

COMMON POLICY DECLARATIONS RETAINED LIMIT POLICY

Policy No. 4630139-01

Renewal of 4630139-00

1. NAMED INSURED AND MAILING ADDRESS

City of Ann Arbor

301 E Huron

Ann Arbor, MI 48104

2. POLICY PERIOD

From 3/1/2014 To 3/1/2015

12:01 A.M. standard time at your mailing address
shown above.

3. BUSINESS DESCRIPTION

MUNICIPALITY

4. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy. This policy consists of the following Coverage Parts for which a premium is indicated. The Policy Writing Minimum Premium is \$1,000.

Coverage Parts	Premium
COMMERCIAL GENERAL LIABILITY	\$ <u>Included</u>
COMMERCIAL AUTO LIABILITY	\$ <u>Included</u>
LAW ENFORCEMENT LIABILITY	\$ <u>Included</u>
EMPLOYMENT PRACTICES LIABILITY	\$ <u>Included</u>
PUBLIC OFFICIALS LIABILITY	\$ <u>Included</u>
COMMERCIAL EXCESS LIABILITY	\$ <u>Included</u>
	\$ <u> </u>
TERRORISM	\$ <u>Included</u>
Total Policy Premium	\$ <u>\$360,292</u>
MCCA Charge	\$ <u>57,102</u>
Premium is payable: At Inception	\$ <u>417,394</u>

5. FORMS AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS:

SEE POLICY FORMS LIST

SIGNATURE PAGE

IN WITNESS WHEREOF, the company issuing this policy has caused this policy to be signed by its President and its Secretary and countersigned (if required) on the Declarations page by a duly authorized representative of the company. This endorsement is executed by the company stated in the Declarations.

Argonaut Insurance Company

Argonaut-Midwest Insurance Company

Argonaut Great Central Insurance Company

Select Markets Insurance Company

A handwritten signature in black ink, appearing to be 'KIRG' followed by a long horizontal stroke.

President

A handwritten signature in black ink, appearing to be 'CQ' followed by a long horizontal stroke.

Secretary

Insured: City of Ann Arbor

Policy Number: 4630139-01

SCHEDULE OF FORMS AND ENDORSEMENTS

Forms and Endorsements applying to and made part of this policy at the time of issuance:

APRS Package

Form Name	Form Number
SCHEDULE OF FORMS AND ENDORSEMENTS	AG 605 01-10
REPORTING CLAIMS TO ALTERIS	
SIGNATURE PAGE	AG 005 1013
PRIVACY NOTICE	PRIVACYNOTICE
OFAC - U S TREASURY DEPARTMENT OFFICE OF FOREIGN ASSETS CONTROL	IL P 001 01 04
NOTICE TO POLICYHOLDERS - POTENTIAL RESTRICTIONS OF TERRORISM	TRIA PN 016-1013
COVERAGE	
POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE	NOTICE TRIA AIC (12-07)
Michigan Disclaimer Notice	MIDISCLAIMER-1112
Michigan Changes - Cancellation and Nonrenewal	AG IL 0286 MI 05 12
Michigan Changes - Liquor Liability	AG CG 2622 MI 0512
COMMON POLICY DECLARATIONS RETAINED LIMIT POLICY	ILRLDEC 001 (07-13)
COMMON POLICY CONDITIONS	AG-IL-RL E-001 (09-11)
LEAD EXCLUSION	AG-IL-RL E-003 (06-10)
ELECTROMAGNETIC RADIATION EXCLUSION	AG-IL-RL E-004 (06-10)
PUBLIC RISK: TWO OR MORE COVERAGE PARTS OR COVERAGE FORMS	AG-IL-RL E-005 (06-10)
ASBESTOS EXCLUSION	AG-IL-RL E-006 (03-11)
SILICA OR SILICA-RELATED DUST EXCLUSION	AG-IL-RL E-007 (06-10)
NUCLEAR ENERGY LIABILITY EXCLUSION	AG-IL-RL E-010 (06-10)
FUNGI OR BACTERIA EXCLUSION	AG-IL-RL E-012 (06-10)
POLICY CHANGES	AG-IL-RL E-014 (06-10)
COMMUNICABLE DISEASE EXCLUSION	AG-IL-RL E-016 (06-11)
PATHOGENIC OR POISONOUS BIOLOGICAL OR CHEMICAL MATERIALS	AG-IL-RL E-017 (06-10)
EXCLUSION	
NUCLEAR HAZARD EXCLUSION	AG-IL-RL E-018 (06-10)
CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM	AG-IL RL E-025 (11-11)
PUBLIC RISK LIABILITY RETAINED LIMIT POLICY DECLARATIONS	RLLIABDEC 001 (07-13)

APRS General Liability

Form Name	Form Number
CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)	CG 21 87 01 07
Public Risk General Liability Retained Limit Coverage Form – Limited Reporting – LAE Included Within Retention, Outside the Limits of Insurance	GLRLIO 002 0413
CEMETERY PROFESSIONAL LIABILITY	AG-GL-RL E-003 (06-10)
EXCLUSION - HEALTH CARE SERVICES – CAMPS OR CAMPGROUNDS	AG-GL-RL E-051 (06-10)

APRS Public Officials Liability

Form Name	Form Number
PUBLIC OFFICIALS LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM - LIMITED REPORTING - LOSS ADJUSTMENT EXPENSES INCLUDED WITHIN RETENTION, OUTSIDE THE LIMITS OF INSURANCE	PORLIO 002 (04-13)
EXCLUSION - DERIVATIVE INVESTMENT	AG-PO-RL E-302 (06-10)

Insured: City of Ann Arbor

Policy Number: 4630139-01

SCHEDULE OF FORMS AND ENDORSEMENTS

Forms and Endorsements applying to and made part of this policy at the time of issuance:

EXCLUSION - FINANCIAL LOSS

AG-PO-RL E-303 (06-10)

EXCLUSION - SECURITIES, BONDS, DEBENTURES

AG-PO-RL E-306 (06-10)

APRS Employment Practices Liability

Form Name	Form Number
EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM - LIMITED REPORTING - LOSS ADJUSTMENT EXPENSES INCLUDED WITHIN RETENTION, OUTSIDE THE LIMIT OF INSURANCE	EPRLIO 002 (04-13)

APRS Law Enforcement Liability

Form Name	Form Number
Law Enforcement Liability Retained Limit Coverage Form - Limited Reporting - Occurrence Coverage - LAE Included Within Retention, Outside the Limit of Insurance	LERLIO 002 0413

APRS Auto Liability

Form Name	Form Number
NOTICE TO INSURED OF AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE ENDORSEMENT PREMIUM DEVELOPMENT	AUTO FLEET NOTICE 0713
BUSINESS AUTO LIABILITY RETAINED LIMIT COVERAGE FORM DECLARATIONS Schedule Of Automobiles	ALRLDEC 001 (07-13) AG-CA RL CERT-SCH (06-10)
PUBLIC RISK AUTO LIABILITY RETAINED LIMIT COVERAGE FORM - LIMITED REPORTING LOSS ADJUSTMENT EXPENSE INCLUDED WITHIN THE RETENTION, OUTSIDE THE LIMIT	ALRLIO 002 0413
MICHIGAN CHANGES	AG CA 0110 MI 0512
MICHIGAN CHANGES - CANCELLATION AND NONRENEWAL	AG CA 0217 MI 0512
Michigan Property Protection Coverage	CA 22 24 10 13
Michigan Personal Injury Protection	CA 22 20 05 09

APRS Excess

Form Name	Form Number
CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)	CX 21 29 10 13
COMMERCIAL EXCESS LIABILITY DECLARATIONS	XS-300 DEC (08-11)
EXCESS FOLLOWING FORM - SCHEDULE OF UNDERLYING COVERAGES	XS-301 01 SCH (08-11)
COMMERCIAL EXCESS LIABILITY POLICY	XS-302 CP (08-11)
EXCESS - AUTO EXCLUSIONS	M-1025 0712
AMENDMENT - INSURING AGREEMENT	XS-310 (08-11)
MICHIGAN CHANGES	XS 327 MI 0512
MICHIGAN CHANGES - CANCELLATION AND NONRENEWAL	XS 311 MI 0512

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BUSINESS AUTOMOBILE COVERAGE PART
GENERAL LIABILITY COVERAGE PART
EDUCATOR'S GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
GOVERNMENT CRIME COVERAGE PART
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
PUBLIC OFFICIALS LIABILITY COVERAGE PART
LAW ENFORCEMENT LIABILITY COVERAGE PART
EDUCATOR'S LEGAL LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. The Cancellation Common Policy Condition is amended as follows:

1. Paragraph a. is replaced by the following:

The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us or our authorized agent advance notice of cancellation.

2. Paragraph b. is replaced by the following:

We will mail or deliver our notice to the first Named Insured's last mailing address known to us or our authorized agent.

3. Paragraph f. is replaced by the following:

If this policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. The following Condition is added and supersedes any other provision to the contrary:

NONRENEWAL

1. If we decide not to renew this policy, we will mail or deliver to the first Named Insured's last mailing address known to us or our authorized agent written notice of the nonrenewal not less than 90 days before the expiration date.

If notice is mailed, proof of mailing shall be sufficient proof of notice.

2. Under the Commercial Crime and Government Crime policies, the following is added to the Duties In The Event of Loss Condition:

Notice given by or on behalf of the Insured to our authorized agent, with particulars sufficient to identify the Insured, shall be considered notice to us.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – LIQUOR LIABILITY

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART

LIQUOR LIABILITY COVERAGE PART (OCCURRENCE VERSION)

- A. Section I – Liquor Liability Coverage** is amended to comply with Michigan Compiled Laws Section 436.1811 as follows:

No condition, provision, stipulation or limitation contained in this policy, or any endorsement thereon, shall relieve us from liability (within the statutory limits provided by Section 803 of the Michigan liquor control code of 1998) for the payment of any claim for which the insured may be held liable under Section 801 of said act.

However, all terms, conditions and limitations in this policy will remain in full force and effect as binding between you and us. You must reimburse us for any payment:

1. Made by us on account of any "injury", claim or "suit" involving a breach of the terms of this policy; and
2. That we would not have been obligated to make under the terms of this policy except for the agreement contained in this endorsement.

- B. The paragraph relating to prejudgment interest in **Supplementary Payments** (Section I) is replaced by the following as respects Liquor Liability coverage:**

We will pay, with respect to any claim or "suit" we defend:

5. Prejudgment interest awarded against the insured on that part of the judgment we pay.

- C. With respect to the **Duties In The Event Of Injury, Claim or Suit Condition** (Section IV – Liquor Liability Conditions):**

1. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
2. The last sentence of Paragraph 2.b. is deleted.
3. The reference to Paragraph d. is amended to read Paragraph a.
4. The following is added:
 - d. Failure to give any notice required by this condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

- D. The **Representations Condition** (Section IV – Liquor Liability Conditions) is amended by the addition of the following:**

No false statement or breach of authority or act or omission on the part of the insured will void this insurance, unless the intention of the insured to conceal a hazard of perpetrating fraud is proven.

- E. The **When We Do Not Renew Condition** (Section IV – Liquor Liability Conditions) does not apply.**

- F. The **Cancellation Common Policy Condition** is replaced by the following and supersedes any provision to the contrary:**

1. The first Named Insured shown in the Declarations may cancel this policy by:
 - a. Giving 30 days' advance written notice of cancellation to the Michigan Liquor Control Commission;
 - b. Obtaining and delivering new proof of financial responsibility to the Michigan Liquor Control Commission within the time frame specified in a. above; and

c. Mailing or delivering to us or our authorized agent 30 days' advance written notice of cancellation.

The cancellation will not be effective until 30 days after such written notice is received by the Michigan Liquor Control Commission.

2. We may cancel this policy by mailing or delivering advance written notice of cancellation at least 30 days before the effective date of cancellation to the first Named Insured shown in the Declarations and the Michigan Liquor Control Commission.

The cancellation will not be effective until 30 days after such written notice is received by the Michigan Liquor Control Commission.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us or our authorized agent.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

1. Bankruptcy or Insolvency

Bankruptcy, insolvency or financial impairment of the insured will not relieve us of our obligations under this Policy. Under no circumstances shall we be required to drop down or in any other way assume responsibility for the "retained limit" or assume any obligation associated with the "retained limit".

2. Cancellation or Non-Renewal

- a. The first Named Insured shown in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this Policy by mailing or delivering to the first Named Insured written notice of such cancellation in compliance with the applicable state regulations that apply to cancellation notices, but not less than:
 - (1) Ten (10) days before the effective date of cancellation, if we cancel for nonpayment of any premium when due; or
 - (2) Ninety (90) days before the effective date of cancellation, if we cancel for any other reason.
- c. If we decide not to renew this Policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the non-renewal in compliance with the applicable state regulations that apply to such non-renewal notice requirements, but not less than ninety (90) days before the expiration date of this Policy.
- d. We will mail or deliver such cancellation or non-renewal notice to the first Named Insured's last mailing address known to us.
- e. Notice of cancellation by us will state the effective date of the cancellation. The "policy period" will end on that date.
- f. If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- g. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. Changes

This Policy contains all of the agreements between you and us concerning the insurance afforded under this Policy. The first Named Insured shown in the Declarations is authorized to make changes under the terms of this Policy with our consent. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or stop us from asserting any right under the terms of this Policy. The terms can be amended or waived only by endorsement issued by us and made a part of this Policy.

4. Conflicting Statutes

Terms of this Policy which are in conflict with the statutes of the state wherein this Policy is issued are hereby amended to conform to such statutes.

5. Exemption Of Your Books And Records

We may examine your books and records as they relate to this Policy at any time during the "policy period" and up to three years afterward. We may do the same as to the books and records of any organization you newly acquire or form that is deemed to be a Named Insured under this Policy.

6. Inspections And Surveys

We have the right but are not obligated to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. Such inspections are not safety inspections. We do not undertake any duty to provide for the health or safety of any person and we do not represent or warrant that conditions:

- (1) Are safe or healthful; or
- (2) Comply with laws, regulations, codes or standards.

This Condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations on our behalf.

7. Legal Action Against Us

No person or organization has a right under this Policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us under this Policy unless all of its terms have been fully complied with; and
- c. As respects Property coverages, the action must be brought within two years after the date on which the direct physical loss or damage occurred.

A person or organization may sue us to recover on an agreed settlement or judgment against an insured based on its final legal adjudication; but we will not be liable for any "loss" or damages that are not payable under the terms of this Policy, or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative. We will not be liable for any "loss adjustment expense(s)" that are not payable under the terms of this Policy, in accordance with the terms of each respective Coverage Part or Coverage Form under the Policy.

8. Liberalization

If we adopt a change under this Policy during the "policy period", or rules that would broaden the coverage of this Policy without charge, such broader coverage will apply to this Policy when the change becomes effective in your state. Such broader coverage applies only until the end of the "policy period".

9. Premiums

- a. The first Named Insured:

- (1) is responsible for payment of all premiums when due; and
- (2) will be the payee for any return premiums we pay.

- b. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

10. Public Risk Authorization Clause

By acceptance of this Policy, the first Named Insured agrees to act on behalf of each Insured with respect to the giving and receiving of notice of each incident, "claim" or "suit", cancellation or nonrenewal, the payment of premiums that may become due under this Policy; and each Insured agrees that the Named Insured shall act on their behalf.

11. Representations

By accepting this Policy, you agree that:

- a. The statements in the Declarations of this Policy, including its respective Coverage Parts and Coverage Forms, are accurate and complete; and
- b. Those statements are based upon representations you made to us; and
- c. We have issued this Policy in reliance upon your representations.

Coverage will continue to apply if you:

- (1) Unintentionally fail to disclose all hazards existing at the inception of this Policy; or
- (2) Unintentionally make an error, omission; or improper description of premises; or other statement of information, stated in this Policy.

You must notify us as soon as possible after discovery of any hazard or any other information in that was not provided to us prior to the acceptance of this policy.

This provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal under this policy.

12. Separation Of Insureds

Except with respect to the Limits of Insurance, all exclusions within this Policy and any rights or duties specifically assigned to the first Named Insured under this Policy, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each Insured against whom claim is made or "suit" is brought.

13. Sovereign Immunity and Damages Caps

For any amount for which the Insured would not be liable under applicable governmental or sovereign immunity but for the existence of this Policy; the issuance of this insurance shall not be deemed a waiver of any statutory immunities by or on behalf of any insured, nor of any statutory limits on the monetary amount of liability applicable to any insured were this Policy not in effect; and as respects to any "claim", we expressly reserve any and all rights to deny liability by reason of such immunity, and to assert the limitations as to the amount of liability as might be provided by law.

14. Transfer of Rights of Recovery Against Others to Us

If any Insured has rights to recover all or part of any payment we have made under this Policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. In the event of recovery, the proceeds will be divided in the following priority, including those expenses incurred in pursuing such recovery:

- a. Any insured or insurer who paid amounts in excess of the Limits of Insurance of this Policy;
- b. Our expenses and payments made under this policy;
- c. You and any other insurer who paid an amount below our Limits of Insurance of this Policy.

15. When We Do Not Renew

If we decide not to renew this Policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than ninety (90) days before the expiration date.

If notice is mailed, we will mail it to the last mailing address known to us of the first Named Insured. Proof of mailing will be sufficient proof of notice.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LEAD EXCLUSION

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART
LAW ENFORCEMENT LIABILITY COVERAGE PART
PUBLIC OFFICIALS LIABILITY COVERAGE PART
EDUCATOR'S LIABILITY COVERAGE PART
PUBLIC RISK GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
EDUCATOR'S GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
PUBLIC OFFICIALS LIABILITY RETAINED LIMIT COVERAGE FORM
LAW ENFORCEMENT LIABILITY RETAINED LIMIT COVERAGE FORM
EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT COVERAGE FORM

The following **Exclusion** is added:

This insurance does not apply to any "bodily injury", "property damage", "personal and advertising injury", "personal injury", "wrongful act(s)" or any other injury, damage, liability, loss, cost or expense in whole or in part caused by, based upon, resulting from, arising out of, caused by or contributed by, or in any way related to the actual alleged or threatened ingestion, inhalation, absorption or exposure to lead in any form from any source; including but not limited to:

1. The manufacture, sale, distribution, handling, installation, use, removal or storage of lead in any form from any source; or
2. The emission, release or transmission of lead in any form from any source; or
3. Any supervision, instructions, recommendations, notices, warnings or advice given or which should have been given in connection with lead or possible lead exposures; or
4. Any loss, cost, expense, liability or other type of obligation arising out of, or resulting from, or in any related to, any:
 - a. "Claim", "suit", request, demand, directive or order by or on behalf of any person, entity or governmental authority that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, abate, neutralize or in any way respond to, or assess the effects of, lead in any form from any source; or to any
 - b. "Claim" or "suit" by or on behalf of any person, entity or governmental authority for damages or any other relief or remedy because of testing for, monitoring, cleaning up, removing, containing, treating or detoxifying, abating or neutralizing, or in any way responding to, or assessing the effects of, lead in any form.

We shall have no obligation of any kind, including but not limited to, any obligation to investigate, to provide defense, to pay defense costs, or to settle or pay settlements or judgments as respects to any "claim", "suit" or proceeding involving or allegedly involving lead as excluded in this endorsement. We further shall have no obligations as respects any insured to indemnify or contribute with any part in connection with the matters excluded in this endorsement.

As used in this exclusion, lead includes but is not limited to, the mineral lead (chemical element and symbol {lead (Pb)} Atomic Number 82) in any form, whether or not the lead is:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

- (1) Pure;
- (2) Contained in, on, or incorporated into, products, goods or materials;
- (3) Solid, liquid, gaseous or in fumes; or
- (4) Contained in any part of any building, structure, building material, product or any other real or personal property.

EXCLUSION

This exclusion does not apply to "bodily injury" or "property damage" that is caused by a sudden, abrupt striking by, or impact with, lead which causes an immediate and conspicuous manifestation of physical injury to persons or property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ELECTROMAGNETIC RADIATION EXCLUSION

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART
PUBLIC RISK GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
LAW ENFORCEMENT COVERAGE PART
LAW ENFORCEMENT LIABILITY RETAINED LIMIT COVERAGE FORM
PUBLIC OFFICIALS COVERAGE PART
PUBLIC OFFICIALS LIABILITY RETAINED LIMIT COVERAGE FORM
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART
EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT COVERAGE FORM

The following **Exclusion** is added:

This policy does not apply to and we will not provide a defense for:

- a. "Bodily injury," "property damage", "personal and advertising injury", "employee benefits wrongful acts", "personal injury", "law enforcement wrongful acts", "public officials wrongful acts", "educator's legal wrongful acts", or "employment practices wrongful acts" arising out of, or which result in, the actual, alleged, threatened, perceived, latent, sudden and accidental or incidental exposure to or contact with electromagnetic radiation in any form, from any source.
- b. The costs of abatement or mitigation of:
 - (1) Electromagnetic radiation; or
 - (2) Exposure to electromagnetic radiation.
- c. Any supervision, instruction, recommendation, warning or advice given or which should have been given in connection with **a.** or **b.** above.

Electromagnetic radiation includes but is not limited to, magnetic energy, waves, fields or forces generated, produced, transmitted or maintained by the charges, currents, frequencies, energy or forces of electricity that is generated, flowing or otherwise transmitted through or via the medium, methods and equipment designed to generate, produce, distribute, transport or transmit the electrical charges, currents, frequencies, energy or forces.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TWO OR MORE COVERAGE PARTS OR COVERAGE FORMS

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE PART
GENERAL LIABILITY COVERAGE PART
PUBLIC OFFICIALS COVERAGE PART
LAW ENFORCEMENT LIABILITY COVERAGE PART
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART
PUBLIC RISK GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
PUBLIC RISK AUTO LIABILITY RETAINED LIMIT COVERAGE FORM
PUBLIC OFFICIALS LIABILITY RETAINED LIMIT COVERAGE FORM
LAW ENFORCEMENT LIABILITY RETAINED LIMIT COVERAGE FORM
EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT COVERAGE FORM

This Condition applies to and is made a part of the Policy to which this endorsement is attached.

The following **Condition** is added to the **Common Policy Conditions**:

Two Or More Coverage Part(s) and/or Coverage Form(s) Condition

In the event that more than one coverage part and/or coverage form listed above applies to the same "occurrence", "offense", "accident", "wrongful act", "loss", "claim" or "suit", the maximum Limit of Insurance under all the coverage part(s) and/or coverage form(s) shall not exceed the highest applicable Limit of Insurance under any one coverage part or coverage form.

The "retained limit" or deductible applicable to any such "occurrence", "offense", "accident", "wrongful act", "loss", "claim" or "suit" will be the "retained limit" or deductible applicable to the coverage part or coverage form which has the highest applicable Limit of Insurance, unless the coverage part or coverage form has been endorsed to provide a separate Limit of Insurance and "retained limit" or deductible that apply to that specific risk. If the Limit of Insurance is the same for all coverage parts or coverage forms, the lowest applicable "retained limit" or deductible will apply.

For purpose of this endorsement a "wrongful act" shall include any coverage part or coverage form that is written to provide coverage on the basis of a wrongful act, including but not limited to "employment practices wrongful act", "public officials wrongful act", "employee benefits wrongful act", "educator's legal wrongful act".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

This endorsement modifies insurance provided by:

GENERAL LIABILITY COVERAGE PART
LAW ENFORCEMENT LIABILITY COVERAGE PART
EDUCATOR'S LIABILITY COVERAGE PART
PUBLIC OFFICIALS LIABILITY COVERAGE PART
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART
PUBLIC RISK GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
PUBLIC OFFICIALS LIABILITY RETAINED LIMIT COVERAGE FORM
LAW ENFORCEMENT LIABILITY RETAINED LIMIT COVERAGE FORM
EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT COVERAGE FORM
EDUCATOR'S GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT COVERAGE FORM

The following **Exclusion** is added:

This insurance does not apply to any "bodily injury", "property damage", "personal and advertising injury", "wrongful act(s)", or any "loss", cost, expense or legal obligation in whole or in part caused by, resulting from, arising out of, or in any way related to asbestos, included but not limited to:

1. The manufacture, sale, distribution, handling, use, installation, removal, abatement, containment, storage, transportation, disposal, existence, presence, emanation, emission, release, inhalation, ingestion, absorption, or transmission of or exposure to asbestos;
2. Any supervision, instructions, recommendations, notices, warnings or advice given or which should have been given in connection with asbestos;
3. Any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, remediate, neutralize, or in any way respond to or assess the extent or the effects of asbestos; or
4. Any claim, suit or proceeding for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, remediating, neutralizing or in any way responding to, or assessing the effects of asbestos. We shall have no obligation of any kind including but not limited to, any obligation to investigate, defend, pay defense costs, settle, or pay settlements or judgments as to any claim, suit or proceeding involving or allegedly involving asbestos.

As used in this exclusion, asbestos includes but is not limited to, the mineral asbestos in any form, whether or not the asbestos is:

- a. A fiber, particle or dust;
- b. Used alone or in any combination with any substance or material;
- c. Contained in, or on, or incorporated into, products, goods or materials; or
- d. Present, existing at or contained, stored or transported in any part of any building, structure, building material, product or any other real or personal property.

This exclusion does not apply to any "bodily injury" or "property damage" that is caused by a sudden, abrupt striking by, or impact with, asbestos, which causes an immediate and conspicuous manifestation of physical injury to persons or property, or to "bodily injury" or "property damage" arising directly out of the "emergency service activities" or "emergency training operations" of your Fire Department or Hazardous Materials Unit.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA-RELATED DUST EXCLUSION

This endorsement modifies insurance provided by:

GENERAL LIABILITY COVERAGE PART
LAW ENFORCEMENT LIABILITY COVERAGE PART
PUBLIC OFFICIALS COVERAGE PART
EDUCATOR'S LIABILITY COVERAGE PART
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART
PUBLIC RISK GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
LAW ENFORCEMENT LIABILITY RETAINED LIMIT COVERAGE FORM
PUBLIC OFFICIALS LIABILITY RETAINED LIMIT COVERAGE FORM
EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT COVERAGE FORM
EDUCATOR'S GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT COVERAGE FORM

The following **Exclusion** is added to this policy:

This insurance does not apply to any:

1. "Bodily injury", "property damage", "personal and advertising injury", "personal injury" or "wrongful act(s)" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust"; or
2. "Loss", cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

The following **Definitions** are added:

1. "**Silica**" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
2. "**Silica-related dust**" means a mixture or combination of silica and other dust or particles.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART
LAW ENFORCEMENT LIABILITY COVERAGE PART
PUBLIC OFFICIALS LIABILITY COVERAGE PART
EDUCATOR'S LIABILITY COVERAGE PART
PUBLIC RISK GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
EDUCATOR'S GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
PUBLIC OFFICIALS LIABILITY RETAINED LIMIT COVERAGE FORM
LAW ENFORCEMENT LIABILITY RETAINED LIMIT COVERAGE FORM
EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT COVERAGE FORM

The following **Exclusion** is added:

This insurance does not apply to and we will not provide a defense for:

Nuclear Energy Exclusion

- a. Any "bodily injury", "property damage", "personal and advertising injury", "wrongful act(s)" or any other injury, "loss", cost or damage:
 - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
 - (e) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (b) 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 or with any person or organization.
- b. Any "bodily injury", "property damage", "personal injury", "law enforcement wrongful act(s)" or any other injury, "loss", cost or damage resulting from the "hazardous properties" of "nuclear material," if:
 - (1) The "nuclear material":
 - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
 - (b) Has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

- (3) The injury or damage arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operations or use of any "nuclear facility," but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion b.(3) applies only to "property damage" to such "nuclear facility" and any property thereat.

As used in this exclusion:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART
LAW ENFORCEMENT LIABILITY COVERAGE PART
PUBLIC OFFICIALS LIABILITY COVERAGE PART
EDUCATOR'S LIABILITY COVERAGE PART
PUBLIC RISK GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
EDUCATOR'S GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
PUBLIC OFFICIALS LIABILITY RETAINED LIMIT COVERAGE FORM
LAW ENFORCEMENT LIABILITY RETAINED LIMIT COVERAGE FORM
EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT COVERAGE FORM

A. The following **Exclusion** is added:

FUNGI OR BACTERIA

1. This insurance does not apply to, and we shall not be obligated to make any payment nor to defend any "suit" against the insured:

For any "loss" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.

2. The coverage afforded by this policy does not apply to any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

B. The following **Definition** is added:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

Policy Change
Number: 001

POLICY NUMBER: 4630139-01	POLICY CHANGES EFFECTIVE: 3/1/2014	COMPANY: Argonaut Insurance Company
NAMED INSURED: City of Ann Arbor		AUTHORIZED REPRESENTATIVE
COVERAGE PARTS AFFECTED: ALL COVERAGE PARTS		
<p style="text-align: center;">CHANGES</p> <p>It is hereby understood and agreed that Form AG IL 0288 MI 0512 Michigan Changes – Cancellation and Nonrenewal has been amended to include the following:</p> <p>90 Days Notice for Cancellation and Nonranawal 10 Days Notica for Non-Payment of Pramium</p> <p>All other terms and conditions remain unchanged.</p>		

Authorized Representative Signature

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTAMINATION AND DISEASE EXCLUSION

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART
PUBLIC RISK GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
EDUCATOR'S GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
LAW ENFORCEMENT COVERAGE PART
LAW ENFORCEMENT LIABILITY RETAINED LIMIT COVERAGE FORM
PUBLIC OFFICIALS COVERAGE PART
PUBLIC OFFICIALS LIABILITY RETAINED LIMIT COVERAGE FORM
EDUCATOR'S LIABILITY COVERAGE PART
EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT COVERAGE FORM
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART
EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT COVERAGE FORM

The following **Exclusion** is added:

- a. This policy does not apply to and we will not provide a defense for "bodily injury," "property damage", "personal and advertising injury", "employee benefits wrongful acts", "law enforcement wrongful acts", "public officials wrongful acts", employment practices wrongful acts", "educator's legal wrongful acts" arising out of, or the alleged arising out of:
 - (1) A "communicable disease". A "communicable disease" means a disease that is transmitted through human contact with or by an insured or an employee;
 - (2) Acquired Immune Deficiency Syndrome (AIDS) of an insured or employee;
 - (3) Food contamination. Food contamination means an incidence of food poisoning to one or more persons as a result of:
 - i. Tainted food you purchased;
 - ii. Food which has been improperly stored, handled or prepared; or
 - iii. A "communicable disease" transmitted by or through one or more of your "employees";
- b. This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in :
 - (1) Supervising, hiring, employing, training or monitoring of others that may be infected with and/or spread (1), (2) or (3) above;
 - (2) Testing for (1), (2) or (3) above;
 - (3) Failure to prevent the spread of (1), (2) or (3) above; or
 - (4) Failure to report (1), (2) or (3) above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PATHOGENIC OR POISONOUS BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION

This endorsement modifies insurance provided by:

PROPERTY COVERAGE PART
INLAND MARINE COVERAGE PART
GENERAL LIABILITY COVERAGE PART
BUSINESS AUTO COVERAGE PART
PUBLIC OFFICIALS COVERAGE PART
EDUCATOR'S COVERAGE PART
LAW ENFORCEMENT COVERAGE PART
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART
BUILDING AND PERSONAL PROPERTY COVERAGE FORM
AUTO PHYSICAL DAMAGE COVERAGE FORM
GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
AUTO LIABILITY RETAINED LIMIT COVERAGE FORM
PUBLIC OFFICIALS LIABILITY RETAINED LIMIT COVERAGE FORM
LAW ENFORCEMENT LIABILITY RETAINED LIMIT COVERAGE FORM
EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT COVERAGE FORM
EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT COVERAGE FORM

A. The following Exclusion is added:

This insurance does not apply to:

PATHOGENIC OR POISONOUS BIOLOGICAL OR CHEMICAL MATERIALS

1. We will not pay for any "loss" or damage caused directly or indirectly by the discharge, dispersal, seepage, migration, release, escape or application of any pathogenic or poisonous biological or chemical materials. Such "loss" or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss" or damage;
2. With respect to any action that comes within the terms of the War and Military Action Exclusion and involves a discharge, dispersal, seepage, migration, release, escape or application of any pathogenic or poisonous biological or chemical materials, the War and Military Action Exclusion supersedes this Pathogenic or Poisonous Biological or Chemical Materials Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR HAZARD EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
INLAND MARINE COVERAGE PART
BUSINESS AUTO COVERAGE PART
AUTO PHYSICAL DAMAGE COVERAGE PART

The following **Exclusion** is added:

With respect to any form, endorsement or coverage to which the Nuclear Hazard Exclusion does not apply, that Exclusion is hereby added as follows:

Nuclear Hazard

1. We will not pay for any loss or damage caused directly or indirectly by nuclear reaction or radiation, or radioactive contamination, however caused. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.
2. With respect to any activity that comes within the terms of the War and Military Action Exclusion and involves nuclear reaction or radiation, or radioactive contamination, the War and Military Action Exclusion supersedes this Nuclear Hazard Exclusion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

PUBLIC RISK BUILDING AND PERSONAL PROPERTY COVERAGE FORM
EDUCATOR'S BUILDING AND PERSONAL PROPERTY COVERAGE FORM
PUBLIC RISK GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
EDUCATOR'S GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
COMMERCIAL ARTICLES COVERAGE FORM
CONTRACTOR'S EQUIPMENT COVERAGE FORM
DATA COMPROMISE COVERAGE FORM
FINE ARTS DECLARATIONS AND COVERAGE FORM
INSTALLATION FLOATER DECLARATIONS AND COVERAGE FORM
MISCELLANEOUS OR SPECIAL FLOATER COVERAGE
INLAND MARINE COVERAGE BUILDER'S RISK DECLARATIONS AND COVERAGE FORM
LAW ENFORCEMENT LIABILITY RETAINED LIMIT COVERAGE FORM
LAW ENFORCEMENT LIABILITY RETAINED LIMIT COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM – COVERAGE
FOR OPERATIONS OF DESIGNATED CONTRACTOR
COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
BOILER AND MACHINERY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
COMMERCIAL EXCESS LIABILITY POLICY

A. The following provisions are added and apply to Property and Liability Coverages:

CAP ON CERTIFIED TERRORISM LOSSES

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. The following provision is added and applies to Property Coverages.

APPLICATION OF OTHER EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form, Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

PUBLIC RISK LIABILITY RETAINED LIMIT POLICY DECLARATIONS

COMPANY: Argonaut Insurance Company 225 West Washington Street 24th Floor Chicago, IL 60606 Policy Number: 4630139-01	PRODUCER: Apex Insurance Services PO Box 7035 Eugena, OR 97401
NAMED INSURED: <u>City of Ann Arbor</u> MAILING ADDRESS: <u>301 E Huron</u> <u>Ann Arbor, MI 48104</u>	
THIS POLICY MAY CONTAIN OCCURRENCE COVERAGES, CLAIMS-MADE COVERAGES OR A COMBINATION OF OCCURRENCE AND CLAIMS-MADE COVERAGES. PLEASE READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS AND DUTIES AND WHAT IS AND IS NOT COVERED.	
OCCURRENCE COVERAGES Policy Period From: 3/1/2014 To: 3/1/2015 at 12:01 A.M. Standard Time at your mailing address shown above.* *Information may be omitted if shown elsewhere in the policy	
CLAIMS-MADE "WRONGFUL ACT" COVERAGES Policy Period From: N/A To: N/A at 12:01 A.M. Standard Time at your mailing address shown above.* This Insurance does not apply to claims which arose from a "wrongful act" commencing before the Retroactive Date shown below. Enter 'NONE' if no Retroactive Data applies to this Coverage Part. RETROACTIVE DATE: NONE COVERAGE: N/A *Information may be omitted if shown elsewhere in the policy	
DESCRIPTION OF OPERATIONS: MUNICIPALITY	
FORMS AND ENDORSEMENTS CONTAINED IN THIS POLICY AT INCEPTION: SEE POLICY FORMS LIST	
PREMIUM: \$ <u>Included</u>	
IN RETURN FOR THE PAYMENT OF THE PREMIUM AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.	

LIMITS OF INSURANCE	
GENERAL LIABILITY	LIMIT OF INSURANCE
EACH OCCURRENCE LIMIT	\$ 1,000,000
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$ NO COVERAGE
MEDICAL EXPENSE LIMIT	\$ NO COVERAGE
PERSONAL & ADVERTISING INJURY LIMIT	\$ 1,000,000
FAILURE TO SUPPLY LIMIT	\$ 500,000
GENERAL AGGREGATE LIMIT	\$ 1,000,000
PRODUCTS/COMPLETED OPERATIONS LIMIT	\$ 1,000,000
RETAINED LIMIT	\$ 500,000
"WRONGFUL ACT" COVERAGE	
<p>A "Wrongful Act" means any of the coverages for which a Limit of Insurance is shown that provides coverage on the basis of Each Wrongful Act, including Law Enforcement Wrongful Act, Public Officials Wrongful Act or Employment Practices Wrongful Act Coverages</p> <p>The following "Retained Limit" applies to each "wrongful act" under the Coverage Form for which a Limit of Insurance is shown below:</p>	
RETAINED LIMIT – EACH "WRONGFUL ACT"	\$ 500,000
"WRONGFUL ACT" CLAIMS – MADE COVERAGE	
<p>IMPORTANT NOTICE: THIS COVERAGE PART PROVIDES CLAIMS-MADE COVERAGE. PLEASE READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS AND DUTIES AND WHAT IS AND IS NOT COVERED.</p>	
PUBLIC OFFICIALS LIABILITY	LIMIT OF INSURANCE
RETAINED LIMIT COVERAGE FORM	
EACH "PUBLIC OFFICIALS WRONGFUL ACT" LIMIT	\$ NOT APPLICABLE
ANNUAL AGGREGATE	\$ NOT APPLICABLE
EMPLOYMENT PRACTICES LIABILITY	LIMIT OF INSURANCE
RETAINED LIMIT COVERAGE FORM	
EACH "EMPLOYMENT PRACTICES WRONGFUL ACT" LIMIT	\$ NOT APPLICABLE
ANNUAL AGGREGATE LIMIT	\$ NOT APPLICABLE

'WRONGFUL ACT" OCCURRENCE COVERAGE	
LAW ENFORCEMENT LIABILITY	
RETAINED LIMIT COVERAGE FORM	LIMIT OF INSURANCE
EACH "LAW ENFORCEMENT WRONGFUL ACT" LIMIT	\$ 1,000,000
ANNUAL AGGREGATE LIMIT	\$ 1,000,000
PUBLIC OFFICIALS LIABILITY	
RETAINED LIMIT OCCURRENCE COVERAGE FORM	
EACH "PUBLIC OFFICIALS WRONGFUL ACTS" LIMIT	\$ 1,000,000
ANNUAL AGGREGATE LIMIT	\$ 1,000,000
EMPLOYMENT PRACTICES LIABILITY RETAINED	
LIMIT OCCURRENCE COVERAGE FORM	LIMIT OF INSURANCE
EACH "EMPLOYMENT PRACTICES WRONGFUL ACT" LIMIT	\$ 1,000,000
ANNUAL AGGREGATE LIMIT	\$ 1,000,000
EMPLOYEE BENEFITS LIABILITY	
RETAINED LIMIT COVERAGE FORM	LIMIT OF INSURANCE
EACH "EMPLOYEE BENEFITS WRONGFUL ACT" LIMIT	\$ INCLUDED IN GL LIMIT
ANNUAL AGGREGATE LIMIT	\$ INCLUDED IN GL LIMIT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occur. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

e. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Part or Policy; or

b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

(1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or

(2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or

(3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

2. If the provisions of this endorsement become applicable, such provisions:

e. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and

b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.
- B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are enclosed in quotation marks:
1. "Terrorism" means activities against persons, organizations or property of any nature:
 - a. That involve the following or preparation for the following:
 - (1) Use or threat of force or violence; or
 - (2) Commission or threat of a dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - b. When one or both of the following applies:
 - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
 2. "Any injury or damage" means any injury or damage covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverages Part or Policy.
- C. The following exclusion is added:
- EXCLUSION OF TERRORISM**
- We will not pay for "any injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury or damage" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**
1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
 2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
 3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
 4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
 5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
 6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs C.5. or C.6. are exceeded.

