenses incurred by the **NAMED INSURED** related to any suit or other legal action;
- L. Loss resulting from an **INSURED**, authorized representative or financial institution acting upon any instruction to transfer, pay or deliver **MONEY** or **SECURITIES** or debit or delete an account belonging to the **INSURED** which instruction proves to be fraudulent.

Coverage Section VII Crime – Definitions:

- 1. **BANKING PREMISES** means the interior of that portion of any building occupied by a banking institution, similar safe depository, automatic teller machine (ATM), or similar banking device.
- 2. **BURGLARY** means the taking of **MONEY** or **SECURITIES** from inside the **PREMISES** by a person unlawfully entering or leaving the **PREMISES** as evidenced by marks of forcible entry or exit.
- 3. **COMPUTER THEFT** means fraudulent entry or change of an **ELECTRONIC DATA** or **COMPUTER PROGRAM** using any computer owned, leased or operated by the **NAMED INSURED** to fraudulently cause a transfer, payment or delivery of **MONEY** or **SECURITIES**.
- 4. **COMPUTER PROGRAM** means a set of related electronic instructions, which direct the operation and function of a computer or device connected to it, which enables the computer or device to receive, process store or send **ELECTRONIC DATA**.
- 5. **DISCOVER** or **DISCOVERED** means the time when the **NAMED INSURED** or any **EMPLOYEE** first became aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

DISCOVER or **DISCOVERED** also means the time when the **NAMED INSURED** or any **EMPLOYEE** first receives notice of an actual or potential **CLAIM** in which it is alleged that the **NAMED INSURED** is liable to a third party under circumstances which, if true, would constitute a loss under this Policy.
- 6. **DISHONEST ACTS** means dishonest or fraudulent acts committed with the intent to cause the **NAMED INSURED** to sustain loss or damage and to obtain financial benefit for the **EMPLOYEE** or

for any other person or organization.

7. **EMPLOYEE(S)** means any natural person:

- (a) While in the service of the **NAMED INSURED** (and for 30 consecutive days after termination of service); and
- (b) Whom the **NAMED INSURED** has the right to direct and control while performing services for the **NAMED INSURED**.

8. **FORGERY** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority in any capacity, for any purpose.

9. **INSTRUMENTS** means checks, drafts, promissory notes, or similar written promises, orders or directions to pay a certain sum in money that are:

- (a) Made or drawn by or drawn upon the **NAMED INSURED**;
- (b) Made or drawn by one acting as the **NAMED INSURED'S** agent;

or that are purported to have been so made or drawn.

10. **MESSENGER** means an **INSURED** while having care and custody of the **MONEY** or **SECURITIES** outside the **PREMISES**.

11. **MONEY** means:

- (a) Currency, coins, and bank notes in current use and having a face value; and
- (b) Travelers checks register checks and **MONEY** orders held for sale to the public.

But **MONEY** does not include **SECURITIES**.

12. **OCCURRENCE** means:

- (a) As respects the Coverage Subsection **MONEY and SECURITIES** and Coverage Subsection **COMPUTER THEFT**: An individual act or event, the combined total of all separate acts whether or not related, or a series of related acts or events whether or not related, committed by a person acting alone or in collusion with other persons, or not committed with any other person, during the **PERIOD OF INSURANCE**, before such **PERIOD OF INSURANCE**, or both.
- (b) As respects the Coverage Subsection **FORGERY OR ALTERATION**: An individual act, the combined total of all separate acts whether or not related or a series of separate acts whether or not related, committed by a person acting alone or in collusion with other persons, involving one or more **INSTRUMENTS**, during the **PERIOD OF INSURANCE**, before such **PERIOD OF INSURANCE**, or both.
- (c) As respects the Coverage Subsection **EMPLOYEE DISHONESTY**: An individual act the combined total of all separate acts whether or not related or a series of related acts whether or not related, committed by an **EMPLOYEE** acting alone or in collusion with other persons, during the **PERIOD OF INSURANCE**, before such **PERIOD OF INSURANCE**, or both.

13. **PREMISES** means the interior of that portion of any building that the **NAMED INSURED** occupies in conducting the **NAMED INSURED'S** business.

14. **SECURITIES** means negotiable and non-negotiable instruments or contracts representing either

MONEY or other property and includes:

- (a) Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- (b) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by the **INSURED**.

But **SECURITIES** does not include **MONEY**.

15. **THEFT** means the unlawful taking of property to the deprivation of the **NAMED INSURED**.

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Coverage Section VIII Law Enforcement Liability

Coverage Section VIII Law Enforcement Liability – Insuring Agreements

Coverage is provided for one or more of the Coverage Subsections in this Coverage Section only if a corresponding **Specific Excess Limit of Insurance** is stated in the **Schedule of Specific Excess Limits of Insurance**.

- A. Law Enforcement Liability:** Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **INSURED** for all sums which the **INSURED** is legally obligated to pay by reason of the liability imposed upon the **INSURED** by law for damage, direct or consequential, and expenses, all as more fully defined by the term **ULTIMATE NET LOSS**, on account of **PERSONAL INJURY** or **BODILY INJURY**, and/or **PROPERTY DAMAGE** or the loss of use thereof suffered or alleged to have been suffered by any person(s) or organization(s) arising out of an **OCCURRENCE** resulting from **LAW ENFORCEMENT ACTIVITIES**, including **INCIDENTAL MEDICAL MALPRACTICE** and **MOONLIGHTING** first occurring during the **PERIOD OF INSURANCE**.
- B. Reimbursement of DEFENSE COSTS incurred prior to denial or declination of coverage:** With respect only to **Coverage Section VIII Law Enforcement Liability – Insuring Agreement A. Law Enforcement Liability**, Underwriters agree, subject to all other Policy limitations, terms and conditions, that as to any **CLAIM** or **SUIT** for which coverage is denied based solely upon **Coverage Section VIII Law Enforcement – Exclusion B**, Underwriters will indemnify the **INSURED** for all reasonable **DEFENSE COSTS** arising out of an **OCCURRENCE** to the extent such **DEFENSE COSTS** are incurred prior to the date on which said declination of coverage is communicated to the **INSURED**.
- C. SEXUAL HARASSMENT Liability:** Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **NAMED INSURED** for all sums which the **NAMED INSURED** is legally obligated to pay, as more fully defined by the term **ULTIMATE NET LOSS** for the liability on the part of the **NAMED INSURED**, including liabilities arising from negligent hiring, training and supervision, arising out of an **OCCURRENCE** resulting from any actual or alleged acts of **SEXUAL HARASSMENT** by any past, present or future law enforcement officials, officers, auxiliary officers, employees or volunteer workers of a law enforcement agency or department of the **NAMED INSURED** or other person or persons first committed during the **PERIOD OF INSURANCE** against another person who is not an **INSURED** under this Policy. This provision applies only to the liability of the **NAMED INSURED** to pay any settlement, verdict or judgment; providing that the sole liability imposed on the **NAMED INSURED** does not arise from any contractual duty to indemnify a law enforcement official, officer, auxiliary officer, employee or volunteer of a law enforcement agency or department of the **NAMED INSURED**.

All actual or alleged acts of **SEXUAL HARASSMENT** by any past, present or future law enforcement officials, officers, auxiliary officers, employees or volunteer workers of a law enforcement agency or department of the **NAMED INSURED**, acting alone or in concert, shall be considered as arising out of one **OCCURRENCE**, regardless of:

- (a) The number of persons alleging **SEXUAL HARASSMENT**;
- (b) The number of locations where the **SEXUAL HARASSMENT** occurred;
- (c) The number of acts of **SEXUAL HARASSMENT**; or
- (d) The period of time over which the **SEXUAL HARASSMENT** took place, whether the **SEXUAL HARASSMENT** is during, before or after the **PERIOD OF INSURANCE**.

Underwriters will not make payment for any loss, **OCCURRENCE**, **SUIT** or for any **DEFENSE COSTS** for any past, present or future law enforcement officials, officers, auxiliary officers,

employees or volunteer workers of a law enforcement agency or department of the **NAMED INSURED** or other person or persons in respect of actual or alleged **SEXUAL HARASSMENT**; however, with respect only to this **Coverage Section VIII Law Enforcement Liability – Insuring Agreement C. SEXUAL HARASSMENT**, Underwriters agree, subject to all other Policy limitations, terms and conditions, that as to any loss, **OCCURRENCE** or **SUIT** for any actual or alleged **SEXUAL HARASSMENT** against another person who is not an **INSURED** under this Policy alleged to have been committed by a law enforcement official, officer, auxiliary officer, employee or volunteer worker of a law enforcement agency or department of the **NAMED INSURED** only, Underwriters will indemnify the **NAMED INSURED** for all reasonable **DEFENSE COSTS** for that law enforcement official, officer, auxiliary officer, employee or volunteer worker of the **NAMED INSURED** to the extent such **DEFENSE COSTS** are incurred prior to the date on which, by either agreement, admission, or settlement of a loss or by an adjudication, it is determined that the law enforcement official, officer, auxiliary officer, employee or volunteer of the **NAMED INSURED** committed an act of **SEXUAL HARASSMENT**. Coverage only applies if the act of **SEXUAL HARASSMENT** was first committed during the **PERIOD OF INSURANCE**.

Coverage Section VIII Law Enforcement Liability – Specific Excess Limits of Insurance

Underwriters' **Specific Excess Limit of Insurance** per **OCCURRENCE** for **Coverage Section VIII Law Enforcement Liability** is limited to, and not to exceed, the **Specific Excess Limits of Insurance** as stated in the **Schedule of Specific Excess Limits of Insurance**, over the **SELF INSURED RETENTION**, as stated in the **Schedule of SELF INSURED RETENTIONS**.

If an Annual Aggregate applies to any coverage under this Coverage Section, the total Aggregate **Excess Limit of Insurance** for such coverage under this Coverage Section combined during the **PERIOD OF INSURANCE** shall not exceed the Annual Aggregate limit as stated in the applicable Coverage Section of **Schedule of Specific Excess Limits of Insurance**.

Coverage Section VIII Law Enforcement Liability – Exclusions

In addition to the General Policy Exclusions, this Coverage Section does not insure against:

- A.** Any **CLAIMS** for damages, whether direct or consequential, or for any cause of action which is covered under any other Coverage Section of this Policy, whether or not a limit is stated in the **Schedule of Specific Excess Limits of Insurance**;
- B.** Any **CLAIMS** or **SUITS** for **BODILY INJURY, PROPERTY DAMAGE, or PERSONAL INJURY**, including any award of attorney's fees and costs, resulting from:
 - (a) Any knowing and intentional violation of any subsection of Title 42 of the U.S. Code, including but not limited to 42 U.S.C § 1981 thru 42 U.S.C. §1989 and 42 U.S.C. §1997; or
 - (b) Any knowing and intentional deprivation of any rights protected under the United States Constitution or the Constitution of any State, Territory, or Protectorate of the United States; or
 - (c) Any act which is not reasonably related to the execution and/or enforcement of the law; or
 - (d) Any act committed with the knowledge and intent to cause **BODILY INJURY, PROPERTY DAMAGE, or PERSONAL INJURY**, or which could reasonably be expected to cause **BODILY INJURY, PROPERTY DAMAGE, or PERSONAL INJURY** unless the act of the **INSURED** was reasonably necessary to lawfully prevent injury to persons or damage to property.

