

# BUILDING AND PERSONAL PROPERTY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy 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. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H. – **Definitions**.

## A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

### 1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this Section, **A.1.**, and limited in **A.2.**, Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

**a. Building**, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;
  - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

**b. Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property – Separation of Coverage form:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;

(7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

**c. Personal Property Of Others** that is:

(1) In your care, custody or control; and

(2) Located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

However, our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**2. Property Not Covered**

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
  - (1) The lowest basement floor; or
  - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns;
  - i. Personal property while airborne or waterborne;
  - j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under Additional Coverages – Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This Paragraph n., does not apply to your "stock" of prepackaged software.
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data.
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
  - (1) Are licensed for use on public roads; or

(2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-Owned Detached Trailers.

q. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops;
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than "stock" of trees, shrubs or plants), all except as provided in the Coverage Extensions.

### 3. Covered Causes Of Loss

See applicable Causes of Loss Form as shown in the Declarations.

### 4. Additional Coverages

#### a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
  - (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
  - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
  - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
  - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

**(5) Examples**

The following examples assume that there is no coinsurance penalty.

**Example #1**

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 50,000
Amount of Loss Payable	\$ 49,500
	(\$50,000 – \$500)
Debris Removal Expense	\$ 10,000
Debris Removal Expense Payable	\$ 10,000
	(\$10,000 is 20% of \$50,000)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

**Example #2**

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 80,000
Amount of Loss Payable	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense	\$ 30,000
Debris Removal Expense Payable	
	Basic Amount \$ 10,500
	Additional Amount \$ 10,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

**b. Preservation Of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss or damage to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

No Deductible applies to this Additional Coverage.

**d. Pollutant Clean Up And Removal**

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

**e. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in e.(3) through e.(9) of this Additional Coverage.
- (3) The ordinance or law referred to in e.(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
  - (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
  - (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for that damaged building, is the lesser of: \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable coinsurance percentage.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:
  - (a) We will not pay for the Increased Cost of Construction:
    - (i) Until the property is actually repaired or replaced, at the same or another premises; and
    - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of e.(6) of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.

**f. Electronic Data**

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered – Electronic Data.
- (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage – Electronic Data, subject to the following:
  - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage – Electronic Data is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
  - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage – Electronic Data includes Collapse as set forth in that form.
  - (c) If the Causes Of Loss Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage – Electronic Data.
  - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage – Electronic Data is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

**5. Coverage Extensions**

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

If a Coinsurance percentage of 80% or more or, a Value Reporting period symbol, is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

**a. Newly Acquired Or Constructed Property**

**(1) Buildings**

If this policy covers Building, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at locations, other than the described premises, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

**(2) Your Business Personal Property**

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
  - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions;
  - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
  - (iii) Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

- (b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

**(3) Period Of Coverage**

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

**b. Personal Effects And Property Of Others**

You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

**c. Valuable Papers And Records (Other Than Electronic Data)**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered – Electronic Data.

- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form, and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

**d. Property Off-Premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
  - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
  - (a) In or on a vehicle; or
  - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

**f. Non-Owned Detached Trailers**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
  - (a) The trailer is used in your business;
  - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
  - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
  - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.



(3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

**B. Exclusions And Limitations**

See applicable Causes of Loss Form as shown in the Declarations.

**C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

The limits applicable to the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.

Payments under the Preservation of Property Additional Coverage will not increase the applicable Limit of Insurance.

**D. Deductible**

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss, and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

**Example No. 1:**

(This example assumes there is no coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Bldg. 1:	\$ 60,000
Limit of Insurance – Bldg. 2:	\$ 80,000
Loss to Bldg. 1:	\$ 60,100
Loss to Bldg. 2:	\$ 90,000

The amount of loss to Bldg. 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Bldg. 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Bldg. 1:

\$ 60,100  
– 250  
\$ 59,850 Loss Payable – Bldg. 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Bldg. 2. Loss payable for Bldg. 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable: \$59,850 + 80,000 = \$139, 850

**Example No. 2:**

(This example, too, assumes there is no coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example No. 1.

Loss to Bldg. 1: \$ 70,000  
(exceeds Limit of Insurance plus Deductible)  
Loss to Bldg. 2: \$ 90,000  
(exceeds Limit of Insurance plus Deductible)  
Loss Payable – Bldg. 1: \$60,000  
(Limit of Insurance)  
Loss Payable – Bldg. 2: \$80,000  
(Limit of Insurance)  
Total amount of loss payable:  
\$140,000

**E. Loss Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

**1. Abandonment**

There can be no abandonment of any property to us.

**2. Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property 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 there is an appraisal, we will still retain our right to deny the claim.

**3. Duties In The Event Of Loss Or Damage**

a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

(7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(8) Cooperate with us in the investigation or settlement of the claim.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

#### 4. Loss Payment

a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:

(1) Pay the value of lost or damaged property;

(2) Pay the cost of repairing or replacing the lost or damaged property, subject to b. below;

(3) Take all or any part of the property at an agreed or appraised value; or

(4) Repair, rebuild or replace the property with other property of like kind and quality, subject to b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this Coverage Form or any applicable provision which amends or supersedes the Valuation Condition.

b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

d. We will not pay you more than your financial interest in the Covered Property.

e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part and:

(1) We have reached agreement with you on the amount of loss; or

(2) An appraisal award has been made.

#### 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

#### 6. Vacancy

##### a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

(i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

**b. Vacancy Provisions**

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
  - (a) Vandalism;
  - (b) Sprinkler leakage, unless you have protected the system against freezing;
  - (c) Building glass breakage;
  - (d) Water damage;
  - (e) Theft; or
  - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

**7. Valuation**

We will determine the value of Covered Property in the event of loss or damage as follows:

- a. At actual cash value as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value even when attached to the building:

  - (1) Awnings or floor coverings;
  - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
  - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety glazing material if required by law.
- e. Tenant's Improvements and Betterments at:
  - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
  - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
  - (3) Nothing if others pay for repairs or replacement.

**F. Additional Conditions**

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions.

**1. Coinsurance**

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

**Example No. 1 (Underinsurance):**

When:	The value of the property is	\$ 250,000
	The Coinsurance percentage for it is	80%
	The Limit of Insurance for it is	\$ 100,000
	The Deductible is	\$ 250
	The amount of loss is	\$ 40,000

Step (1):  $\$250,000 \times 80\% = \$200,000$

(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$100,000 / \$200,000 = .50$

Step (3):  $\$40,000 \times .50 = \$20,000$

Step (4):  $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

**Example No. 2 (Adequate Insurance):**

When:	The value of the property is	\$ 250,000
	The Coinsurance percentage for it is	80%
	The Limit of Insurance for it is	\$ 200,000
	The Deductible is	\$ 250
	The amount of loss is	\$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$250,000 \times 80\%$ ). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,750 ( $\$40,000$  amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

**Example No. 3:**

When:	The value of property is:	
	Bldg. at Location No. 1	\$ 75,000
	Bldg. at Location No. 2	\$ 100,000
	Personal Property at Location No. 2	\$ 75,000
		<hr/>
		\$ 250,000
	The Coinsurance percentage for it is	90%
	The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is	\$ 180,000
	The Deductible is	\$ 1,000
	The amount of loss is:	
	Bldg. at Location No. 2	\$ 30,000
	Personal Property at Location No. 2.	\$ 20,000
		<hr/>
		\$ 50,000

Step (1):  $\$250,000 \times 90\% = \$225,000$   
(the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2):  $\$180,000 / \$225,000 = .80$

Step (3):  $\$50,000 \times .80 = \$40,000$

Step (4):  $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

**2. Mortgageholders**

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
  - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
  - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
  - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Part will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
  - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
  - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
  - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

## G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

### 1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
  - (1) On or after the effective date of this Optional Coverage; and
  - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

### 2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
  - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

#### Example:

If: The applicable Limit of Insurance is	\$	100,000
The annual percentage increase is		8%
The number of days since the beginning of the policy year (or last policy change) is		146
The amount of increase is $\$100,000 \times .08 \times 146$		
/ 365 =	\$	3,200

### 3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
  - (1) Personal property of others;
  - (2) Contents of a residence;
  - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
  - (4) "Stock", unless the Including "Stock" option is shown in the Declarations.Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.