With respect to this Exclusion, Paragraphs C.5. and C.6. describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Part or Policy.

In the event of any incident of "terrorism" that is not subject to this Exclusion, coverage does not apply to "any injury or damage" that is otherwise excluded under this Coverage Part or Policy.

PUBLIC RISK GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM – LIMITED REPORTING

LOSS ADJUSTMENT EXPENSES INCLUDED WITHIN THE RETENTION, OUTSIDE THE LIMITS OF INSURANCE

Throughout this policy, the words "you" and "your" refer to the "Public Risk" entity identified as the "Named Insured" in the Declarations. The words "we", "us", "our" and "Company" refer to the Company stated in the Declarations as providing this insurance.

Within this policy, the words "Insured" or "Insureds" refer to any person or organization qualifying as an "Insured" under **SECTION III - WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meanings. Refer to **SECTION VI - DEFINITIONS** and other provisions of this policy for such meanings.

Various provisions in this coverage form restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

SECTION I – COVERAGES

INSURING AGREEMENTS:

1. "Bodily Injury" and "Property Damage" Liability

We will pay on behalf of the insured those sums in excess of the "retained limit" that the insured becomes legally obligated to pay as "loss" because of "bodily injury" or "property damage" to which this insurance applies. However, we will have no duty to pay any "loss" for "bodily injury" or "property damage" to which this insurance does not apply. This insurance applies to "bodily injury" or "property damage" only if the "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and only if such "bodily injury" or "property damage" occurs during the "policy period";

2. "Personal and Advertising Injury" Liability

We will pay on behalf of the insured those sums in excess of the "retained limit" that the insured becomes legally obligated to pay as "loss" because of "personal and advertising injury" to which this insurance applies. However, we will have no duty to pay any "loss" for "personal and advertising injury" to which this insurance does not apply. This insurance applies to "personal and advertising injury" only if the "personal and advertising injury" is caused by an "offense" arising out of the insured's operations; and only if such "offense" was committed in the "coverage territory", during the "policy period".

3. Employee Benefits Liability

We will pay on behalf of the insured those sums in excess of the "retained limit" that the insured becomes legally obligated to pay as "loss" because of an "employee benefits wrongful act" to which this insurance applies, only if the "employee benefits wrongful act" is caused by negligent "administration" of your "employee benefits program" that is committed in the "coverage territory"; and only if the "employee benefits wrongful act" occurred during the "policy period".

All "claims" for "loss" made by an "employee" because of an "employee benefits wrongful act", or a series of related "employee benefits wrongful acts", including any "loss" claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

The amount we will pay for "loss" and "loss adjustment expense" under **Bodily Injury and Property Damage Liability, Personal and Advertising Injury Liability and Employee Benefits Liability** is limited as described in **SECTION IV - LIMITS OF INSURANCE**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments**.

INSURING AGREEMENTS CONTINUUM:

Bodily Injury and Property Damage Liability, Personal and Advertising Injury Liability and Employee Benefits Liability

- a. This insurance applies to "bodily injury", "property damage", "personal and advertising injury" and "employee benefits wrongful act(s)" only if, prior to the "policy period", no insured listed under Paragraphs 1. a., b., c. and Paragraph 2.a. of **SECTION III - WHO IS AN INSURED**, and no insured authorized by you to give or receive notice of an "occurrence", "offense" or "claim", knew or had reason to know the "bodily injury", "property damage", "personal and advertising injury" or "employee benefits wrongful act", had occurred, in whole or in part. If any such insured knew or had reason to know, prior to the "policy period", that the "bodily injury", "property damage", "personal and advertising injury" or "employee benefits wrongful act" occurred, was committed or took place, in whole or in part, then any continuation, change or resumption of such "bodily injury", "property damage", "personal and advertising injury" or "employee benefits wrongful act", during or after the "policy period", will be deemed to have been known prior to the "policy period".
- b. The "bodily injury", "property damage", "personal and advertising injury" or "employee benefits wrongful act" which occurs, is committed or takes place during the "policy period" and was not, prior to the "policy period", known to have occurred by any insured listed under Paragraphs 1. a., b., c. or Paragraph 2.a. of **SECTION III - WHO IS AN INSURED**, or any insured authorized by you to give or receive notice of a "claim", "loss", "offense" or "occurrence", includes any continuation, change or resumption of that "bodily injury", "property damage", "personal and advertising injury" or "employee benefits wrongful act" after the end of the "policy period".
- c. The "bodily injury", "property damage", "personal and advertising injury" or "employee benefits wrongful act" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraphs 1. a., b., c. or Paragraph 2.a. of **SECTION III - WHO IS AN INSURED** or any insured authorized by you to give or receive notice of a "claim", "loss", "offense" or "occurrence":
 - (1) Reports all, or any part, of the "bodily injury", "property damage", and "personal and advertising injury" or "employee benefits wrongful act" to us or any other insurer;
 - (2) Receives a written or verbal demand or "claim" for "loss" because of the "bodily injury", "property damage", "personal and advertising injury" or "employee benefits wrongful act"; or
 - (3) Becomes aware by any other means that "bodily injury", "property damage", "personal and advertising injury", or "employee benefits wrongful act" has taken place, occurred or has begun to occur.
- d. "Loss" because of "bodily injury" includes damages claimed by any person or organization for care, loss of services or death resulting at any time from that "bodily injury".

SUPPLEMENTARY PAYMENTS

- A. The insured will have the obligation to provide an adequate defense, to investigate any "claim" or "suit", and to accept any offer of settlement within the "retained limit" that is deemed reasonable by us, with regard to any

"bodily injury", "property damage", "personal and advertising injury" or "employee benefits wrongful act" covered by this policy:

1. The insured shall pay all "loss adjustment expense" that relates to the defense of "claims" or "suits" which amounts are within the "retained limit";
 2. We will not pay any "loss adjustment expense" above what we would have otherwise paid had the "loss" been settled for any reasonable amount within the "retained limit".
- B. Should the Insured or the Claims Administrator fail to pay any amounts for "loss", or to provide such defense, that would otherwise be required by the coverage, terms and conditions of this policy, we may elect to pay these "losses", or to provide such defense as is necessary to meet such coverage, terms and conditions of the policy. If we elect to make such payment or provide such defense for amounts that are within the "retained limit", you will promptly reimburse us for the amounts we elect to pay as "loss", and the sum of all such "loss adjustment expense" we incur to provide defense that would otherwise have been within the "retained limit".
- C. We will have the right, but not the obligation, to assume charge of the defense of any "claim" or "suit", at our expense.
- D. We have the right, but neither the duty nor obligation, to associate at our expense with the insured in the defense, investigation or settlement of any "claim" or "suit" seeking "loss" to which this insurance may apply, if such "losses" sought are in excess of the "retained limit" or which, in our opinion and based on the terms and conditions of this policy, may create liability for us under this policy. In such event, the insured will cooperate fully.
1. No "loss adjustment expense" shall be incurred on behalf of the company without our written consent;
 2. The insured will not enter into any settlement that may impact this policy, agree to a judgment or consent against it, or assign rights under this policy to anyone unless we first consent in writing; and
 3. Upon our written request, the insured will tender such portion of the "retained limit" as we may deem necessary to complete the settlement of such "claim" or "suit".
- E. We have the right and duty to defend the insured against any "claim" or "suit" seeking "loss" for "bodily injury", "property damage", "personal and advertising injury" or an "employee benefits wrongful act" to which this insurance applies only when the "retained limit" has been exhausted because of judgments, settlements and "loss adjustment expense(s)" paid to a third party under **Bodily Injury and Property Damage Liability, Personal and Advertising Injury Liability or Employee Benefits Liability** as described in the **INSURING AGREEMENTS** and **INSURING AGREEMENTS CONTINUUM**:
1. The amount we will pay in excess of the "retained limit" is fixed as described in **SECTION IV - LIMITS OF INSURANCE**; and our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments and settlements under **Bodily Injury and Property Damage Liability, Personal and Advertising Injury Liability or Employee Benefits Liability** as described in the **INSURING AGREEMENTS** and **INSURING AGREEMENTS CONTINUUM**;
 2. When the duty to defend exists, we will pay, in addition to the Limit of Insurance, the following "loss adjustment expenses":
 - a. All expenses incurred by us;
 - b. Court costs taxed against an insured in any "suit" we defend;
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds;
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim" or "suit". This includes actual loss of earnings because of time off from work, up to \$500 per day;

e. Prejudgment interest awarded against any insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay:

(1) Any prejudgment interest based on that period of time after the offer; or

(2) Interest on the amount of any judgment, in excess of the "retained limit";

that accrues after entry of the judgment and before we have paid, offered to pay or deposited in the court the part of the judgment that is within the applicable Limit of Insurance;

We are not responsible to pay any of these "loss adjustment expenses" listed above for any settlement or judgment amounts that are within the "retained limit".

F. We will have no duty to defend an insured against any "suit" seeking "loss" for "bodily injury", "property damage", "personal and advertising injury" or an "employee benefits wrongful act" to which this insurance does not apply.

G. We have the right, but no duty, to appeal any judgment.

H. We will have no duty to defend any "claim" or "suit" that any other Insurer has a duty to defend. If no other Insurer defends, we may do so, but we will be entitled to the insured's rights against all those other Insurers.

SECTION II – EXCLUSIONS

This insurance does not apply to:

1. Aircraft, Auto or Watercraft

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, maintenance, licensure, permit, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by, or rented or loaned to, any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" or "offense" which caused the "bodily injury", "property damage" or "personal and advertising injury" involved the ownership, maintenance, licensure, permit, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by, or rented or loaned to, any insured.

Exception to Exclusion:

This exclusion does not apply to:

e. An aircraft that is:

(1) Chartered with a pilot to an insured;

(2) Not owned by an insured; and

(3) Not being used to carry any person or property for a charge;

b. A watercraft while ashore on premises you own, lease or rent;

c. A watercraft you do not own that is:

(1) Less than 51' in length; and

(2) Not being used to carry persons or property for a charge; and

(3) Not being used in any racing or stunting activity;

d. A watercraft you own that is:

(1) Less than 51 feet in length; and

- (2) Not powered by a motor; or
- (3) Powered by a motor or combination of motors of 100 horsepower or less; or
- (4) "Personal watercraft" powered by a motor or combination of motors of 300 horsepower or less;
- e. Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to any insured;
- f. "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in paragraphs f. (2) or f. (3) of the definition of "mobile equipment";

As respects watercraft, this exception applies to any person or organization that, with your express or implied consent, either uses or is responsible for the use of a watercraft described in b., c. or d.

2. Airport Liability

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, maintenance, operation, licensure, permit, use, entrustment to others, inspection of any premises or any portion of the premises, that is used as an airport, airfield, runway, hangar or other building or property used in aviation activities; or at an "airport facility". This exclusion extends to the "loading or unloading" of any aircraft or ground support; or any use of control equipment associated with airfields, runways, hangars, including buildings or other properties used in aviation activities, or at "airport facilities".

Exception to Exclusion:

However, this exclusion does not apply if the "occurrence" or "offense" takes place in an area normally accessible to the public for the purpose of entering, leaving or using the "airport facilities".

"Airport facility(ies)" means any portion of the airport building, including the airport terminal, which is owned and operated by the insured. It also includes the vehicle parking lots and garages servicing the airport building, but only if such parking lots and garages are owned and/or operated by the insured. "Airport facility" does not include airfields, runways, hangars, or any aviation area, or any building or area at the airport that is not owned and/or operated by the insured.

3. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay "loss" by reason of the assumption of liability in a contract or agreement.

Exception to Exclusion:

This exclusion does not apply to liability for "loss":

- a. That the insured would have in the absence of the contract or agreement; or
- b. Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be "loss" because of "bodily injury" or "property damage", provided that:
 - (1) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (2) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which "loss" to which this insurance applies are alleged.

4. Damaga to Impaired Property or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- a. A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- b. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

Exception to Exclusion:

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

5. Damage to Property

"Property damage" to:

- e. Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- b. Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- c. Property loaned to you;
- d. Personal property in the care, custody or control of the insured;
- e. That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- f. That particular part of any property that must be restored repaired or replaced because "your work" was incorrectly performed on it.

Exception(s) to Exclusion:

Paragraphs e., c. and d. of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days.

Paragraph b. of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs c. and d. of this exclusion do not apply to "mobile equipment" borrowed or commandeered by an insured in connection with "emergency services activities".

Paragraph d. of this exclusion does not apply to "property damage" to personal property belonging to anyone receiving service from any insured during an "emergency services activity" because of "loss" by theft, physical damage or disappearance of such property during the period when "employees" or authorized "volunteer workers" of the insured arrive on the scene or while they are rendering service to others and ending when they either leave the scene, complete their service, or transfer care of a transported patient to others. This insurance does not apply to that portion of any "loss" for which the Named Insured has other valid and collectible insurance.

Paragraphs e. and f. of this exclusion do not apply to "property damage" resulting from actions taken to protect persons or property during "emergency services activities".

Paragraphs c., d., e. and f. of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs c., d. and f. do not apply to the use of elevators. However, any such insurance afforded shall be excess over any property insurance (including any "retained limit") available to the insured.

Paragraph f. of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

6. Damage to "Your Product"

"Property damage" to "your product" arising out of it or any part of it.

7. Damage to "Your Work"

"Property damage" to "your work" arising out of it or any part of it, and included in the "products-completed operations hazard".

Exception to Exclusion:

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

8. Distribution of Material In Violation Of Statutes

Any "bodily injury", "property damage" or "personal and advertising injury", or any other injury, "loss", cost or damages arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- c. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

9. Dumpa, Landfills and Hazardous Waste Premises

"Bodily injury", "property damage" or "personal and advertising injury" resulting from or arising out of:

- a. Any premises, location or site that is or has ever been a dump (operating or non-operating), sanitary landfill, chemical landfill, hazardous waste site, or any premises, location or site that is or has been designated as a Superfund site; including:
 - (1) Operations on those premises or elsewhere which are necessary or incidental to the ownership, maintenance or use of such premises; or
 - (2) Goods or products manufactured at, or distributed from, such premises.
- b. Any of the following:
 - (1) Operations on those premises in a. above or elsewhere, which are necessary or incidental to the ownership, maintenance or use of such premises, including but not limited to the storage, disposal, processing or treatment of waste materials; or
 - (2) Goods or products manufactured at, or distributed from, such premises; or
 - (3) Any property that is or has been sealed off, closed, abandoned or alienated; or other action has been taken in compliance with any statute, ordinance or governmental regulation or directive requiring maintenance or monitoring during or after such sealing off, abandonment or closure.

Exception to Exclusion:

However, this exclusion does not apply to:

- i. Your liability for "bodily injury" occurring on the premises, locations or sites described in a.(1); or
- ii. Your liability for "property damage" to non-owned autos on those premises, locations or sites in a.(1).

10. Electronic Data

Any "bodily injury", "property damage" or "personal and advertising injury" or any other injury, "loss", cost or damages, directly or indirectly, arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, 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, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

11. Electronic Vandalism

Any "loss", injury, damage, cost or expense caused directly or indirectly by Electronic Vandalism. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. As used in this exclusion, Electronic Vandalism means:

- (1) Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems.
- (2) Unauthorized computer code or programming that:
 - (a) Deletes, distorts, corrupts or manipulates computer programs, content, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which it is introduced;
 - (b) Replicates itself, impairing the performance of computers or computer systems or networks; or
 - (c) Gains remote control access to data and programming within computers or computer systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.

With respect to any activity that comes within the terms of the War and Military Action Exclusion and involves Electronic Vandalism, the War and Military Action Exclusion supersedes this Electronic Vandalism Exclusion. With respect to any activity that comes within the terms of the Terrorism Exclusion and involves Electronic Vandalism, the Terrorism Exclusion supersedes this Electronic Vandalism Exclusion.

12. Eminent Domain or Inverse Condemnation

Any "claim", "loss", injury or damage resulting arising out of or resulting from deprivation, destruction or controlling of property by any means, method or proceeding that involves or is any way related to the principles of eminent domain, inverse condemnation, adverse possession, right of prescription, dedication by the adverse use, lack of due process or by whatever name used or however characterized; or the resulting diminution of property value.

This exclusion applies whether or not any "claim" is made directly against any insured or by virtue of any agreement into by or on behalf of any insured

13. Employee Benefits Liability

With respect to Employee Benefits Liability coverage, this policy does not apply to:

- a. "Bodily injury", "property damage" or "personal and advertising injury";
- b. "Claims" for injury or damage arising out of:
 - (1) A dishonest, fraudulent, criminal or malicious act, error or omission committed by or at the direction of any insured, including the willful or reckless violation of any statute;
 - (2) The failure of performance of contract by any Insurer;

- (3) Failure of any plan included in the "employee benefits program" to meet its obligations due to insufficient funds;
- (4) Failure of any investment to perform or errors in providing information on past performance of investment vehicles;
- (5) Counsel or advice given to any person with respect to that person's decision to participate or not participate in any plan included in the "employee benefits program";
- (6) Your failure to comply with the mandatory provisions of any workers' compensation, unemployment insurance, social security law, disability benefits law, the Fair Labor Standards Act of 1938 and its amendments, or any similar laws;
- (7) Liability imposed on you as a Fiduciary by:
 - (a) The EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA) or the CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT of 1986 (COBRA), as now or hereafter amended;
 - (b) The INTERNAL REVENUE CODE OF 1986 (including the INTERNAL REVENUE CODE OF 1954) and its amendments;
 - (c) Any taxes, fines, or penalties, including those imposed under (a) or (b); or
 - (d) Any similar Federal, state or local laws, permits or ordinances;
- (8) The act of terminating or altering any insured's "employee benefits program".

This insurance does not apply to any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation from the insured, from the applicable funds accrued or other collectible insurance.

14. Employee Compensation

Any "claim", award or settlement of back salary or wages or other "employee" compensation.

15. Employer's Liability

"Bodily injury" to:

- a. An "employee" or "volunteer worker", arising out of and in the course of employment by the insured; or performing duties related to the conduct of the insured's operations; or
- b. The spouse, child, parent, brother or sister of that "employee" or "volunteer worker" as a consequence of paragraph a. above.

This exclusion applies:

- (a) Whether the insured may be liable as an employer or in any other capacity; and
- (b) To any obligation to share "loss" or damages with or repay someone else who must pay "loss" or damages because of the "bodily injury".

Exception to Exclusion:

This exclusion does not apply to liability assumed by the insured under an "insured contract" covered under this policy; or to "bodily injury" directly arising out of the rendering or failure to render emergency aid or emergency paramedical services to an "employee" of the insured by any nurse, emergency medical technician or paramedic who is employed by the insured to provide such services.

16. "Employment Practices Wrongful Act"

Any "employment practices wrongful act(s)". An "employment practices wrongful act", singular or plural, includes any "loss", "offense", injury or damages to any:

- a. Person, or any class of person, arising out of any:
 - (1) Employment-related practices, policies, procedures, acts, errors or omissions, including but not limited to, coercion, demotion, evaluation, reassignment, discipline, libel, slander, defamation, harassment, humiliation, or "discrimination" involving or directed at any person or class of person;
 - (2) Verbal, physical, mental or emotional abuse, "offense", injury or "loss" resulting from or arising out of employment practices, policies, procedures, acts, errors or omissions involving, connected with, or in any way related to interviews, hiring, supervision, probation, termination, or any other act or determination of employment or non-employment of any person or class of person;
 - (3) False arrest, false imprisonment, libel, slander, defamation, harassment, humiliation, "discrimination", invasion of privacy, wrongful eviction, malicious prosecution, abuse of process, or arising out of any aspect of "law enforcement activities" affecting employment or non-employment of any person or class of person;
 - (4) Verbal, physical, mental or emotional abuse, "offense", injury, damage or "loss" resulting from or arising out of such employment-related practices, policies, acts, errors or omissions including but not limited to those described in (1) through (4) above;
 - (5) Failure to adopt or comply with adequate workplace or employment policies or procedures;
 - (6) Failure or refusal to grant tenure;
 - (7) Failure or refusal to employ, train, or promote a person;
 - (8) Denial of training, deprivation of career opportunity, or breach of employment contract;
 - (9) Evaluation, assignment, reassignment or discipline of any person or class of person;
 - (10) Dismissal, discharge or termination of employment or membership, whether actual or constructive, of any person or class of person;
 - (11) Retaliatory action against any person for the exercise of, or not exercising, any legally protected right, or for engaging in any legally protected activity, including but not limited to, actions of:
 - (a) Performing or declining to perform an unethical or illegal act;
 - (b) Filing a complaint or bringing "suit";
 - (c) Testifying against an insured at a legal proceeding;
 - (d) Notifying a proper authority of any aspect of your operation that is illegal;
 - (12) Violation of the Family Medical Leave Act (FMLA), or similar state or local law;
 - (13) Violation of any Federal, state or local law (common law or statutory) concerning employment or any "employment practices wrongful act" described in (1) through (12) above; or if insurance is prohibited by law; or
- b. Spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any "employment practices wrongful act" described in paragraphs (1) through (12) above is directed;
- c. Person or any class of person arising out of any "discrimination" or harassment directly or indirectly related to the past employment, employment or prospective employment by any insured.

This "Employment Practices Wrongful Act" exclusion applies:

- (a) Whether the injury-causing event described in Paragraphs a. (1) through (12) above occurs before employment or after employment of that person or class of person;
- (b) Whether the insured may be liable as an employer or in any other capacity; and
- (c) To any obligation to share "loss" with or repay someone else who must pay "loss", injury or damages because of the injury.

17. Engineers, Architects or Surveyors Professional

Bodily injury, "property damage" or "personal and advertising injury":

- a. Arising out of the rendering or failure to render any "professional services" by any engineer, architect or surveyor who is either employed by you or performing work on your behalf in their capacity as an engineer, architect or surveyor. For purpose of this exclusion, "professional services" include, but are not limited to:

- (1) The preparing, approving or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and

- (2) Supervisory, inspection, architectural or engineering activities.

Exception to Exclusion:

However, this exclusion does not apply to engineering or surveying "professional services" performed by your "employees" while acting in the course and scope of their duties for you as such; and the "professional services" as defined herein are performed solely for the purpose of exercising the insured's right of review or approval of maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications of other engineers or surveyors.

18. E.R.I.S.A.

Any obligation imposed upon or imputed to the insured under the Employee Retirement Income Security Act of 1974 (E.R.I.S.A.), as now or hereafter amended, or arising out of the insured's capacity as a Fiduciary of any "employee benefits program" or self-insurance fund.

19. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured.

Exception to Exclusion:

This exclusion does not apply to:

- a. "Bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property; and
- b. "Bodily injury" and "property damage" resulting from an act by any insured which is performed within their legal authority and arises out of their "emergency services activity" or "emergency training operations".

20. Failure to Supply

"Bodily injury" or "property damage" arising out of the failure of any insured to adequately supply gas, oil, water, electricity or steam by any utility or municipal authority, whether owned or not by any insured.

Exception(s) to Exclusion:

Limited Failure to Supply: This exclusion does not apply if the failure results from the sudden and accidental injury to tangible property owned or used by any insured to procure, produce, process or transmit the gas, oil, water, electricity or steam.

Failure to Supply: By exception, this exclusion does not apply if there is a limit shown on the Declarations extending coverage for Failure to Supply to a designated utility service.

Excluded:

However, this exception does not apply if the failure to provide such utility service is due to any of the following:

- a. Lack of regular and customary maintenance, or the improper care of mains, lines, grids, poles or any equipment;

- b. Inadequate power source if such inadequacy was known to the insured prior to the "occurrence" and the insured did not take steps to correct such inadequacy;
- c. Inadequate or improper training and/or skill level of responsible person(s) conducting the applicable utility operation(s); or
- d. Breach of an "insured contract".

21. Handling of "Claims" or "Suits" Within The "Retained Limit"

"Losses" arising out of the handling of any "claims" or "suits" within the "retained limit", including the investigation, defense or settlement of any "claims" or "suits".

22. Health Care Services

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering or failure to render:

- a. Medical, surgical, dental, laboratory, x-ray or nursing service, treatment, advice or instruction, or the related furnishing of food or beverages; or
- b. Any health or therapeutic service, treatment, advice or instruction;
- c. The furnishing or dispensing of:
 - (1) Over-the-counter medicine or prescription medication;
 - (2) Medical, dental or surgical supplies or appliances; or
 - (3) First aid;
- d. The handling or treatment of dead bodies, including autopsies, organ donations or other postmortem procedures.

Exceptions to Exclusion:

However, this exclusion does not apply to any "employee", "executive officer", "temporary worker" or "volunteer worker" who:

- (1) Has not in the past, and does not currently hold, a medical professional license;
- (2) Is a licensed or registered nurse, counselor, psychologist, physical therapist, language or speech therapist, hearing therapist, emergency medical technician (EMT), paramedic or athletic trainer; but then only for services that are within the authorized responsibility, course and scope of their respective employed position for you or on your behalf in conducting your operations; or
- (3) Acts as a moderator for support groups in connection with your operations and is not a licensed or certified psychologist or psychiatrist.

Excluded:

- (1) The Health Care Services **Exceptions to Exclusion** do not apply if the Insured is in the business or occupation of providing Health Care Services of any type.
- (2) The Health Care Services **Exceptions to Exclusion** do not apply if such injury or damage takes place after the person's license or right to practice health care services has been revoked, suspended or surrendered at the request of any regulatory authority or institution; or while that person is acting outside the actual or apparent authority, responsibility, course and scope of the duties that are normal and customary to conducting your operations.
- (3) The Health Care Services **Exceptions to Exclusion** do not apply to an "employee", "executive officer", "temporary worker", "volunteer worker", or nurse, counselor, psychologist, therapist, emergency medical technician, paramedic, first aid attendant or athletic trainer, while such person is acting in the following areas, even if these areas are within the actual or apparent authority, responsibility, course and scope of the position; or whether acting solely or as an

assist in such areas or activities; and regardless of the number, type or characteristics of any group(s) or person(s) being serviced:

- a. Psychiatric, behavioral health, or any mental health facilities or services;
- b. Jails, detention centers, holding cells (student, juvenile and/or adult) facilities or services;
- c. Nursing or convalescent homes, or any facility operations for the aged, the developmentally challenged or disabled;
- d. Hospitals, alcohol and/or drug treatment facilities, except activities at such alcohol and/or drug treatment facility that is operated by a school insured under this policy, and exception has been granted providing coverage for that facility's operations by scheduled endorsement;
- e. Surgical operations or surgical assist services to anyone, wherever performed;
- f. Supervisory or oversight duties to anyone who is not your "employee"; or where such supervisory or oversight duties are not the duty of the insured's employad school nurse school psychologist, physical therapist, hearing and speech therapist, emergency medical technician, paramedic, first aid attendant or athletic trainer.

23. "Law Enforcement Activities"

"Bodily injury", "property damage", "personal and advertising injury", "employee benefits wrongful act", or any other injury, damage, "loss", cost, expensa, liability or legal obligation caused by, contributed to by, resulting from, or arising out of any aspect of "law enforcement activities".

24. Legal Services

Anyone providing legal services other than an attorney employed full time by the named insured.

25. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business or operations of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

Exception to Exclusion:

This exclusion does not apply to "bodily injury" or "property damage" arising out of the selling, serving or furnishing of alcoholic beverages at functions or activities that are:

- (1) Temporary in nature;
- (2) Not exceeding five (5) consecutive days per activity or function, or an event specifically added by endorsement; and
- (3) Sponsored by you.

26. Medical and Related Facilities Activities

"Bodily injury", "property damage" or "personal and advertising injury" arising out any operations or activities at or from any medical or health facility owned, operated, used, inspected, maintained, or

licensed by any insured, or located on any property owned, leased, rented or subleased by any insured. For purpose of this exclusion, medical or health facility includes but is not limited to the following:

- a. Medical centers or medical universities or any similar medical related facilities;
- b. Hospitals or clinics, including group medical facilities, trauma centers, or similar facilities; or
- c. Nursing or convalescent homes, institutions or similar facilities for the aged, developmentally disabled, mentally or physically challenged;
- d. Homes or sanitariums for the mentally ill, depression centers, or similar facilities;
- e. Medical facilities or infirmaries in connection with law enforcement operations, including but not limited to jails, penal institutions, correctional facilities, youth/juvenile facilities, group homes; or similar facilities;
- f. Drug, alcohol or substance abuse treatment facilities or similar health care or treatment centers;
- g. Pharmacy or other prescription drug or medical equipment dispensing facilities; or
- h. Infirmaries or similar facilities.

Exception to Exclusion:

For purpose of this exclusion, a medical or health facility does not include a health department that is owned, operated, used, or maintained by an insured, except those facilities as described in a. through g. above.

27. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- a. The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- b. The use of "mobile equipment" in, or while in practice or preparation for a prearranged racing, speed or demolition contest or in any stunting activity.

28. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

With respect to any activity that comes within the terms of the War and Military Action Exclusion and involves nuclear reaction or radiation, or radioactive contamination, the War and Military Action Exclusion supersedes this Nuclear Hazard Exclusion.

29. "Personal and Advertising Injury"

a. "Bodily injury"

To "bodily injury" arising out of "personal and advertising injury";

b. Knowledge of Violation of Another's Rights

Caused by or at the direction of an insured with the knowledge that the act would violate the rights of another and would inflict "bodily injury" or "personal and advertising injury";

c. Violation of Published Material

(1) Arising out of oral or written publication of material, if done by or at the direction of an insured with knowledge of its falsity; or

(2) Arising out of oral or written publication of material whose first publication took place before the beginning of the "policy period";

d. Criminal Acts and Violation of Statute or Ordinance

- (1) Arising out of a criminal act committed by or at the direction of the insured; or
- (2) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured;

e. Assumed Liability and Breach of Contract

- (1) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for "loss" that the insured would have in the absence of the contract or agreement; or
- (2) Breach of contract, other than misappropriation of advertising ideas under an implied contract;

f. Violations of Goods, Products or Services

- (1) Arising out of the failure of goods, products or services to conform with advertised quality or performance; or
- (2) The wrong description of the price of goods, products or services;

g. Infringement of Copyright, Patent, Trademark or Trade Secret

Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights; except this exclusion does not apply to infringement in your "advertisement" of copyright, trade dress or slogan. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement";

h. Advertising, Broadcasting, Publishing, Telecasting and Internet Business Activities

- (1) Arising out of an "offense" committed by an insured whose business is advertising, broadcasting, publishing or telecasting;
- (2) Arising out of an "offense" committed by an insured whose business is designing or determining the content of websites for others; or
- (3) Arising out of an "offense" committed by an insured whose business is an Internet search, access, content or service provider.
- (4) Arising out of an electronic chat room or bulletin board the insured hosts, owns or over which the insured exercises control;
- (5) Arising out of the unauthorized use of another's name or product in your email address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

For purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet is not, by itself, considered the business of advertising, broadcasting, publishing or telecasting.

Exception to Exclusion:

Exclusions h.(1), (2) or (3) do not apply to "personal and advertising injury" arising out of:

- (a) False arrest, detention or imprisonment;
- (b) Malicious prosecution; or
- (c) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor.

30. Pollution

- a. To "bodily injury", "property damage", "personal and advertising injury", or any other injury, damage, "loss", cost, expense, liability or legal obligation arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or potential presence in or introduction into the environment of any substance if such substance has, or is alleged to have, the effect of making the environment impure, harmful or dangerous; or any other such substances that are considered a "pollutant". Environment includes any air, land, structure (or the air within), watercourse or other body of water, including underground water; or
- b. To any "loss", cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement 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
 - (2) Any "claim" or "suit" by or on behalf of a government authority for "loss" or 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".

Exceptions to Exclusion:

The entireties of the Pollution Exceptions only apply if:

- (i) The insured meets all standards of any statute, ordinance, regulation or license requirement of any Federal, state or local government relating to the application, use, storage, transporting or handling of any chemical; and
- (ii) All other criteria described within these exceptions are met; and
- (iii) The insured does not sell, apply, use, transport or store any chemical that is banned or listed as suspect by any federal, state or local government authority.

Sudden and Accidental Discharge

Except as respects exception (1) **Heating, Air Conditioning, Ventilation Systems**, the entirety of the Pollution Exceptions apply only to Sudden and Accidental Discharge that must meet the following additional criterion under this policy:

The discharge:

- (a) Commences abruptly during the "policy period"; and
- (b) Is accidental, unintended and stopped as soon as possible; and
- (c) Ends within seven (7) consecutive days of the date of its abrupt commencement; and
- (d) Becomes known to an Insured listed under paragraph 1. of **Section III – WHO IS AN INSURED**, or to an "employee" authorized by you to give or receive notice of a "claim" or "occurrence"; and
- (e) Is reported to us within thirty (30) days of the date of its abrupt commencement.

Exceptions (1) through (10):

Paragraph a. of this Pollution Exclusion does not apply as respects the following exceptions, subject to the additional parameters described above:

(1) Heating, Air Conditioning, Ventilation Systems

To "bodily injury" if sustained within a building which is or was at any time owned or occupied by, or rented or loaned to, any insured and is and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests; or

(2) "Hostile Fire"

To "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

- (a) At any premises, site or location which is or was at any time used by any insured or others for the handling, storage, disposal, processing or treatment of waste; or
- (b) At any premises, site or location for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your coverage form as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- (c) At any premises, site or location on which any insured or other contractors or subcontractors working directly or indirectly on any insured's behalf, are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants" except to the extent coverage is provided in Paragraph (3) **Emergency Operations** or (4) **Mobile Equipment** below.

(3) Emergency Operations

To "bodily injury" or "property damage" which occurs or takes place as a result of your operations, provided that the "bodily injury" or "property damage" is not otherwise excluded in whole or part, and such "bodily injury" or "property damage" arises out of one or more of the following:

- (a) Urgent response for the protection of property, human life, health or safety conducted away from premises owned by or rented to or regularly occupied by you;
- (b) "Emergency training operations" by you; or
- (c) Water runoff from the cleaning of equipment used in "emergency services activities" or "emergency training operations".

(4) "Mobile Equipment"

To "bodily injury" or "property damage" arising out of fuels, lubricants or other operating fluids needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, but only if:

- (a) The fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them; and
- (b) The fuels, lubricants or other operating fluids were not:
 - i. Intentionally discharged; or
 - ii. Brought on or to the premises, site or location with the intent to be discharged as part of the operations being performed by an insured, contractor or subcontractor.

(5) Road Treatment Chemicals

To "bodily injury" or "property damage" arising out of the application or use of sodium chloride, chloride calcium or other chemical products designed for the treatment of roads and other paved surfaces for weather conditions.

(6) Swimming Pools

To "bodily injury" or "property damage" arising out of the application or use of chlorine or other chemical products designed for the treatment of swimming pools.

(7) Pesticide or Herbicide Application

To "bodily injury" or "property damage" arising out of the application, handling, transporting, storage or use of "pesticides or herbicides", fungicides or fertilizers.

(8) Water Treatment

To "bodily injury" or "property damage" arising out of the usage, handling or storage of any chemical designed for use in the treatment of water or wastewater.

(9) Above Ground Tanks

To "bodily injury" or "property damage" arising out of any discharge, dispersal, release or escape of "pollutants" from an above ground storage tank, its facilities or piping with a storage tank capacity of 2,500 gallons or less while at a premises you own or legally occupy in the "coverage territory", but only if such discharge, dispersal, release or escape of "pollutants":

- (a) Begins at an identified time and place during the "policy period"; and
- (b) Ends in its entirety, at an identified time within forty-eight (48) hours of the beginning of the discharge, dispersal, release or escape of the "pollutants".

(10) Water and Sewage Operations

- (a) To "bodily injury" or "property damage" arising out of water intended for human consumption, which is provided by the insured; or
- (b) To "property damage" to a building or its contents, or resulting "bodily injury", if such "property damage" or "bodily injury" is caused by the escape or back-up of sewage or waste water from any sewage treatment facility or fixed conduit or piping that you own, operate, lease, control or for which you have the right of way, but only if "property damage" occurs away from land you own or lease.

Excluded:

This pollution exception **(10) Water and Sewage Operations** does not apply if any of the "bodily injury" or "property damage":

- i. Arises out of the "hazardous properties" of any "nuclear material" in the water or sewage; or
- ii. Occurred as a result of corrosive or radioactive material or waste in the sewage.

The entirety of any discharge or series of related discharges will be deemed to be a single discharge regardless of the length of time over which the "pollutant(s)" are released. The entirety of any discharge or series of related discharges will be deemed to have occurred at the date the earliest discharge commenced.

Discharge as used in this exclusion includes discharge, dispersal, seepage, migration, release or escape.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments**.

31. Recall of Products, Work or Impaired Property

"Loss" claimed for any injury, damages, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- a. "Your product";
- b. "Your work"; or
- c. "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

32. Underground Storage Tanks

"Bodily injury" or "property damage" arising out of any emission, discharge, dispersal, seepage, migration, release or escape directly from any underground storage tanks or facilities, or their piping. Underground storage tank means any storage tank, including any attached pumps, valves or piping, having at least 10% of it buried below the surface of the ground or water, or which, at any time, had been buried under the surface of the ground or water and then subsequently exposed by any means.

33. War and Military Action

"Bodily injury", "property damage", "personal or advertising injury" or "employee benefits wrongful act(s)" however caused, arising, directly or indirectly, out of:

- (1) Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack:
 - i. By any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces;
 - ii. By military, naval or air forces; or
 - iii. By an agent of any such government, power, authority or forces.
- (2) Invasion, insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence.

Any discharge, release, explosion or use of any chemical or biological agent, or any weapon or device of war employing nuclear fission or fusion, will be conclusively presumed to be such a hostile or warlike action by such a government, power, authority or forces.