However, this exclusion shall not apply to:

- (a) Any liability on the part of the **NAMED INSURED**, including liabilities from negligent hiring,

training or supervision, arising out of an act by any other **INSURED** resulting from **LAW ENFORCEMENT ACTIVITIES** and excluded herein, but this provision applies only to the liability of the **NAMED INSURED** to pay any settlement, verdict or judgment; providing that the sole liability imposed on the **NAMED INSURED** does not arise from any contractual duty to indemnify an **INSURED**;

- (b) **Coverage Section VIII Law Enforcement Liability – Insuring Agreement C. SEXUAL HARASSMENT Liability** but only to the extent that a corresponding **Specific Excess Limit of Insurance** for **SEXUAL HARASSMENT** is stated in the **Schedule of Specific Excess Limits of Insurance** and a **SELF INSURED RETENTION** is stated in the **Schedule of SELF INSURED RETENTIONS** under **Coverage Section VIII Law Enforcement Liability**;
- C. Liability arising out of the ownership, maintenance or use, including loading or unloading, of watercraft over 50 feet;
- D. Damage to or destruction of **PROPERTY OF THE INSURED**;
- E. Liability arising out of the ownership, maintenance, loading or unloading, use or operations of any aircraft including **UNMANNED AIRCRAFT**, airfields, runways, hangars, buildings or other properties in connection with aviation activities;
- F. Any **CLAIM** for **BODILY INJURY** to any **INSURED** or to any liability for indemnity or contribution brought by any party against the **INSURED** for **BODILY INJURY** to an **INSURED** or any obligation for which the **INSURED** may be held liable under any Workers' Compensation, unemployment compensation, disability benefits law, employers' liability or under any similar law;
- G. The cost of any investigation, disciplinary or criminal proceedings against an individual **INSURED** except that Underwriters may, at their own option and expense, associate counsel in the defense of any such investigation, criminal or disciplinary proceeding. Should Underwriters elect to associate counsel, such elections shall not constitute a waiver or estoppel of any rights Underwriters may have pursuant to the terms, conditions, exclusions and limitations of this Policy;
- H. Any **CLAIMS** arising from **WRONGFUL ACTS** and/or **EMPLOYMENT PRACTICES VIOLATIONS** except as provided under this Coverage Section for Discrimination or Violation of Civil Rights arising out of **LAW ENFORCEMENT ACTIVITIES**;
- I. Any **CLAIMS, SUITS**, proceedings, demands, or actions seeking relief or redress in any form other than monetary damages, including defense of same; or any loss, fees, costs or expenses which the **INSURED** may be obligated to pay to any third-party as a result of any adverse judgment for declaratory relief or administrative relief or injunctive relief, including **CLAIMS** brought under the federal Fair Labor Standards Act or similar state act or law;
- J. Any liability arising directly or indirectly out of the ownership, operation, maintenance, use, loading or unloading, or negligent entrustment of any **AUTOMOBILE**. This exclusion also applies to any actual or alleged negligence in the supervision, hiring, employment, training or monitoring of others by the **INSURED** in respect of ownership, operation, maintenance, use, loading or unloading, or negligent entrustment of an **AUTOMOBILE**.

Coverage Section VIII Law Enforcement Liability – Definitions

1. **OCCURRENCE** means an accident or a happening or event or a continuous or repeated exposure to conditions first occurring during the **PERIOD OF INSURANCE** which results in **BODILY INJURY, PROPERTY DAMAGE, PERSONAL INJURY** or **SEXUAL HARASSMENT**.

All **BODILY INJURIES, PERSONAL INJURIES** or **SEXUAL HARASSMENT** to one or more persons and/or **PROPERTY DAMAGE** arising out of an accident or a happening or event or a continuous or

repeated exposure to conditions shall be deemed one **OCCURRENCE**. All **CLAIMS** arising out of the same **OCCURRENCE** and all interrelated **OCCURRENCES** shall be deemed one **OCCURRENCE**, regardless of the number of **CLAIMS** made or persons or **INSUREDS** involved, and such **OCCURRENCE** shall be deemed to have first occurred on the earliest date alleged in such **CLAIMS**, regardless of whether such date is before or during the **PERIOD OF INSURANCE**. Only an **OCCURRENCE** deemed to have first occurred during the **PERIOD OF INSURANCE** are covered. Only one Policy, one **SELF INSURED RETENTION**, and one **Specific Excess Limit of Insurance** is applicable to any one **OCCURRENCE**.

2. **MOONLIGHTING** means any other employment, or extra-duty assignment that enforces the law or protects persons or property, approved by the **NAMED INSURED'S** police department, sheriff agency, or other law enforcement organization.

SPECIMEN

Coverage Section IX Terrorism

Coverage Section IX Terrorism – Insuring Agreements

Coverage is provided for one or more of the Coverage Subsections in this Coverage Section only if a corresponding **Specific Excess Limit of Insurance** is stated in the **Schedule of Specific Excess Limits of Insurance**.

Coverage in this Section is for loss or damage caused by an **ACT OF TERRORISM** or series of **ACTS OF TERRORISM**, as defined herein per Coverage Section.

Coverage Section IX Terrorism – Specific Excess Limits of Insurance

Underwriters' **Specific Excess Limit of Insurance** per **OCCURRENCE** or **CLAIM** for **Coverage Section IX Terrorism** is limited to, and not to exceed, the **Specific Excess Limit of Insurance** as stated in the **Schedule of Specific Excess Limits of Insurance**, over the **SELF INSURED RETENTION**, as stated in the **Schedule of SELF INSURED RETENTIONS**.

If an Annual Aggregate applies to any Coverage Subsection under this Coverage Section, the total Aggregate **Excess Limit of Insurance** for such Coverage Subsection under this Coverage Section combined during the **PERIOD OF INSURANCE** shall not exceed the Annual Aggregate limit as stated in the applicable Coverage Subsection of the **Schedule of Specific Excess Limits of Insurance**.

Coverage Section IX Terrorism – Property Terrorism

Property Terrorism Coverage: Underwriters agree, subject to the Policy limitations, terms and conditions to indemnify the **INSURED** for physical loss or physical damage by an **OCCURRENCE, ACT OF TERRORISM** or series of **ACTS OF TERRORISM**, as herein defined, occurring during the **PERIOD OF INSURANCE** to all Real and Personal Property, wherever located, and identified in Schedules on file with Underwriters (hereinafter referred to as the Schedule).

This Policy also covers, within the sum insured, expenses incurred in the removal of debris of property covered hereunder which may be directly destroyed or damaged by an **ACT OF TERRORISM** or series of **ACTS OF TERRORISM**. The cost of removal of debris shall not be considered in determination of the valuation of the property covered.

Coverage Section IX – Terrorism – Property Terrorism Conditions

1. **Protection Maintenance:** It is agreed that any protection provided by the **INSURED** for the safety of the insured property shall be maintained in good order throughout the currency of this Policy and shall be in use at all relevant times, and that such protection shall not be withdrawn or varied to the detriment of the interests of Underwriters without their consent.
2. **Valuation:** It is understood that, in the event of loss or damage, settlement shall be based upon the cost of repairing, replacing or reinstating (whichever is the least) on the same site, or nearest available site (whichever incurs the least cost) with material of like kind and quality without deduction for depreciation, subject to the following provisions: -
 - (a) The repairs, replacement or reinstatement (all hereinafter referred to as replacement) must be executed with due diligence and dispatch;
 - (b) Until replacement has been effected the amount of liability under this Policy in respect of loss shall be limited to the **ACTUAL CASH VALUE**, as defined under **Coverage Section I Property**, at the time of loss;

- (c) If replacement with material of like kind and quality is restricted or prohibited by any by-laws, ordinance or law, any increased cost of replacement due thereto shall not be covered by this Policy.

Underwriters' liability for loss under this Policy including this Condition shall not exceed the smallest of the following amounts:

- (i) The amount of the Policy applicable to the destroyed or damaged property;
- (ii) The replacement cost of the property or any part thereof identical with such property and intended for the same occupancy and use;
- (iii) The amount actually and necessarily expended in replacing said property or any part thereof.

- 3. Proof of Loss:** The **INSURED** shall render a signed and sworn proof of loss within 60 consecutive days after the **OCCURRENCE** of a loss (unless such period be extended by the written agreement of Underwriters) stating the time, place and cause of loss, the interest of the **INSURED** and all others in the property, the sound value thereof and the amount of loss or damage thereto.

If Underwriters have not received such proof of loss within two (2) years of the expiry date of this Policy, they shall be discharged from all liability hereunder unless an extension has been specifically filed with Underwriters.

Coverage Section IX Terrorism – Property Terrorism Exclusions

In addition to the General Policy Exclusions, this Coverage subsection does not insure against:

- A.** Loss or damage arising directly or indirectly from nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused;
- B.** Loss or damage occasioned directly or indirectly by war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or government entities, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power or martial law or confiscation by order of any Government or public authority;
- C.** Loss by seizure or illegal occupation;
- D.** Loss or damage caused by confiscation, requisition, detention, legal or illegal occupation, embargo, quarantine, or any result of any order of public or government authority which deprives the **INSURED** of the use or value of the **PROPERTY OF THE INSURED**, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade;
- E.** Loss or damage directly or indirectly arising from or in consequence of the discharge of pollutants or contaminants, which pollutants and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant of toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment;
- F.** Loss or damage by chemical or biological release or exposure of any kind;
- G.** Loss or damage by attacks by electronic means (cyber) including computer hacking or the introduction of any form of computer virus;
- H.** Loss or damage caused by vandals or other persons acting maliciously or by way of protest or strikes,

riots or civil commotion unless physical loss or damage is caused directly by an Act or series of Acts of Terrorism;

- I. Loss or increased cost occasioned by any Public or Civil Authority's enforcement of any ordinance or law regulating the reconstruction, repair or demolition of any property insured hereunder which was not applicable prior to the Loss;
- J. Any consequential loss or damage caused by any other ensuing cause, except where such ensuing cause is directly caused by an **ACT OF TERRORISM** or series of **ACTS OF TERRORISM**, or where business interruption coverage is provided in addition to this Policy;
- K. Loss of use, delay or loss of markets, however caused or arising, and despite any preceding loss insured hereunder;
- L. Loss or damage caused by cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies and telecommunications of any type or service;
- M. Loss or increased cost as a result of threat or hoax, in the absence of physical damage due to an **ACT OF TERRORISM** or series of **ACTS OF TERRORISM**;
- N. Loss or damage caused by or arising out of burglary, house - breaking, theft or larceny or caused by any person taking part therein;
- O. Loss or damage caused to the following property:
 - (a) Land or Land Values;
 - (b) Power Transmission or feeder lines unless such Power Transmission or feeder lines are the responsibility of the **INSURED**;
 - (c) Aircraft or any other Aerial device, or watercraft;
 - (d) Any land conveyance, including vehicles, locomotives or rolling stock, unless such land conveyance is declared hereon and solely whilst located at the property insured herein at the time of its damage;
 - (e) Animals, plants and living things of all types.