- d. We will not pay on a replacement cost basis for any loss or damage:
- (1) Until the lost or damaged property is actually repaired or replaced; and
  - (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- With respect to tenants' improvements and betterments, the following also apply:
- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Condition of this Coverage Form; and
  - (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
- (1) The Limit of Insurance applicable to the lost or damaged property;
  - (2) The cost to replace the lost or damaged property with other property:
    - (a) Of comparable material and quality; and
    - (b) Used for the same purpose; or
  - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.
- If a building is rebuilt at a new premises, the cost described in e.(2) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.
- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

#### 4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.
- b. With respect to replacement cost on the personal property of others, the following limitation applies:
- If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

#### H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "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.
3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.



## COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

### A. CONCEALMENT, MISREPRESENTATION OR FRAUD

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

### B. CONTROL OF PROPERTY

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### C. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

### D. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

### E. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

### F. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

### G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits Of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

### H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
  - a. During the policy period shown in the Declarations; and
  - b. Within the coverage territory.
2. The coverage territory is:
  - a. The United States of America (including its territories and possessions);
  - b. Puerto Rico; and
  - c. Canada.

**I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- 1. Prior to a loss to your Covered Property or Covered Income.
- 2. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - a. Someone insured by this insurance;
  - b. A business firm:
    - (1) Owned or controlled by you; or
    - (2) That owns or controls you; or
  - c. Your tenant.

This will not restrict your insurance.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**STANDARD FIRE POLICY PROVISIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

The provisions of the Standard Fire Policy are stated below. State law requires that they be attached to all policies. If any conditions of this form are construed to be more liberal than any other policy conditions relating to the perils of fire, lightning or removal, the conditions of this form will apply.

IN CONSIDERATION OF THE PROVISIONS AND STIPULATIONS HEREIN OR ADDED HERETO, AND OF THE PREMIUM SPECIFIED in the Declarations or in endorsements made a part hereof, this Company, for the term of *years specified in the Declarations from inception date shown in the Declarations At Noon (Standard Time) to expiration date shown in the Declarations At Noon (Standard Time)* at location of property involved, to an amount not exceeding the limit of liability specified in the Declarations, does insure *the Insured named in the Declarations* and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND OTHER PERILS INSURED AGAINST IN THIS POLICY INCLUDING REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described in the Declarations while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

- 1 **Concealment,** This entire policy shall be void if, whether  
2 **fraud.** before or after a loss, the insured has wil-  
3 fully concealed or misrepresented any ma-  
4 terial fact or circumstance concerning this insurance or the  
5 subject thereof, or the interest of the insured therein, or in case  
6 of any fraud or false swearing by the insured relating thereto.  
7 **Uninsurable** This policy shall not cover accounts, bills,  
8 **and** currency, deeds, evidences of debt, money or  
9 **excepted property.** securities; nor, unless specifically named  
10 hereon in writing, bullion or manuscripts.  
11 **Perils not** This Company shall not be liable for loss by  
12 **included.** fire or other perils insured against in this  
13 policy caused, directly or indirectly, by: (a)  
14 enemy attack by armed forces, including action taken by mili-  
15 tary, naval or air forces in resisting an actual or an immediately  
16 impending enemy attack; (b) invasion; (c) insurrection; (d)  
17 rebellion; (e) revolution; (f) civil war; (g) usurped power; (h)  
18 order of any civil authority except acts of destruction at the time  
19 of and for the purpose of preventing the spread of fire, provided  
20 that such fire did not originate from any of the perils excluded  
21 by this policy; (i) neglect of the insured to use all reasonable  
22 means to save and preserve the property at and after a loss, or  
23 when the property is endangered by fire in neighboring prem-  
24 ises; (j) nor shall this Company be liable for loss by theft.

25 **Other Insurance.** Other insurance may be prohibited or the  
26 amount of insurance may be limited by en-  
27 dorsement attached hereto.

28 **Conditions suspending or restricting insurance. Unless other-**  
29 **wise provided in writing added hereto this Company shall not**  
30 **be liable for loss occurring**

31 (a) while the hazard is increased by any means within the con-  
32 trol or knowledge of the insured; or

33 (b) while a described building, whether intended for occupancy  
34 by owner or tenant, is vacant or unoccupied beyond a period of  
35 sixty consecutive days; or

36 (c) as a result of explosion or riot, unless fire ensue, and in  
37 that event for loss by fire only.

38 **Other perils** Any other peril to be insured against or sub-  
39 **or subjects.** ject of insurance to be covered in this policy  
40 shall be by endorsement in writing hereon or  
41 added hereto.

42 **Added provisions.** The extent of the application of insurance  
43 under this policy and of the contribution to  
44 be made by this Company in case of loss, and any other pro-  
45 vision or agreement not inconsistent with the provisions of this  
46 policy, may be provided for in writing added hereto, but no pro-  
47 vision may be waived except such as by the terms of this policy  
48 is subject to change.

49 **Waiver** No permission affecting this insurance shall  
50 **provisions.** exist, or waiver of any provision be valid,  
51 unless granted herein or expressed in writing  
52 added hereto. No provision, stipulation or forfeiture shall be  
53 held to be waived by any requirement or proceeding on the part  
54 of this Company relating to appraisal or to any examination  
55 provided for herein.

56 **Cancellation** This policy shall be cancelled at any time  
57 **of policy.** at the request of the insured, in which case  
58 this Company shall, upon demand and sur-  
59 render of this policy, refund the excess of paid premium above  
60 the customary short rates for the expired time. This poli-  
61 cy may be cancelled at any time by this Company by giving  
62 to the insured a five days' written notice of cancellation with  
63 or without tender of the excess of paid premium above the pro  
64 rata premium for the expired time, which excess, if not ten-  
65 dered, shall be refunded on demand. Notice of cancellation shall  
66 state that excess premium (if not tendered) will be re-  
67 funded on demand.

68 **Mortgagee** If loss hereunder is made payable, in whole  
69 **interests and** or in part, to a designated mortgagee not  
70 **obligations.** named herein as the insured, such interest in  
71 this policy may be cancelled by giving to such  
72 mortgagee a ten days' written notice of can-  
73 cellation.