With respect to any action that comes within the terms of this War and Military Action Exclusion and:

- (a) Involves nuclear reaction or radiation, or radioactive contamination, this War and Military Action Exclusion supersedes the Nuclear Hazard Exclusion.
- (b) Involves a discharge, dispersal, seepage, migration, release, escape or application of any pathogenic or poisonous biological or chemical materials, this War and Military Action Exclusion supersedes the Pathogenic or Poisonous Biological or Chemical Materials Exclusion.
- (c) Involves Electronic Vandalism as defined in the Electronic Vandalism Exclusion, this War and Military Action Exclusion supersedes the Electronic Vandalism Exclusion.

Comes within the terms of the Terrorism Exclusion, this War and Military Action Exclusion supersedes the Terrorism Exclusion.

34. Workers Compensation and Similar Laws

Any obligation of any insured under a workers' compensation, disability benefits or unemployment compensation law, or any similar law.

SECTION III – WHO IS AN INSURED

1. INSURED:

The term Insured as used herein means the entity stated in the **Declarations** as the **Named Insured**, and except as excluded herein or by endorsement to this policy:

- a. **Governmental Agencies, Boards and Commissions and their Members:** A governmental agency or authority, subdivision, department, municipal body, board or commission, or other similar unit that is:

- (1) Operated by you;
- (2) Subject to your oversight, control or direction; and
- (3) Operated with funds administered by you and allotted to such agency, authority, subdivision, department, municipal body, board or commission.

This includes the individual members of your governmental entities, boards and commissions, but only with respect to their duties and while acting within the course and scope of authority allocated by their position on such governmental entities, boards or commissions.

This does not include any of the following:

Not Insured:

- (1) Unless otherwise excepted, this insurance does not extend to any of the following boards, commissions or units or their members, regardless of your oversight or control:
 - (a) Airports;
 - (b) Transit Authorities;
 - (c) Hospitals;
 - (d) Gas Companies;
 - (e) Housing Authorities;
 - (f) Port Authorities.
- (2) This insurance does not apply to any agency, authority, subdivision, department, municipal body, board or commission, administrative department or other similar unit, including their membership:
 - (a) that is an autonomous entity; or
 - (b) that is wholly subject to independent or outside oversight, control or direction; or
 - (c) whose liability is not the result of the oversight, control or direction of the Named Insured.

INSURED:

- b. **Directors and Executive Officers:** An individual while appointed as a director or "executive officer", but only with respect to their duties as your officers or directors and while acting within the course and scope of authority allocated by their position as your officers or directors;
- c. **Elected or Appointed Officials:** An elected or appointed official of any board, commission or agency of yours, but only with respect to their duties and while acting within the course and scope of authority allocated by their position as such elected or appointed official of that board, commission or agency;
- d. **Partnerships or Joint Ventures:** A partnership or joint venture, including a mutual assistance pact, joint powers agreement or similar arrangement, but only with respect to the conduct and scope of your operations and only to the extent of your sole participation or interest;
- e. **Trustees:** A trustee, but only as respects their duties as your trustee;
- f. **Legal Heirs, Representatives and Assigns:** The estates, heirs, legal representative or assigns of deceased persons who were insureds at the time of a covered "loss", but only to the extent that such insured(s) would have otherwise been afforded coverage under this policy;
- g. **Emergency Medical Responder:** A paramedic or emergency medical technician, but solely while acting within the course and scope of your employment or while acting as your "volunteer worker" and at your direction while providing emergency health care services;

- h. **Emergency Dispatchers:** 911 dispatchers, but solely while acting within the course and scope of their employment by you or at your direction;
- i. **Employees and Volunteers:** "Employees", "volunteer workers" and "temporary workers" not otherwise covered under 1. e. through g., but only for acts within the course and scope of their employment or within the scope of volunteer activities under your direction that are insured by this policy.

2. OTHER INSURED:

In addition to you, each of the following is an insured, except if otherwise excluded herein or by endorsement:

- e. **Mutual Aid Agreements:** Any person or organization providing service to an Insured under a mutual aid contract or similar agreement that is otherwise covered by this policy, but only to the extent of their liability under that contract or agreement, for acts that are within the course and scope of that mutual aid contract or similar agreement for the Insured;
- b. **Good Samaritans:** "Employees" and volunteers, including "volunteer workers", while acting individually or collectively as a Good Samaritan, independent of their activities on your behalf, but only when at the scene of an accident or emergency requiring sudden action. In no event will such person who responds to the scene of an accident or emergency with or for any other "employee", or another emergency organization for which they may be either "employees" or volunteers on a regular or irregular basis, be an insured.
- c. **Owners of Commandeered Equipment:** The owner of commandeered equipment other than an "auto" is an insured, but only while the equipment is in your temporary care, custody or control, and only while is being used as part of an "emergency service action".
- d. **Real Estate Managers:** Any person or organization while acting as your real estate manager, but only within the course and scope of their duties as your real estate manager.
- e. **Newly Acquired Organizations:** Any organization you newly acquire or form, other than a partnership, joint venture, limited liability company or for-profit corporation, and over which you maintain ownership or a majority interest, will qualify as an Insured if there is no other similar insurance available to that organization. However:
 - (1) Coverage under this provision is afforded only until the 120th day after you acquire or form the organization or the end of the "policy period", whichever is earlier;
 - (2) Coverage does not apply to "bodily injury", "property damage" or any other injury, damage, "loss", cost, expense, liability or legal obligation occurring before you acquired or formed the organization;
 - (3) Coverage does not apply to "personal and advertising injury" arising out of an "offense" committed before you acquired or formed the organization; and
 - (4) Coverage does not apply to any "employee benefits wrongful act" committed in the "administration" of "your employee benefits program" before you acquired or formed the organization.

Not Insured: No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not known as a Named Insured in the Declarations.

We reserve the right within the 120 day coverage period outlined in e.(1) above to endorse your policy to exclude coverage for the new organization; however, we will provide a thirty-day (30) notice of such new organization being excluded.

f. Mobile or Leased Equipment Contracts:

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability.

With respect to leased equipment, including "mobile equipment", that is the subject of a contract or agreement between you and any other person or organization, such person or organization is an additional insured under this policy, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of "mobile equipment" leased or rented to you by such person or organization, and only for the period of time the contract or agreement is in effect. However, no person or organization is an insured with respect to property owned by, rented to, in the charge of, or occupied by you or the employer of any person who is an insured under this provision.

3. ADDITIONAL INSURED:

a. Blanket Additional Insureds:

Any person or organization required to be an additional insured under an "insured contract", if agreed to by you prior to the "bodily injury", "property damage" or "personal and advertising injury", but only with respect to liability arising out of your premises or operations. This insurance does not apply to loss arising out of any act, error or omission of the additional insured(s).

b. Users of Golfmobiles:

Any person(s) using or legally responsible for the use of golfmobiles in your operations, or loaned or rented to others by you or your concessionaires, but only with respect to their liability caused by the use of such golfmobiles.

SECTION IV – LIMITS OF INSURANCE

The Limits of Insurance of this policy apply in addition to the "Retained Limit".

The following paragraphs further describe how the Limits of Insurance and "Retained Limit" apply:

A. RETAINED LIMIT

1. The "retained limit" shall be applied to each "bodily injury," "property damage," "personal and advertising injury", and "employee benefits wrongful act" for which coverage is afforded by this policy. The "retained limit" will be reduced by any "loss adjustment expenses" incurred by the insured.
2. The "retained limit" shall not be impaired by any "claim" or "suit" brought against an insured which is not covered under this policy.
3. The "retained limit" shall not include any amounts for "loss", injury or damages for any "occurrence", "offense", "personal and advertising injury" or "employee benefits wrongful act" that occurs prior to, or subsequent to, the "policy period".
4. You agree not to insure or otherwise reinsure your "retained limit" without our knowledge and written permission.
5. This policy will not drop down to assume or satisfy your obligations under the "retained limit".
6. You agree that in the event of a judgment, settlement or "loss adjustment expense" in excess of the "retained limit," all outstanding amounts within the "retained limit" will be due and payable to us upon demand. Such payment must be made before we have paid, tendered or deposited in court, any part of said judgment, settlement or "loss adjustment expense". Failure of you to comply with this provision will

not invalidate the policy, but in the event of such failure, we will be liable only to the extent that we would have otherwise been liable had you complied with this provision.

B. LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most the Company will pay in excess of the insured's "Retained Limit" shown in the Declarations, regardless of the number of:
 - a. Insureds;
 - b. "Losses", "claims" made or "suits" brought;
 - c. Persons, organizations or governmental agencies making "claims" or bringing "suits";
 - d. "Occurrences" of "bodily injury" or "property damage";
 - e. "Offenses" of "personal and advertising injury";
 - f. "Employee benefits wrongful acts"; or
 - g. Benefits included in your "employee benefits program".
2. Subject to the Limits of Insurance stated in the Declarations, we will pay for "loss" covered under this policy only after the "retained limit" has been exhausted because of payments for judgments, settlements and "loss adjustment expenses" of "claims" or "suits". The "retained limit" stated in the Declarations applies:
 - a. Only to "loss" for "occurrences", "offenses" or "employee benefits wrongful act(s)" covered under this policy;
 - b. Separately to each "occurrence", "offense" or "employee benefits wrongful act" or series of continuous, repeated or related "occurrences", "offenses" or "employee benefits wrongful act(s)", covered by the terms and conditions of this policy; and
 - c. To "loss adjustment expense" associated with "claims" or "suits" for "occurrences", "offenses" or "employee benefits wrongful act(s)" for amounts within the "retained limit".
3. The GENERAL AGGREGATE is the most we will pay for the sum of all:
 - a. "Loss" under "Bodily Injury" or "Property Damage" Liability, except such "loss" included in the "Products-Completed Operations Hazard";
 - b. "Loss" under "Personal and Advertising Injury" Liability; and
 - c. "Loss" under Employee Benefits Liability;in excess of the "Retained Limit".
4. The PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT is the most we will pay for "loss" in excess of the "Retained Limit" because of "Bodily Injury" and "Property Damage" included in the "Products-Completed Operations Hazard";
5. Subject to paragraphs 1., 2., 3. and 4. above, the EACH OCCURRENCE LIMIT is the most we will pay for the sum of all "loss" in excess of the "Retained Limit" because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to paragraphs 1., 2. and 3. above, the PERSONAL AND ADVERTISING INJURY LIMIT is the most we will pay in excess of the "retained limit" for the sum of all "loss" in excess of the "Retained Limit" because of "personal and advertising injury" "offenses" sustained by any one person or organization.
7. Subject to paragraphs 1., 2. and 3. above the EMPLOYEE BENEFITS LIMIT is the most we will pay in excess of the "Retained Limit" under Employee Benefits Liability Coverage for all "loss" sustained by one "employee", including "loss" sustained by such "employee's" dependents and beneficiaries, as the result

of "employee benefits wrongful act(s)" caused in the "administration" of your "employee benefits program".

However, the amount paid under this coverage shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefits program".

8. In determining the Limits of Insurance that apply:
- Each and every "occurrence" arising out of any continuous, repeated and/or related "occurrence" shall be treated as a single "occurrence" and the Limits of Insurance in effect at the first such "occurrence" shall apply;
 - All "loss" resulting out of continuous, repeated or related "offenses" shall be treated as a single "offense" and the Limits of Insurance in effect at the time of the first "offense" shall apply.
 - All "personal and advertising injury" arising out of the repeated publication of the same or similar material, regardless of the mode in which such material is communicated, shall be considered as arising solely out of one "offense".
 - All "employee benefits wrongful acts" arising out of continuous, repeated or related acts, errors or omissions in the "administration" of your "employee benefits program" shall be treated as a single "employee benefits wrongful act" and the Limits of Insurance in effect at the time of the first "employee benefits wrongful act" shall apply; and

All such acts, errors or omissions committed by one or more insureds that are substantially the same or are in any way directly or indirectly related -- either logically, causally or temporally -- shall be deemed to constitute one "Employee Benefits Wrongful Act", regardless of the number of "claims" or claimants. The entire "Employee Benefits Wrongful Act" will be deemed to have occurred on the date of the first act, error or omission.

The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the "policy period" shown in the Declarations, unless the "policy period" is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION V – CONDITIONS

The following "Public Risk" General Liability Conditions add to or replace the Common Policy Conditions, which also apply to this policy:

1. Assignment

Assignment of interest under this policy shall not bind us unless our consent is first endorsed hereon.

2. Claims Administrator

We must approve, in writing, any Claims Administrator utilized by you. You may not change or terminate an approved Claims Administrator without our prior written approval and consent. You also must provide us with written notification no later than ten (10) days from the effective date of any revision of the contract between you and your Claims Administrator. You are responsible for all costs related to any such Claims Administrator.

We shall have the right, upon at least thirty (30) days written notice to you, to conduct an audit of the claim files of the Claims Administrator.

3. Insured's Duties In The Event Of An "Occurrence", "Offense", Wrongful Act, "Claim" or "Suit"

- a. You must see to it that your Claims Administrator is notified as soon as practicable of an "occurrence", an "offense", or an "employee benefits wrongful act" or any other injury, or "loss" which may result in a "claim" or "suit". Written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, will be reported to the Claims Administrator; and in turn, the Claims Administrator will forward same to us.
- b. If a "claim" is made or a "suit" is brought against any insured, the insured will immediately forward to the appointed Claims Administrator every demand, notice, summons or other processes received by the insured or its representative; and in turn, the Claims Administrator will forward the same to us.
- c. The insured will cooperate with us and at our request, consent to being examined and questioned by a representative of ours, under oath if necessary; and will attend hearings, depositions and trials; and will assist in effecting settlement, securing and giving evidence and obtaining the attendance of witnesses in the conduct of "suits"; as well as in the giving of a written statement or statements to our representatives and defense.
- d. The insured will give us or our duly authorized representative such information and assistance as we may require and assist us in the defense of any "claim" or "suit" subject to **Supplementary Payments** under **SECTION I – COVERAGES**.
- e. You must report to us as soon as practicable each "claim" or "loss" for which your estimated amount of "loss", including "loss adjustment expenses", is 50% or more of the amount of the "retained limit". You must also immediately report:
 - (a) Any "suit" naming the Company providing this insurance;
 - (b) Any claim involving terrorism or suspected terrorism;
 - (c) Any proposed or certified class action lawsuit;
 - (d) All claims involving or which could reasonably be expected to involve litigation;
 - (e) Any incident alleging sexual misconduct of any type, including rape, abuse, assault, molestation, harassment;
 - (f) Environmental and/or catastrophic potential claims, including those involving contamination, pollution, toxic chemicals, nuclear, radiation, lead, fungus, mold and/or asbestos;
 - (g) All cases of death or serious injury, including but not limited to the following:
 - (1) Cord Injury, including paraplegia, quadriplegia or paralysis;
 - (2) Injury to nerves at the base of the spinal canal (Cauda Equina), or any other back injury symptomized with resulting incontinence of bowel and/or bladder;
 - (3) Amputation requiring a prosthesis, or any loss of a major body member;
 - (4) Claims involving substantial body disfigurement or serious permanency;
 - (5) Brain damage affecting mentality or the central nervous system, such as permanent disorientation, behavior disorder, personality change, seizures, motor deficit, inability to speak (aphasia), hemiplegia or unconsciousness (comatose);
 - (6) Blindness of any type or duration, temporary or permanent;
 - (7) Hearing impairment of any type or duration, temporary or permanent;
 - (8) Burns – those involving over 10% of the body with third degree, or 30% of the body with second degree;
 - (9) Multiple fractures; involving more than one member or non-union;

- (10) Fracture of both heel bones (fractured bilateral os calcis);
- (11) Nerve damage causing paralysis and loss of sensation in arm and hand (brachial plexus nerve damage);
- (12) Massive Internal injuries affecting any body organ(s);
- (13) Fatality(ies);
- (14) Any other serious injury which, in your judgment, might involve us.

You must advise us of the estimated amount of "loss" and "loss adjustment expense(s)", including amounts paid and reserved for "loss" and "loss adjustment expense(s)", in connection with each "claim" or "loss", and of any subsequent changes in such estimates.

- f. No insured will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, without our consent.
- g. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, with particulars sufficient to identify the insured, shall be considered to be notice to us.
- h. In the event that any insured reports an "occurrence" to the Workers' Compensation and/or Employer's Liability carrier of the insured, and this "occurrence" later develops into a "claim" to be covered under this General Liability Coverage Form, the failure to report such "occurrence" to us at the time of the "occurrence" shall not be deemed to be in violation of this condition. You must however, give us notice as soon as practicable after being made aware that the particular "claim" is a General Liability "claim".

4. Other Insurance

- a. The insured shall pay from its own account all amounts within the "retained limit" as provided by the terms and conditions of this policy.
- b. If other valid and collectible insurance applies to a "claim" or "suit" covered by this policy, and subject to **SECTION IV – LIMITS OF INSURANCE** of this policy, this policy will apply excess of the other insurance, whether this insurance is primary, excess, contingent, or issued on any other basis.

Other insurance means insurance, or the funding of "losses" that is provided by or through another insurance company, any risk retention group or any self-insurance, group self-insurance, or similar risk transfer approach, other than any funded by you and to which this insurance applies. It does not mean insurance that is purchased by any insured to be specifically excess of the sum of the "retained limit" and the Limits of Insurance afforded by this policy.

5. When/If We Permit You To Select Defense Counsel

As respects our right and duty to defend "claims" in excess of the "retained limit" under the terms of this policy, we may, at our discretion and by mutual agreement, or by court order, permit you to select defense counsel, subject to the applicable Limits of Insurance of this Coverage Form. In such event, the following provisions apply:

- a. We retain the right, at our discretion, to settle, approve or disapprove the settlement of any "claim"; and to appeal any judgment, award or ruling, at our expense.
- b. You and any other involved insured must comply with the Duties In Event of a "Loss", "Occurrence", "Offense", "Claim" or "Suit" Condition of this policy, as well as all other provisions of this policy; and
- c. You must direct defense counsel of the insured to furnish us with the information we request to evaluate those "suits" for coverage under this policy; and cooperate with any counsel we may select to monitor or associate in the defense of those "suits".

- d. If we defend you under a reservation of rights, both you and our counsel will be required to maintain records pertinent to your "loss adjustment expenses". These records will be used to determine the allocation of any "loss adjustment expenses" for which you may be solely responsible, including defense of an allegation not covered by this insurance.

SECTION VI – DEFINITIONS

1. ADMINISTRATION

"Administration" means any of the following acts that you do or authorize any person to do:

- a. Providing information to "employees" or "volunteer workers", including their dependents and beneficiaries, with respect to eligibility for or scope of the "employee benefits program";
- b. Handling records in connection with the "employee benefits program"; or
- c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefits program".

However, "administration" does not include handling payroll deductions.

2. ADVERTISEMENT

"Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purpose of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an "advertisement".

3. AUTO

"Auto" means:

- a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment;
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

4. BODILY INJURY

"Bodily injury" means physical injury to the body, sickness, disease, disability and death. "Bodily injury" includes shock, mental anguish, emotional distress, pain and suffering, mental injury and humiliation, only when it arises from and is accompanied by physical injury to the claimant's body, sickness, disease or death.

"Bodily injury" also means "bodily injury" arising out of the rendering or failure to render emergency aid or emergency paramedical services by any nurse, emergency medical technician or paramedic, while acting for or on behalf of the Insured, and in accordance with the exceptions granted herein for such services.

5. CAFETERIA PLANS

"Cafeteria plans" means plans authorized by applicable law to allow "employees" to elect to pay for certain benefits with pre-tax dollars.

8. CLAIM

"Claim" means a demand received by any insured for "loss" alleging injury or damage to persons or property including the institution of a "suit" for such "loss" against any insured.

7. COVERAGE TERRITORY

"Coverage Territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
- c. All parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above; or
 - (2) The activities of a person whose home is in the territory described in a. above, while they are conducting or are engaged in the Named Insured's business activities; and
 - (3) "Personal and advertising injury" "offenses" that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay "loss" is determined in a "suit" on the merits, in the territory described in paragraph a. above, or in a settlement we agree to.

8. DISCRIMINATION

"Discrimination" means the unlawful treatment, including any violation of civil rights, with respect to a person's race, color, national origin, gender, marital status, age, sexual orientation or preference, physical or mental condition, or any other protected class or characteristic established by any Federal, state or local statutes, ordinances, rules or regulations.

9. EMERGENCY SERVICES ACTIVITIES

"Emergency services activities", either singular or plural, means actions which are:

- a. Responses for the protection of property, human life, health or safety; and
- b. Sanctioned by the Fire Department, First Aid or Rescue Squad insured under this policy, or by the officers of such organizations; or by order of the American Red Cross.

Sub-paragraphs a. and b. include those actions performed by members of other Fire Companies, Municipal Fire Departments, Ambulance Squads and Rescue Squads which are sanctioned by the Fire Department, First Aid or Rescue Squad insured under this policy, or by the officers of such organizations.

"Emergency services activities" do not include "law enforcement activities".

For purpose of this definition, "property damage" arising out of "emergency services activities" includes cleanup of a "pollutant".

10. EMERGENCY TRAINING OPERATIONS

"Emergency training operations" means activities used to prepare, train or instruct fire department, first aid squad or rescue squad members, or those persons handling hazardous materials, to respond to "emergency services activities" according to accepted and recognized emergency procedures, including applicable municipal, state and federal standards.

"Emergency training operations" include controlled burns of overgrown vegetation and fires intentionally ignited by you for the purpose of fire suppression, training and instruction.

"Emergency training operations" do not include "law enforcement activities".

11. EMPLOYEE

"Employee" includes a "leased worker", but does not include a "temporary worker". "Employee" does not include a "volunteer worker" or a "service contractor".

12. EMPLOYEE BENEFITS PROGRAM

"Employee benefits program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

- a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
- b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
- c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
- d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
- e. Any other similar benefits designated in the Schedule or added thereto by endorsement.

13. EMPLOYEE BENEFITS WRONGFUL ACT

"Employee benefits wrongful act(s)" means an actual or alleged negligent act, error or omission committed by the insured or any person for whom the insured is responsible, in the "administration" of your "employee benefits program".

14. EXECUTIVE OFFICER

"Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws, or any other similar governing document.

15. HOSTILE FIRE

"Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

16. IMPAIRED PROPERTY

"Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work"; or your fulfilling the terms of the contract or agreement.

17. INSURED CONTRACT

"Insured Contract" means:

- a. A contract for a lease of premises; however, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. An easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your operations (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury", "property damage", "personal and advertising injury" or "employee benefits wrongful act" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- g. Paragraph f. does not include that part of any contract or agreement:
 - (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
 - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for any injury or damage arising out of the insured's rendering or failure to render "professional services", including those listed in (2) above and supervisory, inspection architectural or engineering activities.

18. LAW ENFORCEMENT ACTIVITIES

"Law Enforcement Activities", singular or plural, means any activities, functions or operations by or on behalf of any law enforcement agency or any agent thereof; and/or any activity, function or operation inherent to or in connection with the administration and/or enforcement of the law and the protection of persons or property. Such activities or operations include the ownership, maintenance or use of any premises in connection with such functions, activities or operations; and the development, implementation and enforcement of any and all practices, policies and procedures governing any aspect of law enforcement.

19. LEASED WORKER

"Leased Worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker" or an "employee" of a "service contractor".

20. LOADING OR UNLOADING

"Loading or Unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

- b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck that is not attached to the aircraft, watercraft or "auto".

21. LOSS OR LOSSES

"Loss" or "Losses" means any monetary amount that an insured is legally obligated to pay for a "claim" made against the insured for "bodily injury", "property damage", "personal and advertising injury" or "employee benefits wrongful act(s)" covered under this policy, including but not limited to amounts for injuries, damages, judgments, settlements and awards.

"Loss" or "Losses" does not mean fines, penalties, or any matters which may be deemed uninsurable under the law pursuant to which this policy will be construed.

"Loss" or "Losses" does not include "loss adjustment expense(s)".

22. LOSS ADJUSTMENT EXPENSE

"Loss Adjustment Expense(s)" means all costs and expenses allocated to a specific "claim" or "suit" incurred in the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific "claim" or "suit", including court costs and costs of supersedeas and appeal bonds, and including:

- a. Pre-judgment interest, unless included as part of the award or judgment;
- b. Post-judgment interest; and
- c. Legal expenses and costs incurred in connection with coverage questions and legal actions connected thereto.

"Loss adjustment expense(s)" does not include unallocated loss adjustment expense. Unallocated loss adjustment expense includes, but is not limited to, salaries and expenses of our employees, including staff attorneys, and our office and other overhead expenses.

23. MOBILE EQUIPMENT

"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 you own or rent. However, any land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus that is attached) owned or leased by you shall be deemed an "auto" and not "mobile equipment" if the only reason for considering it "mobile equipment" is that it is maintained for use exclusively on streets or highways owned by you;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) 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:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) 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.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

- (a) Snow removal;
- (b) Road maintenance but not construction or resurfacing; or
- (c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

24. OCCURRENCE

"Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

With respect to the coverage provided herein for health care services and "emergency services actions" under this policy, an "occurrence" shall include any act, error or omission in providing or failing to provide health care services or "emergency services actions". All related acts, errors or omissions in providing or failing to provide health care services or "emergency services actions" to any one person will be considered one "occurrence" under this policy.

25. OFFENSE

"Offense" means an "offense" described in the definition of "personal and advertising injury". All "personal and advertising injury" arising out of the repeated publication of the same or similar material, regardless of the mode in which such material is communicated, shall be considered as arising solely out of one "offense".

26. PERSONAL AND ADVERTISING INJURY

"Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement";
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement"; or

h. Falsa or improper service of process.

With respect to "personal and advertising injury", "loss" or damages mean monetary sums and exclude all forms of injunctive relief and declaratory judgments.

27. PERSONAL WATERCRAFT

"Personal Watercraft" means a vessel which uses an inboard motor powering a water jet pump as its primary source of motive power, and which is designed to be operated by a person sitting, standing or kneeling on the vessel, rather than the conventional manner of sitting or standing inside the vessel.

28. PESTICIDES OR HERBICIDES

"Pesticides or Herbicides" means insecticides, herbicides, fungicides, nematocides and fertilizers, or other chemicals or materials used or intended for use in landscaping, lawn, garden, tree and shrub maintenance. This includes dispersal agents and other substances used during the application of "pesticides or herbicides" as a result of their interaction with other substances.

29. POLICY PERIOD

"Policy Period" means the period beginning with the Effective Date shown in the Declarations and ending with the earlier of:

- e. The date of cancellation of this policy; or
- b. The expiration date shown in the Declarations.

30. POLLUTANT(S)

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

31. PRODUCTS-COMPLETED OPERATIONS HAZARD

"Products-Completed Operations Hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (e) When all of the work called for in your contract has been completed;
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one site;
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

32. PROFESSIONAL SERVICES

"Professional Services", singular or plural, means any act or service arising out of a vocation, calling, occupation or employment involving specialized training, knowledge, labor or skill, or which requires special licensing by an agency, organization or entity authorized to award such license(s).

33. PROPERTY DAMAGE

"Property Damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such "loss" shall be deemed to occur at the time of the "occurrence" that caused it.

For purposes of this insurance, electronic data is not tangible property.

As used in this definition, 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, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

34. PUBLIC RISK

"Public Risk" refers to that municipality, governmental body, department or unit, which is a Named Insured in the Declarations.

35. RETAINED LIMIT

"Retained Limit" refers to the amount stated in the Declarations. You shall retain this amount as self-insurance as stated in the Declarations. The "retained limit" with respect to a self-insured retention shall include "loss adjustment expense(s)".

36. SERVICE CONTRACTOR

"Service Contractor" means a person or organization that is under contract to provide specific services to or for the benefit of any insured, using workers:

- a. Who are "employees" of that person or organization; and
- b. Whose work activities are generally under the control and direction of that person or organization.

37. SUIT

"Suit" means a civil proceeding in which "loss" because of "bodily injury", "property damage", "personal or advertising injury" or "employee benefit wrongful act(s)" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such "loss" is claimed and to which the insured must submit or does submit with our consent; or

- b. Any other alternative dispute resolution proceeding in which such "loss" is claimed and to which the insured submits with our consent.

"Suit" does not mean an administrative hearing or proceeding.

38. TEMPORARY WORKER

"Temporary Worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

39. VOLUNTEER WORKER

"Volunteer Worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you. "Volunteer worker" includes but is not limited to your volunteer firefighters, volunteer nurses, and other volunteer persons acting specifically on your behalf or within the scope of their volunteer work for you.

40. YOUR PRODUCT

"Your Product" means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

41. YOUR WORK

"Your Work" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.
- c. "Your work" includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - (2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CEMETERY PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART
PUBLIC RISK GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM

As respects the ownership, maintenance or use of any premises used as a cemetery by any insured listed under paragraph 1. of **SECTION III – WHO IS AN INSURED**, the insurance provided under **SECTION I – COVERAGES, INSURING AGREEMENT 1. Bodily Injury and Property Damage Liability** applies to "bodily injury" or "property damage" because of "cemetery professional liability".

The following applies only with respect to the insurance provided by this endorsement:

1. Exclusions 4. and 6. of **SECTION II - EXCLUSIONS** are replaced by the following:

4. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of any obligation or duty required of an insured under any contract or by reason of any liability assumed by the insured under a contract of indemnity.

6. Damage to Property

"Property damage" to:

- (1) Property you own, rent, or occupy;
- (2) Property you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you; or
- (4) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

2. The following additional **Exclusions** apply:

This insurance does not apply to:

- a. "Bodily injury" or "property damage" resulting from violation of any law or ordinance. This exclusion does not apply to an act done in good faith at the request of a public official having apparent authority to authorize the act.
- b. "Bodily injury" or "property damage" resulting from a procession or cortege away from premises owned, rented or operated by the insured and used as a cemetery.

3. The following additional **Definition** applies:

"Cemetery professional liability" means acts, errors or omissions for which the insured is legally liable to pay as damages resulting from:

- a. The embalming, handling, disposing, burial, disinterment or removal of any deceased human body;
- b. The conduct of any memorial service by an insured whether or not a deceased human body is present;
- c. The destruction of or interference with the right of burial of a deceased human body;

- d. Damage to or destruction of property of others while not in the care, custody or control of the insured; or
- e. Damage to or destruction of tangible property used for the purpose of burial of a deceased human body, including but not limited to urns, caskets, linings or fittings, casket cases, crypts, vaults, or mausoleums while such tangible property is in the insured's care or custody.

Deceased human body includes the ashes after legal cremation.

All Terms and Conditions of the Policy Remain Unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - HEALTH CARE SERVICES – CAMPS OR CAMPGROUNDS

This endorsement modifies insurance provided under the following:

**PUBLIC RISK GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
EDUCATOR'S GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM**

The following is added to **SECTION II – EXCLUSIONS** as it applies to **SECTION I – COVERAGES, INSURING AGREEMENTS** 1. "Bodily Injury" and "Property Damage" Liability, 2. "Personal and Advertising Injury" Liability:

Camps or Campgrounds – Health Care Services Exclusion:

With respect to the operation of any camp or campground by you or any other insured, or on behalf of you or any other insured, the following **Exclusions** are added:

- A.** If the camp or campground owns or operates an infirmary with facilities for lodging and treatment, this insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" caused by:
 - 1.** The rendering or failure to render:
 - a.** Medical, surgical, dental, x-ray or nursing service, treatment, advice or instruction, or the related furnishing of food or beverages;
 - b.** Any health or therapeutic service, treatment, advice, or instruction;
 - c.** Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming; or
 - 2.** The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or
 - 3.** The handling or treatment of dead bodies.
- B.** We will not pay expenses for "bodily injury" to any camper.

PUBLIC OFFICIALS LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – LIMITED REPORTING

LOSS ADJUSTMENT EXPENSES INCLUDED WITHIN THE RETENTION, OUTSIDE THE LIMITS OF INSURANCE

Throughout this policy the words "you" and "your" refer to the Named Insured in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us" and "our" refer to the insurance company shown on the Declarations page as the insurer.

Other words and phrases that appear in quotation marks have special meanings. Refer to **SECTION VII – DEFINITIONS** and other provisions of this policy for such meanings.

Within this Coverage, the word "insured" includes any person or organization qualifying as such under **SECTION III— WHO IS AN INSURED**.

Various provisions in this coverage part restrict coverage. Read the entire policy to carefully to determine rights, duties and what is and is not covered.

SECTION I — COVERAGES

A. INSURING AGREEMENT

We will pay on behalf of the insured those sums in excess of the "retained limit" that the insured becomes legally obligated to pay as "loss" resulting from a "public officials wrongful act" to which this insurance applies. However, we will have no duty to defend the insured against any "suit" seeking "loss" because of a "public officials wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result from a "public officials wrongful act".

1. This coverage applies only if:

a. The "public officials wrongful act" commenced during the "policy period", and in the "coverage territory";

b. Prior to the "policy period", no insured knew or had reason to know that the "public officials wrongful act" had occurred;

2. If any insured knew or had reason to know, prior to the "policy period" that the "public officials wrongful act" had occurred, then any continuation, change or resumption of such "public officials wrongful act" will be deemed to have been known prior to the "policy period"; A "public officials wrongful act" will be deemed to have been known to have occurred at the earliest time when any insured

a. Reports all, or any part, of the "public officials wrongful act" to us or to any other insurer;

b. Receives written or verbal demand or "claim" for "loss" because of the "public officials wrongful act"; or

c. Becomes aware by any other means that a "public officials wrongful act" has occurred.

The entire "public officials wrongful act" will be deemed to have occurred on the date of the first act, error or omission

3. The amount we will pay for "loss" and "loss adjustment expense" is limited as described in **Section V – Limits of Insurance**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Defense and Supplementary Payments**.

B. DEFENSE AND SUPPLEMENTARY PAYMENTS

1. The insured will have the obligation to provide an adequate defense, to investigate any "public officials wrongful act", "claim" or "suit", and to accept any offer of settlement within the "retained limit" that is deemed reasonable by us, with regard to any "claim" or "suit" against an insured seeking "loss" to which this insurance applies, even if any of the allegations of the "suit" are groundless, false or fraudulent.
 - a. The insured shall pay all "loss adjustment expense" that relates to the defense of "claims" or "suits" which amounts are within the "retained limit";
 - b. We will not pay any "loss adjustment expense" above what we would have otherwise paid had the "loss" been settled for any reasonable amount within the "retained limit";
 2. Should the Insured or the Claims Administrator fail to pay any amounts for "loss", or to provide such defense, that would otherwise be required by the coverage, terms and conditions of this policy, we may elect to pay these "losses", or to provide such defense as is necessary to meet such coverage, terms and conditions of the policy. If we elect to make such payment or provide such defense for amounts that are within the "retained limit", you will promptly reimburse us for the amounts we elect to pay as "loss", and the sum of all such "loss adjustment expenses" we incur to provide defense that would otherwise have been within the "retained limit";
 3. We will have the right, but not the obligation, to assume charge of the defense of any "claim" or "suit" at our expense;
 4. We have the right, but neither the duty nor obligation, to associate with the insured at our expense in the defense, investigation or settlement of any "public officials wrongful act", "claim" or "suit" seeking "loss" to which this insurance may apply if the "losses" sought are in excess of the "retained limit" or which, in our opinion and based on the terms and conditions of the policy, may create liability for us under this policy. In such event, the insured will cooperate fully.
 - a. No "loss adjustment expense" shall be incurred on behalf of the company without our written consent;
 - b. The insured will not enter into any settlement that may impact this policy, agree to a judgment or consent against it or assign rights under this policy to anyone unless we first consent in writing; and
 - c. Upon our written request, the insured will tender such portion of the "retained limit" as we may deem necessary to complete the settlement of such "claim" or "suit".
- C. We have the right and duty to defend the insured against any "claim" or "suit" seeking "loss" for a "public officials wrongful act" to which this insurance applies, only when the "retained limit" has been exhausted because of judgments, settlements and "loss adjustment expenses" paid to a third party under Coverages A or B.
1. The amount we will pay in excess of the "retained limit" is fixed as described in **SECTION V - LIMITS OF INSURANCE**; and our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments and settlements.
 2. When the duty to defend exists, we will pay, in addition to the Limit of Insurance, the following "loss adjustment expenses":
 - a. All expenses incurred by us and all interest on the entire amount of any judgment, which does not exceed the limit of our liability. Expenses, as used here, do not include any salaries of your officers or "employees", regardless of insured status; and
 - b. Premium on appeal bonds required in any "suit" defended by us and the cost of attachment or similar bonds.
- We are not responsible to pay any "loss adjustment expenses" under 2.a. or 2.b. for any settlement or judgment amounts within the "retained limit".
- D. We will have no duty to defend an insured against any "suit" seeking "loss" for a "public officials wrongful act" to which this insurance does not apply.

- E. We have the right, but no duty, to appeal any judgment.
- F. We will have no duty to defend any "claim" or "suit" that any other insurer has a duty to defend. If no other insurer defends, we may do so, but we will be entitled to the insured's rights against all those other insurers.

SECTION II — EXCLUSIONS

A. This insurance does not apply to:

1. Adverse Profit or Remuneration

"Loss" based upon or attributable to any insured gaining profit, advantage or remuneration to which the insured is not legally entitled.

2. Advertising, Broadcasting, Telecasting

"Loss" arising from a publication or utterance made in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of any insured.

3. Assault and Battery

"Loss" arising out of assault and battery.

4. Auto, Watercraft, Aircraft

Any "public officials wrongful act" arising out of the ownership, licensure, permit, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by, or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the "loss" or "claim" against any insured alleges negligence in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "public officials wrongful act" involved the ownership, maintenance, licensure, permit, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by, or rented or loaned to any insured.

5. Bodily Injury, Property Damage, Personal and Advertising Injury or Employee Benefits Injury

Any "loss" or damage arising from "bodily injury", "property damage", "personal injury" and advertising injury" or "employee benefits injury".

6. Contractual Liability

Any "loss" or "claim" arising from:

- a. Procurement of goods or services;
- b. Construction contracts;
- c. Architectural or engineering contracts;
- d. The process of bidding or awarding contracts; or
- e. Liability assumed by the insured under any contract or agreement, unless the insured would have been legally liable in the absence of such contract or agreement.

8. Distribution of Material In Violation Of Statutes

Any "public officials wrongful act" or any other injury, "loss", cost or damages arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

9. Electronic Data

Any "loss" or damage arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, 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, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

10. Electronic Vandalism

Any "loss", injury, damage, cost or expense caused directly or indirectly by Electronic Vandalism. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. As used in this exclusion, Electronic Vandalism means:

- (1) Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems.
- (2) Unauthorized computer code or programming that:
 - (a) Deletes, distorts, corrupts or manipulates computer programs, content, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which it is introduced;
 - (b) Replicates itself, impairing the performance of computers or computer systems or networks; or
 - (c) Gains remote control access to data and programming within computers or computer systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.

With respect to any activity that comes within the terms of the War and Military Action Exclusion and involves Electronic Vandalism, the War and Military Action Exclusion supersedes this Electronic Vandalism Exclusion. With respect to any activity that comes within the terms of the Terrorism Exclusion and involves Electronic Vandalism, the Terrorism Exclusion supersedes this Electronic Vandalism Exclusion.