Coverage Section IX Terrorism – Property Terrorism Definitions

- 1. **ACT OF TERRORISM** means an act, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.
- 2. **OCCURRENCE** shall mean any one loss and/or series of losses arising out of and directly occasioned by one **ACT** or series of **ACTS OF TERRORISM** for the same purpose or cause. The duration and extent of any one **OCCURRENCE** shall be limited to all losses sustained by the **INSURED** at the property insured herein during any period of 72 consecutive hours arising out of the same purpose or cause. However, no such period of 72 consecutive hours may extend beyond the expiration of this Policy unless the **INSURED** shall first sustain direct physical loss or damage by an **ACT** or series of **ACTS OF TERRORISM** prior to expiration and within said period of 72 consecutive hours nor shall any period of 72 consecutive hours commence prior to the attachment of this Policy.

Coverage Section IX Terrorism – Liability Terrorism

This is a Claims Made and reported Coverage Subsection. This means that, subject to the terms and conditions of this Coverage Subsection, the coverage provided by this Coverage Subsection only covers CLAIMS first made against the INSURED or a circumstance which could reasonably be expected to give rise to a CLAIM during the period of insurance and reported to Underwriters in writing as soon as reasonably possible and in no event longer than 60 consecutive days after the end of the PERIOD OF INSURANCE. CLAIMS EXPENSES that are incurred in defending any CLAIM against the INSURED will reduce, and may completely exhaust, the Limit of Liability available to pay damages. Please review the coverage provided by this Coverage Subsection carefully and discuss the coverage with your insurance agent or broker.

Liability Terrorism Coverage: Underwriters agree, subject to the Policy limitations, terms and conditions to indemnify the INSURED for any damages and CLAIMS EXPENSES which the INSURED shall become legally liable to pay because of any CLAIM or CLAIMS for BODILY INJURY and/or PROPERTY DAMAGE, first made against the INSURED during the PERIOD OF INSURANCE and reported to Underwriters in writing no later than 60 consecutive days after the expiry of this Policy, caused by an ACT OF TERRORISM and/or SABOTAGE occurring during the PERIOD OF INSURANCE. This cover is subject to the terms, conditions and exclusions stated in this Policy.

Multiple ACTS OF TERRORISM and/or SABOTAGE which occur within a period of 72 consecutive hours and which have or appear to have a related purpose or common leadership will be deemed to be one ACT OF TERRORISM and/or SABOTAGE.

All CLAIMS arising out of the same or a continuing ACT OF TERRORISM and/or SABOTAGE, including ACTS OF TERRORISM and/or SABOTAGE which have or appear to have a related purpose or common leadership, within a period of 72 hours shall be considered a single CLAIM and deemed to have been made at the time the first of such CLAIMS is reported to Underwriters and shall be subject to a single EXCESS LIMIT OF INSURANCE.

Coverage Section IX Terrorism – Liability Terrorism Conditions

1. **PROOF OF LOSS:** The INSURED shall render a signed and sworn proof of loss within 60 consecutive days after the OCCURRENCE of a loss (unless such period be extended by the written agreement of Underwriters) stating the time, place and cause of loss, the interest of the INSURED and all others in the property, the sound value thereof and the amount of loss or damage thereto.

If Underwriters have not received such proof of loss within two years of the expiry date of this Policy, they shall be discharged from all liability hereunder unless an extension has been specifically filed with Underwriters.

Coverage Section IX Terrorism – Liability Terrorism Exclusions

This Policy does not apply to any actual or alleged loss, liability, injury, CLAIM EXPENSES, cost and expense arising directly or indirectly:

- A. from or as a result of nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination may have been caused;
- B. from or as a result of war, invasion or warlike operations (whether war be declared or not), hostile acts of sovereign or government entities, civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power or martial law or confiscation by order of any Government or public authority;

- C. from or as a result of seizure or illegal occupation unless caused directly by an insured **ACT OF TERRORISM** and/or **SABOTAGE**;
- D. from or as a result of confiscation, requisition, detention, legal occupation, embargo, quarantine, or any result of any order of public or government authority which deprives the **INSURED** of the use or value of its property, nor for loss or damage arising from acts of contraband or illegal transportation or illegal trade;
- E. from or as a result of the discharge of **POLLUTANTS** or contaminant, which **POLLUTANTS** and contaminants shall include but not be limited to any solid, liquid, gaseous or thermal irritant, contaminant of toxic or hazardous substance or any substance the presence, existence or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment or loss, injury or damage directly or indirectly arising from chemical or biological release or exposure of any kind;
- F. from or as a result of attacks using electronic means including computer hacking or the introduction of any form of computer virus;
- G. from or as a result of vandals or other persons acting maliciously or by way of protest or strikes, riots or civil commotion unless caused directly by an insured **ACT OF TERRORISM** and/or **ACT OF SABOTAGE**;
- H. from or as a result of consequential loss, delay or loss of markets, failure to supply goods or services, or failure to perform however caused or arising, and despite any preceding loss insured hereunder;
- I. from or as a result of cessation, fluctuation or variation in, or insufficiency of, water, gas or electricity supplies, telecommunications or service of any type;
- J. from or as a result of threat or hoax;
- K. from or as a result of **BODILY INJURY** to employees or contract workers of the **INSURED** or arising under any workers' compensation, unemployment compensation or disability laws, statutes, or regulation;
- L. from or as a result of **BODILY INJURY** or **PROPERTY DAMAGE** arising out of discrimination or humiliation;
- M. from or as a result of property:
 - (1) owned, leased, rented or occupied by the **INSURED**; or
 - (2) in the care, custody or control of the **INSURED**;
- N. from or as a result of fines, penalties, punitive damages, exemplary damages, or any additional damages resulting from the multiplication of compensatory damages;
- O. from or as a result of mental injury, anguish or shock where no **BODILY INJURY** has occurred to the claimant;
- P. from or as a result of **BODILY INJURY** and/or **PROPERTY DAMAGE** directly or indirectly relating to the actual, alleged or threatened presence of asbestos in any form;
- Q. from or as a result of any **CLAIMS** or circumstances disclosed on the Application for this insurance;
- R. from or as a result of any design, manufacture, assembly, sale trade, distribution or promotion of any product; and

S. from or as a result of the rendering of or failure to render professional services.

Nothing contained in the above exclusions shall extend this Policy to cover any liability which would not have been covered had these exclusions not been incorporated herein.

Coverage Section IX Terrorism – Liability Terrorism Definitions

1. **ACT OF TERRORISM** means an act, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.
2. **ACT OF SABOTAGE** means an act or series of acts of deliberate damage or destruction of property by secret means committed for subversive, political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.
3. **CLAIM EXPENSES** means investigation, adjustment, appraisal, defense and appeal costs and expenses and pre and post judgment interest, paid or incurred by or on behalf of the **INSURED**. The salaries, expenses or administrative costs of the **INSURED** or its employees or any insurer shall not be included within the meaning of **CLAIM EXPENSES**.
4. **OCCURRENCE** means any one loss and/or series of losses arising out of and directly occasioned by one **ACT** or series of related **ACTS OF TERRORISM** and/or **ACTS OF SABOTAGE** for the same purpose or cause. The duration and extent of any one **OCCURRENCE** shall be limited to all losses directly occasioned by one **ACT** or series of **ACTS OF TERRORISM** and/or **ACTS OF SABOTAGE** arising out of the same purpose or cause during any period of 72 consecutive hours commencing at the time of the first such act and within a radius of 10 miles of the location of the first such **ACT OF TERRORISM** and/or **ACT OF SABOTAGE**.

However, for the purposes of this Policy no period of 72 consecutive hours shall commence prior to the attachment of this Policy.

Coverage Section IX Terrorism – Employers' Liability Terrorism

This is a Claims Made and reported Coverage Subsection. This means that, subject to the terms and conditions of this Coverage Subsection, the coverage provided by this Coverage Subsection only covers CLAIMS first made against the INSURED or a circumstance which could reasonably be expected to give rise to a CLAIM during the PERIOD OF INSURANCE and reported to Underwriters in writing as soon as reasonably possible and in no event longer than 90 consecutive days after the end of the PERIOD OF INSURANCE. CLAIMS EXPENSES that are incurred in defending any CLAIM against the INSURED will reduce, and may completely exhaust, the Limit of Liability available to pay DAMAGES.

Coverage: Underwriters agree, subject to the Policy limitations, terms and conditions to indemnify the **INSURED** for any **DAMAGES** which the **INSURED** shall become legally liable to pay as compensation for **BODILY INJURY** to an **EMPLOYEE** of the **INSURED** (other than the perpetrator(s) of the **ACT OF TERRORISM**) during the course of their employment in the business of the **INSURED**, provided such **BODILY INJURY** is caused solely and directly by an **ACT OF TERRORISM** occurring during the **PERIOD OF INSURANCE** at the location named in the schedule. Underwriters will also pay **CLAIMS EXPENSES**.

Multiple **ACTS OF TERRORISM** which occur within a period of 72 consecutive hours and which have or appear to have a related purpose or common leadership will be deemed to be one **ACT OF TERRORISM**.

All **CLAIMS** arising out of the same or a continuing **ACT OF TERRORISM**, including **ACTS OF TERRORISM** which have or appear to have a related purpose or common leadership, within a period of

72 hours shall be considered a single **CLAIM** and deemed to have been made at the time the first of such **CLAIMS** is reported to Underwriters and shall be subject to a single **Specific Excess Limit of Insurance**.

Coverage Section IX Terrorism – Employers’ Liability Terrorism Conditions

1. **Proof of Loss:** The **INSURED** shall render a signed and sworn proof of loss within 60 consecutive days after the occurrence of a loss (unless such period be extended by the written agreement of Underwriters) stating the time, place and cause of loss, the interest of the **INSURED** and all others in the property, the sound value thereof and the amount of loss or damage thereto.

If Underwriters have not received such proof of loss within two years of the expiry date of this Policy, they shall be discharged from all liability hereunder unless an extension has been specifically filed with Underwriters.