74 If the insured fails to render proof of loss such mortgagee, upon  
75 notice, shall render proof of loss in the form herein specified  
76 within sixty (60) days thereafter and shall be subject to the pro-  
77 visions hereof relating to appraisal and time of payment and of  
78 bringing suit. If this Company shall claim that no liability ex-  
79 isted as to the mortgagor or owner, it shall, to the extent of pay-  
80 ment of loss to the mortgagee, be subrogated to all the mort-  
81 gagee's rights of recovery, but without impairing mortgagee's  
82 right to sue; or it may pay off the mortgage debt and require  
83 an assignment thereof and of the mortgage. Other provisions  
84 relating to the interests and obligations of such mortgagee may  
85 be added hereto by agreement in writing.

86 **Pro rata liability.** This Company shall not be liable for a greater  
87 proportion of any loss than the amount  
88 hereby insured shall bear to the whole insurance covering the  
89 property against the peril involved, whether collectible or not.  
90 **Requirements in** The insured shall give immediate written  
91 **case loss occurs.** notice to this Company of any loss, protect  
92 the property from further damage, forthwith  
93 separate the damaged and undamaged personal property, put  
94 it in the best possible order, furnish a complete inventory of  
95 the destroyed, damaged and undamaged property, showing in  
96 detail quantities, costs, actual cash value and amount of loss  
97 claimed; **and within sixty days after the loss, unless such time**  
98 **is extended in writing by this Company, the insured shall render**  
99 **to this Company a proof of loss,** signed and sworn to by the  
100 insured, stating the knowledge and belief of the insured as to  
101 the following: the time and origin of the loss, the interest of the  
102 insured and of all others in the property, the actual cash value of  
103 each item thereof and the amount of loss thereto, all encum-  
104 brances thereon, all other contracts of insurance, whether valid  
105 or not, covering any of said property, any changes in the title,  
106 use, occupation, location, possession or exposures of said prop-  
107 erty since the issuing of this policy, by whom and for what  
108 purpose any building herein described and the several parts  
109 thereof were occupied at the time of loss and whether or not it  
110 then stood on leased ground, and shall furnish a copy of all the  
111 descriptions and schedules in all policies and, if required, verified  
112 plans and specifications of any building, fixtures or machinery  
113 destroyed or damaged. The insured, as often as may be reason-  
114 ably required, shall exhibit to any person designated by the  
115 Company all that remains of any property herein described, and  
116 submit to examinations under oath by any person named by this  
117 Company, and subscribe the same; and, as often as may be  
118 reasonably required, shall produce for examination all books of  
119 accounts, bills, invoices and other vouchers, or certified copies  
120 thereof if originals be lost, at such reasonable time and place as  
121 may be designated by this Company or its representative, and  
122 shall permit extracts and copies thereof to be made.  
123 **Appraisal.** In case the insured and this Company shall  
124 fail to agree as to the actual cash value or  
125 the amount of loss, then, on the written demand of either, each  
126 shall select a competent and disinterested appraiser and notify  
127 the other of the appraiser selected within twenty days of such  
128 demand. The appraisers shall first select a competent and dis-  
129 interested umpire; and failing for fifteen days to agree upon  
130 such umpire, then, on request of the insured or this Company,  
131 such umpire shall be selected by a judge of a court of record in  
132 the state in which the property covered is located. The ap-  
133 praisers shall then appraise the loss, stating separately actual  
134 cash value and loss to each item; and, failing to agree, shall  
135 submit their differences, only, to the umpire. An award in writ-  
136 ing, so itemized, of any two when filed with this Company shall  
137 determine the amount of actual cash value and loss. Each  
138 appraiser shall be paid by the party selecting him and the ex-  
139 penses of appraisal and umpire shall be paid by the parties  
140 equally.  
141 **Company's** It shall be optional with this Company to  
142 **options.** take all, or any part, of the property at the  
143 agreed or appraised value, and also to re-  
144 pair, rebuild or replace the property destroyed or damaged with  
145 other of like kind and quality within a reasonable time, on giv-  
146 ing notice of its intention so to do within thirty days after the  
147 receipt of the proof of loss herein required.

148 **Abandonment.** There can be no abandonment to this Com-  
149 pany of any property.  
150 **When loss** The amount of a loss for which this Company  
151 **payable.** may be liable shall be payable sixty days  
152 after proof of loss, as herein provided, is  
153 received by this Company and ascertainment of the loss is made  
154 either by agreement between the insured and this Company ex-  
155 pressed in writing or by the filing with this Company of an  
156 award as herein provided.  
157 **Suit.** No suit or action on this policy for the recov-  
158 ery of any claim shall be sustainable in any  
159 court of law or equity unless all the requirements of this policy  
160 shall have been complied with, and unless commenced within  
161 twelve months next after inception of the loss.  
162 **Subrogation.** This Company may require from the insured  
163 an assignment of all right of recovery against  
164 any party for loss to the extent that payment therefor is made  
165 by this Company.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.  
  
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
  - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
  - 2.** Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

# QUICK REFERENCE COMMERCIAL PROPERTY COVERAGE PART

## READ YOUR POLICY CAREFULLY

The Commercial Property Coverage Part in your policy consists of Declarations, one or more Coverage Forms, Commercial Property Conditions, Common Policy Conditions and Endorsements, if applicable. Following is a Quick Reference indexing of the principal provisions contained in each of the components making up the Coverage Part, listed in sequential order, except for the provisions in the Declarations which may not be in the sequence shown.

### DECLARATIONS

- Named Insured and Mailing Address
- Policy Period
- Description of Business
- Coverage Provided and Limits of Insurance
- Optional Coverages
- Forms and Endorsements applying to the Coverage Part at time of issue

### COVERAGE FORM(S)

#### COVERAGE

- Covered Property (If Applicable)
- Property Not Covered (If Applicable)
- Covered Causes of Loss (If Applicable)
- Additional Coverage (If Applicable)
- Coverage Extensions (If Applicable)

#### EXCLUSIONS

#### LIMITS OF INSURANCE

#### DEDUCTIBLE (If Applicable)

#### LOSS CONDITIONS (If Applicable)

#### ADDITIONAL CONDITIONS (If Applicable)

#### OPTIONAL COVERAGES (If Applicable)

#### DEFINITIONS (If Applicable)

### CAUSES OF LOSS FORM (If Applicable)

- Covered Causes of Loss
- Exclusions
- Limitations (If Applicable)
- Additional Coverage (If Applicable)

### COMMERCIAL PROPERTY CONDITIONS (CP OO 90)

- Concealment, Misrepresentation and Fraud
- Control of Property
- Insurance Under Two or More Coverages
- Legal Action Against Us
- Liberalization
- No Benefit to Bailee
- Other Insurance
- Policy Period, Coverage Territory
- Transfer of Rights of Recovery Against Others to Us

### COMMON POLICY CONDITIONS (IL OO 17)

- Cancellation
- Changes
- Examination of Your Books and Records
- Inspections and Surveys
- Premiums
- Transfer of Your Rights and Duties Under This Policy

### ENDORSEMENTS (If Any)

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# CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section F. – Definitions.

## A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is:

1. Excluded in Section B., Exclusions; or
  2. Limited in Section C., Limitations;
- that follow.

## B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

### a. Ordinance Or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance Or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

### b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in b.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

**d. Nuclear Hazard**

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

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**e. Utility Services**

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead, the Special Exclusion in Paragraph **B.4.a.(1)** applies to these coverages.