11. Eminent Domain or Inverse Condemnation

Any "claim", "loss", injury or damage resulting arising out of or resulting from deprivation, destruction or controlling of property by any means, method or proceeding that involves or is any way related to the principles of eminent domain, inverse condemnation, adverse possession, right of prescription, dedication by the adverse use, lack of due process or by whatever name used or however characterized; or the resulting diminution of property value.

This exclusion applies whether or not any "claim" is made directly against any insured or by virtue of any agreement into by or on behalf of any insured.

12.

13. Employment Practices Wrongful Act

Any "loss", injury or damage arising out of an "Employment Practices Wrongful Act".

14. Fiduciary

Any "loss" based upon or arising out of:

- e. Any activity for which the insured is acting in a fiduciary capacity; or
- b. Any debt financing, including but not limited to bonds, notes, debentures and guarantees of debt; or
- c. The formulation of tax rates, the collection of taxes, or the formulation of tax refunds;

15. Fraudulent or Dishonest Acts

Any "loss" brought about by, arising out of or attributable to fraudulent or dishonest acts or omissions of the insured, or bad faith on the part of the insured.

Exception to Exclusion:

However notwithstanding the foregoing, the insured will be protected under the terms of this policy as to any "claim" upon which "suit" may be brought against them by reason of any alleged fraudulent or dishonest act of any insured, unless a judgment or other final adjudication thereof adverse to such insured will establish that acts of active or deliberate fraud or dishonesty committed by such insured was material to the cause of action so adjudicated.

16. Handling Of "Loss", "Public Officials Wrongful Act(s)", "Claim" or "Suit" Within The "Retained Limit"

Any "loss", injury, damages or "public officials wrongful act(s)" arising out of the handling of "claims" or "suits" within the "retained limit", including the investigation, defense or settlement of "claims" or "suits".

17. Judicial Penalties

Any "loss", cost, civil fine, penalty or expense arising from any complaint or enforcement action by any federal, state or local governmental regulatory agency or judicial entity.

18. Labor Disputes

"Loss" arising out of or associated with a lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations.

19. Law Enforcement

Any "loss" or damage arising from or out of any:

- a. "Law enforcement activities" or operations including but not limited to, the operation, maintenance, or use of jails, jail premises, adult or juvenile detention or holding facilities;
- b. Act, error or omission connected in any way, either directly or indirectly, to the supervision, management or oversight of "law enforcement activities", police departments, law enforcement agents or agencies, law enforcement officers and personnel, members of commissions, boards, vendors or their "employees" or volunteers, including "volunteer workers", any units operating under a mutual aid agreement or under the jurisdiction of the insured; or anyone or any entity performing any aspect of "law enforcement activities"; or
- c. Acts or decisions in connection with funding or failure to fund for "law enforcement activities".

21. Legal Services

Anyone providing legal services other than an attorney employed full time by the named insured.

22. Maintain Insurance

Any "loss" for, based upon, attributable to, arising out of, resulting from, in consequence of, or in any way involving, directly or indirectly, any failure or omission of the insured to effect or maintain insurance of any kind.

23. Named Insured

Any "claim" by the Named Insured or on its behalf;

24. Non-Monetary

Any "claim", demand, or action seeking relief or redress solely in any form other than monetary "loss"; or for any fees, costs or expenses which an insured may become obligated to pay as a result of any adverse judgment for declaratory relief or injunctive relief.

25. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

With respect to any activity that comes within the terms of the War and Military Action Exclusion and involves nuclear reaction or radiation, or radioactive contamination, the War and Military Action Exclusion supersedes this Nuclear Hazard Exclusion.

26. Pollution

Any "loss", cost, injury or expense resulting in whole or in part from any of the following:

- a. Actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
- b. Request, demand or 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
- c. "Suit" by or on behalf of a government authority for "loss" or damages because of or related to testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to, or assessing the effects of, any "pollutant".

27. Professional Services

"Loss" arising out of providing, or failing to provide, "professional services" including medical, legal, architectural, accounting, engineering, to any person or organization other than you.

28. Prior or Pending Notice or Legal Action

Any injury or "loss" based upon, arising out of, attributable to, or in any way directly or indirectly related to any:

a. Prior or pending legal action or litigation, administrative or regulatory proceeding, "claim", demand, arbitration, decree or judgment against any insured before the Effective Date of this policy, including any administrative or regulatory proceeding:

- (1) resulting from or in consequence of such pending or prior litigation, administrative or regulatory proceeding;
- (2) derived in whole or in part from the facts and/or matters averred or alleged in any such pending or prior litigation, administrative or regulatory proceeding; or
- (3) derived from the same or essentially the same fact, actual or alleged;

b. Fact, circumstance, event, situation, or "public officials wrongful act" that was the subject of any notice under any similar policy of insurance issued to the insured.

29. Violation Of Laws

Any "loss" based on the conduct of the insured or at the insured's direction that is committed with wanton, willful, reckless or intentional disregard of any law(s) that is or are the foundation for the "claim", or with criminal or malicious purpose or intent.

Exception to Exclusion:

This exclusion will not apply to the strict vicarious liability of any insured for the wanton, willful, reckless or intentional disregard of another of any law(s) that is or are the foundation for the "claim".

30. War and Military Action

Any "Public Officials Wrongful Act", however caused, arising directly or indirectly out of:

- (1) Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack:
 - i. By any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces;
 - ii. By military, naval or air forces; or
 - iii. By an agent of any such government, power, authority or forces.

- (2) Invasion, insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence.

Any discharge, release, explosion or use of any chemical or biological agent, or any weapon or device of war employing nuclear fission or fusion, will be conclusively presumed to be such a hostile or warlike action by such a government, power, authority or forces.

With respect to any action that comes within the terms of this War and Military Action Exclusion and:

- (a) Involves nuclear reaction or radiation, or radioactive contamination, this War and Military Action Exclusion supersedes the Nuclear Hazard Exclusion.
- (b) Involves a discharge, dispersal, seepage, migration, release, escape or application of any pathogenic or poisonous biological or chemical materials, this War and Military Action Exclusion supersedes the Pathogenic or Poisonous Biological or Chemical Materials Exclusion.
- (c) Involves Electronic Vandalism as defined in the Electronic Vandalism Exclusion, this War and Military Action Exclusion supersedes the Electronic Vandalism Exclusion.
- (d) Comes within the terms of the Terrorism Exclusion, this War and Military Action Exclusion supersedes the Terrorism Exclusion.

31. Workers Compensation and Similar Laws

Any obligation under any workers' compensation, disability benefits, social security or unemployment compensation law, or any similar law.

SECTION III - WHO IS AN INSURED

A. INSURED:

Each of the following is an Insured, except as excluded by endorsement:

1. **You:** The Named Insured;
2. **Elected or Appointed Officials:** All lawfully elected, appointed or employed officials;
3. **Government Agencies, Boards and Commissions:** Any governmental agency or authority, subdivision, department, municipal body, board or commission, or other similar unit, that is:
 - a. Operated by you or with funds administered by you; and
 - b. Subject to your oversight, control or direction.

However, unless otherwise excepted, this insurance does **not** extend to any of the following boards, commissions or units:

- (1) Airports;
 - (2) Transit Authorities;
 - (3) Hospitals;
 - (4) Gas Companies;
 - (5) Housing Authorities;
 - (6) Port Authorities.
4. **Directors and Officers:** Any individual appointed by you as a director or "executive officer", but only with respect to their respective duties and while acting as your director or "executive officer";
 5. **Employees and Volunteers:** Any "employee", "volunteer worker", seasonal or "temporary worker" while under your direction and control, but only for acts while within the course and scope of their employment, or within the scope of service or volunteer, seasonal or temporary work as authorized by you, for functions or activities that are otherwise covered under this policy;
 6. **Former Employees:** Your former "employee", unless otherwise excluded, but only with respect to a "public officials wrongful act" that occurred while in your employ;
 7. **Trustees:** Your trustee, but only as respects their duties as such;
 8. **Legal Heirs, Representatives or Assigns:** The estates, heirs, legal representatives or assigns of deceased persons who were insureds at the time of a covered "public officials wrongful act", but only to the extent that they would otherwise be provided coverage under this policy.
 9. **Newly Acquired Organizations:** Any organization you newly acquire or form, other than a partnership, joint venture, limited liability company or for-profit corporation, and over which you maintain ownership or a majority interest, will qualify as an Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 120th day after you acquire or form the organization or the end of the "policy period", whichever is earlier; and
 - b. Coverage does not apply to any "public officials wrongful act" that commenced before you acquired or formed the organization;

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

We reserve the right within the 120 day coverage period outlined in 9.a. above to endorse this policy to exclude coverage for the new organization; however, should we exercise this right we will provide a thirty-day (30) notice of such new organization being excluded

C. NOT INSURED:

Unless otherwise excepted, none of the following are an Insured under this policy:

1. Any person or entity, including you, with respect to the operation of boards, commissions or other units, the members of which are not afforded coverage under A.3. above; and
2. All persons or entities that are on retainer, are a consultant or are under contract for services, for or on behalf of any insured.

SECTION IV — COVERAGE EXTENSIONS

A. The following extensions apply to the insurance provided by this Coverage Form and are additional insurance to the policy unless otherwise stated. The following additional coverages are not included within, nor affected by, the "retained limit". Payment of these extensions will not:

- a. Reduce or increase the "retained limit" shown on the Declarations for Public Officials Liability coverage; nor
- b. Increase or decrease or the applicable Limits of Insurance provided under this Coverage Form:

1. Identity Theft Expense

We will pay for reimbursement of up to \$5,000 to any present Mayor, City Manager, Director or Officer of the Named Insured for expenses incurred as the direct result of any Identity Theft Expense that has been incurred and discovered during the "policy period".

Identity Theft Expense means:

- a. Costs of notarizing documents required by any financial institution or similar creditors as testaments to fraud;
- b. Costs for certified mail to law enforcement agencies, financial institutions or similar creditors; or
- c. Loan application fees for re-applying for loan(s) when the original application is rejected solely because of incorrect credit information.

2. Key Individual Replacement Expenses

We will pay up to \$25,000 for expenses incurred by the Named Insured to replace the Mayor, City Manager, Chief Executive Officer or "Executive Director" if the person holding that position suffers an injury during the "policy period" which results in loss of life during the "policy period".

Key Individual Replacement Expenses mean:

- a. The costs of advertising the employment position opening;
- b. Travel, lodging and meal expenses incurred in interviewing position applicants for the position opening; and
- c. Miscellaneous extra expenses incurred in finding, interviewing and negotiating with the applicants to include, but not be limited to, overtime pay, costs to verify the background and references of the applicants, and legal expenses incurred to draw up employment contracts.

3. Travel Reimbursement For Emergency Travel Expenses

We will reimburse you up to \$5,000 in any one policy year for all "Emergency Travel Expenses" incurred by a Mayor, City Manager, Director or Officer of a Named Insured due to a "Certified Act of Terrorism" that commences during the "policy period".

"Emergency Travel Expenses" means the additional cost of travel, accommodating and rescue, including funeral expenses or cost of transporting personal baggage, of an insured Mayor, City Manager, Director or Officer of the Named Insured, incurred as a direct result of the cancellation of that insured Mayor, City

Manager, Director or Officer's previously scheduled transport that necessitates re-scheduling of that previously scheduled transport within forty-eight (48) hours of the date and time the "Certified Act of Terrorism" was first initiated.

"Certified Act of Terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the Federal Terrorism Reform Act. The criteria contained in that Act for a "Certified Act of Terrorism" includes the following:

- e. The act resulted in aggregate losses in excess of \$5,000,000; and
- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure; and is committed by an individual or individuals acting on behalf of any domestic or foreign person or domestic or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

SECTION V — LIMITS OF INSURANCE

The Limits of Insurance of this policy apply in addition to the "Retained Limit."

The following paragraphs further describe how the Limits of Insurance and "Retained Limit" apply:

A. RETAINED LIMIT

1. The "retained limit" shall be applied to each "public officials wrongful act" for which coverage is afforded by this policy. The "retained limit" will be reduced by any "loss adjustment expense(s)" incurred by the insured.
2. The "retained limit" shall not be impaired by any "claim" or "suit" brought against an Insured which is not covered under this policy.
3. You agree not to insure or otherwise reinsure your "retained limit" without our knowledge and written permission.
4. You agree that in the event of judgment, settlement or "loss adjustment expense" in excess of the "retained limit," all outstanding amounts within the "retained limit" will be due and payable to us upon demand. Such payment must be made before we have paid, tendered or deposited in court, any part of said judgment, settlement or "loss adjustment expense". Failure of you to comply with this provision will not invalidate the policy, but in the event of such failure, we will be liable only to the extent that we would otherwise have been liable had you complied with this provision.
5. This policy will not drop down to assume or satisfy your obligation under the "retained limit".

B. LIMITS OF INSURANCE

The following describes how the Limits of Insurance apply under this Coverage Form, in excess of the "Retained Limit".

1. The Limits of insurance shown in the Declarations and the rules below fix the most the Company will pay in excess of the Insured's "retained limit", regardless of the number of:
 - a. Insureds;
 - b. "Losses", "claims" made or "suits" brought;
 - c. Persons, organizations or governmental agencies making "claims" or bringing "suits";
 - d. "Occurrences" of "Public Officials Wrongful Act(s)".
2. Subject to the Limits of Insurance stated in the Declarations, we will pay for "loss" covered under this policy only after the "retained limit" has been exhausted because of payments for judgments, settlements and "loss adjustment expenses" of "claims" or "suits". The "retained limit" stated in the Declarations

applies:

- a. Only to "loss" for "occurrences" of "public officials wrongful act(s)" covered under this policy;
 - b. Separately to each "occurrence", or series of continuous, repeated or related "occurrences" of "public officials wrongful act(s)" covered by this policy; and
 - c. To "loss adjustment expense" associated with "claims" or "suits" for "occurrences" of "public officials wrongful act(s)" for amounts within the "retained limit".
3. The Aggregate is the most we will pay for the sum of all "losses" in excess of the "retained limit" because of "occurrences" of "public officials wrongful act(s)" to which this insurance applies.
 4. The Each "Public Officials Wrongful Act" Limit is the most we will pay for the sum of all "loss" in excess of the "retained limit" because of all "public officials wrongful act(s)" arising out of any one "occurrence".
 5. In determining the Limit of Insurance that applies, all such acts, errors or omissions committed by one or more insureds that are substantially the same or are in any way directly or indirectly related — either logically, causally or temporally — shall be deemed to constitute one "Public Officials Wrongful Act", regardless of the number of "claims" or claimants.
 6. The entire "Public Officials Wrongful Act" will be deemed to have occurred on the date of the first act, error or omission.

The limits of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the "policy period" shown in the Declarations, unless the "policy period" is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the preceding period for purposes of determining the Limit of Insurance.

SECTION VI — CONDITIONS

- A. The following **Public Officials Liability Conditions** add to or replace the **Common Policy Conditions** which also apply to this policy:

1. Assignment

Assignment of interest under this policy shall not bind us unless our consent is first endorsed hereon.

2. Claims Administrator

We must approve, in writing, any Claims Administrator utilized by you. You may not change or terminate an approved Claims Administrator without our prior written approval and consent. You also must provide us with written notification no later than ten (10) days from the effective date of any revision of the contract between you and your Claims Administrator. You are responsible for all costs related to any such Claims Administrator.

We shall have the right, upon at least thirty (30) days written notice to you, to conduct an audit of the claim files of the Claims Administrator.

3. Insured's Duties In The Event Of An "Occurrence", "Loss", "Public Officials Wrongful Act", "Claim" Or "Suit"

- a. You must see to it that your Claims Administrator is notified as soon as practicable of any "occurrence", "loss" or "public officials wrongful act(s)" which may result in a "claim" or "suit". Written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses must be reported to the Claims Administrator; and in turn, the Claims Administrator will forward same to us.

- b. If a "claim" is made or a "suit" is brought against any insured, the insured must immediately forward to

the appointed Claims Administrator every demand, notice, summons or other processes received by the insured or its representative, and in turn, the Claims Administrator will forward same to us.

- c. The insured will cooperate with us and at our request, consent to being examined and questioned by a representative of ours, under oath if necessary, attend hearings, depositions and trials; and will assist in effecting settlement, securing and giving evidence and obtaining the attendance of witnesses in the conduct of "suits"; as well as in the giving of a written statement or statements to our representatives and defense.
- d. The insured will give us or our duly authorized representative such information and assistance as we may require and assist in the defense of any "claim" or "suit".
- e. You must report to us as soon as practicable each "claim" or "loss" for which your estimated amount of "loss" or damages, including "loss adjustment expense(s)", is 50% or more of the amount of the "retained limit". You must also immediately report:
 - (1) Any "suit" naming the Company providing this insurance;
 - (2) Any claim involving terrorism or suspected terrorism;
 - (3) Any proposed or certified class action lawsuit;
 - (4) All claims involving or which could reasonably be expected to involve litigation;
 - (5) Any incident alleging sexual misconduct of any type, including rape, abuse, assault, molestation, harassment;
 - (6) Environmental and/or catastrophic potential claims, including those involving contamination, pollution, toxic chemicals, nuclear, radiation, lead, fungus, mold and/or asbestos;
 - (7) All cases of death or serious injury, including but not limited to the following:
 - (a) Cord Injury, including paraplegia, quadriplegia or paralysis;
 - (b) Injury to nerves at the base of the spinal canal (Cauda Equina), or any other back injury symptomized with resulting incontinence of bowel and/or bladder;
 - (c) Amputation requiring a prosthesis, or any loss of a major body member;
 - (d) Claims involving substantial body disfigurement or serious permanency;
 - (e) Brain damage affecting mentality or the central nervous system, such as permanent disorientation, behavior disorder, personality change, seizures, motor deficit, inability to speak (aphasia), hemiplegia or unconsciousness (comatose);
 - (f) Blindness of any type or duration, temporary or permanent;
 - (g) Hearing impairment of any type or duration, temporary or permanent;
 - (h) Burns – those involving over 10% of the body with third degree, or 30% of the body with second degree;
 - (i) Multiple fractures; involving more than one member or non-union;
 - (j) Fracture of both heel bones (fractured bilateral os calcis);
 - (k) Nerve damage causing paralysis and loss of sensation in arm and hand (brachial plexus nerve damage);
 - (l) Massive internal injuries affecting any body organ(s);
 - (m) Fatalities;
 - (n) Any other serious injury which, in your judgment, might involve us.

You must advise us of the estimated amount of "loss" or damages, including "loss adjustment expense(s)", including amounts paid and reserved for "loss" and "loss adjustment expense(s)", in connection with each "claim" or "loss", and of any subsequent changes in such estimates.

- f. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, without our consent.
- g. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, with particulars sufficient to identify the insured, shall be considered to be notice to us.

4. Other Insurance

- a. The Insured shall pay from its own account all amounts within the "retained limit" as provided by the terms and conditions of this policy.
- b. If other valid and collectible insurance applies to a "claim" or "suit" covered by this policy, and subject to **SECTION V – LIMITS OF INSURANCE** of this policy, this policy will apply excess of the other insurance, whether this insurance is primary, excess, contingent, or issued on any other basis.

Other insurance means insurance, or the funding of losses that is provided by or through another insurance company, any risk retention group or any self-insurance, group self-insurance, or similar risk transfer approach, other than any funded by you and to which this insurance applies. It does not mean insurance that is purchased by any insured to be specifically excess of the sum of the "retained limit" and the Limits of Insurance afforded by this policy.

5. Public Entity Authorization Clause

By acceptance of this Policy, the first Named Insured Public Entity shown on the Declarations agrees to act on behalf of each Insured with respect to the giving and receiving of notice of "claim", cancellation or nonrenewal, the payment of premiums that may become due under this Policy; and each Insured agrees that the first Named Insured Public Entity shall act on their behalf. This clause does not relieve the first Named Insured, or any other Insured, of their responsibilities under this Policy.

6. When/If We Permit You To Select Defense Counsel

As respects our right and duty to defend "claims" in excess of the "retained limit" under the terms of this policy, we may, at our discretion and by mutual agreement, or by court order, permit you to select defense counsel, subject to the applicable Limits of Insurance of this Coverage Form. In such event, the following provisions apply:

- a. We retain the right, at our discretion, to settle, approve or disapprove the settlement of any "claim"; and to appeal any judgment, award or ruling, at our expense.
- b. You and any other involved insured must comply with the Duties In Event of a "Loss", "Public Officials Wrongful Act", "Claim" or "Suit" Condition of this policy, as well as all other provisions of this policy; and
- c. You must direct defense counsel of the insured to furnish us with the information we request to evaluate those "suits" for coverage under this policy; and cooperate with any counsel we may select to monitor or associate in the defense of those "suits".
- d. If we defend you under a reservation of rights, both your and our counsel will be required to maintain records pertinent to your "loss adjustment expenses". These records will be used to determine the allocation of any "loss adjustment expenses" for which you may be solely responsible, including defense of an allegation not covered by this insurance.

SECTION VII — DEFINITIONS

A. Whenever used in this Coverage Form, the following words have these meanings:

1. AUTO

"Auto" means:

- a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

2. ADVERTISEMENT

"Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purpose of this definition:

Notices that are published include material placed on the Internet or on similar electronic means of communication; and

Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an "advertisement".

3. BODILY INJURY

"Bodily Injury" means physical injury to the body, sickness, disease, disability, shock, mental anguish, emotional distress, mental injury and humiliation, including death, resulting from any of these at any time.

4. CLAIM

"Claim" means a written notice from any party that it is their intention to hold the insured responsible for "loss" resulting from a "public officials wrongful act" covered by this policy.

5. COVERAGE TERRITORY

"Coverage Territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, provided the injury, "loss" or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
- c. All parts of the world if the injury or damage arises out of:
 - (1) The injury or "loss" arises out of an "public officials wrongful act(s)" of an Insured beyond the territory described in a. above, while they are conducting or are engaged in the Named Insured's operations; and
 - (2) The Insured's responsibility to pay "loss" is determined in a "suit" on the merits, in the territory described in a. above, or in a settlement to which we agree.

6. DISCRIMINATION

"Discrimination" means the unlawful treatment, including any violation of a person's civil rights, with respect to a person's race, color, national origin, gender, marital status, disability, pregnancy, age, sexual orientation or preference, physical or mental condition, or any other protected class or characteristic established by any federal, state or local statutes, rules or regulations.

8. EMPLOYEE

"Employee" includes a "leased worker" or a "temporary worker". Employee does not include a "volunteer worker" or a "service contractor".

9. EMPLOYEE BENEFITS INJURY

"Employee Benefits Injury" means injury that arises out of any act, error or omission in the administration of any insured's "Employee Benefits Program".

10. EMPLOYEE BENEFITS PROGRAM(S)

"Employee Benefits Program(s)" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

- a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
- b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
- c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
- d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies;
- e. Any benefits not otherwise identified within this definition that are offered by the Insured that are deemed by us to be part of the benefits package on the basis of those benefits being within the Insured's control and administered by the Insured; and
- f. Any other similar benefits program(s) made available in connection with employment in an insured's business or operations.

11. EMPLOYMENT PRACTICES WRONGFUL ACT

"Employment practices wrongful act", singular or plural, includes any "loss", "offense", injury or damages to any:

- e. Person, or any class of person, arising out of any:
 - (1) Employment-related practices, policies, procedures, acts, errors or omissions, including but not limited to, coercion, demotion, evaluation, reassignment, discipline, libel, slander, defamation, harassment, humiliation, or "discrimination" involving or directed at any person or class of person;
 - (2) Verbal, physical, mental or emotional abuse, "offense", injury or "loss" resulting from or arising out of employment practices, policies, procedures, acts, errors or omissions involving, connected with, or in any way related to interviews, hiring, supervision, probation, termination, or any other act or determination of employment or non-employment of any person or class of person;
 - (3) False arrest, false imprisonment, libel, slander, defamation, harassment, humiliation, "discrimination", invasion of privacy, wrongful eviction, malicious prosecution, abuse of process, or arising out of any aspect of "law enforcement activities" affecting employment or non-employment of any person or class of person;
 - (4) Verbal, physical, mental or emotional abuse, "offense", injury, damage or "loss" resulting from or arising out of such employment-related practices, policies, acts, errors or omissions including but not limited to those described in (1) through (4) above;
 - (5) Failure to adopt or comply with adequate workplace or employment policies or procedures;

- (6) Failure or refusal to grant tenure;
- (7) Failure or refusal to employ, train, or promote a person;
- (6) Denial of training, deprivation of career opportunity, or breach of employment contract;
- (9) Evaluation, assignment, reassignment or discipline of any person or class of person;
- (10) Dismissal, discharge or termination of employment or membership, whether actual or constructive, of any person or class of person;
- (11) Retaliatory action against any person for the exercise of, or not exercising, any legally protected right, or for engaging in any legally protected activity, including but not limited to, actions of:
 - (a) Performing or declining to perform an unethical or illegal act;
 - (b) Filing a complaint or bringing "suit";
 - (c) Testifying against an insured at a legal proceeding;
 - (d) Notifying a proper authority of any aspect of your operation that is illegal;
- (12) Violation of the Family Medical Leave Act (FMLA), or similar state or local law;
- (13) Violation of any Federal, state or local law (common law or statutory) concerning employment or any "employment practices wrongful act" described in (1) through (12) above; or if insurance is prohibited by law;
- b. Spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any "employment practices wrongful act" described in paragraphs (1) through (12) above is directed;
- c. Person or any class of person arising out of any "discrimination" or harassment directly or indirectly related to the past employment, employment or prospective employment by any insured.

This "Employment Practices Wrongful Act" exclusion applies:

- (a) Whether the injury-causing event described in Paragraphs a. (1) through (12) above occurs before employment or after employment of that person or class of person;
- (b) Whether the insured may be liable as an employer or in any other capacity; and
- (c) To any obligation to share "loss" with or repay someone else who must pay "loss", injury or damages because of the injury.

12. EXECUTIVE OFFICER

"Executive Officer" means a person holding any of the officer positions created by your charter, constitution, by-laws, or any other similar governing document.

13. LAW ENFORCEMENT ACTIVITIES

"Law Enforcement Activities", singular or plural, means any activities, functions or operations by or on behalf of any law enforcement agency or any agent thereof; and/or any activity, function or operation inherent to or in connection with the administration and/or enforcement of the law and the protection of persons or property. Such activities or operations include the ownership, maintenance or use of any premises in connection with such functions, activities or operations; and the development, implementation and enforcement of any and all practices, policies and procedures governing any aspect of law enforcement.

14. LEASED WORKER

"Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your operations. "Leased worker" does not include a "temporary worker" or an "employee" of a "service contractor".

15. LOADING OR UNLOADING

"Loading or Unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto;"
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

However, "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto."

16. LOSS OR LOSSES

"Loss" or "Losses" means any compensatory monetary amount which an insured is legally obligated to pay for a "claim" made against an insured for a "public officials wrongful act" covered by this policy, including but not limited to, damages, judgments, settlements and awards.

"Loss" or "Losses" does not mean fines or penalties, or any matters which may be deemed uninsurable under the law pursuant to which this policy will be construed.

"Loss" or "Losses" does not mean "loss adjustment expense(s)".

17. LOSS ADJUSTMENT EXPENSE(S)

"Loss Adjustment Expense(s)" means all costs and expenses allocated to a specific "claim" or "suit" incurred in the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific "claim" or "suit", including court costs and costs of supersedeas and appeal bonds, and including:

- a. Pre-judgment interest, unless included as part of the award or judgment;
- b. Post-judgment interest; and
- c. Legal expenses and costs incurred in connection with coverage questions and legal actions connected thereto.

"Loss adjustment expense(s)" does not include unallocated loss adjustment expense. Unallocated loss adjustment expense includes, but is not limited to, salaries and expenses of our employees, including staff attorneys, and our office and other overhead expenses.

18. MOBILE EQUIPMENT

"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 you own or rent. However, any land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus that is attached) owned or leased by you shall be deemed an "auto" and not "mobile equipment" if the only reason for considering it "mobile equipment" is that it is maintained for use exclusively on streets or highways owned by you;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) 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:

- (a) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (b) 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.
- g. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

19. OCCURRENCE

"Occurrence" means an event, including continuous or repeated exposure to substantially the same generally harmful conditions.

20. PERSONAL AND ADVERTISING INJURY

"Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement";
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement"; or
- h. False or improper service of process.

With respect to "personal and advertising injury", "loss" means monetary sums and excludes all forms of injunctive relief and declaratory judgments.

22. POLICY PERIOD

"Policy Period" means the period beginning with the Effective Date shown in the Declarations and ending with the earlier of:

- a. the date of cancellation of this Policy; or
- b. the expiration date shown in the Declarations.

23. POLLUTANT(S)

"Pollutant(s)" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, lead, asbestos, acids, alkalis, chemicals, electromagnetic radiation and waste. Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed, and liquid or solid material carried off with water in sewers or drains.

24. PROFESSIONAL SERVICES

"Professional Services" means any act or service arising out of a vocation, calling, occupation or employment involving specialized training, knowledge, labor or skill, which requires special licensing by an agency, organization or entity authorized to award such license(s).

25. PROPERTY DAMAGE

"Property Damage" means:

- a. Physical injury to tangible property including all resulting loss of use of that property;
- b. Loss of use of personal property that is not physically injured; or
- c. Disappearance of tangible property (including money).

26. PUBLIC OFFICIALS WRONGFUL ACT

"Public Officials Wrongful Act", singular or plural, means any actual or alleged:

- a. Error or omission, neglect or breach of duty by an insured;
- b. Violation of civil rights protected under 42 USC 1981 et sequental; or
- c. Violation of any state civil rights law;

which arises out of the discharge of duties for you, individually or collectively.

27. RETAINED LIMIT

"Retained Limit" refers to the amount stated in the Declarations. You shall retain this amount as self-insurance as stated in the Declarations. The "retained limit" with respect to a self-insured retention shall include "loss adjustment expense(s)".

28. SERVICE CONTRACTOR

"Service Contractor" means a person or organization that contracts to provide identified services to or for the benefit of any insured, utilizing workers:

- a. Who are "employees" of that person or organization; and
- b. Whose work activities are generally under the control and direction of that person or organization.

30. SUIT

"Suit" means a civil proceeding in which "loss" is claimed because of a "public officials wrongful act" to which this policy applies. "Suit" includes:

- a. An arbitration proceeding in which "loss" is claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which "loss" is claimed and to which the insured submits with our consent.

"Suit" does not mean an administrative hearing or proceeding.

31. TEMPORARY WORKER

"Temporary worker(s)" means a person who is furnished to you by another person or organization, other than a labor leasing firm, to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

32. VOLUNTEER WORKER

"Volunteer worker(s)" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you. "Volunteer worker" includes but is not limited to your volunteer firefighters, volunteer nurses, and other volunteer persons while acting specifically on your behalf or within the scope of their service or volunteer work for you, for activities that are covered under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION — DERIVATIVE INVESTMENT

This endorsement modifies insurance provided under the following:

PUBLIC OFFICIALS LIABILITY COVERAGE PART PUBLIC OFFICIALS LIABILITY RETAINED LIMIT COVERAGE FORM

The following Exclusion is added to **SECTION II — EXCLUSIONS**:

This insurance does not apply any "suit" in connection with any "claim" or "suit" made against the insured:

1. Arising out of or in any way connected with an insured's involvement in, or vicarious liability for, any ownership, management, investment, investment policy, oversight, responsibility or investment advice for any public or private investment fund, trust or pool, including the use of, or failure to use, derivative investment components; or
2. Arising out of or in any way connected with any actual or alleged violation of the following (including any rules, regulations or emendments thereto):
 - a. The Securities Act of 1933; or
 - b. The Securities Exchange Act of 1934; or
 - c. The Public Utilities Holding Company Act of 1935; or
 - d. The Trust Indenture Act of 1939; or
 - e. The Investment Company Act of 1940; or
 - f. The Investment Advisors Act of 1940; or
 - g. Any state "Blue Sky Laws," or
 - h. Based upon any common law principle(s) of liability if made in connection with any actual or alleged violation of any acts or laws listed in e. - g. above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION — FINANCIAL LOSS

This endorsement modifies insurance provided under the following:

PUBLIC OFFICIALS LIABILITY COVERAGE PART PUBLIC OFFICIALS LIABILITY RETAINED LIMIT COVERAGE FORM

The following EXCLUSION is added to **SECTION II — EXCLUSIONS**:

This insurance does not apply to any "suit" in connection with any "claim" or "suit" made against the insured directly or indirectly arising out of:

1. The purchase, offering, sale, administration, diminution of value, yield income, or failure to comply with any obligation of any type of security, bond, or debenture;
2. The use, misuse, management, mismanagement, loss of, or failure to return, any monies (including funds, grants and appropriations) including any breach of or failure to satisfy and duty or obligation if such failure or breach is caused by the use, misuse, management, mismanagement, loss of, or failure to return any such monies;
3. The formulation of tax rates, the collection of taxes and/or the disbursement of tax refunds; or
4. Any misappropriation and/or improper distribution of taxes.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION — SECURITIES, BONDS, DEBENTURES

This endorsement modifies insurance provided under the following:

**PUBLIC OFFICIALS LIABILITY COVERAGE PART
PUBLIC OFFICIALS LIABILITY RETAINED LIMIT COVERAGE FORM**

The following Exclusion is added to **SECTION II — EXCLUSIONS**:

This insurance does not apply to any "suit" in connection with any "claim" or "suit" made against the insured arising out of the purchase, offering, sale or administration of any type of security, bond, or debenture.

EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – LIMITED REPORTING

LOSS ADJUSTMENT EXPENSES INCLUDED WITHIN THE RETENTION, OUTSIDE THE LIMITS OF INSURANCE

Throughout this policy the words "you" and "your" refer to the Named Insured in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us" and "our" refer to the insurance company shown on the Declarations pages as the insurer.

Other words and phrases that appear in quotation marks have special meanings. Refer to **SECTION VI – DEFINITIONS** and other provisions of this policy for such meanings.

Within this Coverage Form, the word "Insured" includes any person or organization qualifying as such under **SECTION III - WHO IS AN INSURED**.

Various provisions in this coverage form restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

SECTION I — COVERAGES

A. INSURING AGREEMENT

We will pay on behalf of the insured those sums in excess of the "retained limit" that the Insured becomes legally obligated to pay as damages resulting from an "employment practices wrongful act" to which this insurance applies. However, we will have no duty to defend the insured against any "suit" seeking damages because of an "employment practices wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result from an "employment practices wrongful act".

1. This coverage applies only if:
 - a. The "employment practices wrongful act" is caused by an "occurrence" that takes place in the "coverage territory"; and;
 - b. Prior to the "policy period", no Insured knew or had reason to know that the "employment practices wrongful act" had occurred, in whole or in part.
 - c. If any Insured knew or had reason to know, prior to the "policy period" that the "employment practices wrongful act" had occurred, then any continuation, change or resumption of such "employment practices wrongful act" will be deemed to have been known prior to the "policy period".
2. An "employment practices wrongful act" will be deemed to have been known to have occurred at the earliest time when any insured:
 - a. Reports all, or any part, of the "employment practices wrongful act" to us or to any other insurer;
 - b. Receives written or verbal demand or "claim" for "loss" because of "employment practices wrongful act"; or
 - c. Becomes aware by any other means that an "employment practices wrongful act" has occurred.The entire "employment practices wrongful act" will be considered to have occurred on the date of the first act, error or omission.
3. The amount we pay for "loss" and "loss adjustment expenses" is limited as described in **Section IV – Limits of Insurance**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Defense and Supplementary Payments**.

B. DEFENSE AND SUPPLEMENTARY PAYMENTS

1. The insured will have the obligation to provide an adequate defense, to investigate any "claim" or "suit" and to accept any offer of settlement within the "retained limit" that is deemed reasonable by us, with regard to any "employment practices wrongful act", "claim" or "suit" against an insured seeking damages to which this insurance applies, even if any of the allegations of the "suit" are groundless, false or fraudulent.
 - a. The insured shall pay all "loss adjustment expense" that relates to the defense of "claims" or "suits" which amounts are within the "retained limit";
 - b. We will not pay any "loss adjustment expense" above what we would have paid had the "loss" been settled for any reasonable amount within the "retained limit".
 - c. Should the insured or the insured's Claims Administrator fail to pay any damages or provide any defense within the "retained limit" that would otherwise be required by the coverage, terms and conditions of this policy, we may elect to pay these damages or provide such defense as is necessary to meet such coverage, terms and conditions of the policy. If we elect to pay such amounts for damages or provide such defense, you will promptly reimburse us for any amounts we elect to pay as damages, and the sum of all such "loss adjustment expenses" we incur to provide a defense that would otherwise have been within the "retained limit".
2. We will have the right, but not the obligation, to assume charge of the defense of any "claim" or "suit" at our expense.
3. We have the right, but neither the duty nor obligation, to associate with the insured in the defense, investigation or settlement of any "employment practices wrongful act", "claim" or "suit" seeking damages to which this insurance may apply if the damages sought are in excess of the "retained limit" or which, in our opinion, may create liability for us under this policy. In such event, the insured will cooperate fully.
 - a. No "loss adjustment expense" shall be incurred on behalf of the Company without our written consent;
 - b. The insured will not enter into any settlement that may impact this policy, agree to a judgment or consent against it or assign rights under this policy to anyone unless we first consent in writing; and
 - c. Upon our written request, the insured will tender such portion of the "retained limit" as we may deem necessary to complete the settlement of such "claim" or "suit".
- C. We have the right and duty to defend the insured against any "claim" or "suit" seeking "loss" from an "employment practices wrongful act" to which this insurance applies when the "retained limit" has been exhausted because of judgments, settlements and "loss adjustment expenses" paid to a third party under **Coverages A or B**.
 1. The amount we will pay in excess of the "retained limit" is fixed as described in **SECTION IV - LIMITS OF INSURANCE**; and our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments and settlements.
 2. When the duty to defend exists, we will pay, in addition to the Limit of Insurance, the following "loss adjustment expenses":
 - a. All expenses incurred by us and all interest on the entire amount of any judgment which does not exceed the limit of our liability; and
 - b. Premium on appeal bonds required in any "suit" defended by us and the cost of attachment or similar bonds.

We are not responsible to pay any "loss adjustment expenses" under 2.a. or 2.b. for any settlement or judgment amounts within the "retained limit".

- D. We will have no duty to defend an insured against any "suit" seeking damages from an "employment practices wrongful act" to which this insurance does not apply.
- E. We have the right, but no duty, to appeal any judgment.
- F. We will have no duty to defend any "claim" or "suit" that any other insurer has a duty to defend. If no other insurer defends, we may do so, but we will be entitled to the insured's rights against all those other insurers.

SECTION II — EXCLUSIONS

A. This insurance does not apply to:

1. Adverse Profit or Remuneration

"Loss" based upon or attributable to any insured gaining profit, advantage or remuneration to which the insured is not legally entitled;

2. Advertising, Broadcasting, Telecasting

"Loss" arising from a publication or utterance made in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of any insured.

3. Auto, Watercraft, Aircraft

Any "employment practices wrongful act" arising out of the ownership, licensure, permit, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by, or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the loss or "claim" against any insured alleges negligence in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "employment practices wrongful act" involved the ownership, maintenance, licensure, permit, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by, or rented or loaned to any insured.