Coverage Section IX Terrorism – Employers’ Liability Terrorism Exclusions

This insurance does not cover **DAMAGES** or **CLAIMS EXPENSES** with respect to any **CLAIM** directly or indirectly arising from, caused by or due to:

- A. Any **ACT OF TERRORISM** involving the emission, discharge, dispersal, release or escape of any chemical or biological agent;
- B. Any threat or hoax of an **ACT OF TERRORISM**;
- C. Any **ACT OF TERRORISM** by electronic means including computer hacking or the introduction into any computer of any form of corrupting, harmful or otherwise unauthorized instructions or code. This exclusion shall not apply to the detonation of any explosive bomb or missile which is controlled by any remote device or reliant upon electronic means in its launch, guidance or firing systems;
- D. Any **POLLUTANT OR CONTAMINANT**, however such **POLLUTANT OR CONTAMINANT** may have been introduced or arisen;
- E. Vandalism and malicious mischief, strikes, labor unrest, riots or civil commotion;
- F. War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power;
- G. Confiscation, nationalization, requisition or destruction of or damage to property by or under the order of any government or public or local authority;
- H. Nuclear reaction, nuclear radiation or radioactive contamination, however such nuclear reaction, nuclear radiation or radioactive contamination may have been caused;
- I. Injury caused by or resulting from the **INSURED’s** recklessness or deliberate misconduct;
- J. Injury arising out of any breach of an obligation owed by the **INSURED** as an employer including but not limited to **EMPLOYEE CLAIMS** of wrongful termination of employment, discrimination, harassment, false arrest, slander, invasion of privacy, assault or battery, or mental anguish or humiliation when asserted in connection with an employment related **CLAIM**;
- K. Mental injury, anguish or shock where no actual physical injury has occurred to the claimant;
- L. Criminal, dishonest, fraudulent or malicious conduct by the **INSURED**.

This insurance does not cover fines, penalties, punitive or exemplary **DAMAGES**, sanctions or any

additional **DAMAGES** resulting from the multiplication of compensatory **DAMAGES**. Nothing contained in the above exclusions shall extend this Policy to cover any liability which would not have been covered had these exclusions not been incorporated herein.

Coverage Section IX Terrorism – Employers' Liability Terrorism Definitions

1. **ACT OF TERRORISM** means an act, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.
2. **BODILY INJURY** means, for this coverage only, all physical injury to a third party human being, other than the perpetrator(s) of the **ACT OF TERRORISM**, including death, sickness, disease or disability and all consequent mental injury, anguish or shock to such human suffering such physical injury.
3. **CLAIMS EXPENSES** means all fees, costs and expenses incurred with the written consent of Underwriters resulting from the investigation, adjustment, appraisal, defense or appeal of a **CLAIM, SUIT** or proceeding relating to a **CLAIM**. **CLAIMS EXPENSES** do not include the salaries, expenses, overhead or other charges by the **INSURED** for any time spent in cooperating in the defense, settlement and investigation of any **CLAIM**.
4. **DAMAGES** means a monetary judgment, monetary award or monetary settlement made with Underwriters written approval.
5. **POLLUTANT OR CONTAMINANT** includes but is not limited to any solid, liquid, gaseous or thermal irritant, contaminant or toxic or hazardous substance or any substance the presence, existence, or release of which endangers or threatens to endanger the health, safety or welfare of persons or the environment.
6. **EMPLOYEE** means the following persons working for the **INSURED** for the purpose of the **INSURED's** business:
 - (a) Any person employed by the **INSURED** under a contract of service or apprenticeship;
 - (b) Any person supplied to, hired by or borrowed by the **INSURED**;
 - (c) Labor masters and persons supplied by them;
 - (d) Persons employed by labor only sub-contractors;
 - (e) Self-employed persons and voluntary helpers;
 - (f) Any person attending under a work experience scheme; or
 - (g) A prospective **EMPLOYEE** who is undergoing practical work experience while being assessed by the insured as to his or her suitability for employment.

Coverage Section X SEXUAL ABUSE Liability

This is a Claims Made and Reported Section

Coverage Section X SEXUAL ABUSE Liability – Insuring Agreements

SEXUAL ABUSE Liability: Underwriters agree, subject to the Policy limitations, terms and conditions, to indemnify the **NAMED INSURED** for all sums which the **NAMED INSURED** is legally obligated to pay, as more fully defined by the term **ULTIMATE NET LOSS**, because of **SEXUAL ABUSE** by any past, present or future officials, board or commission members, trustees, directors, officers, employees, or volunteer workers of the **NAMED INSURED**. This provision applies only to the liability of the **NAMED INSURED** to pay any settlement, verdict or judgment; providing that the sole liability imposed on the **NAMED INSURED** does not arise from any contractual duty to indemnify.

This coverage applies only if a **CLAIM** for damages, because of **SEXUAL ABUSE**, is first made against the **INSURED** or initial **DISCOVERY** take place during the **PERIOD OF INSURANCE**. The **SEXUAL ABUSE** must have first occurred on or after the Retroactive Date shown in the **Schedule of Specific Excess Limits of Insurance**, but in no event any later than the last day of the **PERIOD OF INSURANCE**. The **SEXUAL ABUSE** must be reported to Underwriters as soon as practical but in no event later than:

(a) 180 consecutive days following the initial **DISCOVERY** of any actual, attempted or pending alleged **SEXUAL ABUSE**;

(b) during the Basic or Supplemental Extended Reporting Period applicable to this coverage, if any,

whichever comes first.

All actual or alleged acts of **SEXUAL ABUSE** by any past, present or future officials, board or commission members, trustees, directors, officers, employees, or volunteer workers of the **NAMED INSURED**, acting alone or in concert, shall be deemed one **CLAIM**, and shall be considered first made when initial **DISCOVERY** takes place or when the first of such **CLAIMS** is made to the **INSURED**, whichever comes first, regardless of:

(a) The number of persons alleging **SEXUAL ABUSE**;

(b) The number of locations where the **SEXUAL ABUSE** occurred;

(c) The number of acts of **SEXUAL ABUSE**; or

(d) The period of time over which the **SEXUAL ABUSE** took place, whether the **SEXUAL ABUSE** is during, before or after the **PERIOD OF INSURANCE**. However, only acts of **SEXUAL ABUSE** that take place after the Retroactive Date shown in the **Schedule of Specific Excess Limits of Insurance** and before the end of the **PERIOD OF INSURANCE** are covered.

Underwriters will not make payment for any loss, **CLAIM**, or for any **DEFENSE COSTS** for any past, present or future officials, board or commission members, trustees, directors, officers, employees, or volunteer workers of the **NAMED INSURED** or other person or persons in respect of actual or alleged **SEXUAL ABUSE**; however, with respect only to this **Coverage Section X SEXUAL ABUSE Liability**, Underwriters agree, subject to all other Policy limitations, terms and conditions, that as to any **CLAIM** involving **SEXUAL ABUSE** alleged to have been committed by any past, present or future officials, board or commission members, trustees, directors, officers, employees, or volunteer workers of the **NAMED INSURED** only, Underwriters will indemnify the **NAMED INSURED** for all reasonable **DEFENSE COSTS** for that official, board or commission member, trustee, director, officer, employee, or volunteer worker of the **NAMED INSURED** to the extent such **DEFENSE COSTS** are incurred prior to the date on which, by either agreement, admission, or settlement of a **CLAIM** or by an adjudication, it is determined that the official, board or commission member, trustee, director, officer, employee, or volunteer worker of the **NAMED INSURED** committed an act of **SEXUAL ABUSE**.

Coverage Section X SEXUAL ABUSE Liability – Specific Excess Limits of Insurance

Underwriters' **Specific Excess Limit of Insurance** per **CLAIM** for **Coverage Section X SEXUAL ABUSE Liability** is limited to, and not to exceed, the **Specific Excess Limits of Insurance** as stated in the **Schedule of Specific Excess Limits of Insurance**, over the **SELF INSURED RETENTION** as stated in the **Schedule of SELF INSURED RETENTIONS**.

If an Annual Aggregate applies to any coverage under this **Coverage Section X SEXUAL ABUSE Liability**, the total Annual Aggregate **Excess Limit of Insurance** for such coverage under this Coverage Section combined during the **PERIOD OF INSURANCE** shall not exceed the Annual Aggregate limit as stated in the applicable Coverage Section of the **Schedule of Specific Excess Limits of Insurance**.

Coverage Section X SEXUAL ABUSE Liability – Conditions

1. **Basic Extended Reporting Period:**

A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the **PERIOD OF INSURANCE** and lasts for 60 consecutive days.

If, however, this Policy and this Coverage Section is succeeded by similar Claims Made insurance coverage, with any insurer, on which the Retroactive Date is the same as or earlier than the Retroactive Date shown in the applicable Coverage Section of the **Schedule of Specific Excess Limits of Insurance** of this Policy, the succeeding Policy shall be deemed to be a renewal of this Policy, and the **INSURED** shall have no right to an Extended Reporting Period from Underwriters under this Policy.

The Basic Extended Reporting Period does not apply to **CLAIMS** that are covered under any subsequent insurance applicable to this Coverage Section which the **INSURED** purchases, or that would have been covered but for exhaustion of the amount of insurance applicable to such **CLAIMS**.

2. **Supplemental Extended Reporting Period:**

Underwriters will provide a Supplemental Extended Reporting Period, as described below, if:

- (a) This Policy or this Coverage Section of this Policy is cancelled or non-renewed; or
- (b) Underwriters renew or replace this Policy, or this Coverage Section of this Policy, with insurance that does not apply to **SEXUAL ABUSE** on a Claims Made basis.

A Supplemental Extended Reporting Period of one year duration is available but only by endorsement to this Policy and for an additional premium not to exceed 200% of the annual premium for this Coverage Section. This supplemental period starts when the Basic Extended Reporting Period ends.

The **INSURED** must give Underwriters a written request for the endorsement within 30 consecutive days after the end of the **PERIOD OF INSURANCE**. The Supplemental Extended Reporting Period will not go into effect unless the **INSURED** pays the additional premium within 30 consecutive days. This endorsement will set forth the terms consistent with the Coverage Section.

Underwriters shall determine the additional premium in accordance with its applicable rules, rates and underwriting practices. Coverage for **CLAIMS** received during such Supplemental Extended Reporting Period is excess over any other valid and collectible insurance available under any other policies.

Extended Reporting Periods do not reinstate or increase the applicable **SELF INSURED RETENTION**, the **LOSS FUND**, the applicable **Specific Excess Limit of Insurance**, or the **Excess LOSS FUND Protection**.

Extended Reporting Periods do not extend the **PERIOD OF INSURANCE** or change the scope of coverage provided within this Coverage Section. They apply to **CLAIMS** arising out of **SEXUAL ABUSE** that take place before the end of the **PERIOD OF INSURANCE** in which this Policy and this Coverage Section are in force. Once in effect, Extended Reporting Periods may not be cancelled.

3. Reporting to Underwriters:

For the purposes of compliance with the reporting requirements of this Coverage Section, the **INSURED'S** reporting of a **CLAIM** or **DISCOVERY** to the **THIRD PARTY CLAIMS ADMINISTRATOR** shall be considered reporting of the **CLAIM** or **DISCOVERY** to Underwriters, provided that the **CLAIM** or **DISCOVERY** is reported to the **THIRD PARTY CLAIMS ADMINISTRATOR** no later than:

- (a) 180 consecutive days following the initial **DISCOVERY** of any actual, attempted or pending alleged **SEXUAL ABUSE**;
- (b) 60 consecutive days following the expiration of the **PERIOD OF INSURANCE**; or
- (c) the applicable **Extended Reporting Period**,

whichever comes first. Any failure to comply with this provision for any reason whatsoever will result in the absolute exclusion of any resulting **SEXUAL ABUSE CLAIMS**, irrespective of whether Underwriters have been prejudiced by said failure.