**f. War And Military Action**

- (1) War, including undeclared or civil war;
- (2) 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
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings.

But if Water, as described in **g.(1)** through **g.(4)** above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

**h. "Fungus", Wet Rot, Dry Rot And Bacteria**

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria.

But if "fungus", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
- a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.  
But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.
  - b. Delay, loss of use or loss of market.
  - c. Smoke, vapor or gas from agricultural smudging or industrial operations.
  - d.(1) Wear and tear;
    - (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
    - (3) Smog;
    - (4) Settling, cracking, shrinking or expansion;
    - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
    - (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
    - (7) The following causes of loss to personal property:
      - (a) Dampness or dryness of atmosphere;
      - (b) Changes in or extremes of temperature; or
      - (c) Marring or scratching.

But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.
  - e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
  - g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
    - (1) You do your best to maintain heat in the building or structure; or
    - (2) You drain the equipment and shut off the supply if the heat is not maintained.
  - h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
    - (1) Acting alone or in collusion with others; or
    - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.
  - i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
  - j. Rain, snow, ice or sleet to personal property in the open.

- k. Collapse, except as provided below in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.
  - l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".  
This exclusion, l., does not apply to damage to glass caused by chemicals applied to the glass.
  - m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
3. We will not pay for loss or damage caused by or resulting from any of the following, 3.a. through 3.c. But if an excluded cause of loss that is listed in 3.a. through 3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
  - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - c. Faulty, inadequate or defective:
    - (1) Planning, zoning, development, surveying, siting;
    - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) Materials used in repair, construction, renovation or remodeling; or
    - (4) Maintenance;
 of part or all of any property on or off the described premises.

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

##### a. **Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form**

We will not pay for:

- (1) Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building. Failure includes lack of sufficient capacity and reduction in supply.  
But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.
- (2) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".
 This exclusion does not apply to Extra Expense.
- (3) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (4) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.

(5) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

(6) Any other consequential loss.

**b. Leasehold Interest Coverage Form**

(1) Paragraph B.1.a. Ordinance Or Law, does not apply to insurance under this Coverage Form.

(2) We will not pay for any loss caused by:

(a) Your cancelling the lease;

(b) The suspension, lapse or cancellation of any license; or

(c) Any other consequential loss.

**c. Legal Liability Coverage Form**

(1) The following exclusions do not apply to insurance under this Coverage Form:

(a) Paragraph B.1.a., Ordinance Or Law;

(b) Paragraph B.1.c., Governmental Action;

(c) Paragraph B.1.d., Nuclear Hazard;

(d) Paragraph B.1.e., Utility Services; and

(e) Paragraph B.1.f., War And Military Action.

(2) The following additional exclusions apply to insurance under this Coverage Form:

**(a) Contractual Liability**

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

(i) Your assumption of liability was executed prior to the accident; and

(ii) The building is Covered Property under this Coverage Form.

**(b) Nuclear Hazard**

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

**C. Limitations**

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

(1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

(2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.  
However, this limitation does not apply to:
    - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
    - (2) Business Income coverage or Extra Expense coverage.
  - e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
  - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
- a. Animals, and then only if they are killed or their destruction is made necessary.
  - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
    - (1) Glass; or
    - (2) Containers of property held for sale.
  - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.  
However, this limitation does not apply:
    - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
    - (2) To Business Income coverage or to Extra Expense coverage.
3. The special limit shown for each category, a. through d., is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
- a. \$2,500 for furs, fur garments and garments trimmed with fur.
  - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
  - c. \$2,500 for patterns, dies, molds and forms.
  - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.
- These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property. This limitation, C.3., does not apply to Business Income coverage or to Extra Expense coverage.
4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:
- a. Results in discharge of any substance from an automatic fire protection system; or
  - b. Is directly caused by freezing.
- However, this limitation does not apply to Business Income coverage or to Extra Expense coverage.

**D. Additional Coverage – Collapse**

The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in D.1. through D.5. below.

- 1. With respect to buildings:
  - a. Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;
  - b. A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;

- c. A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;
  - d. A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
2. We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if the collapse is caused by one or more of the following:
- a. The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
  - b. Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - c. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - d. Weight of people or personal property;
  - e. Weight of rain that collects on a roof;
  - f. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in 2.a. through 2.e., we will pay for the loss or damage even if use of defective material or methods, in construction, remodeling or renovation, contributes to the collapse.

The criteria set forth in 1.a. through 1.d. do not limit the coverage otherwise provided under this Causes of Loss Form for the causes of loss listed in 2.a., 2.d. and 2.e.

3. With respect to the following property:
- a. Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
  - b. Awnings, gutters and downspouts;
  - c. Yard fixtures;
  - d. Outdoor swimming pools;
  - e. Fences;
  - f. Piers, wharves and docks;
  - g. Beach or diving platforms or appurtenances;
  - h. Retaining walls; and
  - i. Walks, roadways and other paved surfaces;
- if the collapse is caused by a cause of loss listed in 2.b. through 2.f., we will pay for loss or damage to that property only if:
- a. Such loss or damage is a direct result of the collapse of a building insured under this Coverage Form; and
  - b. The property is Covered Property under this Coverage Form.
4. If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- a. The collapse was caused by a Cause of Loss listed in 2.a. through 2.f. above;
  - b. The personal property which collapses is inside a building; and
  - c. The property which collapses is not of a kind listed in 3. above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph 4. does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

5. This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this Coverage Part.

## **E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria**

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
  - a. A "specified cause of loss" other than fire or lightning; or
  - b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
2. We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under Paragraph **F.2.** (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss Form or under the Additional Coverage – Collapse.
6. The following, **6.a.** or **6.b.**, applies only if Business Income and/or Extra Expense coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage form.
  - a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
  - b. If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

## **F. Additional Coverage Extensions**

### **1. Property In Transit**

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.



- b. Loss or damage must be caused by or result from one of the following causes of loss:
- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
  - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

## 2. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

## 3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

This Coverage Extension, F.3., does not increase the Limit of Insurance.

## G. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
  - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
    - (1) The cost of filling sinkholes; or
    - (2) Sinking or collapse of land into man-made underground cavities.
  - b. Falling objects does not include loss or damage to:
    - (1) Personal property in the open; or
    - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
  - c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

**A.** When this endorsement is attached to the Standard Property Policy, the terms Coverage Part and Coverage Form in this endorsement are replaced by the term Policy.

**B.** This endorsement applies to the Covered Property and Coverages for which an Earthquake – Volcanic Eruption Limit of Insurance is shown in the Declarations.

**C. Additional Covered Causes Of Loss**

1. The following are added to the Covered Causes Of Loss:

a. Earthquake.

b. Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.

All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.

2. If the Declarations indicate that this endorsement covers Earthquake - Sprinkler Leakage Only, then the Covered Causes of Loss in Paragraph **C.1.** of this endorsement do not apply, and the following apply instead:

a. Sprinkler Leakage resulting from Earthquake.

b. Sprinkler Leakage resulting from Volcanic Eruption. Volcanic Eruption means the eruption, explosion or effusion of a volcano.

All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.

**D. Exclusions, Limitations And Related Provisions**

1. The Exclusions and Limitation(s) sections of the Causes Of Loss Form (and the Exclusions section of the Mortgageholders Errors And Omissions Coverage Form and the Standard Property Policy) apply to coverage provided under this endorsement, except as provided in **D.2.** and **D.3.** below.

