



Lloyd's Certificate

This Insurance is effected with certain Underwriters at Lloyd's, London.

This Certificate is issued in accordance with the limited authorization granted to the Correspondent by certain Underwriters at Lloyd's, London whose syndicate numbers and the proportions underwritten by them can be ascertained from the office of the Correspondent (such Underwriters being hereinafter called "Underwriters") and in consideration of the premium specified herein, Underwriters hereby bind themselves severally and not jointly, each for his own part and not one for another, their Executors and Administrators.

The Insured is requested to read this Certificate, and if it is not correct, return it immediately to the Correspondent for appropriate alteration.

All inquiries regarding this Certificate should be addressed to the following Correspondent:

Brit Global Specialty USA
161 North Clark Street, Suite 3200
Chicago, IL 60601
USA

Certificate Provisions

1. **Signature Required.** This Certificate shall not be valid unless signed by the Correspondent on the attached Declarations.
2. **Correspondent Not Insurer.** The Correspondent is not an Insurer hereunder and neither is nor shall be liable for any loss or claim whatsoever. The Insurers hereunder are those Underwriters at Lloyd's, London whose syndicate numbers can be ascertained as set forth in this Certificate. As used in this Certificate "Underwriters" shall be deemed to include incorporated as well as unincorporated persons or entities that are Underwriters at Lloyd's, London.
3. **Cancellation.** If this Certificate provides for cancellation and this Certificate is cancelled after the inception date, earned premium must be paid for the time the insurance has been in force.
4. **Service of Suit.** It is agreed that in the event of the failure of Underwriters to pay any amount claimed to be due hereunder, Underwriters, at the request of the Insured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon the firm or person named in the attached Declarations, and that in any suit instituted against any one of them upon this Certificate, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The Correspondent is authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon request of the Insured to give a written undertaking to the Insured that they will enter a general appearance on behalf of Underwriters in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this Certificate, and hereby designate the above-mentioned as the person to whom the said officer is authorized to mail such process or a true copy thereof.

LMA5020
14/09/2005

5. **Assignment.** This Certificate shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.
6. **Attached Conditions Incorporated.** This Certificate is made and accepted subject to all the provisions, conditions and warranties set forth herein, attached or endorsed, all of which are to be considered as incorporated herein.
7. **Short Rate Cancellation.** If the attached provisions provide for cancellation, the table below will be used to calculate the short rate proportion of the premium when applicable under the terms of cancellation.

Short Rate Cancellation Table For Term of One Year.

Days Insurance in Force	Per Cent of one year Premium	Days Insurance in Force	Per Cent of one year Premium	Days Insurance in Force	Per Cent of one year Premium	Days Insurance in Force	Per Cent of one year Premium
1	5%	66 - 69	29%	154 - 156	53%	256 - 260	77%
2	6	70 - 73	30	157 - 160	54	261 - 264	78
3 - 4	7	74 - 76	31	161 - 164	55	265 - 269	79
5 - 6	8	77 - 80	32	165 - 167	56	270 - 273 (9 mos)	80
7 - 8	9	81 - 83	33	168 - 171	57	274 - 278	81
9 - 10	10	84 - 87	34	172 - 175	58	279 - 282	82
11 - 12	11	88 - 91 (3 mos)	35	176 - 178	59	283 - 287	83
13 - 14	12	92 - 94	36	179 - 182 (6 mos)	60	288 - 291	84
15 - 16	13	95 - 98	37	183 - 187	61	292 - 296	85
17 - 18	14	99 - 102	38	188 - 191	62	297 - 301	86
19 - 20	15	103 - 105	39	192 - 196	63	302 - 305 (10 mos)	87
21 - 22	16	106 - 109	40	197 - 200	64	306 - 310	88
23 - 25	17	110 - 113	41	201 - 205	65	311 - 314	89
26 - 29	18	114 - 116	42	206 - 209	66	315 - 319	90
30 - 32 (1 mos)	19	117 - 120	43	210 - 214 (7 mos)	67	320 - 323	91
33 - 36	20	121 - 124 (4 mos)	44	215 - 218	68	324 - 328	92
37 - 40	21	125 - 127	45	219 - 223	69	329 - 332	93
41 - 43	22	128 - 131	46	224 - 228	70	333 - 337 (11 mos)	94
44 - 47	23	132 - 135	47	229 - 232	71	338 - 342	95
48 - 51	24	136 - 138	48	233 - 237	72	343 - 346	96
52 - 54	25	139 - 142	49	238 - 241	73	347 - 351	97
55 - 58	26	143 - 146	50	242 - 246 (8 mos)	74	352 - 355	98
59 - 62 (2 mos)	27	147 - 149	51	247 - 250	75	356 - 360	99
63 - 65	28	150 - 153 (5 mos)	52	251 - 255	76	361 - 365 (12 mos)	100

Rules applicable to insurance with terms less than or more than one year:

- A. If insurance has been in force for one year or less, apply the short rate table for annual insurance to the full annual premium determined as for insurance written for a term of one year.
- B. If insurance has been in force for more than one year:
 1. Determine full annual premium as for insurance written for a term of one year.
 2. Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the Policy was originally written.
 3. Add premium produced in accordance with items (1) and (2) to obtain earned premium during full period insurance has been in force.

Complaints Procedure

We strive to provide an excellent service to all *Our* customers but occasionally things can go wrong. We take all concerns seriously and endeavour to resolve all customers' problems promptly. If *You* have a question or concern about *Your* policy *You* should, in the first instance follow the guidance notes or instructions in the insurance documentation *You* have been sent. *Your* broker will also be able to advise *You* and provide assistance in this regard.

Alternatively, if *You* wish to contact *Us* directly *You* should either write or telephone:

The Complaints Department

Brit Syndicates Limited

122 Leadenhall Street

London

EC3V 4AB

Telephone: 020 3857 0000

Email: BGS.Complaints@britinsurance.com

In the unlikely event that *You* remain dissatisfied and wish to make a complaint *You* can do so at any time by referring the matter to *Us* at the above stated address or the Complaints Team at Lloyd's at the following address:

Complaints Team

Lloyd's

Fidentia House

Walter Burke Way

Chatham Maritime

Chatham, Kent ME4 4RN

Telephone: 020 7327 5693

Facsimile: 020 7327 5225

E-mail: complaints@lloyds.com

Details of Lloyd's complaints procedure are set out in a leaflet "Your Complaint - How We Can Help" available at www.lloyd's.com/complaints and are also available from the above address.

Should *You* remain dissatisfied after Lloyd's has considered your complaint and *You* are NOT a policyholder in the UK, *You* should, in the first instance, seek advice from *Your* broker as to whom *You* should direct your complaint.