Coverage Section X SEXUAL ABUSE Liability – Exclusions

In addition to the General Policy Exclusions, this Coverage Section does not insure against:

- A.** Any **CLAIMS** for damages, whether direct or consequential, or for any cause of action which is covered under any other Coverage Section of this Policy, whether or not a limit is stated in **the Schedule of Specified Excess Limits of Insurance**;
- B.** **SEXUAL ABUSE** involving the same official, board or commission member, trustee, director, employee, or volunteer worker of the **NAMED INSURED** or other person or persons which occurred after the **DISCOVERY** by any of the **NAMED INSURED'S** officials, trustees, directors, officers or partners of any actual, attempted or pending alleged **SEXUAL ABUSE** by said perpetrator. Neither this coverage nor any subsequent coverage provided by Underwriters will apply;
- C.** Any **SEXUAL ABUSE** if the first incident of **SEXUAL ABUSE** by the same, or allegedly the same, perpetrators took place, or allegedly took place, before the Retroactive Date shown in the **Schedule of Specified Excess Limits of Insurance**;
- D.** **SEXUAL ABUSE** for which **DISCOVERY** occurred prior to the **PERIOD OF INSURANCE**;
- E.** Punitive or exemplary damages;
- F.** **CLAIMS**, proceedings, demands, or actions seeking relief or redress in any form other than monetary damages, including defense of same; or any loss, fees, costs or expenses which the **INSURED** may be obligated to pay to any third-party as a result of any adverse judgment for declaratory relief or administrative relief or injunctive relief;

- G. Any cost, civil fine, penalty or expense against any **INSURED** arising from any complaint or enforcement action from any federal, state or local governmental regulatory agency;
- H. Any **CLAIM** for which an **INSURED** is entitled to indemnity under any Policy or Policies the term of which has expired prior to the inception date of this Policy, or for which an **INSURED** would be entitled to indemnity except for the exhaustion of the limit of such prior insurance;
- I. Any **CLAIM** arising out of any pending or prior litigation or hearing, as well as future **CLAIMS** arising out of any pending or prior litigation or hearing. If this Policy is a renewal of a Policy issued by Underwriters, this exclusion shall only apply with respect to **CLAIMS** arising out of any pending or prior litigation or hearing, prior to the effective date of the first Policy issued and continuously renewed by Underwriters;
- J. Any **CLAIM** for **BODILY INJURY** to any **INSURED** for which the **INSURED** is held liable under any Workers' Compensation, unemployment compensation, disability benefits law, employers' liability or under any similar law;
- K. Any **DEFENSE COSTS** for any past, present or future officials, board or commission members, trustees, directors, officers, employees, or volunteer workers of the **NAMED INSURED** who had personal knowledge of the **SEXUAL ABUSE**, or in the exercise of reasonable care should have known of the **SEXUAL ABUSE**, and failed to properly report the **SEXUAL ABUSE** to the **NAMED INSURED'S** officials, trustees, directors, officers, partners or any person that the **NAMED INSURED** has made responsible in an official capacity to prevent **SEXUAL ABUSE**.

SPECIAL



**AMBRIDGE PARTNERS, LLC
(FORMERLY BRIT GLOBAL SPECIALTY USA)**

**AMBRIDGE PUBLIC ENTITY & NON-PROFIT
THIRD PARTY CLAIMS ADMINISTRATOR CLAIM HANDLING GUIDELINES**

You have been selected by the Insured of the Policy issued through Ambridge Partners, LLC (Ambridge) as the Third Party Claims Administrator (TPA) for their claims/losses. This document provides guidance on how to report and handle claims consistent with the policy issued. Please ensure that you have received and reviewed the Policy; the policy language contained therein is controlling to the claim you are administering. If the Insured is permitted, solely through Policy terms, to self-administer claims, these guidelines apply equally to the Insured for claims handling for all claims. The self-administrator is deemed to be the Third Party Claims Administrator for ease of reference throughout these guidelines.

TABLE OF CONTENTS

- A. Reporting
- B. Reserving
- C. Requests for Settlement Authority
- D. Use of Panel Counsel
- E. Defense Counsel Billing Guidelines
- F. Use and Assignment of Experts
- G. Medicare, Medicaid and SCHIP Extension Act of 2007 Reporting

Exhibit A: Captioned Report, Settlement Authority Request & Pre-Trial Report

Exhibit B: Defense Counsel 90-Day Litigation Loss Report

Exhibit C: Proposed Budget Form

Exhibit D: First Notice of Loss Form – Liability

Exhibit E: First Notice of Loss Form – Workers' Compensation

Exhibit F: First Notice of Loss Form – Property



A. REPORTING

All reports and updates, along with supporting documents, should be sent electronically to PENPClaims@ambridge-group.com.

Exhibits are provided for reference. Ambridge will accept alternative report formats provided such formats are comparable and contain all the information outlined in the applicable exhibits attached to these guidelines.

1. FIRST NOTICE OF LOSS REPORTING

Reporting is required for any loss involving the criteria below. **Please note some criteria requires reporting to Ambridge, whether or not a claim for damages has been made.**

The applicable policy may contain different reporting criteria depending on the policy version. Always refer to the policy if any questions.

Losses should be reported immediately, but in no case later than 30 days following the loss meeting the criteria below. Email PENPClaims@ambridge-group.com and include FNOL in subject line of email. See **EXHIBIT D/E/F: First Notice of Loss Form**.

The cost of which is likely to result in payment by Ambridge under the applicable policy;
All claims reserved at 50% or more of the Self Insured Retention;
All claims where there is a trial, binding arbitration or binding mediation date within 90 days;
Catastrophic Injuries (including Fatalities, Paraplegia, Quadriplegia, Severe Burns, Significant Brain Injury, Amputation of Major Extremity);
Sexual Abuse: Within 180 consecutive days following the discovery of any actual, attempted or pending alleged acts of sexual abuse;
Discrimination or Violation of Civil Rights claims where the claim is reserved at 50% or more of the Self Insured Retention or within 90 days of a trial date, whichever is sooner;
Third Party claims involving Law Enforcement Activities;
Act or series of acts of Terrorism;
Any claims where there is a question as to whether there will be coverage under the policy.

2. 30-day report: INITIAL CAPTIONED REPORT

- If Ambridge advises that it will monitor a loss, an Initial Captioned Adjusters Report shall be completed by the handling TPA adjuster.
- If Ambridge has advised that the Ambridge file is being closed, the TPA must notify Ambridge subsequently if the reserves reach 50% or greater of the Self Insured Retention. If Ambridge advises that it will re-open the Ambridge file for further monitoring, an updated Initial Captioned Adjusters Report must be provided within 30 days.
- See **EXHIBIT A: Form for Captioned Report, Settlement Authority Request and Pre-Trial Report**.

- The report is to be completed based on the information that is known at that time. If information has yet to be obtained, the report should outline an explanation, and a timeline for obtaining the information. The first captioned report should be provided to Ambridge within 30 days of the initial FNOL reporting of the claim, or as agreed to by Ambridge. The report should include current financials inclusive of pending reserves.

3. 90-day report(s): **SUBSEQUENT CAPTIONED REPORT(S)**

- The Initial Captioned Adjusters Report should be updated with current information every 90 days (or sooner if developments warrant). All Subsequent Captioned Reports should be sent directly to the assigned Ambridge claims handler and be identified by the assigned Ambridge claim number.
- Do not send medical records or bills (unless specifically requested), blank discovery, or non-substantive pleadings.
- Ambridge must be notified immediately of all subsequent reserve increases made after the TPA submits an Initial Captioned Adjusters Report. The Subsequent Captioned Report should be utilized to advise Ambridge of these changes.
- See **EXHIBIT A: Form for Captioned Report, Settlement Authority Request and Pre-Trial Report**.

4. **LITIGATION REPORTS**

- If the claim is in litigation, Ambridge requires assigned counsel provide an initial proposed legal budget and a current ATLP/Litigation Loss report with updates every 90 days (as needed).
- See **Exhibit B: ATLP/Litigation Loss Form and Exhibit C: Proposed Budget Form**.

5. **REPORTING REQUIREMENTS FOR MULTIPLE LINES / CLASH LOSSES**

- The adjuster should be aware that the Insured's Self Insured Retention for any single line of coverage under the policy is written on an "each and every" basis. Further, the policy may have a "Clash Coverage" or "Multiple Lines Loss Protection" feature that may apply when a single occurrence or event results in claims under more than one line of coverage under the policy.
- Thus, it is important to recognize that if the total incurred for the total number of claims within any one line of coverage meets the 50% of SIR reporting threshold, ALL claims within that line of coverage need to be reported.
- Further, in the event that one occurrence results in claims under multiple lines of coverage under the policy, and any one claim meets the 50% of SIR reporting requirement, ALL claims insured under the Policy arising from the occurrence must be reported.

6. **QUARTERLY LOSS RUN REPORTING**

- You are required to provide the following reports quarterly no later than the 45th day after the end of each calendar quarter or upon the Underwriters' request:
 - Loss Run listing all ground up claims, suits or occurrences
 - Loss Fund erosion

- Corridor Retention erosion
- Reports should be provided in an agreed format and sent to PENPlossruns@ambridge-group.com
- This reporting obligation continues until ninety (90) days after all losses are handled to their conclusion.
- Please note that if you are handling run-off losses previously handled by another TPA (also known as “run-in” claims), all data from the prior TPA needs to be included.
- **Please note that quarterly loss run reporting is NOT considered First Notice of Loss and/or claim reporting under the policy.**

B. RESERVING

- As the Insured’s TPA, you are responsible for timely and accurate reserving throughout the life of the claim file.
- All claims must be reserved ground-up to reflect the most probable final outcome, based on liability and damages analysis, including exposure above the SIR into Ambridge’s layer.
- Claim reserves are not to be capped at the Insured’s SIR level.

C. REQUESTS FOR SETTLEMENT AUTHORITY

- No claim can be settled into Ambridge’s layer without Ambridge’s prior written consent.
- No offer can be made for settlement into Ambridge’s layer without Ambridge’s prior consent.
- Settlement authority requests should be made at least 60 days in advance of mediation, arbitration, pre-trial conferences, etc.
- See **Exhibit A** for the Settlement Authority Form.
- Any settlement into Ambridge’s layer without Ambridge’s prior written consent is a material breach of the Insured’s policy terms and conditions and may impact reimbursement under the policy.