2. To the extent that the Earth Movement Exclusion might conflict with coverage provided under this endorsement, the Earth Movement Exclusion does not apply.

3. The exclusion of collapse, in the Causes Of Loss – Special Form and Mortgageholders Errors And Omissions Coverage Form, does not apply to collapse caused by Earthquake or Volcanic Eruption.

4. The Additional Coverage – Collapse, in the Causes Of Loss – Broad Form, Causes Of Loss – Special Form and Mortgageholders Errors And Omissions Coverage Form, does not apply to the coverage provided under this endorsement. This endorsement includes coverage for collapse caused by Earthquake or Volcanic Eruption.

5. We will not pay for loss or damage caused directly or indirectly by tidal wave or tsunami, even if attributable to an Earthquake or Volcanic Eruption.

6. We will not pay for loss or damage caused by or resulting from any Earthquake or Volcanic Eruption that begins before the inception of this insurance.

7. The Ordinance Or Law Exclusion in this Coverage Part continues to apply with respect to any loss under this Coverage Part including any loss under this endorsement, unless Ordinance Or Law Coverage is added by endorsement.

8. We will not pay for loss of or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying the Property Damage Deductible applicable to this endorsement.

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This limitation, **D.8.**, does not apply if:

- a. The Declarations indicate that the "Including Masonry Veneer" option applies or the premises description in the Declarations specifically states "Including Masonry Veneer"; or
  - b. Less than 10% of the total outside wall area is faced with masonry veneer (excluding stucco).
9. Under this Coverage Part, as set forth under Property Not Covered in the Coverage Form to which this endorsement is attached, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of restoring or remediating land.

#### **E. Property Damage Deductible**

1. The provisions of Section **E.2.** of this endorsement are applicable to all Coverage Forms except:
  - a. Business Income (And Extra Expense) Coverage Form;
  - b. Business Income (Without Extra Expense) Coverage Form;
  - c. Extra Expense Coverage Form.
2. The Deductible, if any, in this Coverage Part is replaced by the following with respect to Earthquake and Volcanic Eruption:

##### **a. All Policies**

- (1) The Deductible provisions apply to each Earthquake or Volcanic Eruption.
- (2) Separate Deductibles are calculated for, and apply to, each building, personal property at each building and personal property in the open. Deductibles are separately calculated and applied even if:
  - (a) Two or more buildings sustain loss or damage;
  - (b) Personal property at two or more buildings sustains loss or damage; and/or
  - (c) A building and the personal property in that building sustain loss or damage.
- (3) We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance, after any reduction required by any of the following: Coinsurance Condition, Agreed Value Optional Coverage, Additional Condition – Need for Adequate Insurance or Additional Condition – Need for Full Reports.
- (4) When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Declarations for any described premises.
- (5) If there is loss or damage caused by Earthquake or Volcanic Eruption, and loss or damage caused by a Cause of Loss (e.g., fire) that is covered by means of an exception to the Earth Movement Exclusion, then the only applicable Deductible provisions are those stated in this endorsement.

##### **b. Calculation Of The Deductible – Specific Insurance Other Than Builders Risk**

###### **(1) Property Not Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the Limit of Insurance applicable to the property that has sustained loss or damage.

###### **(2) Property Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the value of the property that has sustained loss or damage. The value to be used is the latest value shown in the most recent Report of Values on file with us.

However:

- (a) If the most recent Report of Values shows less than the full value of the property on the report dates, we will determine the deductible amount as a percentage of the full value as of the report dates.

- (b) If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the applicable Limit of Insurance.

**c. Calculation Of The Deductible – Blanket Insurance Other Than Builders Risk**

**(1) Property Not Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the value of the property that has sustained loss or damage. The value to be used is that shown in the most recent Statement of Values on file with us.

**(2) Property Subject To Value Reporting Forms**

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the value of that property as of the time of loss or damage.

**d. Calculation Of The Deductible – Builders Risk Insurance**

**(1) Builders Risk Other Than Reporting Form**

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the actual cash value of that property as of the time of loss or damage.

**(2) Builders Risk Reporting Form**

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the value of the property that has sustained loss or damage. The value to be used is the actual cash value shown in the most recent Report of Values on file with us.

However:

- (a) If the most recent Report of Values shows less than the actual cash value of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value as of the report date.
- (b) If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value of the property as of the time of loss or damage.

**F. Examples – Application Of Deductible In E.2.:**

**EXAMPLE #1 – SPECIFIC INSURANCE (E.2.b.(1))**

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the coinsurance requirement is \$80,000 (80% of \$100,000).

The **actual** Limit of Insurance on the damaged building is \$70,000.

The Deductible is 5%.

Step (1):  $\$70,000 / \$80,000 = .875$

Step (2):  $\$60,000 \times .875 = \$52,500$

Step (3):  $\$70,000 \times 5\% = \$3,500$

Step (4):  $\$52,500 - \$3,500 = \$49,000$

The most we will pay is \$49,000. The remainder of the loss, \$11,000, is not covered due to the Coinsurance penalty for inadequate insurance (steps (1) and (2)) and the application of the Deductible (steps (3) and (4)).

**EXAMPLE #2 – SPECIFIC INSURANCE (E.2.b.(1))**

The amounts of loss to the damaged property are \$60,000 (building) and \$40,000 (business personal property in building).

The value of the damaged building at time of loss is \$100,000. The value of the business personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the business personal property.

The **actual** Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the business personal property (therefore no Coinsurance penalty).

The Deductible is 10%.

**Building**

Step (1):  $\$80,000 \times 10\% = \$8,000$

Step (2):  $\$60,000 - \$8,000 = \$52,000$

**Business Personal Property**

Step (1):  $\$64,000 \times 10\% = \$6,400$

Step (2):  $\$40,000 - \$6,400 = \$33,600$

The most we will pay is \$85,600. That portion of the total loss not covered due to application of the Deductible is \$14,400.

**EXAMPLE #3 – BLANKET INSURANCE (E.2.c.(1))**

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000) and Building #3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The **actual** Blanket Limit of Insurance covering Buildings #1, #2, and #3, shown in the Declarations, is \$1,800,000 (therefore no Coinsurance penalty).

Buildings #1 and #2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building #1) and \$60,000 (Building #2).

The Deductible is 5%.

**Building #1**

Step (1):  $\$500,000 \times 5\% = \$25,000$

Step (2):  $\$40,000 - \$25,000 = \$15,000$

**Building #2**

Step (1):  $\$500,000 \times 5\% = \$25,000$

Step (2):  $\$60,000 - \$25,000 = \$35,000$

The most we will pay is \$50,000. That portion of the total loss not covered due to application of the Deductible is \$50,000.

**EXAMPLE #4 – BLANKET INSURANCE (E.2.c.(1))**

The sum of the values of Building #1 (\$500,000), Building #2 (\$500,000), Business Personal Property at Building #1 (\$250,000) and Business Personal Property at Building #2 (\$250,000), as shown in the most recent Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The **actual** Blanket Limit of Insurance covering Buildings #1 and #2 and Business Personal Property at Buildings #1 and #2, shown in the Declarations, is \$1,350,000. Therefore there is no Coinsurance penalty.