Several Liability Notice

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

08/94
LSW1001 (Insurance)

MICHIGAN SURPLUS LINES NOTICE

This insurance has been placed with an insurer that is not licensed by the state of Michigan. In case of insolvency, payment of claims may not be guaranteed.

LMA9055

01 September 2013

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS (PLEASE READ IT CAREFULLY)

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. Please read this Notice carefully.

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other **INSURED**, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

Declarations

This Policy (and any documents referred to in it) contains the whole agreement between Underwriters and the NAMED INSURED relating to the insurance provided by this Policy and supersedes all previous understandings and agreements between Underwriters and the NAMED INSURED relating to the terms and conditions of this Policy.

Please note that words or terms that appear in bold and capitalized are defined within the Policy.

Policy No: PK1037020
Authority Reference No: 2987: B0356JA281N20A000
2988: N/A
Previous Policy No: PK1037019

1. NAMED INSURED:

West Michigan Risk Management Trust
c/o Arthur J. Gallagher Risk

2. NAMED INSURED Address:

20 Ottawa, NW, Suite 301
Grand Rapids, MI 49503-2308

- 3. Effective date:** July 1, 2020
Expiration date: July 1, 2021
both days at 12:01 a.m. local standard time.

4. Insurance is effective with certain Underwriters at Lloyd's, London.

Percentage: 100% Brit Syndicate 2987 at Lloyd's, London

- 5. Coverage:**
DIRECT PHYSICAL LOSS TO PROPERTY, AUTOMOBILE PHYSICAL DAMAGE, GENERAL LIABILITY, EMPLOYEE BENEFITS LIABILITY, CRIME, LAW ENFORCEMENT LIABILITY, SEXUAL ABUSE LIABILITY and as more fully defined in the attached wording which is understood to be incorporated in and form part of this Certificate.

6. Forms attached hereto and special conditions:

The Alternative Risk Package Wording and agreed Endorsements as per **Schedule of Endorsements** attached.

Wherever the attached wordings refer to this 'Policy' it is deemed to mean this 'Certificate'.

Territorial Limits: Worldwide as more fully defined in the attached Wording and applicable Forms and Endorsements

Choice of Law: State of MI

Jurisdiction: United States of America

Limits of Liability: Underwriters' Limits of Liability shall not exceed the limits as indicated for each coverage section on the attached wording or Declarations and apply only to those coverages for which a limit is shown. Underwriters' Limits of Liability are excess over a **SELF INSURED RETENTION** and a **LOSS FUND**, if applicable, as specified in the attached wording.

7. Service of Suit may be made upon:

CSC-Lawyers Incorporating Service (Company). 601 Abbot Road, East Lansing, MI 48823

8. In the event of a reportable claim as per General Policy Condition 7., the THIRD-PARTY CLAIMS ADMINISTRATOR must notify the following:

By email (Preferred method):

USA.Claims@britinsurance.com

By mail:

Brit Global Specialty USA, 161 North Clark Street, Suite 3200
Chicago, IL 60601 USA

By telephone:

+1 (312) 577-9450

9. Currency Clause:

All premiums, limits, deductibles, claims and other amounts under this Policy are expressed and payable in United States Dollars.

The dollar symbol (\$) used within this Policy represents United States Dollars.

10. Policy Premium:

\$297,000

11. Minimum Earned Premium:

\$148,500

The minimum earned premium is 50% of the annual Policy Premium. If the Policy is cancelled at the **NAMED INSURED'S** request, or by Underwriters for non-payment of premium, the minimum earned premium will be the greater of either the **Minimum Earned Premium** above or the premium as calculated by the Short Rate Cancellation Table in this Policy.

Authorized Correspondent signatory:



Brit Global Specialty USA

Dated: November 12, 2020

Schedule of Endorsements

The following Endorsements attach to and form part of the terms and conditions of this Policy:

Endorsement No	Title
1	TRIA Not Purchased
2	Procedures for Third Party Claims Administrators
3	Schedule of Members Endorsement
4	Coverage Section II General Liability Unmanned Aircraft Coverage Endorsement
5	Coverage Section II General Liability – Additional Assured Status for Forest Hills Education Foundation as respects Forest Hills Public Schools
6	Watercraft Coverage – Scheduled Rowing Equipment (Manuscript)
7	Coverage Section I Property – Unmanned Aircraft Coverage Endorsement (Manuscript)
8	Coverage Section I Property – Flood Zones A&V Coverage Exclusion Deleted
9	Coverage Section I Property – Replacement Cost Valuation for School Buses
10	Coverage Section VII Crime – Funds Transfer Fraud Extension subject to \$100,000 ground-up sublimit and \$5,000 maintenance deductible
11	90 Day Notice of Cancellation
12	Defense Costs in Addition- \$500,000 limit per OCCURRENCE / CLAIM
13	Crisis Management Endorsement- \$50,000 ground-up sublimit and \$100,000 annual aggregate
14	Coverage Section I Property – Spoilage Coverage
15	Certificates of Insurance Endorsement
16	Coverage Section X Sexual Abuse Liability- OCCURRENCE Basis
17	Coverage Section I Property - Pollutant Clean up and Removal Extension - \$50,000 per OCCURRENCE / \$250,000 annual aggregate

Schedule of SELF INSURED RETENTIONS

This Policy has the following underlying **SELF INSURED RETENTIONS**, which apply to a covered loss for each **OCCURRENCE, CLAIM or ACCIDENT**.

MAINTENANCE DEDUCTIBLES are payable by the **INSURED** and only apply if an amount is stated below. **MAINTENANCE DEDUCTIBLES** do not accrue to the exhaustion of the **LOSS FUND**.