D. USE OF PANEL COUNSEL

Ambridge strongly encourages the use of its panel counsel by the Insured to defend any claim or suit whether or not the cost of which is likely to result in payment by underwriters under this Policy. Contact Ambridge for the most current Ambridge Panel Counsel List. TPA should explain to the Insured the advantages to using Ambridge’s panel counsel, including but not limited to:

- Panel counsel’s reduced hourly rate that was negotiated by Ambridge which will likely result in a significant savings to Insured;
- Panel counsel’s expertise in investigating, handling, defending and resolving the claim or suit involving the Insured;

- Panel counsel's commitment to follow the Ambridge Billing Guidelines which are designed to reduce the costs and litigation expenses of claims and suits;
- Ambridge's use of a third-party vendor, LegalX, (at no cost to the Insured) to review and audit panel counsel's invoices to ensure billings are reasonable and in compliance with Ambridge's Billing Guidelines; and
- Panel counsel's use of a case budget designed to allow the Insured and Ambridge to monitor and project the anticipated costs and expenses with respect to investigating, handling, defending and resolving a claim or suit.

E. DEFENSE COUNSEL BILLING GUIDELINES

TPA must review and ensure that all expenses, including legal bills, are reasonable and necessary and in billing format that is in accordance with all statutory, regulatory and accepted industry standards and practices including, but not limited to the following:

- **Billing Rates** – The billing rates charged by outside counsel should be reasonable and commensurate with the nature and complexity of the claim or suit.
- **Increments/Requirements** - Outside counsel should bill time in 1/10th of an hour increments. Invoices must identify the matter by claimant and must itemize separately each activity performed by each attorney and paralegal with a single specific description of the service rendered and the amount of time spent on each service. Line items listing more than one activity (block billing) are not acceptable. All invoices must include a timekeeper's summary which lists for each timekeeper: full name, title/rank, and total hours billed by the timekeeper on that invoice.
- **Intra-office Conferences** – The TPA should not pay for fees associated with extensive intra-office conferences, file memoranda or intra-office conferences providing educational or administrative directions to staff.
- **Multiple Attorney Attendance** – Absent a compelling reason and advanced approval, the TPA should pay outside counsel for only one attorney attending depositions, meetings, court appearances, trials, arbitrations, mediations or other litigation-related events
- **Use of Appropriate Personnel** – Use of associates and paralegals are expected where appropriate. The TPA should only pay for personnel appropriate for a particular task.
- **Research** – The TPA should retain counsel who are specialists in their fields. Accordingly, outside counsel is expected to be well-versed in the current law and procedure relative to their specialty. The TPA should not pay for research in connection with substantive or procedural issues that are typical or routine to the specialty. The TPA should only pay for research relating to issues that are novel or unique to the case or to update prior work that will benefit the case.
- **Duplication of Efforts** – Outside Counsel should not duplicate research, drafting or other written work product that has been previously performed but should take maximum advantage of model documents and appropriate documents from prior similar matters and the TPA should not pay counsel for any such duplication.
- **Case Staffing** – The TPA must ensure that outside counsel staffs the case to maximize efficiency, eliminate redundancy and reduce excessive costs; for example, the TPA shall not pay for partner time when an associate or paralegal can properly handle a particular matter or task.

F. USE AND ASSIGNMENT OF EXPERTS

- If a claim investigation requires the use of an expert (i.e. engineering, construction, cause and origin, etc.), written authorization must be obtained from Ambridge prior to engaging the expert in order to assure that the cost will be considered part of Ultimate Net Loss (see General Policy Definitions). Authorizations will be contingent upon supporting documentation regarding necessity of expert.
- Ambridge will make every reasonable effort to accommodate requests where the need can be supported.
- If the need for an expert is an emergent and/or outside regular business hours, authorization can be obtained by contacting your Ambridge claim contact.
- In the event of an emergency need for an expert outside regular business hours and contact with Ambridge claims team was not successful within 24 hours of the initial attempt, the adjuster should proceed with the assignment.

G. IMPORTANT INFORMATION REGARDING MANDATORY REPORTING UNDERSECTION 111 OF THE MEDICARE, MEDICAID AND SCHIP EXTENSION ACT OF 2007

Pursuant to the terms of the policy between Underwriters and the Named Insured, it is Underwriters interpretation of Section 111 of the MMSEA that the Insured is the Responsible Reporting Entity (RRE) for any claims made against the Insured that may be covered under the policy. Therefore, compliance with the Act in regard to RREs rests with the Insured. If the TPA is designated by the Insured as the party responsible for making reports on behalf of the Insured under the act for claims that fall within the Self-Insured Retention, it is Underwriters position that the TPA has that same duty for claims in excess of the Self-Insured Retention.



EXHIBIT A: Form for Captioned Report, Settlement Authority Request and Pre-Trial Report

Ambridge Partners, LLC

This captioned report shall be completed and provided in initial form 30 days following first reporting to Ambridge. This report shall be revised to include pertinent updated information every subsequent 90 days or more frequently if needed.

This form shall also be used for Settlement Authority Requests and should be provided a minimum of 60 days prior to the need for such authority which may include mediation, settlement conference or arbitration.

A Pre-Trial report shall be provided no later than 60 days before the pending trial date and should include a copy of defense counsel's Pre-Trial report.

Insured	List Named Assured, any "Member" entity and/or the department within the Named Assured/"Member"	
Claimant/ Plaintiff(s)	Name of each claimant, age, involvement in the loss (i.e. if auto whether the operator, passenger, pedestrian, etc.)	
Date of Incident	The date the event/accident occurred	
Date Claim First Made to Insured	Date that the Assured first received any type of notice that a claim was being made against them	
Date Claim First Made to TPA	Date the TPA was first advised by the Assured of the loss	
Coverage	Policy number; effective dates; the line(s) of coverage applicable to the loss; the SIR applicable; and Underwriters' excess limits. If applicable, information on any other coverage should also be provided.	
Ambridge Claim Number		

Description of Loss	Full details of how the accident/event occurred, and what investigation has been completed to date	
Liability	Assessment of liability including chances of verdict against Ambridge insured and why. If co-defendants are in the case, include assessment of apportionment of liability and include coverage/carrier information if known. Include any immunities/damage caps that may apply. Include the negligence scheme in the applicable venue (joint and several, pure or modified comparative negligence/fault, or strict contributory negligence). If plaintiff faces comparative or contributory fault, assess their portion of contribution.	
Injuries/Damages	Details on injury to each claimant, age, occupation, medical expense, wage claim information, MIB/CIB report information, disability if any, future treatment. Unless specifically requested, please do not send medical records, bills, discovery responses, or non-substantive pleadings: summaries of these documents should be provided in the alternative. If applicable, also include evaluation of any additional damages including punitive damages, fee shifting or any other special or statutorily allowed recovery.	
Venue	Include venue where matter is pending and any issues of note regarding the venue's jury pool/verdict history (conservative/liberal?)	

Litigation/Disputed Issues	If not provided prior, include a copy of complaint. Include: defense counsel (if multiple defendants include all defense counsel and who they are defending); plaintiff's counsel and background/reputation. Attach a copy of defense counsel's most recent evaluation report if available which should include counsel's evaluation, litigation plan and budget	
Pending Trial, Mediation, Arbitration Dates	If case in suit advise of these dates as soon as they are learned	
Demand/Offer	Advise of demands/offers and if there are any time limits on the demands by the claimant. Include comments on whether the assured has been contacted for authority within the SIR and whether granted/denied (with explanation).	
Settlement Recommendation and request for authority	Please include the specific dollar value for recommendation supported by rationale. Please attach pertinent legal correspondence to this report if applicable	
Plan of Action	Current recommended plan for case outcome/resolution including estimated timeframe for completion	

CURRENT PENDING RESERVES:

Reserve Type	Paid to Date	Outstanding Reserve	Total Incurred
Expense			
Loss			
Total			
Total Reserve Rationale (Please explain basis for present reserves)			

Additional Section to be completed for Pre-Trial report:

<p>Trial Information</p>	<ul style="list-style-type: none"> • Date, Time and Address of Trial • Anticipated Length of Trial • Trial Cost (should be same as the Trial Budget) • Ambridge’s Trial Attorney(s) (Lead and Second-Chair) • Assessment of Plaintiff’s Trial Attorney and Co-Defendant’s Attorney F. Assessment of Venue, Judge and Probable Jury Pool 	
<p>Summary Relevant Facts</p>	<ul style="list-style-type: none"> • Summary of Relevant Facts Admissible at Trial (both favorable and unfavorable) • Summary of Liability Expert Opinions • Status of Any Remaining Fact Depositions (including evidence depositions) 	
<p>Trial Preparation and Motion Practice</p>	<ul style="list-style-type: none"> • Status of Motions for Summary Judgment (if not filed or ruled upon, provide chances of prevailing) • Status of Motions <i>in Limine</i> By All Parties • Summary of All Remaining Trial Preparation 	
<p>Jury Verdict Assessment/Research</p>	<ul style="list-style-type: none"> • Probable Verdict Range If Verdict for Plaintiff (explain any deviation from opinions previously provided) • Breakdown of Damages Expected to be Awarded • Jury verdict search results if applicable 	
<p>Miscellaneous issues</p>	<ul style="list-style-type: none"> • Discuss any other relevant issues not covered above (including client relation issues, publicity issues, coverage issues, tender of defense and indemnity issues) 	
<p>Settlement Status</p>	<p>Does Counsel Recommend Settlement – Why or Why Not?</p> <ul style="list-style-type: none"> • Status of Settlement Negotiations • Hurdles to Any Settlement • Offer of Judgment Available and if so, recommended amount? 	
<p>Appeal</p>	<ul style="list-style-type: none"> • Anticipated Appealable Issues and Likelihood of Prevailing • Expected Date of Appeal Resolution • Post Judgment Interest Implications 	

Submitted By: _____

Date: _____

EXHIBIT B: ATLP Form

Defense Counsel 90-Day Litigation Loss Report

Case Synopsys/Summary	Nature of Claim/Causes of Action. Denote each specific theory that is pled and include the defendant it is pled against.	
Venue Analysis		
Status of Litigation	Include specifics as to where the case is pending with respect to discovery; include aspects of discovery completed and those that remain outstanding.	
Trial Date	Note whether date is scheduled or estimated.	
Arbitration Date	Note whether date is scheduled or estimated.	
Settlement Conference	Note whether date is scheduled or estimated.	
Damages	Discuss each injury or element of damages alleged to have been incurred. Include an analysis of causation with each.	
Medical expenses incurred	Include past, present and future expenses.	
Wage Loss	Include past, present and future wage loss. Include plaintiff's pre-incident annual income.	
Non-economic damages	Including punitive damages and/or multiplication of damages if applicable.	
Wrongful Death damages	(If applicable) Including discussion of applicable statutes.	