Building #1 and Business Personal Property at Building #1 have sustained damage; the amounts of loss are \$95,000 (Building) and \$5,000 (Business Personal Property).

The Deductible is 10%.

**Building**

Step (1):  $\$500,000 \times 10\% = \$50,000$

Step (2):  $\$95,000 - \$50,000 = \$45,000$

**Business Personal Property**

Step (1):  $\$250,000 \times 10\% = \$25,000$

The loss, \$5,000, does not exceed the deductible.

The most we will pay is \$45,000. The remainder of the building loss, \$50,000, is not covered due to application of the Deductible. There is no loss payment for the business personal property.

**G. Business Income And Extra Expense Period Of Restoration**

This Section G., is applicable only to the Coverage Forms specified below:

1. Business Income (And Extra Expense) Coverage Form;
2. Business Income (Without Extra Expense) Coverage Form;
3. Extra Expense Coverage Form.

The "period of restoration" definition stated in the Coverage Form, or in any endorsement amending the beginning of the "period of restoration", applies to each Earthquake or Volcanic Eruption. A single Earthquake or Volcanic Eruption is defined in Section C. of this endorsement.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**FLOOD COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART**

- A.** When this endorsement is attached to the Standard Property Policy, the terms Coverage Part and Coverage Form in this endorsement are replaced by the term Policy.
- B.** This endorsement applies to the Covered Property and Coverages for which a Flood Limit of Insurance is shown in the Flood Coverage Schedule or in the Declarations.

**C. Additional Covered Cause Of Loss**

The following is added to the Covered Causes Of Loss:

Flood, meaning a general and temporary condition of partial or complete inundation of normally dry land areas due to:

- 1. The overflow of inland or tidal waters;
- 2. The unusual or rapid accumulation or runoff of surface waters from any source; or
- 3. Mudslides or mudflows which are caused by flooding as defined in **C.2.** above. For the purpose of this Covered Cause Of Loss, a mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.

All flooding in a continuous or protracted event will constitute a single flood.

**D. Exclusions, Limitations And Related Provisions**

- 1. The Exclusions and Limitation(s) sections of the Causes Of Loss Form (and the Exclusions section of the Mortgageholders Errors And Omissions Coverage Form and the Standard Property Policy) apply to coverage provided under this endorsement except as provided in **D.2.** and **D.3.** below.
- 2. To the extent that a part of the Water Exclusion might conflict with coverage provided under this endorsement, that part of the Water Exclusion does not apply.
- 3. To the extent that a tsunami causes the overflow of tidal waters, the exclusion of earthquake, in the Earth Movement Exclusion, does not apply.
- 4. The Ordinance Or Law Exclusion in this Coverage Part continues to apply with respect to any loss under this Coverage Part including any loss under this endorsement, unless Ordinance Or Law Coverage is added by endorsement.
- 5. The following exclusions and limitations are added and apply to coverage under this endorsement:
  - a. We will not pay for any loss or damage caused by or resulting from any Flood that begins before or within 72 hours after the inception date of this endorsement. If you request and we provide an increase in the stated Limit of Insurance for Flood, the increase will not apply to loss or damage from any Flood that begins before or within 72 hours after your request was made.

If the Flood is due to the overflow of inland or tidal waters, then the Flood is considered to begin when the water first overflows its banks.

- b. We will not pay for loss or damage caused by or resulting from destabilization of land arising from the accumulation of water in subsurface land areas.
- c. Under this Coverage Part, as set forth under Property Not Covered in the Coverage Form to which this endorsement is attached, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of restoring or remediating land due to the collapse or sinking of land caused by or resulting from Flood. However, coverage under this endorsement includes damage to the covered portions of the building and to covered personal property, caused by collapse or sinking of land along the shore of a body of water as the result of erosion or undermining caused by waves or currents of water which exceed the cyclical levels and cause Flood.

- d. We do not cover loss or damage by Flood to personal property in the open except to the extent that such coverage, if any, is specified in the Flood Coverage Schedule or in the Declarations.
- e. Property Not Covered, in the Coverage Form to which this endorsement is attached, is amended and supplemented as follows with respect to Flood Coverage:
  - (1) Property Not Covered includes any building or other property that is not eligible for flood insurance pursuant to the provisions of the Coastal Barrier Resources Act, 16 U.S.C. 3501 et seq. and the Coastal Barrier Improvement Act of 1990, Pub. L. 101-591, 16 U.S.C. 3501 et seq.
  - (2) Property Not Covered includes boat houses and open structures, and any property in or on the foregoing, if the structure is located on or over a body of water.
  - (3) If bulkheads, pilings, piers, wharves, docks, or retaining walls that are not part of a building, have been removed from Property Not Covered and added as Covered Property by separate endorsement, this Flood Coverage Endorsement does not apply to such property.
  - (4) The following are removed from Property Not Covered and are therefore Covered Property:
    - (a) Foundations below the lowest basement floor or the subsurface of the ground; and
    - (b) Underground pipes, flues and drains.
- f. We will not pay for loss or damage caused by sewer back-up or overflow unless such back-up or overflow results from Flood and occurs within 72 hours after the flood recedes.

**E. Additional Coverages And Coverage Extensions**

- 1. With respect to Flood Coverage, the Debris Removal Additional Coverage (and any additional limit for Debris Removal under a Limit Of Insurance clause or an endorsement) is not applicable and is replaced by the following:

**DEBRIS REMOVAL**

- a. We will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from Flood. However, we will not pay to remove deposits of mud or earth from the grounds of the described premises.
  - b. We will also pay the expense to remove debris of Covered Property that has floated or been hurled off the described premises by Flood.
  - c. This coverage for Debris Removal, as set forth in **E.1.a.** and **E.1.b.** above, does not increase the applicable Limit of Insurance for Flood. Therefore, the most we will pay for the total of debris removal and loss or damage to Covered Property is the Limit of Insurance for Flood that applies to the Covered Property at the affected described premises covered under this endorsement.
- 2. With respect to Flood Coverage, the Coverage Extension for Newly Acquired or Constructed Property is amended by adding the following:
    - a. With respect to Flood Coverage, this Coverage Extension does not apply to any building or structure that is not fully enclosed by walls and roof.
    - b. With respect to a building or structure covered under this Coverage Extension, the amounts of coverage stated in the Coverage Extension do not apply to Flood Coverage. Instead, the most we will pay for all loss or damage to property covered under this Coverage Extension is 10% of the total of all Limits of Insurance for Flood Coverage as provided under this endorsement. Such coverage does not increase the Limit of Insurance for Flood.
  - 3. With respect to any applicable Additional Coverages and Coverage Extensions in the Coverage Form to which this endorsement is attached, other than those addressed in **E.1.** and **E.2.** above, amounts payable under such other provisions, as set forth therein, do not increase the Limit of Insurance for Flood.

**F. Coinsurance**

- 1. The Coinsurance Condition, if any, in the applicable Coverage Form applies to the coverage provided under this endorsement, unless the No-Coinsurance Option, in the Flood Coverage Schedule or in the Declarations, is specified as being applicable.
- 2. Various Coverage Extensions, in the Coverage Form to which this endorsement is attached, require coinsurance. If the No-Coinsurance Option applies, then the coinsurance requirement for such Coverage Extensions is eliminated.