<u>Coverage Section</u>	<u>SELF INSURED RETENTION</u>	<u>MAINTENANCE DEDUCTIBLE</u>
I. Property unless listed below	\$250,000	\$1,000
AUTOMOBILE Physical Damage:	\$250,000	\$1,000
FLOOD AND SURFACE WATER:	\$250,000	\$1,000
EARTHQUAKE:	\$250,000	\$1,000
NAMED WINDSTORM:	\$250,000	\$1,000
II. General Liability:	\$250,000	
SEXUAL HARASSMENT Liability:	\$250,000	
III. AUTOMOBILE Liability:	\$250,000	
IV. Errors and Omissions Liability:		
unless listed below:		
Errors & Omissions:	\$NOT COVERED	
Employment Practice Liability:	\$NOT COVERED	
SEXUAL HARASSMENT Liability:	\$NOT COVERED	
V. Excess Workers' Compensation & Employers Liability		
for a Qualified Self-Insurer:		
Coverage Part A Excess Workers' Compensation:	\$NOT COVERED	
Coverage Part B Excess Employers' Liability:	\$NOT COVERED	
VI. Employee Benefits Liability:	\$250,000	
VII. Crime:		
MONEY and SECURITIES:	\$250,000	\$1,000
FORGERY or Alteration:	\$250,000	\$1,000
EMPLOYEE Dishonesty:	\$250,000	\$1,000
COMPUTER THEFT:	\$250,000	\$1,000
VIII. Law Enforcement Liability:	\$250,000	
SEXUAL HARASSMENT Liability:	\$250,000	
IX. Terrorism:		
Property Terrorism:	\$NOT COVERED	
Liability Terrorism:	\$NOT COVERED	
Employers' Liability Terrorism:	\$NOT COVERED	
X. SEXUAL ABUSE Liability:	\$250,000	
LOSS FUND:	\$994,000	

Specific Excess Insurance

1. This Policy contains various **SELF INSURED RETENTIONS** as listed in the **Schedule of SELF INSURED RETENTIONS** of this Policy. The **INSURED** is responsible for payment of each applicable **SELF INSURED RETENTION** except as otherwise stated in **Clash Coverage** and **Excess LOSS FUND Protection** sections of this Policy.
2. This Policy contains various **Specific Excess Limits of Insurance** above the **SELF INSURED RETENTIONS** as listed in the **Schedule of Specific Excess Limits of Insurance**.
3. This Policy contains various Annual Aggregate **Excess Limits of Insurance** as listed in the **Schedule of Specific Excess Limits of Insurance**. Underwriters' duty to indemnify under this Policy ends when the applicable Annual Aggregate **Excess Limit of Insurance** has been exhausted by payments to the **INSURED**.
4. This Policy provides coverage in accordance with all of the terms of each Coverage Section attached to and forming part of this Policy. For **Coverage Section IV Errors and Omissions Liability** and **Coverage Section VI Employee Benefits Liability**, coverage is provided on a Claims Made basis. Claims Made coverage applies only to **CLAIMS** made against the **INSURED** during the **PERIOD OF INSURANCE** or Extended Reporting Period applicable, if any.
5. It is understood and agreed that if more than one Insuring Agreement under any Coverage Section hereunder is involved in one **CLAIM** or **OCCURRENCE**, then the highest **SELF INSURED RETENTION** and **Specific Excess Limit of Insurance** for each **CLAIM** or **OCCURRENCE**, in respect to that Coverage Section, shall apply.
6. It is understood and agreed that 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**.

Schedule of Specific Excess Limits of Insurance

Coverage Section I Property –

Specific Excess Limit Of Insurance for each OCCURRENCE:

All Coverages under Section I combined: \$1,000,000

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:	\$1,000,000	\$1,000,000	Annual Aggregate
EARTHQUAKE:	\$1,000,000	\$1,000,000	Annual Aggregate
NAMED WINDSTORM:	\$1,000,000		
DATA PROCESSING:	\$1,000,000		
VALUABLE PAPERS:	\$1,000,000		
FINE ARTS:	\$1,000,000		
ACCOUNTS RECEIVABLE:	\$1,000,000		

MOBILE EQUIPMENT:	\$1,000,000	
EXTRA EXPENSE:	\$1,000,000	
TRANSIT:	\$1,000,000	Ground up
BUSINESS INTERRUPTION:	\$1,000,000	
Newly Acquired Property Reporting Limit as provided in Coverage Section I Conditions,		
Automatic Acquisition Clause:	\$1,000,000	

Coverage Section II General Liability:

Specific Excess Limit of Insurance for each OCCURRENCE

All coverages under Coverage Section II combined: \$1,000,000 \$3,000,000* 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:

SEXUAL HARASSMENT Liability: \$1,000,000 \$3,000,000* Annual Aggregate

Damage to Premises Rented to the **INSURED**: \$1,000,000 ground up any one **OCCURRENCE**

Premises **MEDICAL PAYMENTS**: \$5,000 ground up any one person

\$10,000 ground up any one **OCCURRENCE**

**Annual Aggregates apply per Member*

Coverage Section III AUTOMOBILE Liability:

Specific Excess Limit of Insurance for each OCCURRENCE:

All Coverages under Coverage Section III combined: \$NIL \$N/A Annual Aggregate

Subject to the following **SUBLIMITS**/Annual Aggregates which are part of, and not in addition to, the **Coverage Section III AUTOMOBILE Liability Specific Excess Limit of Insurance** and Annual Aggregate Limit above:

AUTOMOBILE MEDICAL PAYMENTS: \$NOT COVERED ground up any one person

\$NOT COVERED ground up any one **OCCURRENCE**

Uninsured Motorists/Underinsured Motorists: \$NIL ground up any one **OCCURRENCE**

No Fault Insurance: \$NIL ground up any one **OCCURRENCE**

Garagekeeper's Legal Liability: \$NIL ground up any one **OCCURRENCE**

Coverage Section IV Errors and Omissions Liability:

Specific Excess Limit of Insurance for each OCCURRENCE:

All coverages under Coverage Section IV combined: \$NOT COVERED \$N/A 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: \$NOT COVERED \$N/A Annual Aggregate

Retroactive Date: N/A

Employment Practice Liability: \$NOT COVERED \$N/A Annual Aggregate
Retroactive Date: N/A

SEXUAL HARASSMENT Liability: \$NOT COVERED \$N/A Annual Aggregate
Retroactive Date: N/A

**Coverage Section V Excess Workers' Compensation and Employers' Liability for a Qualified Self-Insurer
Specific Excess Limit of Insurance for each ACCIDENT or disease:**

Coverage Part A Excess Workers' Compensation: \$NOT COVERED
Coverage Part B Excess Employers' Liability: \$NOT COVERED

**Coverage Section VI Employee Benefits Liability:
Specific Excess Limit of Insurance for each CLAIM:**

All Coverages under Coverage Section VI Combined: \$1,000,000 \$3,000,000* Annual Aggregate
Retroactive Date: July 01, 1998

**Annual Aggregates apply per Member*

**Coverage Section VII Crime:
Specific Excess Limit of Insurance for each OCCURRENCE:**

MONEY and SECURITIES: \$500,000
FORGERY or Alteration: \$500,000
EMPLOYEE Dishonesty: \$500,000
COMPUTER THEFT: \$500,000

**Coverage Section VIII Law Enforcement Liability:
Specific Excess Limit of Insurance for each OCCURRENCE:**

All coverage under Coverage Section VIII Combined: \$1,000,000 \$3,000,000* 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: \$1,000,000 \$3,000,000* Annual Aggregate