<p>Attorney's fees</p>	<p>Note whether cause of action allows for recovery of plaintiff's fees and include estimates of amounts recoverable.</p>	
<p>Jury Verdict Assessment</p>	<p>Assess the projected likelihood of defense outcome including the impact of any relevant dispositive motions.</p> <p>In the event of a Plaintiff verdict; assess the likely outcomes:</p> <ol style="list-style-type: none"> 1. Low range Likelihood of verdict in the Low range estimate 2. Middle range Likelihood of verdict in the Middle estimate <p>High range Likelihood of verdict in at the High estimate.</p>	
<p>Settlement Evaluation/Resolution Plan</p>	<p>Include assessment of settlement value and basis for same.</p>	

EXHIBIT C: PROPOSED BUDGET

Attorneys	Roles	Total Hours

Current Budget	
Evaluation/Investigation	
Litigation: Pleadings/Discovery/Motion Practice	
Trial	
Appeal	
Dispositive Motions	
Alternative Dispute Resolution	
Miscellaneous Expenses	
Totals (\$USD)	

Budget	
Budget Time Frame	Dates: 0/0/00 to 0/0/00

Evaluation/Investigation	
Summary of Legal Services	Total hours
Fact Investigation/Development	
Analysis/Strategy/Quarterly reporting	
Initial Experts/Consultants review and intake (pre-discovery)	
Budgeting	
Private Investigators/Social Media investigation and consultation	
Mock Trial/Focus Group	
Other	
TOTAL HOURS/FEES (\$USD)	

Litigation: Pleadings/Discovery/Motion Practice	
Summary of Legal Services	Total hours
Pleadings/ Prelim Injunction/Provisional Remedies	
Court Mandated Conferences	
Other Written Motions/Submissions	
Written Discovery/Interrogatories	
Document Production	
Party Depositions	

Witness Depositions	
Expert Discovery/Depositions	
Discovery Motions	
Discovery On-Site Inspections	
Other	
TOTAL HOURS/FEEES (USD)	

Trial	
Summary of Legal Services	Total hours
Fact Witness Prep	
Expert Witnesses Prep	
Jury Consultants – Consult and Prep	
Written Motions/Submissions	
Trial Preparation and Exhibits	
Trial and Hearing Attendance	
Post-Trial Motion/Submissions	
Litigation Support Vendors	
Other	
TOTAL HOURS/FEEES (USD)	

Appeal	
Summary of Legal Services	Total hours
Pre-Appeal Analysis Report	
Appellate Proceedings/Motions Practice	
Appellate Briefs	
Oral Argument	
Other	
TOTAL HOURS/FEEES (\$USD)	

Dispositive Motions	
Summary of Legal Services	Total hours
Dispositive Motions	
Class Action Certification and Notice	
Other	
TOTAL HOURS/FEEES (\$USD)	

Alternative Dispute Resolution	
Summary of Legal Services	Total hours
Preparation/Comprehensive Pre-ADR report	
Settlement/Non-Binding ADR	
Other	
TOTAL HOURS/FEEES (\$USD)	

Miscellaneous Expenses (itemized)	
Summary of Legal Services	Total (\$USD)
Copying	
Outside Printing	
Out-of-Town Travel	
Meals	
Court Fees	
Subpoena and Record Fees	
Fact/Medical/Expert Witness Fees	
Deposition Transcripts	
Local Counsel	
Private Investigators/Social Media investigation fees	
Arbitrators/Mediators fees	
Trial Transcripts	
Trial Exhibits	
Other	
TOTAL (\$USD)	



EXHIBIT D: First Notice of Loss Form – Liability

Should you have any questions regarding this report of loss, please contact Ambridge Partners, LLC Claims with any questions prior to submitting the claim at: PENPClaims@ambridge-group.com. If a complaint has been filed, a copy of the pleadings should accompany this form.

Insured Name		
Policy Number		
Coverage: Claims made or Occurrence		
Date of Loss		
Date reported/received		
Current Reserves	Indemnity	
	Expense	
Liability Determination (Percentage of Liability; Favorable/Not Favorable)		
Assigned Defense Counsel ¹		

Applicable Immunities		
In Litigation? (Y/N)		
If yes, please provide:	<ul style="list-style-type: none"> Copy of complaint Any supporting/related documentation Case Assessment and litigation budget Defense Counsel contact information 	

Next steps:	
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¹ As a reminder, use of Panel Counsel is strongly recommended. Please contact Ambridge Claims with any questions or guidance needed in this regard.



Submitted By: _____

Date: _____



EXHIBIT E: First Notice of Loss Form – Worker’s Compensation

Should you have any questions regarding this report of loss, please contact Ambridge Partners, LLC Claims with any questions prior to submitting the claim at: PENPClaims@ambridge-group.com

Insured Name	
Policy Number	
Employer	
Policy Reference	
Date of Accident	
TPA Claim Number	
Jurisdiction	
Claimant	
Date of Birth	
Occupation	

Financials	Indemnity	Medical	Expense	Total
Paid				
Outstanding				
Recoveries				
Incurred				

Reserve Rationale (Please provide basis for current reserves)	
Description of Accident/ Cause of Loss	
Compensability Determination (Basis for Acceptance/ Denial)	
Medical Status (List surgeries, treatment to date, current treatment plan)	

Disability Status (Please address work capabilities and employer work accommodations)	
Litigation (Please explain disputed issues and provide any notable hearing, mediation or trial dates)	
Surveillance/Ongoing Investigation (Please summarize notable surveillance results)	
Case Strategy and Action Plan	
Please attach	<ul style="list-style-type: none"> • Pertinent Defense Legal Correspondence • Any supporting/related documentation

Submitted By: _____

Date: _____



EXHIBIT F: First Notice of Loss Form – Property

Should you have any questions regarding this report of loss, please contact Ambridge Partners, LLC Claims with any questions prior to submitting the claim at: PENPClaims@ambridge-group.com. Please advise immediately if a claim has potential subrogation.

Insured Name

Policy Reference

Coverage

Date of Loss

Date Received

Indemnity Reserve

Expense Reserve

Cause of Loss/ detail

Case Strategy

Please attach:

- Copy of Loss Notice
- Field Adjuster Report
- Any supporting/related documentation

Name:

Date:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED:

Policy Number:

Effective Date:

Endorsement Number []

**COMMUNICABLE DISEASE EXCLUSION
(PENP5046042021)**

It is understood and agreed that:

1) In respect of **Coverage Section I Property**:

The following is added to **Coverage Section I Property – Exclusions** and applies to all coverage provided under **Coverage Section I Property**, including but not limited to forms or endorsements that provide coverage for damage to **PROPERTY OF THE INSURED** and Coverage Subsections that provide coverage for **BUSINESS INTERRUPTION** and/or **EXTRA EXPENSE**:

CC. Any loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. However, this exclusion does not apply to loss or damage caused by or resulting from wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Section.

The terms of this exclusion, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under **Coverage Section I Property**.

2) In respect of **Coverage Section II General Liability**:

The following is added to **Coverage Section II General Liability – Exclusions**:

K. Any **CLAIM** for **BODILY INJURY, PERSONAL INJURY** or **PROPERTY DAMAGE** based upon, arising out of, directly or indirectly or in part, or in any way involving, the actual or alleged transmission of a communicable disease.

This exclusion applies even if the **CLAIM** against any **INSURED** alleges negligence or other wrongdoing in the:

- (a) Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- (b) Testing for a communicable disease;
- (c) Failure to prevent the spread of the disease; or
- (d) Failure to report the disease to authorities.

3) In respect of **Coverage Section III AUTOMOBILE Liability**:

The following is added to **Coverage Section III AUTOMOBILE Liability – Exclusions**:

C. Any **CLAIM** for **BODILY INJURY, PERSONAL INJURY** or **PROPERTY DAMAGE** based upon, arising out of, directly or indirectly or in part, or in any way involving, the actual or alleged transmission of a communicable disease.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED:

Policy Number:

Effective Date:

This exclusion applies even if the **CLAIM** against any **INSURED** alleges negligence or other wrongdoing in the:

- (a) Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- (b) Testing for a communicable disease;
- (c) Failure to prevent the spread of the disease; or
- (d) Failure to report the disease to authorities.

4) In respect of **Coverage Section IV Errors and Omissions Liability**:

The following is added to **Coverage Section IV Errors and Omissions Liability – Exclusions**:

- O.** Any **CLAIM** arising out of a **WRONGFUL ACT** or **EMPLOYMENT PRACTICES VIOLATION** that is based upon, arising out of, directly or indirectly or in part, or in any way involving, the actual or alleged transmission of a communicable disease.

This exclusion applies even if the **CLAIM** against any **INSURED** alleges negligence or other wrongdoing in the:

- (a) Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- (b) Testing for a communicable disease;
- (c) Failure to prevent the spread of the disease; or
- (d) Failure to report the disease to authorities.

5) In respect of **Coverage Section V Part B Employers' Liability**:

The following is added to **Coverage Section V Part B Employers' Liability – Exclusions**:

- J.** Any **CLAIM** or **BODILY INJURY** based upon, arising out of, directly or indirectly or in part, or in any way involving, the actual or alleged transmission of a communicable disease.

This exclusion applies even if the claim against any **INSURED** alleges negligence or other wrongdoing in the:

- (a) Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- (b) Testing for a communicable disease;
- (c) Failure to prevent the spread of the disease; or
- (d) Failure to report the disease to authorities.

6) In respect of **Coverage Section VIII Law Enforcement Liability**:

The following is added to **Coverage Section VIII Law Enforcement Liability – Exclusions**:

- L.** Any **CLAIM** for **BODILY INJURY, PERSONAL INJURY** or **PROPERTY DAMAGE** based upon, arising out of, directly or indirectly or in part, or in any way involving, the actual or alleged transmission of a communicable disease.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED:

Policy Number:

Effective Date:

This exclusion applies even if the **CLAIM** against any **INSURED** alleges negligence or other wrongdoing in the:

- (a) Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- (b) Testing for a communicable disease;
- (c) Failure to prevent the spread of the disease; or
- (d) Failure to report the disease to authorities.

EXCEPT AS AMENDED IN THIS ENDORSEMENT, THIS INSURANCE IS SUBJECT TO ALL COVERAGE TERMS, CLAUSES, AND CONDITIONS IN THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED.

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NAMED INSURED:

Policy Number:

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**GENERAL POLICY CONDITION – SATISFACTION OF SELF INSURED RETENTION
(PENP5085012022)**

It is hereby understood and agreed, that the following is added to **General Policy Conditions**:

25. **Satisfaction of SELF INSURED RETENTION:** The satisfaction of the **SELF INSURED RETENTION** by the **INSURED** is a condition precedent for coverage under this Policy. Underwriters have no duty to indemnify an **INSURED** under this Policy unless and until the **SELF INSURED RETENTION** is exhausted by **ULTIMATE NET LOSS** paid by the **INSURED**. The insolvency, bankruptcy, receivership of the **INSURED**, or any refusal by or inability of the **INSURED** to satisfy its obligations pursuant to this Policy will not reduce the **SELF INSURED RETENTION**, nor will it require Underwriters to indemnify for any amounts within the **SELF INSURED RETENTION**.