4. Bodily Injury or Property Damage

Any "loss" or damage arising from "bodily injury," sickness, disease or death of any person, or for damage to or destruction of any property, including diminution of value or loss of use thereof.

Exception to Exclusion:

However, for the purpose of this exclusion, "bodily injury" does not include emotional distress, loss of reputation, humiliation or mental anguish not arising from physical trauma;

5. Contractual Liability

Any obligation assumed by an insured under a contract or agreement, unless the insured would have been legally liable in the absence of such contract or agreement.

6. Distribution of Material In Violation Of Statutes

Any "employment practices wrongful act" or any other injury, "loss", cost or damages arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

- c. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

7. Electronic Data

Any "loss" or damage arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, 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, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

8. Electronic Vandalism

Any "loss", injury, damage, cost or expense caused directly or indirectly by Electronic Vandalism. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. As used in this exclusion, Electronic Vandalism means:

- (1) Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems.
- (2) Unauthorized computer code or programming that:
 - (a) Deletes, distorts, corrupts or manipulates computer programs, content, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which it is introduced;
 - (b) Replicates itself, impairing the performance of computers or computer systems or networks; or
 - (c) Gains remote control access to data and programming within computers or computer systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.

With respect to any activity that comes within the terms of the War and Military Action Exclusion and involves Electronic Vandalism, the War and Military Action Exclusion supersedes this Electronic Vandalism Exclusion. With respect to any activity that comes within the terms of the Terrorism Exclusion and involves Electronic Vandalism, the Terrorism Exclusion supersedes this Electronic Vandalism Exclusion.

9. Fiduciary & Employee Benefits

Any "loss" or damages based upon or arising out of:

- a. Any activity for which the insured is acting in a Fiduciary capacity; or
- b. An employee benefit plan, welfare plan or retirement plan, or self insurance fund, including any obligation under the Employee Retirement Income Security Act (ERISA), or the Consolidated Omnibus Budget Reconciliation Act (COBRA), and any subsequent amendments thereto, or any similar local, state or Federal law, statute or regulation.

Exception to Exclusion:

However, exclusion 9.b. shall not apply as respects any "claim" asserted under the Employee Retirement Income Security Act (ERISA) for an alleged retaliatory discharge if such benefits are included as items of damage for an "employment practices wrongful act" that would be covered by this policy.

10. Fraudulent or Dishonest Acts

Any "loss" brought about by, arising out of or attributable to fraudulent or dishonest acts or omissions of an insured, or bad faith on the part of an insured.

Exception to Exclusion:

However notwithstanding the foregoing, the insured will be protected under the terms of this policy as to any "claim(s)" upon which "suit" may be brought against them by reason of any alleged fraudulent or dishonest act of any insured, unless a judgment or other final adjudication thereof adverse to such insured will establish that acts of active or deliberate fraud or dishonesty committed by such insured was material to the cause of action so adjudicated.

11. Judicial Penalties

Any "loss", cost, civil fine, penalty or expense arising from any complaint or enforcement action by any federal, state or local governmental regulatory agency or judicial entity.

12. Handling Of An "Occurrence", "Loss", "Employment Practices Wrongful Act", "Claim" or "Suit" Within The "Retained Limit"

Any "loss", injury, damages or "employment practices wrongful act(s)" arising out of the handling of "claims" or "suits" within the "retained limit", including the investigation, defense or settlement of "claims" or "suits".

13. Labor Disputes

"Loss" arising out of or associated with a lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations.

Exception to Exclusion:

This exclusion will not apply to a "claim" brought by an "employee" alleging wrongful termination or retaliation as a result of strike or lockout activity or union involvement, or to an "employee" who has been temporarily or permanently replaced due to any labor dispute;

14. Legal Services

Anyone providing legal services other than an attorney employed full time by the named insured.

15. Maintain Insurance

Any "loss" for, based upon, attributable to, arising out of, resulting from, in consequence of, or in any way involving, directly or indirectly, any failure or omission of the insured to effect or maintain insurance of any kind.

16. Named Insured

Any "claim" by the Named Insured or on its behalf;

17. Non-Monetary

Any "claim", demand, or action seeking relief or redress in any form other than monetary damages; or for any fees, costs or expenses which an insured may become obligated to pay as a result of any adverse judgment for declaratory relief or injunctive relief, including but not limited to actual or anticipated costs and expenses associated with or arising from an insured's obligation to provide reasonable accommodation under, or otherwise comply with, the Americans With Disabilities Act or the Rehabilitation Act of 1973, including amendments thereto and regulations thereunder, or any related or similar law or regulation;

Exception to Exclusion:

This exclusion does not apply to defense costs where non-monetary relief is sought for an alleged "employment practices wrongful act" that would otherwise be covered under this policy;

18. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

With respect to any activity that comes within the terms of the War and Military Action Exclusion and involves nuclear reaction or radiation, or radioactive contamination, the War and Military Action Exclusion supersedes this Nuclear Hazard Exclusion.

19. Pollution

Any "loss", cost or expense resulting in whole or in part for any of the following:

- e. Actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
- b. Any request, demand or 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
- c. Any "suit" by or on behalf of a government 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".

20. Prior or Pending Notice or Legal Action

Any injury or "loss" based upon, arising out of, attributable to, or in any way directly or indirectly related to any:

- a. Prior or pending legal action or litigation, administrative or regulatory proceeding, "claim", demand, arbitration, decree or judgment against any Insured before the Effective Date of this policy, including any administrative or regulatory proceeding:
 - (1) resulting from or in consequence of such pending or prior litigation, administrative or regulatory proceeding;
 - (2) derived in whole or in part from the facts and/or matters averred or alleged in any such pending or prior litigation, administrative or regulatory proceeding; or
 - (3) derived from the same or essentially the same fact, actual or alleged;
- b. Fact, circumstance, event, situation, or "employment practices wrongful act" that was the subject of any notice under any similar policy of insurance issued to the insured.

21. Representative Insurance Benefits

This policy will not provide coverage for "loss", other than "loss adjustment expense", if such "loss" constitutes "benefits" due or "benefits" to become due, or the equivalent value of such "benefits", provided that such benefits do not apply to any "claim" for an "employment practices wrongful act" that would otherwise be covered by this policy. As used here, "benefits" means perquisites, fringe benefits, deferred compensation or payments, including insurance premiums, in connection with an employee benefits plan and any other payment. "Benefits" shall not include salary or wages, stock benefits or non-deferred cash incentive compensation.

22. Separation Payment

Any "claim" seeking severance pay, damages or penalties under an express written "Employment Agreement", or under any policy or procedure providing for payment in the event of separation from employment; or sums sought solely on the basis of a claim for unpaid services.

As used here, "Employment Agreement" means any express or implied employment agreement regardless of the basis in which such agreement is alleged to exist, other than a collective bargaining agreement.

Exception to Exclusion:

However, this exclusion shall not apply to "loss adjustment expense" resulting from such "claim".

23. Violation Of Laws

Any "loss" based on the conduct of the insured or at the insured's direction that is committed with wanton, willful, reckless or intentional disregard of any law(s) that is or are the foundation for the "claim", or with criminal or malicious purpose or intent.

Exception to Exclusion:

But this exclusion will not apply to the strict vicarious liability of any insured for the wanton, willful, reckless or intentional disregard of another of any law(s) that is or are the foundation for the "claim".

24. Violation Of Laws Applicable to Employers

A violation of your responsibilities or duties required by any other federal, state or local statutes, rules or regulations, and any rules or regulations promulgated therefore or amendments thereto, except for the following, and including amendments thereto: Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the Age Discrimination in Employment Act, the Equal Pay Act, the Pregnancy Discrimination Act of 1978, the Immigration Reform Control Act of 1986, the Family and Medical Leave Act of 1993 and the Genetic Information Nondiscrimination Act of 2008, the Occupational Safety & Health Act, or any other similar state or local statutes, rules or regulations, to the extent that they prescribe responsibilities or duties concerning the same acts or omissions.

However, this insurance does not apply to a "employment practices wrongful act" arising out of your failure to comply with any of the accommodations for the disabled required of you by, or any expenses incurred as the result of reasonable physical modifications made to accommodate any person with a disability or other protected characteristic pursuant to, the Americans With Disabilities Act, or any amendments thereto, or any similar state or local statutes, rules or regulations to the extent that they prescribe responsibilities or duties concerning the same acts or omissions.

Exception(s) to Exclusion:

This exclusion does not apply to any "claim" for retaliatory treatment by an insured against any person making a "claim" pursuant to such person's rights under any statutes, rules or regulations.

25. Wage and Hour Law

"Loss" that is based upon, arising from, or attributable to, directly or indirectly, in connection with, related to, or in any involving any "claim" alleging violation of any federal, state or local wage and hour law.

Exception to Exclusion:

However, this exclusion will not apply to any "claim" under the federal Equal Pay Act or similar state law.

26. War and Military Action

An "employment practices wrongful act", however caused, arising directly or indirectly out of:

- (1) Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack;

- i. By any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces;
 - ii. By military, naval or air forces; or
 - iii. By an agent of any such government, power, authority or forces.
- (2) Invasion, insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence.

Any discharge, release, explosion or use of any chemical or biological agent, or any weapon or device of war employing nuclear fission or fusion, will be conclusively presumed to be such a hostile or warlike action by such a government, power, authority or forces.

With respect to any action that comes within the terms of this War and Military Action Exclusion and:

- (a) Involves nuclear reaction or radiation, or radioactive contamination, this War and Military Action Exclusion supersedes the Nuclear Hazard Exclusion;
- (b) Involves a discharge, dispersal, seepage, migration, release, escape or application of any pathogenic or poisonous biological or chemical materials, this War and Military Action Exclusion supersedes the Pathogenic or Poisonous Biological or Chemical Materials Exclusion;
- (c) Involves Electronic Vandalism as defined in the Electronic Vandalism Exclusion, this War and Military Action Exclusion supersedes the Electronic Vandalism Exclusion;
- (d) Comes within the terms of the Terrorism Exclusion, this War and Military Action Exclusion supersedes the Terrorism Exclusion.

27. Workers' Adjustment and Retraining Notification Act

"Loss" arising out of the Workers' Adjustment and Retraining Notification Act, or any amendment thereto, or any similar federal, state or local law.

Exception to Exclusion:

This exclusion shall not apply if the Named Insured consulted with legal counsel and made a good faith attempt to comply with the law prior to such "loss".

28. Workers Compensation and Similar Laws

"Loss" arising out of any obligation under any workers' compensation, disability benefits, social security or unemployment compensation law, or any similar law.

Exception to Exclusion:

However, this exclusion does not apply to any "claim" for retaliation, "discrimination" or harassment on account of the filing of a workers' compensation claim or a claim for disability benefits.

SECTION III - WHO IS AN INSURED

A. INSURED:

Each of the following is an Insured, except as excluded by endorsement:

- 1. **You:** The Named Insured;
- 2. **Elected or Appointed Officials:** All lawfully elected, appointed or employed officials;
- 3. **Government Agencies, Boards and Commissions:** Any governmental agency or authority, subdivision, department, municipal body, board or commission, or other similar unit, that is:

- a. Operated by you or with funds administered by you; and
- b. Subject to your oversight, control or direction.

However, unless otherwise excepted, this insurance does **not** extend to any of the following boards, commissions or units:

- (1) Airports;
 - (2) Transit Authorities;
 - (3) Hospitals;
 - (4) Gas Companies;
 - (5) Housing Authorities;
 - (6) Port Authorities.
- 4. **Directors and Officers:** Any individual appointed by you as a director or "executive officer", but only with respect to their respective duties and while acting as your director or "executive officer";
 - 5. **Employees and Volunteers:** Any "employee", "volunteer worker", seasonal or "temporary worker" while under your direction and control, but only for acts while within the course and scope of their employment, or within the scope of service or volunteer, seasonal or temporary work as authorized by you, for functions or activities that are otherwise covered under this policy;
 - 6. **Former Employees:** Your former "employee", unless otherwise excluded, but only with respect to an "employment practices wrongful act" that occurred while in your employ;
 - 7. **Trustees:** Your trustee, but only as respects their duties as such;
 - 8. **Legal Heirs, Representatives or Assigns:** The estates, heirs, legal representatives or assigns of deceased persons who were insureds at the time of a covered "employment practices wrongful act", but only to the extent that they would otherwise be provided coverage under this policy.
 - 9. **Newly Acquired Organizations:** Any organization you newly acquire or form, other than a partnership, joint venture, limited liability company or for-profit corporation, and over which you maintain ownership or a majority interest, will qualify as an Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 120th day after you acquire or form the organization or the end of the "policy period", whichever is earlier; and
 - b. Coverage does not apply to any "employment practices wrongful act" that commenced before you acquired or formed the organization;

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

We reserve the right within the 120 day coverage period outlined in 9.a. above to endorse this policy to exclude coverage for the new organization; however, should we exercise this right we will provide a thirty-day (30) notice of such new organization being excluded.

B. NOT INSURED:

Unless otherwise excepted, none of the following are an Insured under this policy:

- 1. Any person or entity, including you, with respect to the operation of boards, commissions or other units, the members of which are not afforded coverage under A.3. above; and

2. All persons or entities that are on retainer, are a consultant or are under contract for services, for or on behalf of any insured.

SECTION IV — LIMITS OF INSURANCE

The Limits of Insurance of this policy apply in addition to the "retained limit".

The following paragraphs further describe how the Limits of Insurance and "Retained Limit" apply:

A. RETAINED LIMIT

The Limits of Insurance of this policy apply in addition to the "retained limit".

1. The "retained limit" shall be applied to each "employment practices wrongful act" for which coverage is afforded by this policy. The "retained limit" will be reduced by any "loss adjustment expense(s)" incurred by the Insured.
2. The "retained limit" shall not be impaired by any "claim" or "suit" brought against an Insured which is not covered under this policy.
3. The "retained limit" shall not include any amounts for "loss" or "loss adjustment expense" for any "employment practices wrongful act" that occurs prior to, or subsequent to, the "policy period".
4. You agree not to insure or otherwise reinsure your "retained limit" without our knowledge and written permission.
5. This policy will not drop down to assume or satisfy your obligations under the "retained limit".
6. You agree that in the event of judgment, settlement or "loss adjustment expense" in excess of the "retained limit", all outstanding amounts within the "retained limit" will be due and payable to us upon demand. Such payment must be made before we have paid, tendered or deposited in court, any part of said judgment, settlement or "loss adjustment expense". Failure of you to comply with this provision will not invalidate the policy, but in the event of such failure, we will be liable only to the extent that we would otherwise have been liable had you complied with this provision.

B. LIMITS OF INSURANCE

The following describe how the Limits of Insurance apply under this Coverage Form, in excess of the "Retained Limit":

1. The Limits of Insurance shown in the Declarations and the rules below fix the most the Company will pay in excess of the insured's "retained limit", regardless of the number of:
 - a. Insured(s);
 - b. "Losses", "claims" made or "suits" brought;
 - c. Persons, organizations or governmental agencies making "claims" or bringing "suit(s)";
 - d. "Occurrences" of "Employment Practices Wrongful Act(s)".
2. Subject to the Limits of Insurance stated in the Declarations, we will pay for "loss" covered under this policy only after the "retained limit" has been exhausted because of payments for judgments, settlements and "loss adjustment expense(s)" of "claims" or "suits" and "loss adjustment expenses". The "retained limit" stated in the Declarations applies:
 - a. Only to "loss" for "occurrences" of "employment practices wrongful act(s)" covered under this policy;
 - b. Separately to each "occurrence" or series of continuous, repeated or related "occurrences", of "employment practices wrongful act(s)"; and

- c. To "loss adjustment expenses" associated with "claims" or "suits" of "employment practices wrongful act(s)" for amounts within the "retained limit".
- 3. The Aggregate is the most we will pay in excess of the "retained limit" for each "policy period" for the sum of all "loss" because of "occurrences" of "employment practices wrongful act(s)" to which this insurance applies.
- 4. The Each "Employment Practices Wrongful Act" Limit is the most we will pay in excess of the "retained limit" for the sum of all "loss" because of all "employment practices wrongful act(s)" arising out of any one "occurrence".
- 5. In determining the Limit of Insurance that applies, all such acts, errors or omissions committed by one or more insureds that are substantially the same or arise in any way directly or indirectly related – either logically, causally or temporally – shall be deemed to constitute one "Employment Practices Wrongful Act", regardless of the number of "claims" or claimants. The entire "Employment Practices Wrongful Act" will be deemed to have occurred on the date of the first act, error or omission.

The limits of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the "policy period" shown in the Declarations, unless the "policy period" is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the preceding period for purposes of determining the limits of insurance.

SECTION V — CONDITIONS

- A. The following **Employment Practices Liability Conditions** add to or replace the **Common Policy Conditions** which also apply to this policy:

- 1. **Assignment**

Assignment of interest under this policy shall not bind us unless our consent is first endorsed hereon.

- 2. **Claims Administrator**

We must approve, in writing, any Claims Administrator utilized by you. You may not change or terminate an approved Claims Administrator without our prior written approval and consent. You also must provide us with written notification no later than ten (10) days from the effective date of any revision of the contract between you and your Claims Administrator. You are responsible for all costs related to any such Claims Administrator.

We shall have the right, upon at least thirty (30) days written notice to you, to conduct an audit of the claim files of the Claims Administrator.

- 3. **Insured's Duties In The Event Of An "Occurrence", "Loss", "Employment Practices Wrongful Act", "Claim" Or "Suit"**

- a. You must see to it that your Claims Administrator is notified as soon as practicable of any "occurrence", "loss" or "employment practices wrongful act" which may result in a "claim" or "suit". Written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses will be reported to the Claims Administrator, and in turn, the Claims Administrator will forward same to us.
- b. If a "claim" is made or a "suit" is brought against any insured, the insured will immediately forward to the appointed Claims Administrator every demand, notice, summons or other processes received by the insured or its representative, and in turn, the Claims Administrator will forward same to us.

- c. The insured will cooperate with us and at our request, consent to being examined and questioned by a representative of ours, under oath if necessary; and will attend hearings, depositions and trials; and will assist in effecting settlement, securing and giving evidence and obtaining the attendance of witnesses in the conduct of "suits"; as well as in the giving of a written statement or statements to our representatives and defense.
- d. The insured will give us or our duly authorized representative such information and assistance as we may require and assist us in the defense of any "claim" or "suit" subject to **Supplementary Payments** under **SECTION I - COVERAGES**.
- e. You must report to us as soon as practicable each "claim" or "loss" for which your estimated amount of loss or damages, including "loss adjustment expense", is 50% or more of the amount of the "retained limit". You must also immediately report:
 - (1) Any "suit" naming the Company providing this insurance;
 - (2) Any claim involving terrorism or suspected terrorism;
 - (3) Any proposed or certified class action lawsuit;
 - (4) All claims involving or which could reasonably be expected to involve litigation;
 - (5) Any incident alleging sexual misconduct of any type, including rape, abuse, assault, molestation, harassment;
 - (6) Environmental and catastrophic potential claims, including those involving contamination, pollution, toxic chemicals, nuclear, radiation, lead, fungus, mold and/or asbestos;
 - (7) All cases of death or serious injury, including but not limited to the following:
 - (a) Cord Injury, including paraplegia, quadriplegia or paralysis;
 - (b) Injury to nerves at the base of the spinal canal (Cauda Equina), or any other back injury symptomized with resulting incontinence of bowel and/or bladder;
 - (c) Amputation requiring a prosthesis, or any loss of a major body member;
 - (d) Claims involving substantial body disfigurement or serious permanency;
 - (e) Brain damage affecting mentality or the central nervous system, such as permanent disorientation, behavior disorder, personality change, seizures, motor deficit, inability to speak (aphasia), hemiplegia or unconsciousness (coma);
 - (f) Blindness of any type or duration, temporary or permanent;
 - (g) Hearing impairment of any type or duration, temporary or permanent;
 - (h) Burns – those involving over 10% of the body with third degree, or 30% of the body with second degree;
 - (i) Multiple fractures; involving more than one member or non-union;
 - (j) Fracture of both heel bones (fractured bilateral os calcis);
 - (k) Nerve damage causing paralysis and loss of sensation in arm and hand (brachial plexus nerve damage);
 - (l) Massive internal injuries affecting any body organ(s);
 - (m) Fatalities;
 - (n) Any other serious injury which, in your judgment, might involve us.

You must advise us of the estimated amount of "loss" or injury, including "loss adjustment expense", including amounts paid and reserved, in connection with each "claim" or "loss", and of any subsequent changes in such estimates.

- f. No insured will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, without our consent.
- g. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, with particulars sufficient to identify the insured, shall be considered to be notice to us.

4. Other Insurance

- a. The Insured shall pay from its own account all amounts within the "retained limit" as provided by the terms and conditions of this policy.
- b. If other valid and collectible insurance applies to a "claim" or "suit" covered by this policy, and subject to **SECTION IV – LIMITS OF INSURANCE** of this policy, this policy will apply excess of the other insurance, whether this insurance is primary, excess, contingent, or issued on any other basis.

Other insurance means insurance, or the funding of losses that is provided by or through another insurance company, any risk retention group or any self-insurance, group self-insurance, or similar risk transfer approach, other than any funded by you and to which this insurance applies. It does not mean insurance that is purchased by any insured to be specifically excess of the sum of the "retained limit" and the Limits of Insurance afforded by this policy.

5. Public Entity Authorization Clause

By acceptance of this Policy, the first Named Insured Public Entity shown on the Declarations agrees to act on behalf of each Insured with respect to the giving and receiving of notice of "claim", cancellation or nonrenewal, the payment of premiums that may become due under this Policy; and each Insured agrees that the first Named Insured Public Entity shall act on their behalf. This clause does not relieve the first Named Insured, or any other Insured, of their responsibilities under this Policy.

6. When/If We Permit You To Select Defense Counsel

As respects our right and duty to defend "claims" in excess of the "retained limit" under the terms of this policy, we may, at our discretion and by mutual agreement, or by court order, permit you to select defense counsel, subject to the Limits of Insurance of this Coverage Form. In such event, the following provisions apply:

- a. We retain the right, at our discretion, to settle, approve or disapprove the settlement of any "claim"; and to appeal any judgment, award or ruling, at our expense.
- b. You and any other involved insured must comply with the Duties In Event of a "Loss", "Employment Practices Wrongful Act", "Claim" or "Suit" Condition of this policy, as well as all other provisions of this policy; and
- c. You must direct defense counsel of the insured to furnish us with the information we request to evaluate those "suits" for coverage under this policy; and cooperate with any counsel we may select to monitor or associate in the defense of those "suits".
- d. If we defend you under a reservation of rights, both your and our counsel will be required to maintain records pertinent to your "loss adjustment expenses". These records will be used to determine the allocation of any "loss adjustment expenses" for which you may be solely responsible, including defense of an allegation not covered by this insurance.

SECTION VI — DEFINITIONS

A. Whenever used in this Coverage Form, the following words have these meanings:

1. AUTO

"Auto" means:

- e. A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

2. BODILY INJURY

"Bodily Injury" means physical injury to the body, sickness, disease, disability and death. "Bodily injury" includes shock, mental anguish, emotional distress, pain and suffering, mental injury and humiliation, only when it arises from and is accompanied by physical injury to the claimant's body, sickness, disease or death.

3. CLAIM

"Claim" means:

- (1) A written notice from any party that it is their intention to hold the insured responsible for "loss" resulting from an "employment practices wrongful act" covered by this policy; and
- (2) Any notice that requires you to attend an administrative hearing conducted by the Equal Employment Opportunity Commission (EEOC), or by any state agency with a similar purpose.

4. COVERAGE TERRITORY

"Coverage Territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, provided the injury, "loss" or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
- c. All parts of the world if the injury or damage arises out of:
 - (1) The injury or "loss" arises out of an "employment practices wrongful act(s)" of an Insured beyond the territory described in a. above, while they are conducting or are engaged in the Named Insured's business activities; and
 - (2) The Insured's responsibility to pay "loss" is determined in a "suit" on the merits, in the territory described in a. above, or in a settlement to which we agree.

5. DISCRIMINATION

"Discrimination" means the unlawful treatment, including any violation of a person's civil rights, with respect to a person's race, color, national origin, gender, marital status, disability, pregnancy, age, sexual orientation or preference, physical or mental condition, or any other protected class or characteristic established by any federal, state or local statutes, rules or regulations.

6. EMPLOYEE

"Employee" includes a "leased worker" or a "temporary worker". Employee does not include a "volunteer worker" or a "service contractor".

7. EMPLOYMENT PRACTICES WRONGFUL ACT

"Employment Practices Wrongful Act" includes any "loss or injury to any:

- a. Person, or any class of persons, arising out of any one or more of the following offenses:
 - (1) Employment-related practices, policies, procedures, acts, errors or omissions, including but not limited to, coercion, demotion, evaluation, reassignment, malicious prosecution, discipline, libel, slander, invasion of privacy, defamation, harassment, humiliation, or "discrimination" involving or directed at any person;
 - (2) Verbal, physical, mental or emotional abuse resulting from or arising out of such employment-related practices, policies, procedures, acts, errors or omissions including but not limited to those described in (1) above;
 - (3) Failure to adopt or comply with adequate workplace or employment policies or procedures;
 - (4) Failure or refusal to provide employment related equal treatment or opportunities;
 - (5) Wrongful failure to grant tenure;
 - (6) Wrongful failure or refusal to employ, train, or promote a person;
 - (7) Wrongful denial of training, wrongful deprivation of career opportunity, or breach of employment contract;
 - (8) Negative evaluations, reassignment or discipline of your current "employee" or "volunteer worker", or wrongful refusal to employ;
 - (9) Wrongful dismissal, discharge or termination of a person's employment or membership, whether actual or constructive, that is:
 - (a) In violation of breach of applicable law or public policy; or
 - (b) Which is determined to be in violation of a contract or agreement, other than an employment contract or agreement, whether written, oral or implied, which stipulates financial consideration if such financial consideration is due as the result of a breach of the contract or agreement;
 - (10) Negligent hiring or supervision which results in any of the other offenses listed in this definition;
 - (11) Retaliatory action against "volunteer workers", or "employees", for the exercise, or not exercising, any legally protected right, or for engaging in any legally protected activity, including but not limited to, actions of:
 - (a) Performing or declining to perform an unethical or illegal act;
 - (b) Filing a complaint or bringing "suit" against you or any other insured in which damages are claimed;
 - (c) Testifying against you or any other insured at a legal proceeding;
 - (d) Notifying a proper authority of any aspect of your operation that is illegal;
 - (12) Coercing an "employee" to commit an unlawful act or omission within the scope of that person's employment;
 - (13) Violation of the Family Medical Leave Act (FMLA), or similar state or local law;
 - (14) Violation of any Federal, state or local law (common law or statutory) concerning employment or any employment-related practice, policy or procedure described in (1) above, or if insurance is prohibited by law; or

- b. Spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs (1), (2), (3), (4) or (5) above is directed:
- c. Person or any class of person arising out of any "discrimination" or harassment directly or indirectly related to the past, present or prospective employment by any insured.

An "Employment Practices Wrongful Act" will apply:

- (a) Whether the injury-causing offense described in Paragraphs e. (1) through (10) above occurs before employment or after employment of a person; or
- (b) Whether the insured may be liable as an employer or in any other capacity; and
- (a) To any obligation to share damages with or repay someone else who must pay damages because of the injury or offense.

8. EXECUTIVE OFFICER

"Executive Officer" means a person holding any of the officer positions created by your charter, constitution, by-laws, or any other similar governing document.

9. LEASED WORKER

"Leased Worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your operations. "Leased worker" does not include a "temporary worker" or an "employee" of a "service contractor".

10. LOADING OR UNLOADING

"Loading or Unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto;"
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

However, "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

11. LOSS OR LOSSES

"Loss" or "Losses" means any compensatory monetary amount which an insured is legally obligated to pay for a "claim" made against an insured for an "employment practices wrongful act" covered by this policy, including but not limited to damages, judgments, settlements and awards.

"Loss" or "Losses" does not mean fines or penalties, or any matters which may be deemed uninsurable under the law pursuant to which this policy will be construed.

"Loss" or "Losses" does not mean "loss adjustment expense(s)".

12. LOSS ADJUSTMENT EXPENSE

"Loss Adjustment Expense(s)" means all costs and expenses allocated to a specific "claim" or "suit" incurred in the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific "claim" or "suit", including court costs and costs of supersedeas and appeal bonds, and including:

- a. Pre-judgment interest, unless included as part of the award or judgment;
- b. Post-judgment interest; and

- c. Legal expenses and costs incurred in connection with coverage questions and legal actions connected thereto.

"Loss adjustment expense(s)" does not include unallocated loss adjustment expense. Unallocated loss adjustment expense includes, but is not limited to, salaries and expenses of our employees, including staff attorneys, and our office and other overhead expenses.

13. MOBILE EQUIPMENT

"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 you own or rent. However, any land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus that is attached) owned or leased by you shall be deemed an "auto" and not "mobile equipment" if the only reason for considering it "mobile equipment" is that it is maintained for use exclusively on streets or highways owned by you;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) 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:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) 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.
- g. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
 - (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

14. OCCURRENCE

"Occurrence" means an event, including continuous or repeated exposure to substantially the same generally harmful conditions.

15. POLICY PERIOD

"Policy Period" means the period beginning with the Effective Date shown in the Declarations and ending with the earlier of:

- a. the date of cancellation of this Policy; or
- b. the expiration date shown in the Declarations.

16. POLLUTANT(S)

"Pollutant(s)" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, lead, asbestos, acids, alkalis, chemicals, electromagnetic radiation and waste. Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed, and liquid or solid material carried off with water in sewers or drains.

17. PROPERTY DAMAGE

"Property Damage" means:

- e. Physical injury to tangible property including all resulting loss of use of that property;
- b. Loss of use of personal property that is not physically injured; or
- c. Disappearance of tangible property (including money).

16. RETAINED LIMIT

"Retained Limit" refers to the amount stated in the Declarations. You shall retain this amount as self-insurance as stated in the Declarations. The "retained limit" with respect to a self-insured retention shall include "loss adjustment expense(s)".

19. SERVICE CONTRACTOR

"Service Contractor" means a person or organization that contracts to provide identified services to or for the benefit of any insured, utilizing workers:

- a. Who are "employees" of that person or organization; and
- b. Whose work activities are generally under the control and direction of that person or organization.

20. SUIT

"Suit" means a civil proceeding in which "loss" is claimed because of "employment practices wrongful act(s)" to which this policy applies. "Suit" includes:

- e. An arbitration proceeding in which "loss" is claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which "loss" is claimed and to which the insured submits with our consent.

"Suit" does not mean an administrative hearing or proceeding.

21. TEMPORARY WORKER

"Temporary Worker" means a person who is furnished to you by another person or organization, other than a labor leasing firm, to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

22. VOLUNTEER WORKER

"Volunteer Worker(s)" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you. "Volunteer worker" includes but is not limited to your volunteer firefighters, volunteer nurses, and other volunteer persons while acting specifically on your behalf or within the scope of their service or volunteer work for you, for activities that are otherwise covered under this policy.

LAW ENFORCEMENT LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM - LIMITED REPORTING

LOSS ADJUSTMENT EXPENSES INCLUDED WITHIN THE RETENTION, OUTSIDE THE LIMIT OF INSURANCE

Throughout this policy the words "you" and "your" refer to the "Public Risk" Named Insured in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us", and "our" refer to the insurance company shown on the Declarations page as the insurer.

Within this policy, the words "Insured" or "Insureds" refer to any person or organization qualifying as an "Insured" under **SECTION III - WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meanings. Refer to **SECTION VII - DEFINITIONS** and other provisions of this policy for such meanings.

Various provisions in this coverage form restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

SECTION I — COVERAGES

A. INSURING AGREEMENT

1. We will pay on behalf of the insured those sums in excess of the "retained limit" that the insured becomes legally obligated to pay as "loss" resulting from a "law enforcement wrongful act" to which this insurance applies. Our obligation under this insuring agreement applies only if:
 - a. The "law enforcement wrongful act" is caused by an "occurrence" that takes place in the "coverage territory"; and such "law enforcement wrongful act" occurs during the course and scope of your "law enforcement activities";
 - b. The "law enforcement wrongful act" occurs during the "policy period"; and was not, prior to the "policy period", known to have occurred by any insured;
 - c. If any insured knew or had reason to know, prior to the "policy period", that a "law enforcement wrongful act" occurred, then any continuation, change or resumption of such "law enforcement wrongful act" will be deemed to have been known to occur prior to the "policy period";
2. A "law enforcement wrongful act" will be deemed to have been known to have occurred at the earliest time when any insured:
 - e. Reports all, or any part, of the "law enforcement wrongful act" to us or to any other insurer;
 - b. Receives written or verbal demand or "claim" for "loss" because of "law enforcement wrongful act"; or
 - c. Becomes aware by any other means that a "law enforcement wrongful act" has occurred.
3. The entire "law enforcement wrongful act" will be deemed to have occurred on the date of the first act, error or omission.
4. "Loss" because of "bodily injury" includes damages claimed by any person or organization for care, loss of services or death resulting at any time from such "bodily injury".
5. The amount we will pay for "loss" and "loss adjustment expense" is limited as described in **Section V — Limits Of Insurance**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Defense and Supplementary Payments**.

B. DEFENSE AND SUPPLEMENTARY PAYMENTS

1. The Insured will have the obligation to provide an adequate defense, to investigate any "claim" or "suit", and to accept any offer of settlement within the "retained limit" that is deemed reasonable by us, with regard to any "claim" or "suit" for a "law enforcement wrongful act" covered by this policy:
 - a. The insured shall pay all "loss adjustment expense" that relates to the defense of "claims" or "suits" which amounts are within the "retained limit";
 - b. We will not pay any "loss adjustment expense" above what we would have otherwise paid had the "loss" been settled for any reasonable amount within the "retained limit";
2. Should the Insured or the Claims Administrator fail to pay any amounts for "loss", or to provide such defense that would otherwise be required by the coverage, terms and conditions of this policy, we may elect to pay these "losses" or provide such defense as is necessary to meet such coverage, terms and conditions of the policy. If we elect to make such payment or provide such defense, for amounts that are within the "retained limit", you will promptly reimburse us for the amounts we elect to pay as "loss", and the sum of all "loss adjustment expenses" we incur to provide defense that would otherwise have been within the "retained limit".
3. We will have the right, but not the obligation, to assume charge of the defense of any "claim" or "suit" at our expense.
4. We have the right, but neither the duty nor obligation, to associate with the insured at our expense in the defense, investigation or settlement of any "claim" or "suit" seeking "loss" to which this insurance may apply if the "loss" sought is in excess of the "retained limit" or which, in our opinion and based on the terms and conditions of the policy, may create liability for us under this policy. In such event, the insured will cooperate fully.
 - a. No "loss adjustment expense" shall be incurred on behalf of the Company without our written consent;
 - b. The insured will not enter into any settlement that may impact this policy, agree to a judgment or consent against it, or assign rights under this policy to anyone unless we first consent in writing.
 - c. Upon our written request, the insured will tender such portion of the "retained limit" as we may deem necessary to complete the settlement of such "claim" or "suit".
- C. We have the right and duty to defend the insured against any "claim" or "suit" seeking "loss" for a "law enforcement wrongful act" to which this insurance applies when the "retained limit" has been exhausted because of judgments, settlements and "loss adjustment expenses" paid to a third party under **Coverages A or B**.
 1. The amount we will pay in excess of the "retained limit" is fixed as described in **SECTION V - LIMITS OF INSURANCE**; and our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments and settlements.
 2. When the duty to defend exists we will pay, in addition to the Limit of Insurance, the following "loss adjustment expenses":
 - e. All expenses incurred by us and all interest on the entire amount of any judgment which does not exceed the limit of our liability;
 - b. Premium on appeal bonds required in any "suit" defended by us and the cost of attachment or similar bonds.

We are not responsible to pay any "loss adjustment expenses" under 2.a. or 2.b. listed above for any settlement or judgment amounts within the "retained limit".

- D. We will have no duty to defend an insured against any "suit" seeking "loss" for a "law enforcement wrongful act" to which this insurance does not apply.
- E. We have the right, but no duty, to appeal any judgment.
- F. We will have no duty to defend any "claim" or "suit" that any other insurer has a duty to defend. If no other insurer defends, we may do so, but we will be entitled to the insured's rights against all those other insurers.

SECTION II — EXCLUSIONS

A. This insurance does not apply to:

1. Auto, Watercraft, Aircraft

"Bodily injury", "property damage", "personal injury", or "law enforcement wrongful act" arising out of the ownership, licensure, permit, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by, or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the "loss" or "claim" against any insured alleges negligence in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury", "property damage", "personal and edvertising injury" or "law enforcement wrongful act(s)" involved the ownership, maintenance, licensure, permit, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by, or rented or loaned to any insured.

2. Care, Custody, Control

For a "law enforcement wrongful act)" resulting in or arising out of "property damage" to:

- a. Property which is ownad by, rented by, loaned to or occupied by any insured;
- b. Premises which have been sold, given away, or abandoned by the insured if the "property damage" arises out of any part of those premises; or
- c. Property in the care, custody and control of any insured.

Exception to Exclusion:

However, part c. of this exclusion does not apply to property on persons at the time of their arrest.

3. Contractual Liability

For liability assumed by the insured under any contract or agreement.

Exception to Exclusion:

This exclusion does not apply to liability for "loss":

- a. Assumed in a mutual aid agreement with another law enforcement agency; or
- b. That the insured would have in the absence of the contract or egreement described in 3.a.

4. Deliberate Violation

Any "loss", injury or damaga arising out of the deliberate violation of any Federal, State, or local statute, ordinance, rule or regulation committed by or with the knowledge and consent of the insured.

5. Distribution of Material In Violation Of Statutes

Any "law enforcement wrongful act" or any other injury, "loss", cost or damages arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

6. Electronic Data

Any "loss" or damage arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, 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, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

7. Electronic Vandalism

Any "claim", "loss", injury, damage, cost or expense caused directly or indirectly by Electronic Vandalism. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. As used in this exclusion, Electronic Vandalism means:

- (1) Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems.
- (2) Unauthorized computer code or programming that:
 - (a) Deletes, distorts, corrupts or manipulates computer programs, content, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which it is introduced;
 - (b) Replicates itself, impairing the performance of computers or computer systems or networks; or
 - (c) Gains remote control access to data and programming within computers or computer systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.

With respect to any activity that comes within the terms of the War and Military Action Exclusion and involves Electronic Vandalism, the War and Military Action Exclusion supersedes this Electronic Vandalism Exclusion. With respect to any activity that comes within the terms of the Terrorism Exclusion and involves Electronic Vandalism, the Terrorism Exclusion supersedes this Electronic Vandalism Exclusion.

8. Employees

A "law enforcement wrongful act" resulting in, or in any way related to, "personal and advertising injury" or "bodily injury" to:

- a. An "employee" of an insured arising out of and in the course of employment by the insured; or
- b. The spouse, child, parent, brother or sister of that "employee", as a consequence of a. above.

The exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and

- (2) To any obligation to share damages with or repay someone else who must pay "loss" or damages because of the injury.

Exception to Exclusion:

This exclusion does not apply to liability assumed by the insured under a mutual aid contract or agreement as described in the definition of "insured contract".

9. Employment Practices Wrongful Acts

"Loss" arising out of an "employment practices wrongful act".

10. Federal, State, Local Enforcement

Any "loss," 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.

11. Fellow Employee

For a "law enforcement wrongful act" resulting in, or in any way related to, "personal and advertising injury" or "bodily injury" to:

- e. An auxiliary law enforcement officer or volunteer law enforcement officer serving under the direction and control of the insured as a "volunteer worker"; or
- b. The spouse, child, parent, brother or sister of that auxiliary or "volunteer worker" as a consequence of a. above.

The exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

Exception to Exclusion:

This exclusion does not apply to liability assumed by the insured under a mutual aid contract or agreement as described in the definition of "insured contract".

12. Fraudulent or Dishonest Acts

Any "loss" brought about by, arising out of, or attributable to, fraudulent or dishonest acts or omissions of the insured, or bad faith on the part of the insured. However notwithstanding the foregoing, the insured will be protected under the terms of this policy as to any "claim" upon which "suit" may be brought against them by reason of any alleged fraudulent or dishonest act of any insured, unless a judgment or other final adjudication thereof adverse to such insured will establish that acts of active or deliberate fraud or dishonesty committed by such insured was material to the cause of action so adjudicated.

13. Handling Of "Loss", "Law Enforcement Wrongful Act", "Claim" or "Suit" Within The "Retained Limit"

Any "loss", injury, damage or "law enforcement wrongful act(s)" arising out of the handling of "claims" or "suits" within the "retained limit", including the investigation, defense or settlement of "claims" or "suits".

14. Judicial Penalties

Any "loss", cost, civil fine, penalty or expense arising from any complaint or enforcement action by any federal, state or local governmental regulatory agency or judicial entity.

15. Legal Servicea

Anyone providing legal services other than an attorney employed full time by the named insured.

16. Non-Monetary

For a "claim," demand, or action seeking relief or redress solely in any form other than monetary damages, or for any fees, costs or expenses which the insured may become obligated to pay as a result of any adverse judgment for declaratory relief or injunctive relief;

Exception to Exclusion:

However, the coverage herein will provide for defense coverage for the insured for such action, "claim", "suit" or demand in which monetary damages are requested, if not otherwise excluded.

17. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

With respect to any activity that comes within the terms of the War and Military Action Exclusion and involves nuclear reaction or radiation, or radioactive contamination, the War and Military Action Exclusion supersedes this Nuclear Hazard Exclusion.

16. Pollution

- a. To "bodily injury", "property damage", "personal and advertising injury", "law enforcement wrongful act(s)" or any other injury or damage, or any "loss", cost, expense, liability or legal obligation arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or potential presence in or introduction into the environment of any substance if such substance has, or is alleged to have, the effect of making the environment impure, harmful or dangerous; or any other such substances that are considered a "pollutant". Environment includes any air, land, structure (or the air within), watercourse or other body of water, including underground water; or
- b. To any "loss", cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement 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 affects of, "pollutants"; or
 - (2) Any "claim" or "suit" by or on behalf of a government 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 affects of, "pollutants".

Exception to Exclusion:

However, paragraph a. of this Pollution exclusion does not apply to a "law enforcement wrongful act" arising out of "law enforcement activities" of the Law Enforcement Department or Agency shown in the Declarations of this policy.

For purposes of this exception, "law enforcement activities" include those actions performed by members of other Law Enforcement Departments or Agencies operating under a Mutual Aid Agreement with you, under the condition that those "law enforcement activities" are sanctioned by the Law Enforcement Department or Agency Insured under this policy.

19. Prior or Pending Legal Action

Any injury or "loss" based upon, arising out of, attributable to, or in any way directly or indirectly related to any:

- a. Prior or pending legal action or litigation, administrative or regulatory proceeding, "claim", demand, arbitration, decree or judgment against any insured before the Effective Date of this policy, including any administrative or regulatory proceeding:
 - (1) resulting from or in consequence of such pending or prior litigation, administrative or regulatory proceeding;
 - (2) derived in whole or in part from the facts and/or matters averred or alleged in any such pending or prior litigation, administrative or regulatory proceeding; or
 - (3) derived from the same or essentially the same fact, actual or alleged;
- b. Fact, circumstance, event, situation, or "law enforcement wrongful act" that was the subject of any notice under any similar policy of insurance issued to the insured.

20. War and Military Action

"Bodily injury", "property damage", "personal injury" or "law enforcement wrongful act", however caused, arising directly or indirectly out of:

- (1) Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack:
 - i. By any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces;
 - ii. By military, naval or air forces; or
 - iii. By an agent of any such government, power, authority or forces.
- (2) Invasion, insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence.

Any discharge, release, explosion or use of any chemical or biological agent, or any weapon or device of war employing nuclear fission or fusion, will be conclusively presumed to be such a hostile or warlike action by such a government, power, authority or forces.

With respect to any action that comes within the terms of this War and Military Action Exclusion and:

- (a) Involves nuclear reaction or radiation, or radioactive contamination, this War and Military Action Exclusion supersedes the Nuclear Hazard Exclusion.
- (b) Involves a discharge, dispersal, seepage, migration, release, escape or application of any pathogenic or poisonous biological or chemical materials, this War and Military Action Exclusion supersedes the Pathogenic or Poisonous Biological or Chemical Materials Exclusion.
- (c) Involves Electronic Vandalism as defined in the Electronic Vandalism Exclusion, this War and Military Action Exclusion supersedes the Electronic Vandalism Exclusion.
- (d) Comes within the terms of the Terrorism Exclusion, this War and Military Action Exclusion supersedes the Terrorism Exclusion.

21. Workers Compensation and Similar Laws

Any obligation under a workers' compensation, disability benefits, social security or unemployment compensation law, or any similar law.

SECTION III —WHO IS AN INSURED

1. INSURED:

The term Insured as used herein means the entity stated in the **Declarations** as the **Named Insured**, and except as excluded herein or by endorsement to this policy:

- a. **Law Enforcement Department or Agency and their Members:** A Law Enforcement Department or Agency, shown in the **Declarations** that is:

- (1) Operated by you;
- (2) Subject to your oversight, control or direction; and/or
- (3) Operated with funds administered by you and allotted to such Law Enforcement Department or Agency;

This includes all of your full-time or part-time "employees" of such Law Enforcement Department or Agency, but only with respect to their duties and while acting within the course and scope of authority allocated by their position in connection with "law enforcement activities".

- b. **Elected or Appointed Officials:** All elected, appointed or employed officials of any board, commission or agency of yours, but only with respect to their respective liability arising out of "law enforcement activities", but only while acting within the course and scope of authority allocated by their position as such elected or appointed official of that board, commission or agency;

2. OTHER INSURED:

In addition to you, each of the following is an insured, except if otherwise excluded herein or by endorsement:

- a. **Mutual Aid Agreements:** A Law Enforcement Department or Agency, including its members, while providing service to you under a mutual aid contract or agreement, but only while conducting "law enforcement activities" within the course and scope of that mutual aid contract or agreement, and such "law enforcement activities" are sanctioned by the Law Enforcement Department or Agency named in the **Declarations**;
- b. **Auxiliary and "Volunteer Workers":** All auxiliary and "volunteer worker" law enforcement officers who serve under the direction and control of your Law Enforcement Department or Agency, but only for acts within the course and scope of their auxiliary or volunteer work as authorized by you or the Law Enforcement Department or Agency shown in the **Declarations**, for activities that are covered under this policy; and
- c. **Legal Heirs, Representatives and Assigns:** The estates, heirs, legal representative or assigns of deceased persons who were insureds at the time of a covered "law enforcement wrongful act", but only to the extent that they would otherwise be provided coverage under this policy.

SECTION IV — COVERAGE EXTENSIONS

- A. The following extensions apply to the insurance provided by this Coverage Form and are additional insurance to the policy unless otherwise stated. The following additional coverages are not included within, nor affected by, the "retained limit". Payment of these extensions will not:

1. Reduce or increase the "retained limit" shown on the **Declarations** for Law Enforcement Liability Coverage; nor
2. Increase or decrease the applicable Limits of Insurance provided under this Coverage Form;

Animal Mortality: You may extend the insurance provided by this coverage form to include "loss" caused by accidental death or the consequential destruction because of accidental injury to your animals while being used

as part of a canine or equestrian patrol during the course and scope "law enforcement activities", and during the "policy period". The most we will pay under this extension is \$10,000 in any one "loss" occurrence annually.

Payment under this Coverage Extension will not erode the "retained limit" or the Limits of Insurance provided by this policy.

SECTION V — LIMITS OF INSURANCE

The Limits of Insurance of this policy apply in addition to the "Retained Limit".

The following paragraphs further describe how the Limits of Insurance and "Retained Limit" apply:

A. RETAINED LIMIT

1. The "retained limit" shall be applied to each "law enforcement wrongful act" for which coverage is afforded by this policy. The "retained limit" will be reduced by any "loss adjustment expense" incurred by the insured.
2. The "retained limit" shall not be impaired by any "claim" or "suit" brought against an Insured which is not covered under this policy.
3. The "retained limit" shall not include any amounts for "loss", injury or damages or any "loss adjustment expense(s)" for any "occurrence" of "law enforcement wrongful act" that occurs prior to, or subsequent to, the "policy period".
4. You agree not to insure or otherwise reinsure your "retained limit" without our knowledge and written permission.
5. This policy will not drop down to assume or satisfy your obligations under the "retained limit".
6. You agree that in the event of a judgment, settlement or "loss adjustment expense" in excess of the "retained limit", all outstanding amounts within the "retained limit" will be due and payable to us upon demand. Such payment must be made before we have paid, tendered or deposited in court, any part of said judgment, settlement or "loss adjustment expense". Failure of you to comply with this provision will not invalidate the policy, but in the event of such failure, we will be liable only to the extent that we would have been liable had you complied with this provision.

B. LIMITS OF INSURANCE

The following paragraphs further describe how the Limits of Insurance apply under this policy:

1. The Limits of Insurance shown in the Declarations and the rules below fix the most the Company will pay in excess of the "retained limit" regardless of the number of:
 - a. Insureds;
 - b. "Losses", "claims" made or "suits" brought;
 - c. Persons, organizations or governmental agencies making "claims" or bringing "suits";
 - d. "Occurrences" of "Law Enforcement Wrongful Act(s)".
2. Subject to the Limits of Insurance stated in the Declarations, we will pay for "loss" covered under this policy only after the "retained limit" has been exhausted because of payments for judgments, settlements and "loss adjustment expenses" of "claims" or "suits". The "retained limit" stated in the Declarations applies:
 - a. Only to "loss" for "occurrences" of "law enforcement wrongful act(s)" covered under this policy; and

- b. Separately to each "occurrence" of "law enforcement wrongful act", or series of continuous, repeated or related "occurrences" of "law enforcement wrongful act(s)" covered by this policy; and
 - c. To "loss adjustment expense" associated with "claims" or "suits" for "occurrences" of "law enforcement wrongful act(s)" for amounts within the "retained limit".
3. The Aggregate is the most we will pay for the sum of all "losses" in excess of the "retained limit" because of "occurrences" of "law enforcement wrongful act(s)".
 4. The Each "Law Enforcement Wrongful Act" Limit is the most we will pay for the sum of all "losses" in excess of the "retained limit" because of all "law enforcement wrongful act(s)" arising out of any one "occurrence".
 5. In determining the Limit of Insurance that applies, all such acts, errors or omissions committed by one or more Insureds that are substantially the same or are in any way directly or indirectly related – either logically, causally or temporally – shall be deemed to constitute one "Law Enforcement Wrongful Act", regardless of the number of "claims" or claimants.
 6. The entire "Law Enforcement Wrongful Act" will be deemed to have occurred on the date of the first act, error or omission.

The limits of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the "policy period" shown in the Declarations, unless the "policy period" is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the preceding period for purposes of determining the limits of insurance.

SECTION VI — CONDITIONS

- A. The following **Law Enforcement Liability Conditions** add to or replace the **Common Policy Conditions**, which also apply to this Policy::

1. **Assignment**

Assignment of interest under this policy shall not bind us unless our consent is first endorsed hereon.

2. **Claims Administrator**

We must approve, in writing, any Claims Administrator utilized by you. You may not change or terminate an approved Claims Administrator without our prior written approval and consent. You also must provide us with written notification no later than ten (10) days from the effective date of any revision of the contract between you and your Claims Administrator. You are responsible for all costs related to any such Claims Administrator.

We shall have the right, upon at least thirty (30) days written notice to you, to conduct an audit of the claim files of the Claims Administrator.

3. **Insured's Duties In The Event Of An "Occurrence", "Loss", "Law Enforcement Wrongful Act", "Claim" Or "Suit"**

- a. You must see to it that your Claims Administrator is notified as soon as practicable of any "occurrence", "loss" or "law enforcement wrongful act" which may result in a "claim" or "suit". Written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses will be reported to the Claims Administrator; and in turn, the Claims Administrator will forward same to us.

- b. If a "claim" is made or a "suit" is brought against any insured, the insured will immediately forward to the appointed Claims Administrator every demand, notice, summons or other processes received by the insured or its representative; and in turn, the Claims Administrator will forward same to us.
- c. The insured will cooperate with us and at our request, consent to being examined and questioned by a representative of ours, under oath if necessary; and will attend hearings, depositions and trials; and will assist in effecting settlement, securing and giving evidence and obtaining the attendance of witnesses in the conduct of "suits"; as well as in the giving of a written statement or statements to our representatives and defense.
- d. The insured will give us or our duly authorized representative such information and assistance as we may require and assist us in the defense of any "claim" or "suit" subject to **Section I – Supplementary Payments**.
- e. You must report to us as soon as practicable each "claim" or "loss" for which your estimated amount of "loss" or damages, including "loss adjustment expenses", is 50% or more of the amount of the "retained limit". You must also immediately report:
 - (1) Any "suit" naming the Company providing this insurance;
 - (2) Any claim involving terrorism or suspected terrorism;
 - (3) Any proposed or certified class action lawsuit;
 - (4) All claims involving or which could reasonably be expected to involve litigation;
 - (5) Any incident alleging sexual misconduct of any type, including rape, abuse, assault, molestation, harassment;
 - (6) Environmental and/or catastrophic potential claims, including those involving contamination, pollution, toxic chemicals, nuclear, radiation, lead, fungus, mold and/or asbestos;
 - (7) All cases of death or serious injury, including but not limited to the following:
 - (a) Cord Injury, including paraplegia, quadriplegia or paralysis;
 - (b) Injury to nerves at the base of the spinal canal (Cauda Equina), or any other back injury symptomized with resulting incontinence of bowel and/or bladder;
 - (c) Amputation requiring a prosthesis, or any loss of a major body member;
 - (d) Claims involving substantial body disfigurement or serious permanency;
 - (e) Brain damage affecting mentality or the central nervous system, such as permanent disorientation, behavior disorder, personality change, seizures, motor deficit, inability to speak (aphasia), hemiplegia or unconsciousness (comatose);
 - (f) Blindness of any type or duration, temporary or permanent;
 - (g) Hearing impairment of any type or duration, temporary or permanent;
 - (h) Burns – those involving over 10% of the body with third degree, or 30% of the body with second degree;
 - (i) Multiple fractures; involving more than one member or non-union;
 - (j) Fracture of both heel bones (fractured bilateral os calcis);
 - (k) Nerve damage causing paralysis and loss of sensation in arm and hand brachial plexus nerve damage);
 - (l) Massive internal injuries affecting any body organ(s);
 - (m) Fatalities;
 - (n) Any other serious injury which, in your judgment, might involve us.

You must advise us of the estimated amount of "loss" and "loss adjustment expense(s)", including amounts paid and reserved for "loss" and "loss adjustment expense(s)", in connection with each "claim" or "loss", and of any subsequent changes in such estimates.

- f. No insured will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, without our consent.
- g. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, with particulars sufficient to identify the insured, shall be considered to be notice to us.

4. Other Insurance

- e. The Insured shall pay from its own account all amounts within the "retained limit" as provided by the terms and conditions of this policy.
- b. If other valid and collectible insurance applies to a "claim" or "suit" covered by this policy, and subject to **SECTION V – LIMITS OF INSURANCE** of this policy, this policy will apply excess of the other insurance, whether this insurance is primary, excess, contingent, or issued on any other basis.

Other insurance means insurance, or the funding of losses that is provided by or through another insurance company, any risk retention group or any self-insurance, group self-insurance, or similar risk transfer approach, other than any funded by you and to which this insurance applies. It does not mean insurance that is purchased by any insured to be specifically excess of the sum of the "retained limit" and the Limits of Insurance afforded by this policy.

5. Public Entity Authorization Clause

By acceptance of this Policy, the first Named Insured Public Entity shown on the Declarations agrees to act on behalf of each Insured with respect to the giving and receiving of notice of "claim", cancellation or nonrenewal, the payment of premiums that may become due under this Policy; and each Insured agrees that the first Named Insured Public Entity shall act on their behalf. This clause does not relieve the first Named Insured, or any other Insured, of their responsibilities under this Policy.

6. When/If We Permit You To Select Defense Counsel

As respects our right and duty to defend "claims" in excess of the "retained limit" under the terms of this policy, we may, at our discretion and by mutual agreement, or by court order, permit you to select defense counsel, subject to the applicable Limit of Insurance of this policy. In such event, the following provisions apply:

- a. We retain the right, at our discretion, to settle, approve or disapprove the settlement of any "claim"; and to appeal any judgment, award or ruling, at our expense;
- b. You and any other involved insured must comply with the Duties In Event of a "Loss", "Law Enforcement Wrongful Act", "Claim" or "Suit" Condition of this policy, as well as all other provisions of this policy; and
- c. You must direct defense counsel of the insured to furnish us with the information we request to evaluate those "suits" for coverage under this policy; and cooperate with any counsel we may select to monitor or associate in the defense of those "suits".
- d. If we defend you under a reservation of rights, both you and our counsel will be required to maintain records pertinent to your "loss adjustment expenses". These records will be used to determine the allocation of any "loss adjustment expense" for which you may be solely responsible, including defense of an allegation not covered by this insurance.

SECTION VII — DEFINITIONS

A. Whenever used in this Coverage Form, the following words have these meanings:

1. ADVERTISEMENT

"Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purpose of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an "advertisement".

2. AUTO

"Auto" means:

- a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment;
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

3. BODILY INJURY

"Bodily injury" means physical injury to the body, sickness, disease, disability and death. "Bodily injury" includes shock, mental anguish, emotional distress, pain and suffering, mental injury and humiliation, only when it arises from and is accompanied by physical injury to the claimant's body, sickness, disease or death.

4. CLAIM

"Claim" means a written notice from any party that it is their intention to hold an insured responsible for "loss" resulting from a "law enforcement wrongful act" covered by this policy.

5. COVERAGE TERRITORY

"Coverage Territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, provided the injury or "loss" does not occur in the course of travel or transportation to or from any place not included in a. above; or
- c. All parts of the world if the injury or "loss" arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above; or
 - (2) A "law enforcement wrongful act" of an insured beyond the territory described in a. above, while they are conducting or are engaged in the Named Insured's operations; and
 - (3) The Insured's responsibility to pay "loss" is determined in a "suit" on the merits, in the territory described in a. above, or in a settlement to which we agree.

6. DISCRIMINATION

"Discrimination" means the unlawful treatment, including any violation of a person's civil rights, with respect to a person's race, color, national origin, gender, marital status, age, sexual orientation or

preference, physical or mental condition, or any other protected class or characteristic established by any Federal, state or local statutes, ordinances, rules or regulations.

7. EMPLOYEE

"Employee" includes a "leased worker", but does not include a "temporary worker". "Employee" does not include a "volunteer worker" or a "service contractor".

8. EMPLOYMENT PRACTICES WRONGFUL ACT

"Employment practices wrongful act", singular or plural, includes any "loss", "offense", injury or damages to any:

a. Person, or any class of person, arising out of any:

- (1) Employment-related practices, policies, procedures, acts, errors or omissions, including but not limited to, coercion, demotion, evaluation, reassignment, discipline, libel, slander, defamation, harassment, humiliation, or "discrimination" involving or directed at any person or class of person;
- (2) Verbal, physical, mental or emotional abuse, "offense", injury or "loss" resulting from or arising out of employment practices, policies, procedures, acts, errors or omissions involving, connected with, or in any way related to interviews, hiring, supervision, probation, termination, or any other act or determination of employment or non-employment of any person or class of person;
- (3) False arrest, false imprisonment, libel, slander, defamation, harassment, humiliation, "discrimination", invasion of privacy, wrongful eviction, malicious prosecution, abuse of process, or arising out of any aspect of "law enforcement activities" affecting employment or non-employment of any person or class of person;
- (4) Verbal, physical, mental or emotional abuse, "offense", injury, damage or "loss" resulting from or arising out of such employment-related practices, policies, acts, errors or omissions including but not limited to those described in (1) through (4) above;
- (5) Failure to adopt or comply with adequate workplace or employment policies or procedures;
- (6) Failure or refusal to grant tenure;
- (7) Failure or refusal to employ, train, or promote a person;
- (8) Denial of training, deprivation of career opportunity, or breach of employment contract;
- (9) Evaluation, assignment, reassignment or discipline of any person or class of person;
- (10) Dismissal, discharge or termination of employment or membership, whether actual or constructive, of any person or class of person;
- (11) Retaliatory action against any person for the exercise of, or not exercising, any legally protected right, or for engaging in any legally protected activity, including but not limited to, actions of:
 - (a) Performing or declining to perform an unethical or illegal act;
 - (b) Filing a complaint or bringing "suit";
 - (c) Testifying against an insured at a legal proceeding;
 - (d) Notifying a proper authority of any aspect of your operation that is illegal;
- (12) Violation of the Family Medical Leave Act (FMLA), or similar state or local law;
- (13) Violation of any Federal, state or local law (common law or statutory) concerning employment or any "employment practices wrongful act" described in (1) through (12) above; or if insurance is prohibited by law;

- b. Spouse child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any "employment practices wrongful act" described in paragraphs (1) through (12) above is directed;
- c. Person or any class of person arising out of any "discrimination" or harassment directly or indirectly related to the past employment, employment or prospective employment by any insured.

This "Employment Practices Wrongful Act" exclusion applies:

- (a) Whether the injury-causing event described in Paragraphs a. (1) through (12) above occurs before employment or after employment of that person or class of person;
- (b) Whether the insured may be liable as an employer or in any other capacity; and
- (c) To any obligation to share "loss" or damages with or repay someone else who must pay "loss", injury or damages because of the injury.

9. INSURED CONTRACT

"Insured Contract" means:

A mutual aid contract or agreement pertaining to "law enforcement activities" under which the insured assumes the tort liability of another political subdivision to pay for "personal injury", "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

An "insured contract" does not include that part of any contract or agreement that indemnifies any person or organization for damage by fire, lightning or explosion to premises rented or loaned to an insured.

10. LAW ENFORCEMENT ACTIVITIES

"Law enforcement activities", singular or plural, means any of the activities, functions or operations by or on behalf of a law enforcement agency or any agent thereof; and/or any activity, function or operation inherent to or in connection with the administration and/or enforcement of the law and the protection of persons or property. Such activities or operations include the ownership, maintenance or use of any premises in connection with such functions, activities or operations; and the development, implementation and enforcement of any and all practices, policies and procedures governing any aspect of law enforcement.

11. LAW ENFORCEMENT WRONGFUL ACT

"Law Enforcement Wrongful Act", singular or plural, means any actual or alleged act, error or omission, neglect or breach of duty by an insured while conducting "law enforcement activities" which results in "personal and advertising injury", "bodily injury" or "property damage" caused by an "occurrence".

12. LEASED WORKER

"Leased Worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker" or an "employee" of a "service contractor".

13. LOADING OR UNLOADING

"Loading or Unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck that is not attached to the aircraft, watercraft or "auto".

14. LOSS OR LOSSES

"Loss" or "Losses" means any monetary amount that an insured is legally obligated to pay for a "claim" made against the insured for "law enforcement wrongful acts" covered under this policy, including but not limited to amounts for injuries, damages, judgments, settlements and awards.

"Loss" or "Losses" does not mean fines, penalties, or any matters which may be deemed uninsurable under the law pursuant to which this policy will be construed.

"Loss" or "Losses" does not mean "loss adjustment expense(s)".

15. LOSS ADJUSTMENT EXPENSE

"Loss Adjustment Expense(s)" means all costs and expenses allocated to a specific "claim" or "suit" incurred in the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific "claim" or "suit", including court costs and costs of supersedeas and appeal bonds, and including:

- a. Pre-judgment interest, unless included as part of the award or judgment;
- b. Post-judgment interest; and
- c. Legal expenses and costs incurred in connection with coverage questions and legal actions connected thereto.

"Loss adjustment expense(s)" does not include unallocated loss adjustment expense. Unallocated loss adjustment expense includes, but is not limited to, salaries and expenses of our employees, including staff attorneys, and our office and other overhead expenses.

16. MOBILE EQUIPMENT

"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 you own or rent. However, any land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus that is attached) owned or leased by you shall be deemed an "auto" and not "mobile equipment" if the only reason for considering it "mobile equipment" is that it is maintained for use exclusively on streets or highways owned by you;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) 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:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) 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.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:

- (a) Snow removal;
- (b) Road maintenance but not construction or resurfacing; or
- (c) Street cleaning;

- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

17. OCCURRENCE

"Occurrence" means an event, including continuous or repeated exposure to substantially the same general harmful conditions.

18. PERSONAL AND ADVERTISING INJURY

"Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement";
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement"; or
- h. False or improper service of process.

With respect to "personal and advertising injury", "loss" means monetary sums and excludes all forms of injunctive relief and declaratory judgments.

19. POLICY PERIOD

"Policy Period" means the period beginning with the Effective Date shown in the Declarations and ending with the earlier of:

- a. The date of cancellation of this policy; or
- b. The expiration date shown in the Declarations

20. PROPERTY DAMAGE

"Property Damage" means:

- e. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such "loss" shall be deemed to occur at the time of the "occurrence" that caused it.

For purposes of this insurance, electronic data is not tangible property.

As used in this definition, 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, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

21. POLLUTANT(S)

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

22. RETAINED LIMIT

"Retained Limit" refers to the amount stated in the Declarations. You shall retain this amount as self-insurance as stated in the Declarations. The "retained limit" with respect to a self-insured retention shall include "loss adjustment expense(s)".

23. SERVICE CONTRACTOR

"Service Contractor" means a person or organization that is under contract to provide specific services to or for the benefit of any insured, using workers:

- e. Who are "employees" of that person or organization; and
- b. Whose work activities are generally under the control and direction of that person or organization.

24. SUIT

"Suit" means a civil proceeding in which "loss" because of a "law enforcement wrongful act" to which this insurance applies is alleged. "Suit" includes:

- a. An arbitration proceeding in which such "loss" is claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such "loss" is claimed and to which the insured submits with our consent.

"Suit" does not mean an administrative hearing or proceeding.

25. TEMPORARY WORKER

"Temporary Worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

26. VOLUNTEER WORKER

"Volunteer Worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you. "Volunteer worker" includes but is not limited to your volunteer firefighters, volunteer nurses, and other volunteer persons acting specifically on your behalf or within the scope of their volunteer work for you.

4630139-00
Renewal Of

ARGONAUT INSURANCE COMPANY

POLICY NUMBER:
4630139-01

225 West Washington Street, 24th Floor, Chicago, IL 60606

BUSINESS AUTO LIABILITY RETAINED LIMIT COVERAGE FORM DECLARATIONS

Item 1. Named Insured and Mailing Address

City of Ann Arbor
301 E Huron
Ann Arbor, MI 48104

Agent Name and Address

Apex Insurance Services
PO Box 7035
Eugene, OR 97401

Policy Period: From: 3/1/2014 To: 3/1/2015

12:01 A.M. Standard Time at your mailing address.

Form of Business: MUNICIPALITY

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

ITEM TWO— SCHEDULE OF COVERAGES

AND COVERED AUTOS OR
COVERED EMERGENCY
UNITS

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos" or covered "emergency units". "Autos" or "Emergency Units" are shown as covered "autos" or covered "emergency units" for a particular coverage by the entry of the coverage symbol shown under the COVERED AUTOS Section next to the name of the coverage. Refer to the applicable coverage form for coverages provided.

COVERAGES	COVERED AUTOS OR EMERGENCY UNITS*	LIMIT THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS	PREMIUM
AUTO LIABILITY	A.1-3, 6-11; B.1-4; C.1-5	\$1,000,000	\$ Included
PERSONAL INJURY PROTECTION (P.I.P.)**	A. 4	SEPARATELY STATED IN EACH P.I.P. ENDT. MINUS \$500,000 DEDUCTIBLE/SIR	\$ Included
ADDED P.I.P. (or equivalent added No-Fault Cov.)	N/A	SEPARATELY STATED IN EACH ADDED P.I.P. ENDORSEMENT	\$
PROPERTY PROTECTION INSURANCE (P.P.I.) (Michigan only)	N/A	SEPARATELY STATED IN THE P.P.I. ENDORSEMENT MINUS \$ Deductible/SIR FOR EACH ACCIDENT	\$
AUTO MEDICAL PAYMENTS	N/A	\$	\$
UNINSURED MOTORISTS (UM)	N/A	\$	\$
UNDERINSURED MOTORISTS (UIM) (when not included in UM Coverage)	N/A	\$	\$
AUTO LIABILITY DEDUCTIBLE/SIR	\$500,000	AUTO LIABILITY MAINTENANCE DEDUCTIBLE (if any)	\$N/A

NUMBER OF COVERED "AUTOS" or COVERED "EMERGENCY UNITS" *

PREMIUM FOR ENDORSEMENTS	\$ Included
ESTIMATED TOTAL PREMIUM	\$ Included
STATE FEE OR SURCHARGE, IF APPLICABLE State: MI	\$See Common Policy Declarations

4630139-00
RENEWAL OF

ARGONAUT INSURANCE

POLICY NUMBER:
4630139-01

COMPANY

225 West Washington Street, 24th Floor, Chicago, IL 60606

BUSINESS AUTO LIABILITY RETAINED LIMIT COVERAGE FORM DECLARATIONS (CONTINUED)

* Entry of the number of COVERED AUTOS or COVERED EMERGENCY UNITS will designate the number of autos and emergency units that are Covered "Autos" or Covered "Emergency Units". Where a symbol is shown, the symbol will reflect the ISO symbol designating the coverage that applies to the Covered Autos or Covered Emergency Units.

** Or equivalent No-Fault Coverage

**FORMS AND ENDORSEMENTS APPLYING TO THIS COVERAGE PART AND MADE PART OF
THIS POLICY AT TIME OF ISSUE:**

SEE POLICY FORMS LIST

Countersigned:

By _____.*

**THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE
COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO
FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.**

Schedule Of Automobiles

Coverage is afforded only where indicated by a "YES"

Description of the Automobile and Facts Respecting its Purchase by the Covered Party.

Attached to and forming part of Certificate Number:

Effective Date:

Vehicle #	Description		VIN	Class Code
AS PER SCHEDULE ON FILE WITH COMPANY				
	Value	Comprehensive	Collision	Specified Perils
	Liability	UM/UIM	No Fault	Loss Payee

Vehicles #	Description		VIN	Class Code
	Value	Comprehensive	Collision	Specified Perils
	Liability	UM/UIM	No Fault	Loss Payee

Vehicle #	Description		VIN	Class Code
	Value	Comprehensive	Collision	Specified Perils
	Liability	UM/UIM	No Fault	Loss Payee

Vehicle #	Description		VIN	Class Code
	Value	Comprehensive	Collision	Specified Perils
	Liability	UM/UIM	No Fault	Loss Payee

Vehicle #	Description		VIN	Class Code
	Value	Comprehensive	Collision	Specified Perils
	Liability	UM/UIM	No Fault	Loss Payee

Vehicle #	Description		VIN	Class Code
	Value	Comprehensive	Collision	Specified Perils
	Liability	UM/UIM	No Fault	Loss Payee

PUBLIC RISK AUTO LIABILITY RETAINED LIMIT COVERAGE FORM – LIMITED REPORTING

LOSS ADJUSTMENT EXPENSE INCLUDED WITHIN THE RETENTION, OUTSIDE THE LIMIT

Throughout this policy, the words "you", and "your" and "Named Insured" refer to the entity identified as the "Named Insured" in the Declarations. The words "Insured" or "Insureds" refer to any person or organization qualifying as an "Insured" under **SECTION III - WHO IS AN INSURED**. The words "we", "us", "our" and "Company" refer to the Company stated in the Declarations as providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section **VII – DEFINITIONS**.

Various provisions in this coverage form restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

SECTION I – COVERED AUTOS

A. The following are **Covered Autos** for each of the coverages provided by this policy, unless otherwise stated, or as amended by endorsement that is attached to and made a part of this policy:

1. Specifically described "autos" per the Schedule that is on file with the Company at the time of "loss" or "accident" that occurs during the "policy period";
2. "Private passenger autos" you acquire during the "policy period";
3. "Autos" other than "private passenger autos" that you acquire during the "policy period";
4. "Autos" you own or acquire during the "policy period" that are required to have No-Fault benefits in the state where they are licensed or principally garaged;
5. "Autos" you own or acquire during the "policy period" that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject, Uninsured Motorists Coverage;
6. "Trailers" you own or acquire during the "policy period"; and for Liability coverage, any "trailers" you do not own while they are attached to power units you do own, during the "policy period";
7. "Autos" that you hire, rent or lease during the "policy period", including substitute, replacement or extra "autos" necessary to meet the needs of your operations, seasonal or otherwise, if the lease, rental or hire agreement requires you to provide direct primary insurance for such "auto";
8. "Autos" owned by or leased to your "executive officers", supervisors, directors, board members, commissioners, "employees", volunteers and conscripted persons, while being used within the course and scope of such person's duties for you, during the "policy period";
9. "Autos" that you do not own, including "autos" that you borrow during the "policy period", if such "autos" are used to meet the needs of your operations, seasonal or otherwise, while such "autos" are in your entrustment, possession or care;
10. "Autos" you do not own that are "commandeered autos", while such "commandeered autos" are being used as part of an emergency situation;
11. "Mobile Equipment" that qualify under the definition of "mobile equipment" under this policy if they are not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.

The Covered Autos described in **A.1.** through **A.11.** above do not include "emergency units".

B. "Emergency Units" are provided limited coverage under the policy:

1. "Emergency units" you own per the Schedule that is on file with the Company at the time of "loss" or "accident" that occurs during the "policy period"; or
2. "Emergency units" owned, rented or leased by your "executive officers", supervisors, directors, board members, commissioners, "employees", volunteers or conscripted persons, but only while such "emergency units";
3. Are being used to officially respond to, or return directly from, the scene of an emergency situation; or
4. Are being used by your "executive officer", supervisor, director, board member, commissioner, "employee", volunteer or conscripted person while acting within the course and scope of their duties for you;

"Emergency units" are covered only as respects those specific coverages that are described herein as applying to "emergency units".

C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Liability Coverage in the "coverage territory", during the "policy period":

1. "Emergency units" as per the Schedule on file with the Company, or those "emergency units" that otherwise meet the terms and conditions of this policy as respects coverage for "emergency units";
2. "Emergency unit" equipment not otherwise covered as "autos" or "mobile equipment" provided such "emergency unit" equipment is similar to "emergency unit" equipment that is shown on the Schedule on file with the Company;
3. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads;
4. "Mobile equipment" while being carried or towed by a covered "auto";
5. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - (1) Breakdown;
 - (2) Repair;
 - (3) Servicing;
 - (4) "Loss"; or
 - (5) Destruction.

SECTION II – LIABILITY COVERAGE

A. COVERAGE

We will pay on behalf of the insured those sums in excess of the "retained limit" that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto" or a covered "emergency unit".

We will also pay on behalf of the insured those sums in excess of the "retained limit" that the insured becomes legally obligated to pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

The amount we will pay for "loss" and "loss adjustment expense" is limited as described under **SECTION V - LIMIT OF INSURANCE**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments**.

1. This insurance applies to "bodily injury", "property damage" and "covered pollution cost or expense" only if, prior to the "policy period", no insured listed under **SECTION III - WHO IS AN INSURED** or any insured who is authorized by you to give or receive notice of a "loss", "accident", "claim" or "suit", knew or had reason to know that "bodily injury", "property damage" or "covered pollution cost or expense", had occurred in whole or in part. If any such insured knew or had reason to know, prior to the "policy period", that the "bodily injury", "property damage" or "covered pollution cost or expense" occurred, in whole or in part, then any continuation, change, or resumption of such "bodily injury", "property damage" or "covered pollution cost or expense" during or after the "policy period" will be deemed to have been known prior to the "policy period".
2. The "bodily injury", "property damage" or "covered pollution cost or expense" which occurs during the "policy period" and was not, prior to the "policy period", known to have occurred by any insured listed under **SECTION III - WHO IS AN INSURED** or any insured authorized by you to give or receive notice of a "loss", "accident", "claim" or "suit" includes any continuation, change or resumption of that "bodily injury", "property damage" or "covered pollution cost or expense" after the end of the "policy period".
3. The "bodily injury", "property damage" or "covered pollution cost or expense" will be deemed to have been known to have occurred at the earliest time when any insured listed under **SECTION III - WHO IS AN INSURED** or any insured authorized by you to give or receive notice of a "loss", "accident", "claim" or "suit":
 - (1) Reports all, or any part, of the "bodily injury", "property damage" or "covered pollution cost or expense" to us or any other insurer;
 - (2) Receives a written or verbal demand or "claim" for damages because of the "bodily injury", "property damage" or "covered pollution cost or expense"; or
 - (3) Becomes aware by any other means that "bodily injury", "property damage" or "covered pollution cost or expense" has occurred or has begun to occur.
4. The entire "bodily injury", "property damage" or "covered pollution cost or expense" will be deemed to have occurred on the date of the first "accident" or event causing such "bodily injury", "property damage" or "covered pollution cost or expense".
5. "Loss" because of "bodily injury" includes damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

COVERAGE EXTENSIONS

1. Pollution Clean Up and Removal

This insurance will cover in excess of the "retained limit" your necessary expenses to extract "pollutants" from land or water if the release, discharge or dispersal of the "pollutants" results from a covered "loss" or "accident" to covered "autos", covered "emergency units", or any other equipment or property that is covered by this Coverage Form, if such covered "loss" or "accident" occurs in the "coverage territory", during the "policy period". Your expenses will be paid in excess of the "retained limit" only if they are reported to us in writing within 180 days of the earlier of:

- a. The date of the covered direct physical "loss" or "accident"; or
- b. The end of the "policy period".