**Annual Aggregates apply per Member*

Coverage Section IX Terrorism:

Specific Excess Limit of Insurance for each OCCURRENCE/CLAIM:

Property Terrorism:	\$NOT COVERED each OCCURRENCE	\$N/A Annual Aggregate
Liability Terrorism:	\$NOT COVERED each CLAIM	\$N/A Annual Aggregate
Employers' Liability Terrorism:	\$NOT COVERED each CLAIM	\$N/A Annual Aggregate

Coverage Section X SEXUAL ABUSE Liability:

Specific Excess Limit of Insurance for each OCCURRENCE:

All Coverage under Coverage Section X: \$1,000,000 \$1,000,000 Annual Aggregate

Retroactive Date: N/A

Clash Coverage

1. In the event of a covered loss involving more than one Coverage Section, the **INSURED** will only be liable for one **SELF INSURED RETENTION**. This will be the **SELF INSURED RETENTION** for the Coverage Section that results in the largest **ULTIMATE NET LOSS**.
2. Underwriters will indemnify the **INSURED** for **ULTIMATE NET LOSS** arising within each **SELF INSURED RETENTION** applicable to the Coverage Section involved in the loss, less the **SELF INSURED RETENTION** determined in Paragraph 1. above.
3. Indemnity paid under **Clash Coverage** is in addition to amounts payable under the **Schedule of Specific Excess Limits of Insurance**.

Clash Coverage does not apply to **Coverage Section IX Terrorism**.

Excess LOSS FUND Protection

Excess LOSS FUND Protection Annual Aggregate Limit: \$5,000,000

1. This Policy contains various **SELF INSURED RETENTIONS** as listed in the **Schedule of SELF INSURED RETENTIONS** of this Policy. The **INSURED** is responsible for the payment of applicable **SELF INSURED RETENTIONS** in accordance with the terms and conditions of this Policy.
2. The **LOSS FUND** is the aggregate amount stated 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**. This coverage applies only if an **Excess LOSS FUND Protection Annual Aggregate Limit** is stated above and a corresponding **LOSS FUND** amount is stated in the **Schedule of SELF INSURED RETENTIONS**.
3. If there is an applicable **MAINTENANCE DEDUCTIBLE** stated in the **Schedule of SELF INSURED RETENTIONS**, this **MAINTENANCE DEDUCTIBLE** is not considered part of the **SELF INSURED RETENTION** and does not accrue to the exhaustion of the **LOSS FUND**.
4. Each payment made by the **INSURED** for covered loss amounts within the applicable **SELF INSURED RETENTION** shall reduce the outstanding **LOSS FUND** by the amount of such payment until the **LOSS FUND** is exhausted. Upon exhaustion of the **LOSS FUND** stated in the **Schedule of SELF INSURED**

RETENTIONS, Underwriters obligation to indemnify the **INSURED** begins for covered loss amounts within the **SELF INSURED RETENTION**.

5. The amount of **Excess LOSS FUND Protection** payment(s) made by Underwriters to the **INSURED**:
 - (a) Shall not be for more than the applicable **SELF INSURED RETENTION**; and
 - (b) Shall not be greater than the **Excess LOSS FUND Protection Annual Aggregate Limit**, as stated above.
6. Each **Excess LOSS FUND Protection** payment made reduces Underwriters' **Excess LOSS FUND Protection Annual Aggregate Limit** by the amount of such payment.
7. Underwriters' duty to indemnify under **Excess LOSS FUND Protection** ends when the **Excess LOSS FUND Protection Annual Aggregate Limit** has been exhausted by payments to the **INSURED**.

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:

6. 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**.
7. 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:

8. 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**.

**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.

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 **OCURRENCE** 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**, **SECURTIES** 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**.

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 **SEXUALLY HARASSED**;
- (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.

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**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

Endorsement No. 1

**U.S. TERRORISM RISK INSURANCE ACT OF 2002 AS AMENDED
NOT PURCHASED CLAUSE**

This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

It is hereby noted that the Underwriters have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

LMA5390

09 January 2020

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

Endorsement No. 2

**PROCEDURES FOR THIRD PARTY CLAIMS ADMINISTRATORS
(ARP50044 ed. 03/2020)**

As per **General Policy Condition 21. THIRD PARTY CLAIMS ADMINISTRATOR**, the **NAMED INSURED** must contract with, and utilize the services of, a duly qualified and competent **THIRD PARTY CLAIM ADMINISTRATOR**, as agreed upon by the Underwriters prior to the **PERIOD OF INSURANCE**.

In the event of cancellation, expiration or revision of the agreement between the **NAMED INSURED** and Gallagher Bassett Service, 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 CLAIMS ADMINISTRATOR** or the revision of the incumbent **THIRD PARTY CLAIMS ADMINISTRATOR'S** agreement with the **NAMED INSURED**.

If the agreement between **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 **CLAIMS** or **OCCURRENCES** reported to Underwriters after the termination date of the **INSURED'S** agreement with the **THIRD PARTY CLAIMS ADMINISTRATOR**.

As such, the **NAMED INSURED'S THIRD PARTY CLAIM ADMINISTRATOR** is:

Gallagher Bassett Service

QUARTERLY LOSS REPORTING

The **NAMED INSURED** shall, by and through its **THIRD PARTY CLAIMS ADMINISTRATOR** provide the Underwriters or their Representatives, no later than the 45th day after the end of each calendar quarter or upon the Underwriters' request, whichever is earlier, a current Loss Run listing all ground up **CLAIMS, SUITS** or **OCCURRENCES**. The Underwriters may contact the **THIRD PARTY CLAIMS ADMINISTRATOR** to facilitate ground up Loss Run reporting. The Underwriters may request the **THIRD PARTY CLAIMS ADMINISTRATOR** assist in the transmission of such electronically. The **THIRD PARTY CLAIMS ADMINISTRATOR** will cooperate provided no significant development costs are incurred in performing electronic reporting or if the Underwriters agree to incur the development costs on behalf of the **THIRD PARTY CLAIMS ADMINISTRATOR**. This reporting obligation continues until 90 days after all **CLAIMS, SUITS** or **OCCURRENCES** are handled to their conclusion.