## G. Limit Of Insurance

### 1. General Information

Flood Coverage may be written at a Limit of Insurance that is equal to or less than the Limit of Insurance which applies to other Covered Causes of Loss (e.g., Fire) under this Commercial Property Coverage Part.

The Limit of Insurance for Flood is shown in the Flood Coverage Schedule or in the Declarations. If such Limit is not shown, then the Limit applicable to Fire also applies to Flood.

### 2. Application Of Limit And Aggregate

The Limit of Insurance for Flood is the most we will pay in a single occurrence of Flood for loss or damage caused by the Flood. If there is more than one Flood in a 12-month period (starting with the beginning of the present annual policy period), the most we will pay for the total of all loss or damage sustained during that period of time and caused by Flood is the amount that is identified as the Annual Aggregate for Flood as shown in the Flood Coverage Schedule or the Declarations.

If the Limit of Insurance and the Annual Aggregate amount are the same, or if there is no amount stated as an Annual Aggregate, then the Limit of Insurance is the most we will pay for the total of all loss or damage that is caused by Flood in a 12-month period (starting with the beginning of the present annual policy period), even if there is more than one occurrence of Flood during that period of time. Thus, if the first Flood does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for a subsequent Flood(s).

If a single occurrence of Flood begins during one annual policy period and ends during the following annual policy period, any Limit of Insurance or Annual Aggregate applicable to the following annual policy period will **not** apply to that Flood.

### 3. Ensuing Loss

In the event of covered ensuing loss, for example, loss caused by Fire, Explosion and/or Sprinkler Leakage which results from the Flood, the most we will pay, for the total of all loss or damage caused by flood, fire, explosion and sprinkler leakage, is the Limit of Insurance applicable to Fire. We will **not** pay the sum of the Fire and Flood Limits.

#### EXAMPLES – ENSUING LOSS

Two examples follow, using these facts: The Commercial Property Coverage Part, in these examples, includes the Causes of Loss – Basic Form (which covers fire) and this Flood Coverage Endorsement. A building is damaged by Flood and by Fire which is caused by the Flood. The value of the damaged building is \$1,000,000. The Limit of Insurance applicable to the building, for the Basic Causes of Loss, is \$800,000. The Limit of Insurance for Flood is \$400,000. The Flood Deductible amount is \$5,000.

##### EXAMPLE #1

The damage due to Flood is \$500,000. The damage due to Fire is \$500,000.

Payment for Flood damage is \$400,000 (\$500,000 damage minus \$5,000 Flood deductible = \$495,000; Limit is \$400,000)

Payment for Fire damage is \$400,000 (\$500,000 damage capped at the difference between the Basic Limit and the Flood Limit)

Total Loss Payment is \$800,000.

##### EXAMPLE #2

The damage due to Flood is \$800,000. The damage due to Fire is \$100,000.

Payment for Flood damage is \$400,000 (\$800,000 damage minus \$5,000 Flood deductible = \$795,000; Limit is \$400,000)

Payment for Fire damage is \$100,000 (amount of damage)

Total Loss Payment is \$500,000.

**Note:** These Examples are given only to illustrate the situation of flood and ensuing loss. Therefore, the loss payment stated for flood damage does not address the situation where another policy also covers the flood damage.

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## H. Deductible

1. The Deductible for coverage provided under this endorsement is the Deductible applicable to Flood as shown in the Flood Coverage Schedule or in the Declarations.
2. We will not pay that part of the loss that is attributable to any Deductible(s) in the National Flood Insurance Program policy.
3. If Flood results in another Covered Cause of Loss and if both Covered Causes of Loss cause loss or damage, then only the higher deductible applies (e.g., the Flood deductible or the Fire deductible).

## I. Other Insurance

The Other Insurance Commercial Property Condition is replaced by the following with respect to the coverage provided under this endorsement:

1. If the loss is also covered under a National Flood Insurance Program (NFIP) policy, or if the property is eligible to be written under an NFIP policy but there is no such policy in effect, then we will pay only for the amount of loss in excess of the maximum limit that can be insured under that policy. This provision applies whether or not the maximum NFIP limit was obtained or maintained, and whether or not you can collect on the NFIP policy. We will not, under any circumstances, pay more than the applicable Limit of Insurance for Flood as stated in the Flood Coverage Schedule or the Declarations of this Coverage Part.

However, this Provision I.1. does not apply under the following circumstances:

- a. At the time of loss, the property is eligible to be written under an NFIP policy but such policy is not in effect due solely to ineligibility of the property at the time this Flood Coverage Endorsement was written; or
  - b. An NFIP policy is not in effect because we have agreed to write this Flood Coverage Endorsement without underlying NFIP coverage. There is such an agreement only if the Flood Coverage Schedule or the Declarations indicate that the Underlying Insurance Waiver applies.
2. If there is other insurance covering the loss, other than that described in I.1. above, we will pay our share of the loss. Our share is the proportion that the applicable Limit of Insurance under this endorsement bears to the total of the applicable Limits of Insurance under all other such insurance. But we will not pay more than the applicable Limit of Insurance stated in the Flood Coverage Schedule or the Declarations of this Coverage Part.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**LOSS ADJUSTMENT ENDORSEMENT – COMMERCIAL  
PROPERTY COVERAGE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM  
BUSINESS INCOME COVERAGE FORM (AND EXTRA EXPENSE)  
BUSINESS INCOME COVERAGE FORM (WITHOUT EXTRA EXPENSE)  
EXTRA EXPENSE COVERAGE FORM  
TOBACCO SALES WAREHOUSES COVERAGE FORM  
STANDARD PROPERTY POLICY

- A.** This endorsement is intended to facilitate payment of insurance proceeds in the event of loss or damage to Covered Property from a loss that is covered by:
1. This Commercial Property coverage; and
  2. Boiler and Machinery insurance; and
- there is a disagreement between the insuring companies as to the amount of the loss to be paid by each company.
- B.** The provisions of item **C.** of this endorsement apply only if all of the following requirements are met:
1. The Boiler and Machinery insurance carried by the named insured, insuring the Covered Property, contains a provision with substantially the same requirements, procedures and conditions as contained in this endorsement.
  2. The damage to the Covered Property was caused by a loss for which both we and the Boiler and Machinery insuring company(s) admit to some liability for payment under the respective policies.
  3. The total amount of the loss is agreed to by you, us and the Boiler and Machinery insuring company(s).
  4. We and the Boiler and Machinery insuring company(s) disagree as to the amount of loss that each of us should pay that is attributable to:
    - a. A cause of loss covered under this Commercial Property coverage; and
    - b. An "accident" covered under the Boiler and Machinery insurance.
- C.** If the requirements listed in **B.** above are satisfied, we and the Boiler and Machinery insuring company(s) will make payments to the extent, and in the manner, described in the following:
1. We will pay, after your written request, the entire amount of loss that we have agreed as being covered by this Commercial Property coverage and one-half (1/2) the amount of loss that is in disagreement.
  2. The Boiler and Machinery insuring company(s) will pay, after your written request, the entire amount of loss that they have agreed as being covered by the Boiler and Machinery insurance and one-half (1/2) the amount of loss that is in disagreement.
  3. The amount in disagreement to be paid by us under this endorsement shall not exceed the amount payable under the equivalent Loss Adjustment Endorsement(s) of the Boiler and Machinery insuring company(s).
  4. The amount to be paid under this endorsement shall not exceed the amount we would have paid had no Boiler and Machinery insurance been in effect at the time of loss.
  5. Acceptance by you of sums paid under this endorsement does not alter, waive or surrender any other rights against us.