2. Fellow Employee

This insurance will cover in excess of the "retained limit" "bodily injury" to an "employee", volunteer or conscripted person arising out of the actions of another "employee", volunteer or conscripted person, if such "bodily injury" arises out of and in the course of the fellow "employee's" employment, or the fellow "employee's", volunteer's or conscripted person's performance of duties related to the conduct of your operations.

3. Out-Of-State Coverage Extensions

While a covered "auto" or covered "emergency unit" is away from the state where it is licensed this insurance will:

- a. Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" or covered "emergency unit" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- b. Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" or covered "emergency unit" is being used.

This insurance will not pay anyone more than once for the same elements of "loss" or "accident" because of these Coverage Extensions.

SUPPLEMENTARY PAYMENTS

Supplementary Payments

- A. The insured will have the obligation to:
 1. Pay all "loss" for "bodily injury", "property damage" and "covered pollution cost or expense" covered by this policy which amounts are within the "retained limit"; and
 2. Provide an adequate defense, investigate any "loss", "accident", "claim" or "suit", and to accept any offer of settlement within the "retained limit" that is deemed reasonable by us, with regard to any "bodily injury", "property damage" and "covered pollution cost or expense" covered by this policy:
 - a. The insured shall pay all "loss adjustment expense" that relates to the defense of "claims" or "suits" within the "retained limit";
 - b. We will not pay any "loss adjustment expense" above what we would have otherwise paid had the "loss" been settled for any reasonable offer within the "retained limit";
- B. Should the Insured or the Claims Administrator fail to pay any amounts for "loss" or to provide such defense, that would otherwise be required by the coverage, terms and conditions of this policy, we may elect to pay these "losses" or provide such defense as is necessary to meet such coverage, terms and conditions of the policy. If we elect to make such payment or provide such defense for amounts that are within the "retained limit", you will promptly reimburse us for the amounts we elect to pay as "loss", and the sum of all "loss adjustment expenses" we incur to provide defense that would have otherwise been included within the "retained limit".
- C. We will have the right, but not the obligation, to assume charge of the defense of any "claim" or "suit" at our expense.
- D. We have the right, but neither the duty nor obligation, to associate with the insured at our expense in the defense, investigation or settlement of any "claim" or "suit" seeking "loss" to which this insurance may apply if such "losses" sought are in excess of the "retained limit" or which, in our opinion and based on the terms and conditions of this policy, may create liability for us under this policy. In such event, the insured will cooperate fully.
 1. No "loss adjustment expense" shall be incurred on behalf of the Company without our written consent;
 2. The insured will not enter into any settlement that may impact this policy, agree to a judgment or consent against it, or assign rights under this policy to anyone unless we first consent in writing; and
 3. Upon our written request, the insured will tender such portion of the "retained limit" as we may deem necessary to complete the settlement of such "claim" or "suit".
- E. We have the right and duty to defend the insured against any "claim" or "suit" seeking "loss" for "bodily injury", "property damage", or "covered pollution cost or expense" to which this insurance applies only when the "retained limit" has been exhausted because of judgments, settlements and "loss adjustment expenses" paid to a third party under **SECTION II - LIABILITY COVERAGE, A. COVERAGE:**

1. The amount we will pay in excess of the "retained limit" is fixed as described in **SECTION V - LIMIT OF INSURANCE**; and our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments and settlements.
2. When the duty to defend exists, we will pay, in addition to the Limit of Insurance, the following "loss adjustment expenses":
 - a. All expenses incurred by us;
 - b. The cost of bonds to release attachments in any "suit" against the insured we defend, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds;
 - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim" or "suit", including actual loss of earnings up to \$500 a day because of time off from work;
 - d. All costs taxed against the insured in any "suit" we defend;
 - e. Prejudgment interest awarded against any insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer; or
 - f. Interest on the amount of any judgment in excess of the "retained limit" that accrues after entry of the judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

We are not responsible to pay any "loss adjustment expenses" listed above for any settlement or judgment amounts within the "retained limit".

- F. We will have no duty to defend the insured against any "suit" seeking damages for "losses" or "accidents" to which this insurance does not apply.
- G. We have the right, but no duty, to appeal any judgment.
- H. We will have no duty to pay any "loss" or to defend any "claim" or "suit" that any other insurer has a duty to pay or defend. If no other insurer defends, we may do so, but we will be entitled to the insured's rights against all those other insurers.

SECTION III - WHO IS AN INSURED

- A. The following are an Insured, unless excluded herein or by endorsement:

1. You for any covered "auto" or "emergency unit" that is otherwise covered by this policy;
2. **Municipality or Other Governmental Entity Board Members**

Your "executive officers", supervisors, directors, board members, commissioners, "employees", volunteers or conscripted persons but only while using a covered "auto" or covered "emergency unit" within the course and scope of their respective duty as your "executive officer", supervisor, director, board member, commissioner, "employee", volunteer or conscripted person.

3. **Other Insureds:**

The following will be an Insured under this policy, unless excluded herein or by endorsement:

- a. The owner or anyone else from whom you hire or borrow a covered "auto" or covered "emergency unit" while such person is using a covered "auto" or covered "emergency unit" during the course and scope of their respective duty(ies) for you in your operations;
- b. Any other person, while such person is using a covered "auto" or covered "emergency unit" with your permission during the course and scope of their respective duty(ies) for you in your operations.

However, such Insured status will **not** apply to the following even if they otherwise meet the criteria in 3.a. or 3.b.:

- (1) Insured status does not apply to a "trailer" connected to an "auto", even if the covered "auto" is a "trailer" connected to a covered "auto" you own;
 - (2) Insured status does not apply to anyone using a covered "auto" while he or she is working in a business or operation of selling, servicing, repairing, parking or storing "autos", unless that business is yours;
 - (3) Insured status does not apply to anyone other than your "executive officers", "employees", volunteers, conscripted persons, board members, commissioners, or a lessee or borrower, or any of their "employees", while moving property to or from a covered "auto" or a covered "emergency unit";
 - (4) Insured status does not apply to anyone while using an "auto", including a covered "auto" or covered "emergency unit", outside the course and scope of their duties for you, or not in the course of your operations.
4. A lessor of a covered "auto" or covered "emergency unit", if the leasing agreement requires you to provide direct primary insurance for such lessor.
 5. Any person who is legally liable for the conduct of an Insured listed in 1., 2., 3.a. or 3.b, but only to the extent of their specific liability for that Insured.

B. Public Entity Officials and Members

Any board member or other elected or appointed official, member of the administrative staff, or other authorized volunteer or member is an Insured but only while using a covered "auto" or covered "emergency unit" you do not own, hire or borrow and only during the course of their respective duty(ies) for you as a municipality or other governmental entity, or an Emergency Services Organization. This Insured status will extend to any other person who supplies that covered "auto" or "emergency unit".

C. Newly Acquired Organization

Any organization you own on the inception of this policy, or newly acquire or form during the policy period, and over which you maintain majority ownership or majority interest during the "policy period", will qualify as a Named Insured if:

1. There is no other similar insurance available to that organization; and
2. The first Named Insured shown in the Declarations of this policy has the responsibility of placing insurance for that organization; and
3. The organization is incorporated or organized under the laws of the United States of America.

However:

- a. Coverage under this provision is afforded only until the next occurring 12 month anniversary of the beginning of the "policy period" shown in the Declarations, or the end of the "policy period", whichever is earlier; and
- b. Coverage under this provision does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you acquired or formed the organization; and
- c. No person or organization is an insured with respect to any current or past partnership, or joint venture that is not shown as a Named Insured in the Declarations; and
- d. Coverage under C. 1., 2., and 3. above does not apply to any organization that is covered as an insured under any other automobile liability insurance policy whose limits of insurance have been exhausted or whose insurer has become insolvent.

D. Additional Insureds

The following are additional insureds, unless excluded herein or by endorsement:

1. Any person, organization, trustee, estate or governmental entity with respect to the operation, maintenance or use of a covered "auto" or covered "emergency unit", if:

- e. You are obligated to add that person, organization, trustee, estate or governmental entity as an additional insured to this policy by:
 - (1) An express provision of an "insured contract" or written agreement; or
 - (2) An express condition of a written permit issued to an insured by a governmental or public authority.
- b. The "bodily injury" or "property damage" is caused by an "accident" which takes place after:
 - (1) The insured executed the "insured contract" or written agreement; or
 - (2) The permit has been issued to the insured.

SECTION IV - EXCLUSIONS

A. This Insurance does not apply to any of the following:

1. Care, Custody or Control

This insurance does not apply to "property damage" or to "covered pollution cost or expense" involving any property owned or transported by the insured, or that is in the insured's care, custody or control.

Exception to Exclusion:

This exclusion does not apply to "property damage" to a building and its contents that is leased, rented or borrowed by the insured if such "property damage" is a result of a covered "loss" or "accident" under this policy.

This exclusion also does not apply to liability assumed under a sidetrack agreement.

2. Completed Operations

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

3. Contractual

Liability assumed under any contract or agreement.

Exception to Exclusion:

This exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract", provided that the "bodily injury" or "property damage" occurs subsequent to the execution of such contract or agreement; or
- b. That the insured would have in the absence of the contract or agreement.

4. Employee Indemnification And Employer's Liability

"Bodily injury" to:

- a. An "employee" of the insured arising out of and in the course of:
 - (1) Employment by the insured; or
 - (2) Performing the duties related to the conduct of the insured's business; or
- b. Any volunteer, including any "volunteer worker", in or arising out of the conduct or performance of their activities by, for or on behalf of any insured; or
- c. The spouse, child, parent, brother or sister of that "employee", volunteer or "volunteer worker" as a consequence of Paragraphs a. or b. above

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

Exception to Exclusion:

This exclusion does not apply to "bodily injury" to domestic "employees" not otherwise entitled to workers' compensation benefits or to liability assumed by the insured under an "insured contract". For the purposes of the exception, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Expected Or Intended Injury

"Bodily injury", "property damage" or "covered pollution cost or expense" expected or intended from the standpoint of the insured.

Exception to Exclusion:

This exclusion does not apply to:

- a. Expected or intended "bodily injury" or "property damage" resulting from actions taken to protect persons or property and arising out of the use of a covered "auto" or covered "emergency unit"; or
- b. "Bodily injury" or "property damage" resulting from an act by the insured which is performed within their legal authority and which is reasonably necessary to respond to an emergency situation.

6. Handling Of "Claims" Or "Suits" Within The "Retained Limit"

"Losses" arising out of the handling of any "claims" or "suits" within the "retained limit", including the investigation, defense or settlement of any "claims" or "suits".

7. Handling Of Property

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the insured for movement into or onto the covered "auto" or covered "emergency unit"; or
- b. After it is moved from the covered "auto" or covered "emergency unit" to the place where it is finally delivered by the insured.

6. Movement Of Property By Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto" or covered "emergency unit".

9. Operations

"Bodily injury" or "property damage" arising out of the operation of:

- a. Any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

10. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto" or covered "emergency unit";
 - (2) Otherwise in the course of transit by or on behalf of the insured; or
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto" or covered "emergency unit";
- b. 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 the covered "auto" or covered "emergency unit"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" or covered "emergency unit" to the place where they are finally delivered, disposed of or abandoned by the insured.

Exception to Exclusion:

Paragraph a. of this Pollution exclusion does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are necessary to the normal electrical, hydraulic or mechanical functioning of a covered "auto" or covered "emergency unit" or its parts, if:

- (1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from a covered "auto" part whose product design according to the manufacturer is to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs 6.b. or 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above of this Pollution exclusion do not apply to an "accident" that occurs away from premises owned by or rented to an insured with respect to "pollutants" not in or upon a covered "auto" or covered "emergency unit" if:

- (1) 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 a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

11. Racing

Covered "autos" or covered "emergency units" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" or covered "emergency unit" is being prepared for such a contest or activity.

12. War and Military Action

"Bodily injury" or "property damage" arising directly or indirectly out of:

- a. War, including undeclared or civil war;
- b. Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack:
 - (1) By any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces;
 - (2) By military, naval or air forces; or
 - (3) By an agent of any such government, power, authority or forces.
- c. Invasion, insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence.

Any discharge, release, explosion or use of any chemical or biological agent, or any weapon or device of war employing nuclear fission or fusion, will be conclusively presumed to be such a hostile or warlike action by such a government, power, authority or forces.

With respect to any action that comes within the terms of this War and Military Action Exclusion and:

- (a) Involves nuclear reaction or radiation, or radioactive contamination, this War and Military Action Exclusion supersedes the Nuclear Hazard Exclusion.
- (b) Involves a discharge, dispersal, seepage, migration, release, escape or application of any pathogenic or poisonous biological or chemical materials, this War and Military Action Exclusion supersedes the Pathogenic or Poisonous Biological or Chemical Materials Exclusion.
- (c) Comes within the terms of the Terrorism Exclusion, this War and Military Action Exclusion supersedes the Terrorism Exclusion.

SECTION V - LIMITS OF INSURANCE

The Limits of Insurance of this Coverage Form apply in addition to the "retained limit".

The following paragraphs further describe how the Limits of Insurance and "Retained Limit" shall apply:

LIMITS OF INSURANCE:

A. The **LIMITS OF INSURANCE** shown in the Declarations and the rules below fix the most the Company will pay in excess of the insured's "Retained Limit" shown in the Declarations, regardless of the number of:

1. Covered "Autos" or Covered "Emergency Units";
2. "Covered Pollution Cost or Expense";
3. Insureds;
4. Vehicles involved;
5. Premiums paid;
6. "Losses" or "accidents";
7. "Claims" made or "suits" brought;

8. Persons, organizations or governmental agencies making "claims" or bringing "suits".

The most we will pay for the total of all "loss", "covered pollution cost or expense", and "loss adjustment expense" combined, resulting from any one "accident" is the Limit of Insurance for Auto Liability Coverage shown in the Declarations.

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage Endorsement, Uninsured Motorists Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Part.

B. Subject to the **LIMIT OF INSURANCE** stated above, we will pay for "loss" covered under this Coverage Form only after your "**RETAINED LIMIT**" stated in the Declarations has been exhausted because of payments for judgments, settlements and "loss adjustment expenses" of "claims" or "suits". The "**RETAINED LIMIT**" stated in the Declarations applies:

1. Only to "loss" for "bodily injury", "property damage" or "pollution cost or expense" covered by this policy, and "loss adjustment expenses" arising therefrom; and
2. Separately to each "accident" or series of continuous, repeated or related "accidents".

C. The **COMBINED SINGLE LIMIT (CSL)** is the most we will pay in excess of the "retained limit" for the sum of all "loss" and "loss adjustment expense(s)" under "bodily injury", "property damage" and "pollution cost or expense" in excess of the "**RETAINED LIMIT**".

D. In determining the **LIMIT OF INSURANCE** that applies:

1. All "bodily injury" and "property damage" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident";
2. All damages resulting out of continuous, repeated or related "pollution cost or expense" shall be treated as a single "loss" and the Limit of Insurance in effect at the first "pollution cost or expense" shall apply.

The Limits of Insurance of this Policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

RETAINED LIMIT:

- A. The "retained limit" shall be applied to each "bodily injury", "property damage" and "covered pollution cost or expense" for which coverage is afforded by this policy. The "retained limit" will be reduced by any "loss adjustment expense" incurred by the insured.
- B. The "retained limit" shall not be impaired by any "claim" or "suit" brought against an Insured which is not covered under this Coverage Form.
- C. The "retained limit" shall not include any amounts for "loss", injury or damages or any "loss adjustment expense(s)" for any "loss", "accident", "bodily injury", "property damage" or "covered pollution cost or expense" that first takes place prior to, or subsequent to, the "policy period".
- D. You agree not to insure or otherwise reinsure your "retained limit" without our knowledge and written permission. If insurance with any other insurer is available to cover a "claim" that is within the "retained limit", such other insurance is excess over the "retained limit". We will not make any payment until the other insurance and the applicable "retained limit" have been exhausted.
- E. This policy will not drop down to assume or satisfy your obligations under the "retained limit".

- F. You agree that in the event of a judgment, settlement or "loss adjustment expense" in excess of the "retained limit," all outstanding amounts within the "retained limit" will be due and payable to us upon demand. Such payment must be made before we have paid, tendered or deposited in court, any part of said judgment, settlement or "loss adjustment expense".. Failure of you to comply with this provision will not invalidate the policy, but in the event of such failure, we will be liable only to the extent that we would have been liable had you complied with this provision.

SECTION VI -CONDITIONS

A. RETAINED LIMIT CONDITIONS

The following **Retained Limit Conditions** replace or add to the **Common Policy Conditions**, which also apply to this policy:

1. Assignment

Assignment of interest under this policy shall not bind us unless our consent is first endorsed hereon.

2. Claims Administrator

We must approve, in writing, any Claims Administrator utilized by you. You may not change or terminate an approved Claims Administrator without our prior written approval and consent. You also must provide us with written notification no later than ten (10) days from the effective date of any revision of the contract between you and your Claims Administrator. The insured is responsible for all costs related to any such Claims Administrator.

We shall have the right, upon at least thirty (30) days written notice to you, to conduct an audit of the claim files of the Claims Administrator.

3. Concealment, Misrepresentation Or Fraud

This Coverage Form is void in any case of fraud by you at any time as it relates to this insurance. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage Form;
- b. The covered "auto" or covered "emergency unit";
- c. Your interest in the covered "auto" or covered "emergency unit"; or
- d. A "claim" under this Coverage Form.

4. Insured's Duties In The Event Of A "Loss", "Accident", "Claim" Or "Suit"

- a. You must see to it that your Claims Administrator is notified as soon as practicable of any "loss" or "bodily injury", "property damage", "pollution cost or expense" or any "loss" or "accident" which may result in a "claim" or "suit". Written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses will be reported to the Claims Administrator; and in turn, the Claims Administrator will forward same to us.
- b. If a "claim" is made or a "suit" is brought against any insured, the insured will immediately forward to the appointed Claims Administrator every demand, notice, summons or other processes received by the insured or its representative; and in turn, the Claims Administrator will forward same to us.
- c. The insured will cooperate with us and at our request, consent to being examined and questioned by a representative of ours, under oath if necessary, attend hearings, depositions and trials and will assist in effecting settlement, securing and giving evidence and obtaining the attendance of witnesses in the conduct of "suits"; as well as in the giving of a written statement or statements to our representatives and defense.

- d. The insured will give us or our duly authorized representative such information and assistance as we may require and assist in the defense of any "claim" or "suit", subject to **Supplementary Payments** under **SECTION I - COVERAGES**.
- e. You must report to us as soon as practicable each "claim" or "loss" for which your estimated amount of loss or damages, including "loss adjustment expense", is 50% or more of the amount of the "retained limit". You must also immediately report:
- (1) Any "suit" naming the Company providing this insurance;
 - (2) Any claim involving terrorism or suspected terrorism;
 - (3) Any proposed or certified class action lawsuit;
 - (4) All claims involving or which could reasonably be expected to involve litigation;
 - (5) Any incident alleging sexual misconduct of any type, including rape, abuse, assault, molestation, harassment;
 - (6) Environmental and/or catastrophic potential claims, including those involving contamination, pollution, toxic chemicals, nuclear, radiation, lead, fungus, mold and/or asbestos;
 - (7) All cases of death or serious injury, including but not limited to the following:
 - (a) Cord Injury, including paraplegia, quadriplegia or paralysis;
 - (b) Injury to nerves at the base of the spinal canal (Cauda Equina), or any other back injury symptomized with resulting incontinence of bowel and/or bladder;
 - (c) Amputations requiring a prosthesis, or any loss of a major body member;
 - (d) Claims involving substantial body disfigurement or serious permanency;
 - (e) Brain damage affecting mentality or the central nervous system, such as permanent disorientation, behavior disorder, personality change, seizures, motor deficit, inability to speak (aphasia), hemiplegia or unconsciousness (comatose);
 - (f) Blindness of any type or duration, temporary or permanent;
 - (g) Hearing impairment of any type or duration, temporary or permanent;
 - (h) Burns – those involving over 10% of the body with third degree, or 30% of the body with second degree;
 - (i) Multiple fractures; involving more than one member or non-union;
 - (j) Fracture of both heel bones (fractured bilateral os calcis);
 - (k) Nerve damage causing paralysis and loss of sensation in arm and hand (brachial plexus nerve damage);
 - (l) Massive internal injuries affecting any body organ(s);
 - (m) Fatalities;
 - (n) Any other serious injury which, in your judgment, might involve us.
- You must advise us of the estimated amount of "loss" or damage, including "loss adjustment expense(s)", including amounts paid and reserved, in connection with each "claim" or "loss", and of any subsequent changes in such estimates.
- f. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, without our consent.
- g. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, with particulars sufficient to identify the Insured, shall be considered to be notice to us.

5. Other Insurance – "Retained Limit"

- e. The Insured shall pay from its own account all amounts within the "retained limit" as provided by the terms and conditions of this policy.
- b. If other valid and collectible insurance applies to a "claim" or "suit" covered by this policy, and subject to **SECTION V – LIMITS OF INSURANCE** of this policy, this policy will apply excess of the other insurance, whether this insurance is primary, excess, contingent, or issued on any other basis.

Other insurance means insurance, or the funding of losses that is provided by or through another insurance company, any risk retention group or any self-insurance, group self-insurance, or similar risk transfer approach, other than any funded by you and to which this insurance applies. It does not mean insurance that is purchased by any insured to be specifically excess of the sum of the "retained limit" and the Limits of Liability afforded by this policy.

6. Other Insurance – How Coverage Applies

The following describes how the insured or the insured's Claims Administrator is to apply coverage under this Coverage Form for "losses" or "accidents", and "loss adjustment expenses" that are within the "retained limit". This does not alter any other Condition of this policy.

- e. For any covered "auto" or covered "emergency unit" you own, the terms of this Coverage Form provide primary insurance. For any covered "auto" or covered "emergency unit" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance, except for the following:
 - (1) Any covered "auto" or covered "emergency unit" owned by your "executive officers", supervisors, directors, board members, commissioners, "employees", volunteers and conscripted persons, will be provided primary insurance under this Coverage Form, while such covered "auto" or covered "emergency unit" is being used within the course and scope of their duties for you.
 - (2) While a covered "auto" or covered "emergency unit" which is a "trailer" is connected to another vehicle, the Liability Coverage this Coverage Form provides for the "trailer" is:
 - (e) Excess while it is connected to a motor vehicle you do not own.
 - (b) Primary while it is connected to a covered "auto" you own.
- b. For Hired Auto Physical Damage Coverage, any covered "auto" or covered "emergency unit" you lease, hire, rent or borrow is deemed to be a covered "auto" or covered "emergency unit" you own, while such "auto" or "emergency unit" is in your possession or care, or is entrusted to you. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto" or a covered "emergency unit".
- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Liability Coverage is primary for any liability assumed under an "insured contract".
- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only in excess of the "retained limit", and as described under **SECTION V – LIMITS OF INSURANCE**.

7. Policy Period, Coverage Territory

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- e. During the "policy period" shown in the Declarations; and
- b. Within the "coverage territory".

The "coverage territory" is:

- e. The United States of America;
- b. The territories and possessions of the United States of America;

- c. Puerto Rico;
- d. Canada; and
- e. Anywhere in the world if:
 - (1) A covered "auto" or covered "emergency unit" of the private passenger type is leased, rented or borrowed without a driver for a consecutive period of 30 days or less;
 - (2) A covered "auto" or covered "emergency unit" is hired without a driver for a consecutive period of 30 days or less; and
 - (3) Under (1) or (2) the insured's responsibility to pay damages must be determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico, or Canada or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" or covered "emergency unit" while being transported between any of these places.

8. Transfer of Rights of Recovery Against Others to Us

If any insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The Insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. In the event of recovery, the proceeds will be divided in the following priority, including those expenses incurred in pursuing such recovery:

- a. Any insured or insurer who paid amounts in excess of the Limits of Insurance of this policy;
- b. Our expenses and payments made under this policy;
- c. You and any other insurer who paid an amount below our Limits of Liability of this policy.

9. Waiver of Subrogation

As respects the coverage provided under this policy, any right of recovery we may have against any additional insured as provided under this Coverage Form is waived, but only as respects "loss" arising out of the operation, maintenance or use of a covered "auto" or covered "emergency unit" pursuant to the provisions and conditions of the "insured contract", written agreement or permit.

10. When/If We Permit You To Select Defense Counsel

As respects our right and duty to defend "claims" in excess of the "retained limit" under the terms of this policy, we may, at our discretion and by mutual agreement, or by court order, permit you to select defense counsel, subject to the applicable Limits of Insurance of this Coverage Form. In such event, the following provisions apply:

- a. We retain the right, at our discretion, to settle, approve or disapprove the settlement of any "claim"; and to appeal any judgment, award or ruling, at our expense.
- b. You and any other involved insured must comply with the Duties In Event of a "Loss", "Accident", "Claim" or "Suit" Condition of this policy, as well as all other provisions of this policy; and
- c. You must direct defense counsel of the insured to furnish us with the information we request to evaluate those "suits" for coverage under this policy; and cooperate with any counsel we may select to monitor or associate in the defense of those "suits".

If we defend you under a reservation of rights, both your and our counsel will be required to maintain records pertinent to your "loss adjustment expenses". These records will be used to determine the allocation of any "loss adjustment expenses" for which you may be solely responsible, including defense of an allegation not covered by this insurance.

B. LOSS PAYMENT CONDITIONS

The Company will not pay any "loss" or "loss adjustment expense" that is within the "retained limit".

The following conditions apply in addition to the **Common Policy Conditions** and the **General Conditions**:

1. Appraisal For Physical Damage Loss

Under this insurance, if you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the "claim".

2. Loss Payment – Physical Damage Coverages Other Than "Emergency Units"

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

3. Loss Payment – Physical Damage Coverages - "Emergency Units"

As respects covered "emergency units", this insurance will pay for "loss" or damage on the basis of the following:

- a. Value of the lost or damaged "emergency unit" will be determined based on the Valuation method shown in the Declarations as applicable to the "emergency unit".
- b. If no Valuation method is shown for the "emergency unit", the value of the lost or damaged property will be at its actual cash value.
- c. If the Valuation method shown in the Declarations for the "unit" is ACV, the value of such "unit" will be the actual cash value at the time of the "loss", except as provided below:

This insurance will not pay more for "loss" or damage on an actual cash value basis than the least of the following:

- (1) The Limit of Insurance applicable to the lost or damaged "unit";
- (2) The cost to repair or replace the lost or damaged "unit" with other property:
 - i. of comparable material and quality; and
 - ii. used for the same purpose; or

- (3) The amount you actually spend that is necessary to repair or replace the lost or damaged "unit".

In the event the "loss" or damage to the "emergency unit" involves "loss" or damage to the "unit's" "specialized additions", "loss" to the "unit's" "specialized additions" will be adjusted as follows:

- (1) The cost to repair the damage to "specialized additions"; or
- (2) The cost to replace lost or damaged "specialized additions" with:

- (a) New parts identical to the lost or damaged parts; or
 - (b) New parts of equal quality and usefulness if identical new parts are not available.
- d. If a "loss" occurs to a covered "emergency unit" and the Valuation method shown in the Declarations for the "unit" is R/C, the value of such "unit" will be the replacement cost value at the time of the "loss".

We will not pay more for "loss" or damage on a replacement cost basis than the least of the following:

- (1) The Limit of Insurance applicable to the lost or damaged "unit";
- (2) The cost to repair the damage to the "unit", plus the cost to replace lost or damaged parts of the "unit" with:
 - (a) New parts identical to the lost or damaged parts; or
 - (b) New parts of comparable material, quality and usefulness when identical new parts are not available; or
 - (c) The cost to replace the entire "emergency unit" as of the time of "loss" with a comparable new "unit" of equal quality and usefulness, including any upgrades made necessary by specifications or standards set by:
 - i. The NFPA, United States Department of Transportation; or
 - ii. Other Federal, state, county or municipal regulatory authority.

You may make claim for "loss" or damage covered by this Coverage Form using the actual cash value method instead of the replacement cost method. In the event you elect to have a "loss" settled using the actual cash value method, you may still make a claim for the additional coverage which the replacement cost method provides if you notify us of your intent to do so within 180 days after the "loss".

This insurance will not pay on a replacement cost basis for any "loss" or damage:

- (1) until the lost or damaged "emergency unit" is actually repaired or replaced; and
 - (2) unless the repairs or replacement are made as soon as reasonably possible after the "loss" or damage.
- e. If "loss" occurs to a covered "emergency unit" and the Valuation method shown in the Declarations for that "unit" is R/V, the value of the "unit", including the "unit's" "specialized additions" will be the restoration value at the time of the "loss".

Under this method, this insurance will pay you the cost to replace the lost or damaged "unit", including "specialized additions", delivery and setup costs, with used or rebuilt parts intended to perform the same function.

In the event, due to age or condition, the lost or damaged "unit", including "specialized additions", was unusable as of the time of the "loss", the lost or damaged "unit" will then be valued at actual cash value (ACV).

However, this insurance will not pay more for "loss" or damage on a restoration value basis than the least of the following:

- (1) The Limit of Insurance applicable to the lost or damaged "unit", including "specialized additions";
- (2) The cost to repair or replace the lost or damaged "unit", including "specialized additions" with other used or rebuilt property:
 - (a) of comparable material and quality; and
 - (b) used for the same purpose; or
 - (c) the amount you actually spend that is necessary to repair or replace the "unit", including the "specialized additions".

- f. In the event of a total "loss" to a covered "emergency unit" you own, and which has a loss payee or additional insured – lessor, this insurance will pay the greater of the:

- (1) outstanding indebtedness under the initial finance agreement for e covered "emergency unit" and its equipment; or
- (2) the value of the "unit" as determined by the Valuation method chosen.

However, in no event will this insurance pay more than the Limit of Insurence thet applies to the lost or damaged "unit", including its "specialized additions".

SECTION VII – DEFINITIONS

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".

- B. "Auto" means:

1. A land motor vehicle, Including its equipment other than portable firefighting and rescue related equipment; a "trailer" or semitrailer; designed for travel on public roads; or
2. Any other land vehicle that is subject to a compulsory or financial responsiblity law or other motor vehicle insurance law whera it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

- C. "Bodily injury" means physical harm, physical sickness or physical disease sustained by a person including death or mental anguish resulting from any of these at any time. When used in this Definition, mental anguish means any type of mental or emotional illness or distress when arising from physical trauma.

- D. "Claim" meens e demand received by any insured for damages alleging any injury or damage to persons or property including the institution of a "suit" for such damages against any insured.

- E. "Covered pollution cost or expense" means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or essess the effects of "pollutants"; or
2. Any "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 neutrelizing, or in any way responding to or assessing the effects of "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- e. That are, or that ere contained in any property that is:

- (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered "auto";
- (2) Otherwise in the course of transit by or on behalf of the insured;
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

- b. 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 the covered "auto"; or

- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the insured.

Paragraph a. above 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 the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph 6.b. or 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above 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 a covered "auto" if:

- (1) 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 a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

- F. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".
- G. "Emergency unit" means a land motor vehicle, trailer or semi-trailer, designed for travel on public roads, and its "specialized additions". However, "emergency unit" does not include "mobile equipment", "portable emergency response equipment", or any other "auto".
- H. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker" or a "volunteer worker".
- I. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws, or any other similar governing document.
- J. "Insured contract" means:
1. A lease of premises;
 2. A sidetrack agreement;
 3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
 6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".
- An "insured contract" does not include that part of any contract or agreement:
- a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing; or

- b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
 - c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- K. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- L. "Loss" or "Losses" means any monetary amount that an insured is legally obligated to pay for a "claim" made against the insured for "bodily injury", "property damage" or "covered pollution cost or expense" for direct and accidental loss or damage covered by this policy, including but not limited to amounts for injuries, damages, judgments, settlements and awards.
- "Loss" or "losses" does not mean fines, penalties, or any matters which may be deemed uninsurable under the law pursuant to which this policy will be construed.
- "Loss" or "losses" does not mean "loss adjustment expense(s)".
- M. "Loss Adjustment Expense" means all costs and expenses allocated to a specific "claim" or "suit" incurred in the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific "claim" or "suit", including court costs and costs of supersedeas and appeal bonds, and including:
- a. Pre-judgment interest, unless included as part of the award or judgment;
 - b. Post-judgment interest; and
 - c. Legal expenses and costs incurred in connection with coverage questions and legal actions connected thereto.
- "Loss adjustment expense" does not include unallocated loss adjustment expense. Unallocated loss adjustment expense includes, but is not limited to, salaries and expenses of our employees, including staff attorneys, and our office and other overhead expenses.
- N. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- 1. Bulldozers, farm machinery, forklifts and other vehicles designed for use solely on or next to premises you own or rent;
 - 2. Vehicles maintained for use solely on or next to premises you own or rent;
 - 3. Vehicles that travel on crawler treads;
 - 4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers.
 - 5. Vehicles not described in Paragraph 1., 2., 3., or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers.
 - 6. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of "permanently attached equipment" are not "mobile equipment" but will be considered "autos":
 - a. Equipment designed primarily for:

- (1) Snow removal;
- (2) Road maintenance, but not construction or resurfacing; or
- (3) Street cleaning;
- b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

- O. "Permanently attached equipment" means equipment that is welded, bolted or permanently screwed to the dashboard, firewall or body of the "auto". Equipment inserted on permanently installed slide brackets with or without the use of setscrews or tension, or portable firefighting and rescue related equipment, shall not be construed as "permanently attached equipment".
- P. "Policy period" means the period beginning with the Effective Date shown in the Declarations and ending with the earlier of:
 - 1. The date of cancellation of this policy; or
 - 2. The expiration date shown in the Declarations.
- Q. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- R. "Private passenger auto(s)", singular or plural, means a private passenger or station wagon type "auto" and includes an "auto" of the pick-up truck or van type.
- S. "Property damage" means damage to or loss of use of tangible property.
- T. "Retained Limit" refers to the amount stated in the Declarations. You shall retain this amount as self-insurance as stated in the Declarations. The "retained limit" with respect to a self-insured retention shall include "loss adjustment expense(s)".
- U. "Specialized Additions" applies only to "emergency units" and means:
 - (1) Pumps, tanks, valves and gauges;
 - (2) Lights and sirens, light/siren bars, and opticom devices;
 - (3) Aerial ladders, snorkels and telesquirt extensions;
 - (4) Slide-out brush rig attachments;
 - (5) Radios, telephones, loudspeakers, and other communication devices;
 - (6) Compressors, generators and air cascade units;
 - (7) Decals and insignia, custom painting and gold leaf lettering; and
 - (8) Any similar items,

which are permanently installed in or on, or are welded, bolted, screwed or wired to the chassis, body, dashboard or firewall of, or are installed on slide brackets and held in place with set screws or tension, or otherwise form a permanent part of and, in the ordinary course of duty, are not separated or removed from an "emergency unit".

However, "specialized additions" do not include "portable emergency response equipment".

V. "Suit" means a civil proceeding in which:

1. Damages because of "bodily injury" or "property damage"; or
2. A "covered pollution cost or expense",

to which this insurance applies, are alleged.

"Suit" includes:

- a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.

W. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

X. "Trailer" includes semi-trailer.

Y. "Unit" means an "emergency unit", including the "unit's" "specialized additions".

Z. "Volunteer Worker(s)" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you. "Volunteer worker" includes but is not limited to your volunteer firefighters, volunteer nurses, and other volunteer persons while acting specifically on your behalf or within the scope of their service or volunteer work for you, for activities that are otherwise covered under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, Michigan, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
PUBLIC RISK AUTO LIABILITY RETAINED LIMIT COVERAGE FORM
BUSINESS AUTO LIABILITY RETAINED LIMIT COVERAGE FORM FOR EDUCATIONAL INSTITUTIONS
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes In Liability Coverage

1. For a covered "auto" subject to the Michigan no-fault law, Liability Coverage does not apply to "property damage" to a motor vehicle caused by an "accident" "occurring" in Michigan.
2. Paragraph a.(2)(d)(i) and (ii) of the **Who Is An Insured** Provision in the Garage Coverage Form is replaced by the following:

Your customers, but only up to the compulsory or financial responsibility law limits where the covered "auto" is principally garaged.

3. The **Expected Or Intended Injury** Exclusion in the Business Auto Coverage Forms is replaced by the following:

This insurance does not apply to "bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

However, this exclusion does not apply for coverage up to the minimum limit specified by the Michigan Financial Responsibility Act.

4. The **Expected Or Intended Injury** Exclusion in the Garage Coverage Form is replaced by the following:

This insurance does not apply to "bodily injury" or "property damage" expected or intended from the standpoint of the "insured". However, this exclusion does not apply:

- a. For coverage up to the minimum limit specified by the Michigan Financial Responsibility Act; and
- b. To "bodily injury" resulting from the use of reasonable force to protect persons or property, but only with respect to "garage operations" other than covered "autos".

B. Changes In Physical Damage Coverage

Any Physical Damage Coverage and any Rental Reimbursement Coverage provided by the policy do not apply to the extent that Property Protection Coverage benefits are available as required by Michigan law.

C. Changes In Conditions

1. The **Duties In The Event Of Accident, Claim, Suit Or Loss** Condition in the Business Auto and Garage Coverage Forms is amended to:
 - a. Revise Paragraph a. to allow you, or anyone on your behalf, to provide the notice necessary to satisfy this Condition.

b. Add the following paragraph:

Failure to give any notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

2. The **Duties In The Event Of Loss** Condition in the Business Auto Physical Damage Coverage Form is amended to:

a. Revise Paragraph a. to allow you, or anyone on your behalf, to provide the notice necessary to satisfy this Condition.

b. Add the following paragraph:

Failure to give any notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
PUBLIC RISK AUTO LIABILITY RETAINED LIMIT COVERAGE FORM
BUSINESS AUTO LIABILITY RETAINED LIMIT COVERAGE FORM FOR EDUCATIONAL INSTITUTIONS
GARAGE COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

If you are an individual and the covered "auto" you own is of the "private passenger type" and the policy covers fewer than five "autos", the CANCELLATION Common Policy Condition does not apply to that "auto". The following Condition applies instead:

ENDING THIS POLICY

A. Cancellation

1. You may cancel the policy by mailing or delivering to us advance notice of cancellation.
2. When this policy is in effect less than 55 days and is not a renewal or continuation policy, we may cancel for any reason by mailing or delivering to you within this period written notice of cancellation at least 20 days before the effective date of cancellation. If we cancel for nonpayment of premium we will mail or deliver notice to you at least 10 days before the effective date of cancellation.
3. When this policy is in effect 55 days or more or is a renewal or continuation policy, we may cancel only for one or more of the reasons listed below. If we cancel for nonpayment of premium, we will mail you at least 10 days notice. If we cancel for any other reason, we will mail you at least 90 days notice.
 - a. Nonpayment of premium.
 - b. The named "insured" or any other operator who either resides in the same household or customarily operates an "auto" has had his or her driver's license suspended during the policy period and the revocation or suspension has become final.
 - c. If during the first 55 days after the original issue date of the policy the risk is unacceptable to us.

But if this policy has been written for a period of more than a year or without a fixed expiration date, we may cancel at an anniversary of its original effective date for any reason. If we cancel, we will mail or deliver to you at least 90 days written notice.