ADDITIONAL CONDITIONS FOR INSUREDS WITH EXCESS LOSS FUND PROTECTION

If **Excess LOSS FUND Protection** is provided under this Policy, the **NAMED INSURED** shall, by and through the **THIRD PARTY CLAIMS ADMINISTRATOR** provide the Underwriters or their Representatives, no later than the 45th day after the end of each calendar quarter or upon the Underwriters' request, whichever is earlier, a current Loss Run listing all ground up **CLAIMS, SUITS** or **OCCURRENCES** and a corresponding **LOSS FUND** Report in a previously agreed format so that Underwriters may assess their potential exposure based on **CLAIMS, SUITS** or **OCCURRENCES** with respect to aggregate **LOSS FUND**

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

erosion. This reporting obligation continues until 90 days after all **CLAIMS, SUITS** or **OCCURRENCES** are handled to their conclusion. The quarterly Loss Run and **LOSS FUND** Report are to be sent to: Claims.lossruns@britinsurance.com or as directed by the Underwriters.

Once the **LOSS FUND** erosion reaches 50% of the attachment point on an incurred basis, the Underwriters or their Representatives reserve the right to audit all **CLAIMS, SUITS** or **OCCURRENCES** with respect to aggregate **LOSS FUND** erosion. The **NAMED INSURED** shall, by and through its **THIRD PARTY CLAIMS ADMINISTRATOR** cooperate and facilitate this process.

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

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

Endorsement No. 3

**SCHEDULE OF MEMBERS
(ARP50022 ed. 03/2020)**

As used within this endorsement and the Policy, **MEMBER** means an entity having membership in the West Michigan Risk Management Trust. It is hereby understood and agreed that the West Michigan Risk Management Trust is comprised of the following **MEMBERS** listed below:

MEMBERS
Comstock Park Public Schools
Delton-Kellogg Schools
East Grand Rapids Public School District
Forest Hills Public Schools
Grandville Public Schools
Holland Public Schools
Ionia County ISD
Kent City Community Schools
Lowell Area Schools
Northview Public Schools
Ottawa Area ISD
Rockford Public Schools
Sparta Area Schools
Spring Lake Public Schools
South Haven Public Schools
Wyoming Public Schools
Youth Advancement Academy
Zeeland Public Schools

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

Endorsement No. 4

**COVERAGE SECTION II GENERAL LIABILITY – UNMANNED AIRCRAFT COVERAGE
(ARP50018 ed. 03/2020)**

It is understood and agreed that **Coverage Section II General Liability – Exclusion E** shall not apply to an **UNMANNED AIRCRAFT** used by an **INSURED** in the course and scope of their duties on behalf of the **NAMED INSURED**.

For the purposes of coverage provided under this endorsement, the following definition applies:

UNMANNED AIRCRAFT means an aircraft, either fixed-wing or rotary-wing, without a human pilot on board, weighing 10 pounds or less, controlled by computers in the aircraft or under the remote control of a pilot on the ground.

For **UNMANNED AIRCRAFT** weighing more than 10 pounds, and for which coverage is sought under this Policy, prior written agreement from Underwriters must be obtained and the **UNMANNED AIRCRAFT** scheduled by endorsement onto this policy.

It is a condition precedent to coverage under this endorsement that any **UNMANNED AIRCRAFT** must be operated in compliance with any applicable Federal Aviation Administration (FAA) rules and regulations and, if required, a valid Certificate of Authorization (COA) obtained from the FAA in respect of each **UNMANNED AIRCRAFT**.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

Endorsement No. 5

**ADDITIONAL INSURED ENDORSEMENT
(ARP50002 ed. 03/2020)**

It is hereby understood and agreed that the following entity is added as an additional **INSURED** for coverage under **Coverage Section II General Liability** but only as respects liability for **BODILY INJURY, PERSONAL INJURY** or **PROPERTY DAMAGE**, caused in whole or in part by the **NAMED INSURED** arising out of the operations at the Forest Hills Public Schools as specified in written contract or written agreement. The Underwriters will indemnify the Additional **INSURED** for sums, as more fully defined by the term **ULTIMATE NET LOSS**, not to exceed the **Specific Excess Limit of Insurance** or minimum limit of insurance required by the contract or agreement, whichever is less. Any claim arising out of the sole negligence of the additional **INSURED** is excluded under this Policy.

This endorsement shall not increase the applicable **Specific Excess Limit of Insurance** and Annual Aggregate stated in the **Schedule of Specific Excess Limits of Insurance**.

Additional INSURED: Forest Hills Education Foundation

It is also agreed that, only when required by the written contract or written agreement mentioned above, this insurance shall be considered primary to any insurance held by the Additional **INSURED** listed above and theirs shall be excess.

In addition, it is agreed that, only when required by the written contract or written agreement mentioned above to provide 30 days' notice of cancellation, Underwriters will endeavor to give at least 30 days' notice of cancellation when possible but, in any event, will give the notice required under the terms and conditions of this policy.

In addition, it is agreed that, only when required by the written contract or written agreement, the Additional **INSURED** listed above is recognized as a Mortgagor, Creditor or Loss Payee under this Policy per **General Policy Condition 14**.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

Endorsement No. 6

**WATERCRAFT COVERAGE ENDORSEMENT – SCHEDULED ROWING EQUIPMENT
(Manuscript)**

It is understood **Coverage Section I Property – Exclusion O.** and **Coverage Section II General Liability – Exclusion C.** do not apply with respect to the ownership, maintenance or use, including loading and unloading of watercraft scheduled and identified as rowing equipment in Schedules on file with Underwriters. The insurance with respect to said watercraft does not apply while the said watercraft is used to carry persons for a charge or is rented to others.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

Endorsement No. 7

**COVERAGE SECTION I PROPERTY - UNMANNED AIRCRAFT COVERAGE ENDORSEMENT
(Manuscript)**

It is hereby understood and agreed that **Coverage Section I Property – Exclusion N.** is deleted and replaced as follows:

N. Loss of or damage to aircraft. However, this exclusion shall not apply with respect to **UNMANNED AIRCRAFT** whilst being operated or located by an **ASSURED** subject to \$50,000 ground-up sublimit and \$2,500 **MAINTENANCE DEDUCTIBLE** per **OCCURRENCE**;

It is a condition precedent to coverage under this endorsement that any **UNMANNED AIRCRAFT** must be operated in compliance with any applicable Federal Aviation Administration (FAA) rules and regulations and, if required, a valid Certificate of Authorization (COA) obtained from the FAA in respect of each **UNMANNED AIRCRAFT**.

DEFINITIONS:

For the purposes of coverage under this endorsement only, the following Definition apply:

UNMANNED AIRCRAFT means an aircraft, either fixed-wing or rotary-wing, without a human pilot on board, weighing 10 pounds or less, controlled by computers in the aircraft or under the remote control of a pilot on the ground.