The **SELF INSURED RETENTION** is the responsibility of the **INSURED** and must be paid by the **INSURED** from its own account, and may not be paid or satisfied, in whole or in part, by any other source of payment, including but not limited to other insurance unless otherwise endorsed onto this Policy.

EXCEPT AS AMENDED IN THIS ENDORSEMENT, THIS INSURANCE IS SUBJECT TO ALL COVERAGE TERMS, CLAUSES, AND CONDITIONS IN THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED.

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NAMED INSURED:

Policy Number:

Effective Date:

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**GENERAL POLICY CONDITION 7 CLAIMS, OCCURRENCES OR SUITS AMENDMENT
(PENP5086092022)**

It is hereby understood and agreed that **General Policy Condition 7. CLAIMS, OCCURRENCES or SUITS** is deleted and replaced with the following:

- 7. CLAIMS, OCCURRENCES or SUITS:** Underwriters reserve the right to deny coverage under this Policy if there has not been full compliance with the following duties:

The **INSURED** shall as soon as practical notify Underwriters through the **THIRD PARTY CLAIM ADMINISTRATOR** of any **CLAIM, OCCURRENCE or SUIT** meeting the following criteria:

- (a) The cost of which is likely to result in payment by Underwriters under this Policy;
- (b) All **CLAIMS** reserved at 50% or more of the **SELF INSURED RETENTION**;
- (c) All **CLAIMS** where there has been a settlement demand above the **SELF INSURED RETENTION** and there is a trial, binding arbitration or binding mediation date within 90 days;
- (d) Catastrophic losses (including Paraplegia, Quadriplegia, Severe Burns, Fatalities, Significant Brain Injury, Amputation of Major Extremity);
- (e) Within 180 consecutive days following the **DISCOVERY** of any actual, attempted or pending alleged **SEXUAL ABUSE**;
- (f) Discrimination or Violation of Civil Rights where the **CLAIM** is reserved at 50% or more of the **SELF INSURED RETENTION** or within 90 days of a trial date, whichever is sooner;
- (g) Third-party **CLAIMS** involving **LAW ENFORCEMENT ACTIVITIES**;
- (h) Act or series of **ACTS OF TERRORISM**;
- (i) Any **CLAIMS** where there is a question as to whether there will be coverage under this Policy.

Underwriters shall have the right, but not the obligation, to be associated with the **INSURED** in, and/or assume control of, the investigation, handling, defense or settlement of any **CLAIMS, SUITS** or proceedings relative to an **OCCURRENCE or CLAIM** where in the sole opinion of the Underwriters, Underwriters' liability under this Policy is likely to be involved. In the event Underwriters assume control of the investigation, handling, defense or settlement of any **CLAIMS, SUITS** or proceedings relative to an **OCCURRENCE or CLAIM**, then **DEFENSE COSTS** incurred are part of, and not in addition to, the **ULTIMATE NET LOSS** and the **INSURED'S** obligation to pay the **SELF INSURED RETENTION**, and any applicable **MAINTENANCE DEDUCTIBLE** or any other applicable deductible or deduction under this Policy, will remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED:

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The **INSURED** shall make no commitment to pay or settle any **CLAIMS, OCCURRENCES** or **SUITS** where Underwriters' liability under this Policy is involved without the prior written agreement of Underwriters. Underwriters shall not withhold agreement without just cause. Neither shall the **INSURED** refuse any reasonable opportunity to pay or settle a **CLAIM** when such refusal will result in Underwriters having liability under this Policy without the prior agreement of Underwriters. Underwriters shall not withhold agreement without just cause. If the **INSURED** refuses to consent to settlement of any **CLAIMS, OCCURRENCES** or **SUITS** where Underwriters' liability under this Policy is potentially involved, and settlement or compromise is recommended by Underwriters and acceptable to the claimant, then calculation of, and Underwriters' obligation under **ULTIMATE NET LOSS** with respect to the **CLAIMS, OCCURRENCES** or **SUITS** shall be limited to the amount of damages or payments for which the **CLAIMS, OCCURRENCES** or **SUITS** could have been settled for, plus any expenses payable under **ULTIMATE NET LOSS** incurred until the date of the **INSURED'S** refusal to settle or compromise the **CLAIMS, OCCURRENCES** or **SUITS** as recommended by Underwriters.

EXCEPT AS AMENDED IN THIS ENDORSEMENT, THIS INSURANCE IS SUBJECT TO ALL
COVERAGE TERMS, CLAUSES, AND CONDITIONS IN THE POLICY TO WHICH THIS
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**INDIANA CHANGES – DEFINITION OF POLLUTANTS AMENDMENT
(PENP5088122022)**

When a **CLAIM** or **SUIT** is brought against an **INSURED** in the State of Indiana and/or Indiana law applies, this Policy is amended as follows:

General Policy Definition 26. POLLUTANTS is deleted in its entirety and replaced with the following:

26. POLLUTANTS means any solid, liquid, gaseous, bacterial, fungal, electromagnetic, thermal or other substance that can be toxic or hazardous, cause irritation to animals or persons and/or cause contamination to property and the environment including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste, including any recycled, reconditioned or reclaimed materials or substances. Specific examples identified as pollutants include, but are not limited to, diesel, kerosene, and other fuel oils, gasoline, butane, propane, natural gas, and other fuels, brake fluid, transmission fluid, and other hydraulic fluids, ethylene glycol, methyltertbutylether (MTBE), methanol, ethanol, isopropyl alcohol, propylene glycol and other fuel and antifreeze additives, grease, tar, petroleum distillates, and other petroleum products and petroleum hydrocarbon (PAH) substances, carbon monoxide, and other exhaust gases, stoddard solvent, mineral spirits, and other solvents, tetrachloroethylene (PCE), perchloroethylene (PERC), trichloroethylene (TCE), methylene chloroform, and other dry cleaning chemicals, methyl isobutyl ketone, methyl ethal ketone, n-butyl acetate, 2-butoxyethanol, hexylene glycol, peroxides, freon, polychlorinated biphenyl (PCB), CFC113, chlorofluorocarbons, chlorinated hydrocarbons, adhesives, pesticides, insecticides, barium, 1,2-dichloroethylene, ethylene dichloride, dichloromethane, methylene chloride, ethylbenzene, mercury, selenium, sulfate, xylene, industrial waste materials, **PFAS** and all substances, derivatives or byproducts specifically listed, identified, or described by one or more of the following: Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Priority List Hazardous Substances (1997 and all subsequent editions); Agency for Toxic Substances & Disease Registry ToxFAQs(TM); Clean Air Act's List of 188 Air Toxics and Diesel Particulate Matter; U.S. Environmental Protection Agency EMCI Chemical References Complete Index; and/or U.S. Environmental Protection Agency Persistent, Bioaccumulative, and Toxic Chemicals List.

As used herein, **PFAS** shall have the meaning set forth in the **PFAS** and Related Chemicals Exclusion endorsement attached to this Policy.

This definition applies whether or not such irritant or contaminant or substance has any function in the **INSURED'S** business, operations, premises, site or location.

**EXCEPT AS AMENDED IN THIS ENDORSEMENT, THIS INSURANCE IS SUBJECT TO ALL
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**PFAS AND RELATED CHEMICALS EXCLUSION
(PENP5087122022)**

This Policy is amended as follows:

I. The following exclusion is added to **General Policy Exclusions**:

This Policy does not insure against:

- (1) Any liability, loss, damage, cost, expense, **CLAIM, BODILY INJURY, PERSONAL INJURY** or **PROPERTY DAMAGE** or allegations thereof, based upon, arising out of or in any way attributable to **PFAS** or the **PFAS** content of any substance or product; or
- (2) Any loss, cost or expense arising out of or in any way related to:
 - (a) Any request, demand, or statutory, regulatory or legal requirement or any other order that any **INSURED** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **PFAS**; or
 - (b) Any **CLAIM** or **SUIT** brought by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **PFAS**.

Provided however, paragraph (1) of this exclusion shall not apply to **Coverage Section Part A Excess Workers' Compensation for a Qualified Self-Insurer**, but only when coverage for losses arising from **PFAS** is required by law or regulation.

II. Solely with respect to this endorsement the following definition is added to the **General Policy Definitions**:

PFAS means:

- (1) Any perfluoroalkyl or polyfluoroalkyl substances in any form, including but not limited to: Perfluorooctane sulfonate (PFOS), Perfluorooctanoic acid (PFOA), Perfluorononanoic acid (PFNA), Perfluorodecanoic acid (PFDA), Perfluorobutane sulfonic acid (PFBS), N-Methyl-perfluorooctane sulfonamido acetic acid (Me-PFOSA-AcOH), Perfluorobutanesulfonate, Perfluorohexane sulfonic acid (PFHxS), Potassium Perfluorobutane Sulfonate (PFBS), or ammonium perfluorooctanoate (APFO), GenX, including hexafluoropropylene oxide dimer acid (HFPO-DA);
- (2) Any substance that, by whatever name known:
 - (a) Has a similar chemical formulary, formation, or structure to any substance listed in paragraph (1) of this definition;
 - (b) Is a derivative of or an intended replacement of any substance listed in paragraph (1) of this definition;

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- (c) Is an associated homologue, isomer, salt, ester, alcohol, acid, or is a related degradation or byproduct, of any substance listed in paragraph (1) of this definition;
 - (d) Contains at least one fully fluorinated methyl or methylene carbon atom (without any H/Cl/Br/I atom attached to it); or
 - (e) Had been referred to by chemical structure, name or CAS Number, as a known or suspected PFAS, perfluoroalkyl, or polyfluoroalkyl chemical or substance in any foreign or United States federal, state or local statute, law, regulation, rule or written proposed rule, or governmental bulletin (including but not limited to publications of the United States Environmental Protection Agency) that had been published as of the effective date of this insurance; or
- (3) Any goods, products, materials, compounds, or substances that actually or allegedly consist of, contain, or are contaminated with any amount of the substances described in paragraphs (1) or (2) of this definition.
- III. The addition of this endorsement does not imply that other Policy provisions, including but not limited to **General Policy Exclusion E**, do not exclude coverage for **PFAS** related liability.

EXCEPT AS AMENDED IN THIS ENDORSEMENT, THIS INSURANCE IS SUBJECT TO ALL
COVERAGE TERMS, CLAUSES, AND CONDITIONS IN THE POLICY TO WHICH THIS
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**COVERAGE SECTION I PROPERTY – LIMITATION AUTOMOBILE PHYSICAL DAMAGE ONLY
(PENP5012042021)**

It is understood and agreed that coverage under **Coverage Section I Property** of the Policy shall be limited to that as afforded under **Coverage Section I Property – Insuring Agreement B. AUTOMOBILE Physical Damage** only.

EXCEPT AS AMENDED IN THIS ENDORSEMENT, THIS INSURANCE IS SUBJECT TO ALL
COVERAGE TERMS, CLAUSES, AND CONDITIONS IN THE POLICY TO WHICH THIS
ENDORSEMENT IS ATTACHED.

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