4. Notice of cancellation will state the effective date of cancellation.
5. If this policy is cancelled, we will send you any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. Nonrenewal

1. If we decide not to renew or continue this policy we will mail or deliver to you written notice at least 90 days before the end of the policy period. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
2. If we fail to mail or deliver proper notice of nonrenewal and you obtain other insurance this policy will end on the effective date of that insurance.

C. Mailing of Notices

We will mail by certified mail our notice of cancellation to your last mailing address known to us, except that if the policy is in effect less than 55 days or is a renewal policy or is cancelled for nonpayment of premium, we will mail you notice by regular mail. If notice is mailed, proof of mailing will be sufficient proof of notice.

For all other "private passenger types", the CANCELLATION Common Policy Condition does not apply to LIABILITY COVERAGE on a covered "auto" of the "private passenger type". The following Condition applies instead:

ENDING THIS POLICY

A. Cancellation

1. You may cancel the policy by mailing or delivering to us advance notice of cancellation.
2. When this policy is in effect less than 55 days and is not a renewal or continuation policy, we may cancel for any reason by mailing or delivering to you within this period written notice of cancellation at least 20 days before the effective date of cancellation. If we cancel for nonpayment of premium we will mail or deliver notice to you at least 10 days before the effective date of cancellation.
3. When this policy is in effect 55 days or more or is a renewal or continuation policy, we may cancel only for one or more of the reasons listed below. If we cancel for nonpayment of premium, we will mail you at least 10 days notice. If we cancel for any other reason, we will mail you at least 90 days notice.
 - a. Nonpayment of premium.
 - b. The named "insured" or any other operator who either resides in the same household or customarily operates an "auto" has had his or her driver's license suspended during the policy period and the revocation or suspension has become final.
 - c. If during the first 55 days after the original issue date of the policy the risk is unacceptable to us.But if this policy has been written for a period of more than a year or without a fixed expiration date, we may cancel at an anniversary of its original effective date for any reason. If we cancel, we will mail or deliver to you at least 90 days written notice.
4. Notice of cancellation will state the effective date of cancellation.
5. If this policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

B. Nonrenewal

1. If we decide not to renew or continue this policy we will mail or deliver to you written notice at least 90 days before the end of the policy period. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
2. If we fail to mail or deliver proper notice of nonrenewal and you obtain other insurance this policy will end on the effective date of that insurance.

C. Mailing of Notices

We will mail by certified mail our notice of cancellation to your last mailing address known to us, except that if the policy is in effect less than 55 days or is a renewal policy or is cancelled for nonpayment of premium, we will mail you notice by regular mail. If notice is mailed, proof of mailing will be sufficient proof of notice.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN PROPERTY PROTECTION COVERAGE

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Michigan, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Coverage

We will pay for "property damage" caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto" as an "auto". A covered "auto" under this coverage includes an "auto" operated by, but not owned by, you or any "family member" to which the Covered Autos Liability Coverage of the policy applies. This coverage is subject to Chapter 31 of the Michigan Insurance Code and applies only to an "accident" which happens in Michigan.

B. Exclusions

This insurance does not apply to:

1. "Property damage" to property owned by you or any "family member" if you or any "family member" was the owner, operator or registrant of an "auto" involved in the "accident" which caused the "property damage".
2. "Property damage" to any covered "auto" or its contents.
3. "Property damage" to any "auto" which is not a covered "auto" or to its contents. However, this exclusion does not apply to the "auto" or its contents if the "auto" was parked in such a way as not to cause unreasonable risk of the "property damage".
4. "Property damage" to the property of anyone while using a covered "auto" without "your" consent, unless that person reasonably believed he or she was entitled to use the "auto".
5. "Property damage" caused intentionally by any claimant.
6. "Property damage" to any property while a covered "auto" is located for use as a residence or premises.
7. "Property damage" to property as a result of an "accident" involving an "auto" not owned by you or any "family member". This exclusion applies only to the extent that the security required by the Michigan no-fault law has been provided by or for the owner.
8. "Property damage" to any property you accept for transportation as a "motor carrier" as that term is defined in Chapter 475 of the Michigan Compiled Laws. However, this exclusion applies only to the extent that the property is covered, or would be covered except for a deductible, by a certificate of insurance or other security you have on file with any regulatory authority.
9. "Property damage" to property that occurs within the course of the business of repairing, servicing or otherwise maintaining motor vehicles.
10. "Property damage" arising directly or indirectly out of:
 - a. War, including undeclared or civil war;
 - b. Werlika 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; or
 - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

C. Limit Of Insurance

1. Regardless of the number of covered "autos", premiums paid, claims made, vehicles involved in the "accident" or Insurers providing property protection insurance, the most we will pay for all "property damage" resulting from any one "accident" is \$1,000,000. However, the amount we pay will be limited to the lesser of reasonable repair costs or replacement costs minus depreciation and the value of any loss of use.
2. Any amount we would otherwise pay for "property damage" will be reduced by any deductible shown in the Declarations prior to the application of our Limit of Insurance. To settle any claim, we will pay all or any part of the deductible shown. If this happens, you must reimburse us for the deductible or the part of the deductible we have paid.

D. Changea In Conditions

The Conditions are changed for Property Protection Coverage as follows:

1. **Transfer Of Rights Of Recovery Against Others To Us** does not apply.
2. **Legal Action Against Us** is amended by the addition of the following:
No action to recover property protection insurance may be brought against us more than a year after the "accident".

3. The following conditions are added:

Reimbursement And Trust

If we make any payment to a claimant who recovers from a party legally responsible for "property damage", the claimant shall hold the proceeds in trust for us and pay us back the amount we have paid. This requirement is subject to any applicable limitations of Michigan law.

Nonduplication

We will not pay duplicate benefits for the same expenses or loss.

Claimants Notice To Us

A claimant must promptly notify us of an "accident" and must tell us how, when and where the "accident" happened.

E. Additional Definitions

As used in this endorsement:

1. "Auto" means a motor vehicle or trailer operated or designed for use on public roads but does not include a vehicle operated by muscular power, a vehicle with fewer than three wheels, a motorcycle, or a farm tractor or other implement of husbandry which is not subject to the registration requirements of the Michigan Vehicle Code.
2. "Family member" means a person related to you by blood, marriage or adoption, who is a resident of your household, including a ward or foster child.
3. "Occupying" means in, upon, getting in, on, out or off.
4. "Property damage" means damage to tangible property including the loss of use of such tangible property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN PERSONAL INJURY PROTECTION

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, Michigan, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the coverage form apply unless modified by the endorsement.

SCHEDULE

Coverage	Limit Of Insurance
Medical Expenses	No Specific Dollar Amount
Funeral Expenses	Up to \$1,750 per person
Work Loss	Up to \$4,948* for any 30-day period
Replacement Services	\$20 per day maximum
Survivors Loss Benefits Consisting Of Income Loss Benefits And Replacement Services	Up to \$4,948* for any 30-day period subject to a \$20 per day maximum for replacement services
*Or whatever maximum amount is established by the Michigan Insurance Commissioner for accidents occurring on or after the date of the change in maximum.	

A. Coverage

We will pay personal injury protection benefits to or for an "insured" who sustains "bodily injury" caused by an "accident" and resulting from the ownership, maintenance or use of an "auto" as an "auto". These benefits are subject to the provisions of Chapter 31 of the Michigan Insurance Code. Personal Injury Protection benefits consist of the following benefits:

1. Medical Expenses

Reasonable and necessary medical expenses for an "insured's" care, recovery or rehabilitation. Charges for a hospital room are limited to those customary for a semiprivate room, unless special or intensive care is required.

2. Funeral Expenses

Reasonable funeral and burial expenses.

3. Work Loss

Up to 85% of an "insured's" actual loss of income from work. We will pay a higher percentage if the "insured" gives us reasonable proof that net income is more than 85% of gross income. The most we will pay in any 30-day period for this benefit is the amount shown in the Schedule or Declarations unless another amount is established by law. Any income an "insured" earns during the 30-day period is included in determining the income benefit we will pay. This benefit is payable for loss sustained during the three years after the accident. It does not apply after an "insured" dies. We will prorate this benefit for any period less than 30 days.

4. Replacement Services

Reasonable expenses for obtaining services to replace those an "insured" would normally have performed without pay for himself or herself or dependents. This benefit is payable for loss sustained during the three years after the accident. It does not apply after an "insured" dies.

5. Survivors loss benefits consisting of:

a. Income Loss

The contributions a deceased "insured's" spouse and dependents would have received, as dependents, if the "insured" had not died as a result of the "accident".

b. Replacement Services

Reasonable expenses for obtaining services to replace those a deceased "insured" would have performed without pay for his or her spouse and dependents.

The most we will pay in any 30-day period for the total of survivors loss benefits is the amount shown in the Schedule unless another amount is established by law. Any income an "insured" earns during the 30-day period is included in determining the income benefits we will pay. These benefits are payable during the three years after the "accident" but do not apply to any loss or expense incurred after an "insured" dies. We will prorate these benefits for any period of less than 30 days.

Survivors loss benefits are payable during the three years after the "accident". A deceased "insured's" spouse must have either resided with or been dependent on the "insured" at the time of death. The benefits cease for a spouse at remarriage or death. Any other dependent qualifies for benefits if, at the time of the "insured's" death, the person is under age 18, physically or mentally unable to earn a living or a full-time student.

B. Who Is An Insured

1. You or any "family member".
2. Anyone else who sustains "bodily injury":
 - a. While "occupying" a covered "auto";
 - b. As the result of an "accident" involving any other "auto" operated by you or a "family member" if that "auto" is a covered "auto" under the policy's Liability Coverage; or
 - c. While not "occupying" any "auto" as a result of an "accident" involving a covered "auto".

C. Exclusions

We will not pay personal injury protection benefits for "bodily injury":

1. To anyone causing intentional "bodily injury" to himself, herself or anyone else.
2. To anyone using an "auto" he or she has taken unlawfully, unless that person reasonably believed he or she was entitled to use the "auto".
3. To anyone not "occupying" an "auto", if the "accident" takes place outside Michigan. This exclusion does not apply to you or any "family member".
4. To you while "occupying" or struck by any "auto" owned or registered by you which is not a covered "auto".
5. To the owner or registrant of an "auto" for which the coverage required by the Michigan no-fault law is not in effect.
6. To anyone entitled to Michigan no-fault benefits as a Named Insured under another policy. This exclusion does not apply to you or anyone "occupying" a motorcycle.
7. To anyone entitled to Michigan no-fault benefits as a "family member" under another policy. This exclusion does not apply to you or any "family member" or anyone "occupying" a motorcycle.
8. To anyone while "occupying" or struck by an "auto" (other than a covered "auto") operated by you or a "family member" if the owner or registrant has the required Michigan no-fault coverage. This exclusion does not apply to you or any "family member".
9. To anyone while "occupying" an "auto" located for use as a residence or premises.
10. To anyone while "occupying" a public "auto" (other than a covered "auto") for which the required Michigan no-fault coverage is in effect. This exclusion does not apply to "bodily injury" to you or a "family member" while a passenger in a:
 - e. School bus;
 - b. Certified common carrier;
 - c. Bus operated under a government sponsored transportation program;
 - d. Bus operated by or servicing a nonprofit organization;
 - e. Bus operated by a watercraft, bicycle or horse livery used only to transport passengers to or from a destination point; or
 - f. Taxicab.

11. To you or any "family member" while "occupying" an "auto" which is owned or registered by you or any "family member's" employer and for which the required Michigan no-fault coverage is in effect.
12. To anyone while "occupying" an "auto" for which the owner or registrant is not required to provide Michigan no-fault benefits and which is operated by you or a "family member" outside Michigan. This exclusion does not apply to you or a "family member", nor does it apply under medical or funeral expense benefits.
13. To any person resulting from the ownership, operation, maintenance or use of a parked "auto". This exclusion does not apply if:
 - a. The "auto" was parked in such a way as to cause unreasonable risk of the "bodily injury"; or
 - b. The "bodily injury" results from physical contact with:
 - (1) Equipment permanently mounted on the "auto" while the equipment is being used; or
 - (2) Property being lifted onto or lowered from the "auto";
 - c. The "bodily injury" is sustained while "occupying" the "auto".

However, Exceptions b. and c. to this exclusion do not apply to any "employee" who has Michigan workers' disability compensation benefits available and who sustains "bodily injury" in the course of employment while loading, unloading or doing mechanical work on an "auto", unless the injury arises from the use or operation of another vehicle.
14. To you or any "family member" while "occupying" a motorcycle if the owner, registrant or operator of the "auto" involved in the "accident" has the required Michigan no-fault coverage.
15. Arising directly or indirectly out of:
 - a. War, including undeclared or civil war;
 - b. 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; or
 - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. Limit Of Insurance

1. Regardless of the number of covered "autos", "insureds", premiums paid, claims made, vehicles involved in the "accident" or insurers providing no-fault benefits, the most we will pay for "bodily injury" for each "insured" injured in any one "accident" are the amounts shown in the Schedule.
2. Any amount payable under this insurance shall be reduced by any benefits paid, payable or required to be provided by state or federal law except any benefits paid, payable or required to be provided by Medicare, provided:
 - a. The benefits serve the same purpose as personal injury protection benefits; and
 - b. The benefits are provided or required to be provided as the result of the same "accident" for which this insurance is payable. However, this insurance shall not be reduced if any amount of workers' compensation benefits that are required to be provided are not available to the "insured".
3. Any amount payable under this insurance shall be reduced by any deductible you elect. However, the deductible applies only to you and any "family member".

E. Changes in Conditions

The **Conditions** are changed for Personal Injury Protection as follows:

1. The **Transfer Of Rights Of Recovery Against Others To Us** Condition is replaced by the following:

If any person or organization to or for whom we make payment under this coverage form has rights to recover damages from another, and that other person is an uninsured motorist, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.
2. **Duties In The Event Of Accident, Claim, Suit Or Loss** is amended by the addition of the following:

If requested by us, the "insured" shall furnish a sworn statement of earnings since the "accident" and for a reasonable time prior to the "accident".

3. **Legal Action Against Us** is amended by the addition of the following:

No claimant may bring a legal action for personal injury protection benefits against us more than a year after the "accident". There are two exceptions. The action may be brought if we have been given notice within a year after the "accident" or have made a payment of benefits. In these cases, a claimant may bring the action within a year after the most recent allowable expense, work loss or survivor's loss has been incurred. However, the claimant may not recover benefits for any part of a loss incurred more than a year before the action was brought.

4. The following conditions are added:

REIMBURSEMENT AND TRUST

If we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid. This requirement is subject to any applicable limitations of Michigan law.

COORDINATION AND NON-DUPLICATION

- a. If an "insured" is entitled to personal injury protection benefits under more than one policy, the maximum recovery under all policies shall not exceed the amount payable under the policy providing the highest dollar limit.
- b. No person may recover duplicate benefits for the same expenses or loss.

PREMIUM RECOMPUTATION

Chapter 31 of the Michigan Insurance Code places certain limitations on a person's right to sue for damages. The premium for the policy reflects these limitations. If a court from which there is no appeal declares any of these limitations unenforceable, we will have the right to recompute the premium. The rates we use to recompute the premium will be subject to review by the Commissioner of Insurance. If you choose to delete any coverage as the result of the court's decision, we will compute any refund of premium on a pro rata basis.

F. Additional Definitions

As used in this endorsement:

1. "Auto" means a motor vehicle or trailer operated or designed for use on public roads but does not include a vehicle operated by muscular power, a vehicle with fewer than three wheels, a motorcycle, or a farm tractor or other implement of husbandry which is not subject to the registration requirements of the Michigan Vehicle Code. This definition replaces the definition in the policy.
2. "Family member" means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.
3. "Occupying" means in, upon, getting in, on, out or off.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONDITIONAL EXCLUSION OF TERRORISM
(RELATING TO DISPOSITION OF FEDERAL
TERRORISM RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

Any endorsement addressing acts of terrorism (however defined) in any "controlling underlying insurance" does not apply to this excess insurance. The following provisions addressing acts of terrorism apply with respect to this excess insurance.

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.
 - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Part; or
 - b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
 - (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
 - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
 - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
2. If the provisions of this endorsement become applicable, such provisions:
 - a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims-made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and
 - b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.
3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.

- B. The following definition is added and applies under this endorsement whenever the term terrorism is enclosed in quotation marks:

"Terrorism" means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information or mechanical system; and
2. When one or both of the following applies:
 - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

- C. The following exclusion is added:

Exclusion Of Terrorism

We will not pay for "injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Injury or damage" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or

3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Prolonged and obvious physical disfigurement; or
 - c. Prolonged loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraph C.5. or C.6. are exceeded.

With respect to this exclusion, Paragraphs C.5. and C.6. describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Part.

In the event of any incident of "terrorism" that is not subject to this exclusion, coverage does not apply to "injury or damage" that is otherwise excluded under this Coverage Part.

COMMERCIAL EXCESS LIABILITY POLICY DECLARATIONS

POLICY NO.:4630139-01

RENEWAL OF: 4630139-00

1. NAMED INSURED AND MAILING ADDRESS

Argonaut Insurance Company
225 West Washington Street, 24th Floor
Chicago, IL 60606

City of Ann Arbor

(A Stock Insurance Company)

301 E Huron

Ann Arbor, MI 48104

2. POLICY PERIOD

From 3/1/2014 To 3/1/2015

12:01 A.M. standard time at your mailing
address shown above.

3. LIMITS OF EXCESS LIABILITY INSURANCE

EACH OCCURRENCE, OFFENSE, ACCIDENT OR WRONGFUL ACT LIMIT \$ 9,000,000

ANNUAL AGGREGATE LIMIT (APPLICABLE PER EACH UNDERLYING
COVERAGE) \$ 9,000,000

4. COVERAGE – FOLLOWING FORM EXCESS LIABILITY INSURANCE

FOR APPLICABLE UNDERLYING COVERAGE SEE SCHEDULE OF
UNDERLYING COVERAGE

5. FORMS AND ENDORSEMENTS CONTAINED IN THIS POLICY AT ITS INCEPTION:

SEE POLICY FORMS LIST

6. TOTAL PREMIUM \$ Included

THESE DECLARATIONS, TOGETHER WITH THE COMMERCIAL EXCESS LIABILITY COVERAGE PART
AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE
NUMBERED POLICY.

COUNTERSIGNED _____

BY _____

DATE

AUTHORIZED SIGNATURE

EXCESS FOLLOWING FORM – SCHEDULE OF UNDERLYING COVERAGES

Effective date of this Schedule: 3/1/2014
Attached to and forming part of Policy Number: 4630139-01
Issued to: City of Ann Arbor

CARRIER, POLICY NUMBER AND POLICY PERIOD	TYPE OF COVERAGE RETROACTIVE DATE (IF APPLICABLE)	APPLICABLE LIMITS OF COVERAGE	
(a) Argonaut Insurance Co. 4630139-01 3/1/2014 to 3/1/2015	General Liability	Bodily Injury & Property Damage \$ 1,000,000 Each Occurrence \$ 1,000,000 Annual Aggregate Excluding Medical Payments	
(b) Argonaut Insurance Co. 4630139-01 3/1/2014 to 3/1/2015	Public Officials Liability-OCC	\$ 1,000,000 Each Wrongful Act \$ 1,000,000 Annual Aggregate	
(c) Argonaut Insurance Co. 4630139-01 3/1/2014 to 3/1/2015	Employment Practices Liability-OCC	\$ 1,000,000 Each Wrongful Act \$ 1,000,000 Annual Aggregate	
(d) Argonaut Insurance Co. 4630139-01 3/1/2014 to 3/1/2015	Law Enforcement Liability	\$ 1,000,000 Each Wrongful Act \$ 1,000,000 Annual Aggregate	
(e) Argonaut Insurance Co. 4630139-01 3/1/2014 to 3/1/2015	Business Automobile Liability	Bodily Injury & Property Damage Combined Single Limit \$ 1,000,000 Each Accident Excluding UM/UIM, PIP, Medical Payments or any other No-Fault Coverages	

COMMERCIAL EXCESS LIABILITY POLICY

This liability insurance policy provides excess coverage over scheduled underlying limits of insurance as stated in the **Schedule of Underlying Insurance**.

Various provisions in this policy restrict coverage. Read the entire policy and any "underlying insurance" carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" refers to any person or organization which qualifies as such in the "Underlying Insurance".

Other words and phrases which appear in quotation marks have special meaning. Refer to the **DEFINITIONS (SECTION V)**.

SECTION I - COVERAGE

1. Insuring Agreement

Subject to the applicable limits of insurance, we will pay those sums that the insured becomes legally obligated to pay as "damages" in excess of all "underlying insurance", but only after all "underlying insurance" has been exhausted by payment of the limits of such insurance.

This insurance is subject to the same terms, conditions, agreements, exclusions and definitions as the "underlying insurance" except with respect to any provisions to the contrary contained in this insurance. No other obligation or liability to pay sums or perform acts or services is covered.

SECTION II - DEFENSE

We will not be obligated to investigate, settle or defend any claim made, or suit brought, or proceedings instituted against you. We will, however, have the right to participate in the investigation, settlement or defense of any suit or proceeding which relates to any occurrence or claim that we feel may create liability on our part under the terms of this policy.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below establish the most we will pay under the terms of this insurance regardless of the number of:
 - a. Insureds;
 - b. Claims made or suits brought; or
 - c. Coverages provided under this policy; or
 - d. Persons or organizations making claims or bringing suits.
2. The Limits of Insurance of this policy will apply as follows:

- a. The limit for Each Occurrence, Offense, Accident or Wrongful Act specified in the Declarations is the most we will pay for all "damages" arising out of any one occurrence, offense, accident or wrongful act.

Any amount paid for "damages" arising out of an occurrence, offense, accident or wrongful act will reduce the amount of the applicable aggregate limit of insurance available for payment of "damages" arising out of any other occurrence, offense, accident or wrongful act.

If the applicable aggregate limit of insurance has been reduced by payment of "damages" to an amount that is less than the limit for Each Occurrence, Offense, Accident or Wrongful Act stated in the Declarations, the remaining aggregate limit of insurance is the most that will be available for payment of "damages" arising out of any other occurrence, offense, accident or wrongful act.

- b. Subject to paragraph 2.a. above:

- i. If the limits of "underlying insurance" have been reduced by payment of "damages", then this policy will drop down to become immediately excess of the reduced underlying limits.

However when b.i. applies, we will not pay that portion of the "damages" that is within the underlying limits of insurance, which the insured has agreed to fund by self-insurance or means other than insurance.

3. The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the Policy Period shown in the Declarations, unless the Policy Period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – CONDITIONS

1. Appeals

In the event the insured or any other insurer elects not to appeal a judgment in excess of the amount of "underlying insurance", we may elect to do so at our own expense. If we elect to make such an appeal, we will pay, in addition to the applicable limit of liability of this policy, all costs and interest incidental to the appeal.

2. Bankruptcy

In the event of bankruptcy or insolvency of any "underlying insurer", this policy shall apply as if the "underlying insurance" is valid and collectible.

3. Cancellation

- a. The "first named insured" may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy by delivering to the "first named insured" written notice of cancellation at least:
- (i) 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
 - (ii) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to the "first named insured" last mailing address known to us.
- d. Notice of cancellation will state the reason for cancellation. The policy period will end on that date.

- e. If this policy is canceled, we will send the "first named insured" any premium fund due. If we cancel, the refund will be pro-rata. If the "first named insured" cancels, the refund may be less than pro-rata. The cancellation will be effective even if we have not made or offered a refund.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. Duties In The Event Of Incident, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an incident which may result in a claim to which this policy applies. Notice of an incident is not notice of a claim. Also, to the extent possible, notice should include:
 - (1) How, when and where the incident took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the incident.
- b. If the claim is made or suit is brought against any insured, you must:
 - (1) Promptly record the specifics of the claim or suit and the date received; and
 - (2) Notify us as soon as practicable.
- c. You and any other involved insured must:
 - (1) Promptly send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit;
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim, or in the defense against the suit;
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this policy may also apply; and
 - (5) Notify us promptly of any judgment or settlement of any claim or suit brought against any insured.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

5. Legal Action Against Us

As a condition precedent, no legal action may be brought against us unless there has been full compliance with all terms of this policy. In addition, no legal action may be brought against us until we agree in writing that the insured has an obligation to pay or until the amount of that obligation has been finally determined by judgment after trial. No person or organization has any right under this policy to bring us into any action to determine the liability of the insured.

6. Maintenance Of Underlying Insurance

- a. You agree to maintain the "underlying insurance" in full force and effect during the policy period of this policy, and to inform us within 60 days of any re-placement of that "underlying insurance" by the same or another insurer. You may not replace the "underlying insurance" without our written consent.
- b. You must notify us promptly:

- (1) Of any changes to the "underlying insurance". We may adjust our premium accordingly from the effective date of the change to the "underlying insurance".
- (2) If any "underlying insurance" is canceled or not renewed and you do not replace it.
- c. If you fail to maintain the "underlying insurance," this policy will respond as if the "underlying insurance" is valid and collectible.

7. Premium Audit

- a. The premium for this policy is a flat Premium and is not subject to adjustment unless otherwise indicated in the Declarations.
- b. If the premium for this policy is subject to adjustment, the advance premium shown in the Declarations is a deposit premium only. The advance premium is based on the estimated exposure for the policy period shown in the Declarations. At the end of the policy period we will compute the earned premium based on the actual exposures for the policy period. Audit premiums are due and payable upon notice to the "first named insured". If the earned premium exceeds the sum of the advanced premium and any other premium payments made during the policy period, the "first named insured" we will pay us the additional premium. If the earned premium is less than the sum of the advanced premium and any other premium payments made during the policy period, we will return the unearned portion to the "first named insured", subject to retention of the minimum premium shown in the Declarations.
- c. If the aggregate limits of insurance of this policy are used up prior to the end of the policy period, the premium is fully earned.
- d. The "first named insured" must keep records of the information we need for premium computation, and send us copies at such times as we may request.

8. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

9. Other Insurance

This insurance is excess over any other valid and collectible insurance whether primary, excess, contingent or on any other basis, except other insurance written specifically to be excess over this insurance.

The other insurance will be deemed valid and collectible regardless of any defense asserted by any other insurer because of the insured's failure to comply with the terms of that other insurance.

10. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after "loss" to impair those rights. At our request, the insured will bring suit or transfer those rights to us and help us enforce those rights.

11. When We Do Not Renew

If we decide not to renew this policy, we will mail or deliver to the "first named insured" shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "First named insured" means the person or organization first named in the Declarations. The "first named insured" is primarily responsible for the payments of all premiums, and will act on behalf of all other insureds for the giving and receiving of notice of cancellation and the receiving of any return premiums that become payable.
2. "Underlying insurance" means the liability insurance provided under the policy or policies shown in the Schedule of Underlying Insurance.
3. "Damages" means money damages.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCESS – AUTO EXCLUSIONS

This endorsement modifies coverage provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

The policy is emended to add the following Exclusions:

The following exclusions, and any other exclusions added by endorsement, apply to this Coverage Part. In addition, the exclusions applicable to any "underlying insurance" apply to this insurance unless superseded by the following exclusions, or superseded by any other exclusions added by endorsement to this Coverage Part.

Insurance provided under this Coverage Part does not apply to:

e. Auto

Any loss, cost or expense payable under or resulting from any of the following auto coverages:

- (1)** No-fault coverage;
- (2)** Personal injury protection or auto medical payments coverage; or
- (3)** Uninsured or underinsured motorists coverage.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT – INSURING AGREEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY POLICY

The following is added to **SECTION 1 – COVERAGE**, paragraph 1. **Insuring Agreement**:

This insurance does not apply whenever the underlying policy has been endorsed to provide coverage with any reduced limits different from the limits stated in the Schedule of Underlying Insurance, whether it be referred to as a sublimit, or on any other basis.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

With respect to Paragraph 4. **Duties In The Event Of An Event, Claim Or Suit** of **Section IV – Conditions**:

1. Notice given by or on behalf of the insured to our authorized agent, with particulars sufficient to identify the insured, shall be considered notice to us.
2. All references to the requirement that we be given notice of a claim as soon as practicable is hereby deleted.
3. The following is added:
 - e. Failure to give any notice required by this Condition within the time period specified shall not invalidate any claim made by you if it shall be shown not to have been reasonably possible to give notice within the prescribed time period and that notice was given as soon as was reasonably possible.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MICHIGAN CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

- A.** If you are an individual and any covered auto you own is of the private passenger type, Paragraph 3. **Cancellation of Section IV – Conditions** is replaced by the following:

CANCELLATION

1. You may cancel the policy by mailing or delivering to us advance notice of cancellation.
2. When this policy is in effect less than 55 days and is not a renewal or continuation policy, we may cancel for any reason by mailing by certified mail or delivering to you within this period written notice of cancellation at least 20 days before the effective date of cancellation. However, if we cancel for nonpayment of premium, we will mail by regular mail or deliver notice to you at least 10 days before the effective date of cancellation.
3. When this policy is in effect 55 days or more or is a renewal or continuation policy, we may cancel only for one or more of the reasons listed below. If we cancel for nonpayment of premium, we will mail you at least 10 days notice. If we cancel for any other reason, we will mail you at least 90 days notice.
 - a. Nonpayment of premium.
 - b. The named insured or any other operator who either resides in the same household or customarily operates an "auto" has had his or her driver's license suspended during the policy period and the revocation or suspension has become final.
 - c. If during the first 55 days after the original issue date of the policy the risk is unacceptable to us.

But if this policy has been written for a period of more than a year or without a fixed expiration date, we may cancel at an anniversary of its original effective date for any reason. If we cancel, we will mail or deliver to you at least 90 days written notice.
 - d. Notice of cancellation will state the effective date of cancellation.
 - e. If this policy is cancelled, we will send you any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.
 - f. If notice is mailed, proof of mailing will be sufficient proof of notice.

- B.** When Paragraph A. of this endorsement does not apply, Paragraph e. **Cancellation of Section IV – Conditions** is amended as follows:

1. Paragraph a. is replaced by the following:

The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us or our authorized agent advance notice of cancellation.

2. Paragraph c. is replaced by the following:

We will mail or deliver our notice to the first Named Insured's last mailing address known to us or our authorized agent.

3. Paragraph a. is replaced by the following:

If this policy is cancelled, we will send the first Named Insured any pro rata premium refund due. The minimum earned premium shall not be less than the pro rata premium for the expired time or \$25.00, whichever is greater. The cancellation will be effective even if we have not made or offered a refund.

C. Paragraph 11. **When We Do Not Renew** of **Section IV – Conditions** is replaced by the following:

WHEN WE DO NOT RENEW

1. If we decide not to renew this policy, we will mail or deliver to the first Named Insured's last mailing address known to us or our authorized agent written notice of the nonrenewal not less than 90 days before the expiration date.
2. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
3. If we fail to mail or deliver proper notice of nonrenewal and you obtain other insurance this policy will end on the effective date of that insurance.
4. If notice is mailed, proof of mailing is sufficient proof of notice.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

Privacy Policy

Argo Group US, Inc. ("Argo Group") recognizes the importance of maintaining the privacy of our customers and the confidentiality of each individual's nonpublic personal information, including Social Security numbers. We take seriously the responsibility that accompanies our collection of nonpublic personal information, including Social Security numbers. Accordingly, Argo's corporate policy is to protect the privacy and confidentiality of our consumers and their nonpublic personal information as required by law.

Information Collection and Use

In order to conveniently and effectively provide and service the insurance products we sell, we may collect and use Social Security numbers and other nonpublic personal information. As such, this policy does not prohibit the collection or use of Social Security numbers and nonpublic personal information where legally authorized and/or required. This policy complies with the requirements of the Gramm-Leach-Bliley Act (GLBA) and applicable federal and state laws and regulations implementing the act. Such laws impose certain obligations upon third persons and organizations with which we share nonpublic personal information of our consumers, customers, former customers, or claimants. Accordingly, we prohibit the unauthorized disclosure of Social Security numbers and other protected nonpublic personal information, except as legally required or authorized.

Information Sharing and Disclosure

Argo Group does not rent, sell or share your personally identifiable information (with nonaffiliated third parties. Argo Group may, however, share personally identifiable information with third-party contractors. These third-party contractors are prohibited from using the information for purposes other than performing services for Argo Group. Argo Group may disclose your information to third parties when obligated to do so by law and to investigate, prevent, or take action regarding suspected or actual prohibited activities, including but not limited to fraud and situations involving the security of our operations and employees.

Finally, Argo Group may transfer information, including any personally identifiable information, to a successor entity in connection with a corporate merger, consolidation, sale of all or a portion of its assets, bankruptcy, or other corporate change.

Security

In order to protect your nonpublic personal information, we limit access to nonpublic personal information by only allowing authorized personnel to have access to such information. Furthermore, we maintain physical, electronic and procedural security protections to safeguard the nonpublic personal information in our records. Documents that contain an individual's protected information are destroyed before disposal; this destruction process includes the shredding of print and disposable media and deletion of electronic media. Argo Group has security measures in place to protect the loss, misuse and alteration of the information under our control. Our hardware infrastructure is housed in a controlled access facility that restricts access to authorized individuals. The network infrastructure is protected by a firewall and traffic is monitored and logged both on the firewall and servers. Sensitive administrative activities are carried out over secure, encrypted links between our offices and hosting facility. Administrative

access is limited not only to authorized employees but also to specific remote administration protocols and IP addresses. All employees with access to personally identifiable information have been advised of Argo Group's security policies and practices. Argo Group will continue to conduct internal audits of its security systems and make all necessary enhancements to ensure the safety of the website and its users. No method of transmission over the Internet or method of electronic storage is 100% secure; therefore, while Argo Group uses commercially acceptable means to protect your information, we cannot guarantee absolute security.

Any Argo Group employee who becomes aware of the inappropriate use or disclosure of Social Security numbers and other protected nonpublic personal information is expected to immediately report such behavior to the General Counsel for further action.

Corrected/Updated Information

This policy applies to certain insureds of Argo Group, including but not limited to worker's compensation claimants. If you have any questions about this Privacy Policy, please contact:

General Counsel
Argo Group US, Inc.
P.O. Box 469011
San Antonio, Texas 78246
(210) 321-8400

*Note: Argo Group is the parent of Argoneut Insurance Company; Argoneut-Southwest Insurance Company; Argonaut-Midwest Insurance Company; Argonaut Great Central Insurance Company; Argonaut Limited Risk Insurance Company; ARIS Title Insurance Corporation; Select Markets Insurance Company; Colony Insurance Company; Colony National Insurance Company; Colony Specialty Insurance Company; Rockwood Casualty Insurance Company; Somerset Casualty Insurance Company; Grocers Insurance Agency, Inc.; Central Insurance Management, Inc.; Alteris Insurance Services, Inc.; Trident Insurance Services, Inc.; Commercial Deposit Insurance Agency, Inc.; Sonoma Risk Management, LLC; John Sutak Insurance Brokers, Inc.; Colony Management Services, Inc.; Argoneut Management Services, Inc.; and Argoneut Claims Management, LLC. This Privacy Policy applies to all companies and business produced or underwritten within Argo Group.

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

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.

NOTICE TO POLICYHOLDERS

POTENTIAL RESTRICTIONS OF TERRORISM COVERAGE

This Notice has been prepared in conjunction with the **POTENTIAL** implementation of changes related to coverage of terrorism under your policy.

The Terrorism Risk Insurance Act established a program (Terrorism Risk Insurance Program) within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. That Program is subject to a termination date of December 31, 2014 unless extended by the federal government. If the federal Program terminates, or is extended with certain changes prior to or during the term of your policy, then the treatment of terrorism under your policy will change. This Notice is being provided to you for the purpose of summarizing potential impact on your coverage. The summary is a brief synopsis of significant exclusionary provisions and limitations.

This Notice does **not** form a part of your insurance contract. The Notice is designed to alert you to coverage restrictions and to other provisions in certain terrorism endorsement(s) in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

Carefully read your policy, including the endorsements attached to your policy.

YOUR POLICY DURING TENURE OF THE TERRORISM RISK INSURANCE PROGRAM AS THAT PROGRAM EXISTS PURSUANT TO THE TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF 2007:

This policy does not contain a terrorism exclusion. However, the policy contains an endorsement under which coverage for "certified acts of terrorism" (which is more fully defined in the endorsement) is subject to a limit on our liability pursuant to the federal Terrorism Risk Insurance Act. Further, the absence of a terrorism exclusion does not create coverage for any injury or damage that would otherwise be excluded under the policy, such as losses excluded by the war liability exclusion.

POTENTIAL CHANGE TO YOUR POLICY:

Endorsement CG 21 87, CU 2144 or CX 2129 is attached to your policy. Its provisions become applicable to your policy only if certain events (one or more of them) occur. Those events include the following:

- If the federal Terrorism Risk Insurance Program (TRIP) terminates with respect to the type of insurance provided under this policy. (TRIP is/was scheduled to terminate at the end of December 31, 2014 unless extended by the federal government.); or
- If TRIP is extended with changes that redefine terrorism, and we are not required to make such revised coverage available to you; or
- If TRIP is extended with changes that make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other events or occurrences under this policy, and we are not required to make such revised coverage available to you; or

- If TRIP is extended with changes that increase insurers' statutory percentage deductible under TRIP for terrorism losses, or decrease the federal government's statutory percentage share in potential terrorism losses, and we are not required to make terrorism coverage available to you. Our deductible is 20% of the total of our previous year's direct earned premiums. The government's share is 85% of the terrorism losses paid by us above the deductible.

Endorsement CG 21 87/CU 2144/CX 2129 treats terrorism as follows:

- Coverage for injury or damage arising out of a terrorism incident is excluded only if:
 - The total of all insured damage to all types of property (including business interruption losses sustained by owners or occupants of damaged property), from the incident, exceeds \$25 million. The \$25 million property damage threshold is based on losses sustained by all persons and entities who are affected by an incident of terrorism, and who are insured for the damage, or who would be insured but for a terrorism exclusion; or
 - Fifty or more persons sustain death or serious physical injury; or

(To determine whether the threshold for property damage (\$25 million) or persons injured (fifty) is exceeded, multiple incidents of terrorism which occur within a seventy-two hour period and appear to be linked together or have a related purpose or common leadership behind them shall be considered to be one incident of terrorism.)

 - The terrorism event involves nuclear materials or results in nuclear reaction or radiation or radioactive contamination; or
 - The terrorism event involves the release of radioactive material, and it appears that one purpose of the terrorism was to release such material; or
 - The terrorism event is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
 - The terrorism event involves the release of pathogenic or poisonous biological or chemical materials, and it appears that one purpose of the terrorism was to release such materials.

See the definition of terrorism for purposes of the terrorism exclusion.

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act. The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

<input checked="checked" type="checkbox"/>	I hereby elect to purchase terrorism coverage for a prospective premium of \$ 6,753.00.
<input type="checkbox"/>	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

	Argonaut Insurance Company
Policyholder/Applicant's Signature	Insurance Company
	4630139-01
Print Name	Policy Number
Date	

MICHIGAN DISCLAIMER NOTICE

This policy is exempt from the filing requirements of MCL 500.2236.