For **UNMANNED AIRCRAFT** weighing more than 10 pounds, and for which coverage is sought under this policy, prior written agreement from Underwriters must be obtained and the **UNMANNED AIRCRAFT** scheduled by endorsement 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

Endorsement No. 8

**COVERAGE SECTION I PROPERTY – FLOOD ZONE A & V EXCLUSION DELETED
(ARP50048 ed. 03/2020)**

Scheduled Location(s): All Locations identified in Schedule of Locations on file with Underwriters located 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

As respects the above scheduled location(s), it is hereby understood and agreed that **Coverage Section I Property – Exclusion V.** is deleted in its entirety from the 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

Endorsement No. 9

**COVERAGE SECTION I PROPERTY – REPLACEMENT COST FOR BUSES 5 YEARS OR NEWER
(ARP50014 ed. 03/2020)**

It is here by understood and agreed that **Coverage Section I Property – Condition 1. Valuation (c) AUTOMOBILE** of this policy is deleted and replaced with the following:

- (c) **AUTOMOBILE:** The Underwriters will indemnify the **INSURED** based on the lesser of the cost to repair the **AUTOMOBILE**, or the actual cash value at the time of loss (except for Schools Buses as further described herein); 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.

For Buses which were acquired by the **INSURED** not more than five years before the date of loss and which on the date it was acquired by the **INSURED** was a current model year bus and which had not been previously titled, Underwriters will indemnify the **INSURED** based on the lesser of the cost to repair, rebuild or replace the **AUTOMOBILE** in a condition equal to, but not superior to, or more extensive, than its condition when new; 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.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

Endorsement No.10

**COVERAGE SECTION VII CRIME –
FUNDS TRANSFER FRAUD COVERAGE EXTENSION
(ARP50021 ed. 03/2020)**

It is understood and agreed that the following Coverage Extension is added under **Coverage Section VII Crime** and **Coverage Section VII Crime – Exclusion L.** shall not apply to coverage provided hereunder:

Coverage Section VII Crime – Funds Transfer Fraud Insuring Agreement

Funds Transfer Fraud Coverage: Underwriters will indemnify the **NAMED INSURED** for loss resulting directly from a **FRAUDULENT INSTRUCTION** directing a financial institution to transfer, pay or deliver **MONEY** or **SECURITIES** from the **TRANSFER ACCOUNT** of the **NAMED INSURED**.

Underwriters' **Specific Excess Limit of Insurance** per **OCCURRENCE** for coverage afforded pursuant to this endorsement is \$100,000 ground up sublimit excess of a **SELF INSURED RETENTION** of \$250,000 and \$5,000 **MAINTENANCE DEDUCTIBLE** per **OCCURRENCE** under **Coverage Section VII Crime-EMPLOYEE DISHONESTY**. An Annual Aggregate of \$100,000 applies for such coverage under this endorsement. This **Specific Excess Limit of Insurance** and Annual Aggregate is part of, and not in addition to the **Coverage Section VII Crime Specific Excess Limit of Insurance** and Annual Aggregate Limit as stated in the **Schedule of Specific Excess Limits of Insurance**.

As respects coverage provided hereunder, the following definitions are added:

CLIENT means an entity, firm, company, organization, association or individual which the **NAMED INSURED** provides goods or services to pursuant to a written contract.

FRAUDULENT INSTRUCTION means a computer, telefacsimile, telephone or other electronic instruction directing a **FINANCIAL INSTITUTION** to debit the **TRANSFER ACCOUNT** of the **NAMED INSURED** and to transfer, pay or deliver **MONEY** or **SECURITIES** from that **TRANSFER ACCOUNT**, which was made by the **NAMED INSURED** or an **EMPLOYEE** based upon an instruction which purports to be from a director, officer, partner, member or sole proprietor of the **NAMED INSURED** or the **NAMED INSURED'S VENDOR** or **CLIENT**; or by another **EMPLOYEE** or employee of the **NAMED INSURED'S VENDOR** or **CLIENT** but which was in fact fraudulently issued, forged, or altered by someone else without the **NAMED INSURED'S** or **EMPLOYEE'S** knowledge or consent.

OCCURRENCE means an individual act of **FRAUDULENT INSTRUCTION**, the combined total of all separate acts of **FRAUDULENT INSTRUCTION** whether or not related or a series of separate acts of **FRAUDULENT INSTRUCTION** whether or not related, committed by a person acting alone or in collusion with other persons, whether involving one or more **EMPLOYEES**, during the **PERIOD OF INSURANCE**, before such **PERIOD OF INSURANCE**, or both.

TRANSFER ACCOUNT means an account maintained by the **NAMED INSURED** at a financial institution from which the **NAMED INSURED** can initiate the transfer, payment or delivery of **MONEY** or **SECURITIES**.

VENDOR means any entity, firm, company, organization or association or individual which has a legitimate pre-existing arrangement or written agreement to provide goods or services to the **NAMED INSURED**.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

Endorsement No.11

**GENERAL POLICY CONDITION – 90 DAY NOTICE OF CANCELLATION
(ARP50066 ed. 03/2020)**

It is understood and agreed **General Policy Condition 5. Cancellation and Non-Renewal** is deleted and replaced with the following:

- 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 90 days' notice of cancellation in writing to the **NAMED INSURED** and all coverage will terminate 90 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.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

Endorsement No.12

**DEFENSE COSTS IN ADDITION
(ARP50017 ed. 03/2020)**

it is understood and agreed that coverage as afforded under **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** is extended for **DEFENSE COSTS** only for covered losses under this Policy for the following **DEFENSE COST Limit** in addition to the applicable **Specific Excess Limit of Insurance** stated in **Schedule of Specific Excess Limits of Insurance**.

DEFENSE COST Limit: \$500,000 each **OCCURRENCE** or **CLAIM** excess of the applicable **Specific Excess Limit of Insurance**

Furthermore, coverage for **DEFENSE COSTS** provided hereunder ends once the **DEFENSE COST Limit** shown in this endorsement is exhausted by payment of **DEFENSE COSTS** or once the applicable **Specific Excess Limit of Insurance** is exhausted by payment of the **ULTIMATE NET LOSS** not including **DEFENSE COSTS**, whichever comes first.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

Endorsement No.13

**CRISIS MANAGEMENT ENDORSEMENT
(ARP50004 ed. 03/2020)**

Insuring Agreement

Underwriters shall pay any **COSTS**, on behalf of the **NAMED INSURED**, incurred from the use of **CRISIS MANAGEMENT RESOURCES**, as agreed by Underwriters, following an **INCIDENT**, as defined herein, which first occurred during the **PERIOD OF INSURANCE**.

Underwriters shall pay any **COSTS** incurred, as covered herein, directly to the third party **CRISIS MANAGEMENT RESOURCES**.

Schedule of Specific Excess Limits of Insurance

Coverage herein is limited to \$50,000 per **INCIDENT** from ground up and \$100,000 in the Annual Aggregate. Coverage is not subject to a deductible, does not erode the **SELF INSURED RETENTION** and nor shall it be considered part of any other loss covered by Underwriters.

Premium

The premium in consideration of the above coverage is included in the Policy premium.

Definitions

1. **INSURED** means not only the **NAMED INSURED** as stated on the Declaration Page of this policy, but also includes any past, present or future officials; members of boards or commissions; and trustees, directors, officers, volunteers, or employees 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.
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.
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.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

4. **COSTS** mean fees paid by Underwriters for the services rendered by **CRISIS MANAGEMENT RESOURCES**. These **COSTS** are capped up to the limit detailed herein.
5. **CLAIM** means all notices or demand for financial assistance to Underwriters following a covered incident.
6. **CRISIS MANAGEMENT RESOURCES** means any public relations firm or crisis management firm approved by Underwriters. **CRISIS MANAGEMENT RESOURCES** will consist of but is not limited to:
 - a. Public Relations Officers
 - b. Incident Response Team
 - c. Psychological Counselling
7. **INCIDENT** can be defined only by the following named events:
 - a. A criminal act of violence causing **BODILY INJURY** to multiple persons or significant **PROPERTY DAMAGE** to the **PROPERTY OF THE INSURED**; or
 - b. **AUTOMOBILE** or aircraft accident causing serious **BODILY INJURY** to a multiple number of students or **INSUREDS**; or
 - c. Public defamation or slander of the **NAMED INSURED** which has or threatens to devalue the Institution's brand and/or reputation.
8. **NAMED INSURED** means the person and/or organization first named in Item 1. of the **Declarations** of this Policy.
9. **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.
10. **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**.
11. **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; **AUTOMOBILE**; **ACCOUNTS RECEIVABLE**; **DATA PROCESSING SYSTEMS**; **DATA PROCESSING MEDIA**; **FINE ARTS**; **VALUABLE PAPERS**; and **MOBILE EQUIPMENT**.
12. **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**

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

DEDUCTIBLE, and before the Specific Excess Limit of Insurance of this Policy responds to the same **OCCURRENCE, ACCIDENT** or **CLAIM**.

Conditions

- a) Any **CLAIM** must be made within the **PERIOD OF INSURANCE**.
- b) The **INCIDENT** must be reported to **CRISIS MANAGEMENT RESOURCES** within 24 hours of the Risk Manager(s) or Senior Official(s) being made aware of the **INCIDENT**.
- c) The **INCIDENT** must occur in the United States and response to the **INCIDENT** is limited to the United States.
- d) Alleged or intentional acts by the **NAMED INSURED** and their board or senior officials which resulted in a named **INCIDENT** are excluded from coverage.
- e) Any previously reported or covered **INCIDENT** is excluded.

Notice of an Incident

CRISIS MANAGEMENT RESOURCES are provided by Jackson Spalding 24 hours a day, seven days a week. In the event of an **INCIDENT**, please notify the following persons, on the below list, within 24 hours of the Risk Manager/s or Senior Official/s being made aware of the **INCIDENT**. Please contact the office numbers during business hours (9am ET – 5pm ET) and ask for the name of any person on the below list. If it is after business hours, please contact one of the mobile numbers. An individual is always on call.

- Blair Meeks – 404-214-2271 office, 404-402-9651 mobile
bmeeks@jacksonspalding.com
- Charles Edwards – 678-802-1153 office, 404-216-8969 mobile
cedwards@jacksonspalding.com
- Caroline Duffy – 404-724-2515 office, 404-713-2984 mobile
cnduffy@jacksonspalding.com
- Rachel Tobin – 404-724-2501 office, 404-276-5930 mobile
rtobin@jacksonspalding.com
- Glen Jackson – 404-724-2505 office, 404-944-6491 mobile
gjackson@jacksonspalding.com
- Callie Corley – 770-575-8651 office, 334-462-7286 mobile
bspalding@jacksonspalding.com
- Brian Brodrick – 404-724-2513 office, 404-983-4384 mobile

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

- bbrodrick@jacksonspalding.com
Trudy Kremer – 404-724-2518 office, 404-277-3418 mobile

tkremer@jacksonspalding.com

Email the JS Crisis Team: Crisis@jacksonspalding.com

Jackson Spalding Main Office Line - 404-742-2500 - www.jacksonspalding.com

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

Endorsement No.14

**COVERAGE SECTION I PROPERTY – SPOILAGE COVERAGE
(ARP50050 ed. 03/2020)**

Notwithstanding anything contained in **Coverage Section I Property** to the contrary, it is understood and agreed that following coverage extension is added under **Coverage Section I Property – Insuring Agreement A:**

Underwriters will indemnify the **INSURED** for Direct Physical Loss or Damage to **PERISHABLE STOCK** caused by or resulting from **BREAKDOWN OR CONTAMINATION** or **POWER OUTAGE** subject to a \$15,000 ground up **SUBLIMIT** per **OCCURRENCE** subject to any applicable **MAINTENANCE DEDUCTIBLES**.

It is a condition precedent to this coverage that the **INSURED** must maintain a refrigeration maintenance or service agreement. If the **INSURED** voluntarily terminates this agreement and does not notify the Underwriters, the insurance provided by this endorsement will be automatically suspended at the involved location.

The following is added to **Coverage Section I Property – Condition 1. Valuation:**

(j) **PERISHABLE STOCK:** Underwriters will indemnify the **INSURED** based on the following:

- i. The selling price, as if no loss or damage had occurred;
- ii. Less discounts and expenses the **INSURED** otherwise would have had.

The following Exclusions apply as respects coverage under this endorsement:

In addition to the **General Policy Exclusions** and **Coverage Section I Property – Exclusions**, this Policy does not insure against:

A. Loss or damage to property located on buildings or in the open or in AUTOMOBILES;

B. EARTHQUAKE;

C. FLOOD AND SURFACE WATER;

D. Loss or damage caused by or resulting from:

- (a) The disconnection of any refrigerating, cooling or humidity control system from the source of power;
- (b) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

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- (c) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:
 - (1) Lack of fuel; or
 - (2) Governmental order;
- (d) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand;
- (e) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

The following Definitions are added to **Coverage Section I Property – Definitions** and apply as respects coverage under this endorsement:

1. BREAKDOWN OR CONTAMINATION means

- (a) Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; and
- (b) Contamination by the refrigerant.

2. PERISHABLE STOCK means personal property:

- (a) Maintained under controlled conditions for its preservation; and
- (b) Susceptible to loss or damage if controlled conditions change.

3. POWER OUTAGE means change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond the **INSURED'S** control.

The limits provided hereunder are part of, and not in addition to, the **SELF INSURED RETENTION, Specific Excess Limit of Insurance** and Annual Aggregate Limit for **Coverage Section I Property**.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

Endorsement No.15

**CERTIFICATES OF INSURANCE
(ARP50001 ed. 03/2020)**

It is hereby understood and agreed that holders of Certificates of Insurance issued against this Policy that are shown as Additional **INSUREDS** are added to this Policy pursuant to the terms of this Policy as described in **General Policy Definition 15. INSURED.**

Certificates of Insurance issued against this Policy for Certificate holders who do not fall within **General Policy Definition 15. INSURED**, require prior agreement of Underwriters and subsequent endorsement of this Policy is required.

It is also agreed that, only when required by written contract between the **NAMED INSURED** and the Certificate holder, this insurance shall be considered primary to any insurance held by the Certificate holder and theirs shall be excess.

In addition, it is agreed that, only when required by written contract between the **NAMED INSURED** and the Certificate holder to provide 90 days' notice of cancellation, Underwriters will endeavor to give at least 90 days' notice of cancellation when possible but, in any event, will give the notice required under the terms and conditions of 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

Policy Number: PK1037020

Effective Date: July 1, 2020

Authority Ref No: B0356JA281N20

Endorsement No. 16

**Coverage Section X SEXUAL ABUSE Liability – OCCURRENCE BASIS
(ARP50003 ed. 03/2020)**

It is understood and agreed that **Coverage Section X SEXUAL ABUSE Liability** of the policy is deleted in its entirety and replaced with the following:

Coverage Section X SEXUAL ABUSE Liability

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**, for the liability on the part of the **NAMED INSURED**, arising out of an **OCCURRENCE** 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** first occurring during the **PERIOD OF INSURANCE**. 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.

The **SEXUAL ABUSE** must have first occurred during the **PERIOD OF INSURANCE**. The **OCCURRENCE** must be reported to Underwriters as soon as practical but in no event later than 180 consecutive days following the initial **DISCOVERY** of any actual, attempted or pending alleged **SEXUAL ABUSE**. 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.

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 considered as arising out of one **CLAIM**, 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**.

Underwriters will not make payment for any loss, **CLAIM**, **OCCURRENCE**, **SUIT** 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 loss, **OCCURRENCE**, **SUIT** involving **SEXUAL ABUSE** alleged to have been committed by any

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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 loss 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 **OCCURRENCE** 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 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 – 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 **PERIOD OF INSURANCE** shown in the **Schedule of Specific 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;

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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- 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 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;
- I.** Any **CLAIMS** for which the **INSURED** may be held liable under any Workers' Compensation, unemployment compensation, disability benefits law, employers' liability or under any similar law; or to **BODILY INJURY** to any employee of the **INSURED**; or to any liability for indemnity or contribution brought by any party against an **INSURED** for **BODILY INJURY** to any employee of an **INSURED**.
- J.** 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**.

Coverage Section X SEXUAL ABUSE 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 **SEXUAL ABUSE**.

All **SEXUAL ABUSE** to one or more persons 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**.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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Endorsement No. 17

**COVERAGE SECTION I PROPERTY – POLLUTANT CLEAN UP AND REMOVAL EXTENSION
(ARP50007 ed. 03/2020)**

The following **SUBLIMIT/Annual Aggregate** is added to **Coverage Section I Property** under **Schedule of Specific Excess Limits of Insurance** in the **Declarations** of this Policy:

POLLUTANT Clean Up and Removal SUBLIMIT:	<u>\$50,000</u>	ground up per OCCURRENCE
	<u>\$250,000</u>	Annual Aggregate

The following coverage extension is added to **Coverage Section I Property – Conditions**:

12. POLLUTANT Clean Up and Removal: Notwithstanding **General Policy Exclusion E** in this Policy, Underwriters agree to extend **Coverage Section I Property** to cover expense to extract **POLLUTANTS** from land or water at the scheduled premises, if the discharge, dispersal, seepage, release or escape of the **POLLUTANTS** is caused by, or results from a Peril not otherwise excluded and:

- (a) Is neither expected or intended;
- (b) Is instantaneous and is demonstrable as having commenced at a specific time and date during the **PERIOD OF INSURANCE**;
- (c) Is detected within 72 hours after the commencement of such discharge, dispersal, seepage, release or escape;
- (d) Is reported to the Company within 90 days of being detected; and
- (e) Is subject to reasonable attempts expended by all involved **INSUREDS** to terminate or mitigate the situation as soon as conditions permitted.

This Coverage Extension does not apply to costs to test for, monitor, or assess the existence, concentration or effects of **POLLUTANTS**, but coverage is provided for testing which is performed in the course of extracting **POLLUTANTS** from the land or water.

Any discharge, dispersal, seepage, release or escape of **POLLUTANTS** shall be deemed to have commenced at the time of the first event in any series, chain or combination or related events that result in any discharge, dispersal, seepage, release or escape of **POLLUTANTS** and all subsequent, sequential, contributing or combined discharges, dispersals, seepage, release or escape no matter when occurring, shall be deemed to have commenced at the time of that first event. Any discharge, dispersal, seepage, release or escape of **POLLUTANTS** in any series, chain or combination or related events that all subsequent, sequential, contributing or combined discharges, dispersals, seepage, release or escape that occur over more than one **PERIOD OF INSURANCE** shall be deemed to have taken place during the first **PERIOD OF INSURANCE** and only that Limit shall apply.

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED INSURED: West Michigan Risk Management Trust

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Effective Date: July 1, 2020

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This coverage extension does not provide any coverage for:

- (a) **WASTE SITE;**
- (b) Any fines or penalties;
- (c) Any clean-up costs mandated by the Superfund Program, or any federal, state or local governmental authority;
- (d) Acid Rain;
- (e) Water Pollution caused by oil or its derivatives; or
- (f) Any underground storage tanks and associated piping.

The following is added to **Coverage Section I Property – Definitions:**

WASTE SITE means that part of any premises which is or was at any time used by the **INSURED** or others for storage, disposal, processing or treatment of waste of any kind. It includes, but is not limited to, any landfill, pit or dumping ground, treatment, storage and disposal facility, whether permitted or not, lagoon or pond, drum storage or disposal area, disposal pipe outfall, injection well or any other repository of waste of any kind.

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.