**6. ADDITIONAL CONDITIONS**

- a. We and the Boiler and Machinery insuring company(s) agree to submit our differences to arbitration within 90 days after loss payment made under the terms of this endorsement.
- b. You agree to cooperate with any arbitration procedures. There will be three arbitrators: one will be appointed by us, and another will be appointed by the Boiler and Machinery insuring company(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.

**Policy Number: CBP 8503895**

**Coverage Is Provided In THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY**

**Named Insured:**

INSIGHT PA CYBER CHARTER  
SCHOOL

**Agent:**

TRIDENT RISK ADVISORS, LLC

**Agent Code: 3711915**

**Agent Phone: (484)-582-6043**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**INCLUDE DESIGNATED AGENTS AS EMPLOYEES  
COVERED FOR "EMPLOYEE DISHONESTY" ONLY**

This endorsement applies to the CRIME GENERAL PROVISIONS and all Crime Coverage Forms forming part of the Policy.

**A. SCHEDULE**

<b>Capacity of Agent</b>	<b>Limit of Insurance</b>
Any trustee, officers, employees, administrators or managers of any Employee Retirement Income Security Act (ERISA) plan insured by this policy, and your director or trustee while that person is handling funds or other property of any ERISA plan insured by this policy.	\$ 500,000

**B. PROVISIONS**

1. "Employee" also includes each natural person, partnership or corporation you appoint in writing to act as your agent in the capacity shown in the SCHEDULE while acting on your behalf or while in possession of Covered Property. These natural persons, partnerships or corporations are not covered for faithful performance of duty, even in the event that this Policy may have been amended by endorsement to provide such coverage on "employees" as they are defined in the Crime General Provisions. The only covered cause of loss for the Agents scheduled above is "employee dishonesty" as defined in the EMPLOYEE DISHONESTY COVERAGE FORM.

Each such agent and the partners, officers and employees of that agent are considered to be, collectively, one "employee" for the purposes of this insurance. However, the Cancellation As To Any Employee Additional Condition in the EMPLOYEE DISHONESTY COVERAGE FORM applies individually to each of them.

2. The most we will pay under this Policy for loss caused by an agent included as an "employee" by this endorsement is the Limit of Insurance shown in the SCHEDULE. That Limit of Insurance is part of, not in addition to, the Limit of Insurance shown in the Declarations as applicable to the EMPLOYEE DISHONESTY COVERAGE FORM.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADD FAITHFULL PERFORMANCE OF DUTY**

This endorsement applies only to PUBLIC EMPLOYEE DISHONESTY COVERAGE FORM O or P.

### **PROVISIONS**

1. The following is added as a Covered Cause of Loss:

Failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your Covered Property, including inability to faithfully perform those duties because of a criminal act committed by a person other than an "employee".

2. The following Additional Exclusion is added:

**Depository Failure:** loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.

3. Part 2.a.(1) of the coverage Form is deleted and the following substituted:

Immediately upon discovery by you or any official or employee authorized to manage, govern, or control your employees of any act on the part of an "employee" whether before or after becoming employed by you which would constitute a loss covered under the terms of this Coverage Form, as amended by this endorsement.

4. Part 2.c. of the coverage Form is deleted and the following substituted:

**Indemnification:** We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their service against loss through the failure of any "employee" under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your Covered Property, including inability to faithfully perform those duties because of a criminal act committed by a person other than an "employee".

**Forming a part of**

<b>Policy Number:</b> CBP 8503895	
<b>Coverage Is Provided In</b> THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY	
<b>Named Insured:</b> INSIGHT PA CYBER CHARTER SCHOOL	<b>Agent:</b> TRIDENT RISK ADVISORS, LLC
<b>Agent Code:</b> 3711915	<b>Agent Phone:</b> (484)-582-6043

**COMMERCIAL INLAND MARINE COVERAGE PART DECLARATIONS**

**COVERAGE**

This policy consists of the following coverage(s) for which a premium is indicated. This premium may be subject to adjustment.

COVERAGE TYPE	PREMIUM
COMMERCIAL COMPUTER COVERAGE	\$ 200

**DEDUCTIBLE :** Refer to Applicable Coverage Declarations

**RATES :** Refer to Applicable Coverage Declarations

**LOSS PAYEE:** NONE

**FORMS AND ENDORSEMENTS**

**Forms and Endorsements applying to this Coverage Part and made part of this policy:**

Form Number	Description
IL0003 - 0907	CALCULATION OF PREMIUM
IL0166 - 0907	PENNSYLVANIA CHANGES - ACTUAL CASH VALUE
IL0172 - 0907	PENNSYLVANIA CHANGES
IL0246 - 0907	PA CHANGES - CANCELLATION AND NONRENEWAL
IL0952 - 0115	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
CI175 - 0186	QUICK REFERENCE-COMMERCIAL INLAND MARINE COVERAGE
CL0100 - 0399	COMMON POLICY CONDITIONS
CL0124 - 1006	AMENDATORY ENDORSEMENT - PENNSYLVANIA
CL0700 - 1006	VIRUS OR BACTERIA EXCLUSION
CL5999 - 0801	AMENDATORY ENDORSEMENT - PREMIUM DUE DATE
CM0001 - 0695	COMMERCIAL INLAND MARINE CONDITIONS
CM1001 - 0500	COMMERCIAL COMPUTER COVERAGE FORM
IM3023 - 1101	AMENDATORY ENDORSEMENT - PENNSYLVANIA
ML0120 - 0399	INSURANCE CONSULTATION SERVICES EXEMPTION ACT-NOTICE

Date Issued: 06/19/2019



Forming a part of

<b>Policy Number:</b> CBP 8503895	
<b>Coverage Is Provided In</b> THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY	
<b>Named Insured:</b> INSIGHT PA CYBER CHARTER SCHOOL	<b>Agent:</b> TRIDENT RISK ADVISORS, LLC
<b>Agent Code:</b> 3711915	<b>Agent Phone:</b> (484)-582-6043

**COMMERCIAL COMPUTER COVERAGE**

**COVERAGE**

**DESCRIPTION OF PREMISES**

Prem. No.	Bldg. No.	Location
ALL	ALL	BLANKET LOCATIONS

**EQUIPMENT**

Valuation: 100,000

Prem. No.	Bldg. No.	Limit of Insurance
ALL	ALL	\$ 100,000

**SOFTWARE**

Prem. No.	Bldg. No.	Limit of Insurance
ALL	ALL	I NCL
All Covered Property In Any One Occurrence:		I NCL

**EXTRA EXPENSE**

Prem. No.	Bldg. No.	Limit of Insurance
ALL	ALL	I NCL
All Covered Property In Any One Occurrence:		I NCL

**DEDUCTIBLE:** \$ 500

**RATES**

Rate: VARIOUS Per \$100

**COMMERCIAL COMPUTER COVERAGE (continued)**

**SPECIAL PROVISIONS (if any)**

PROPERTY IN TRANSIT(HARDWARE/SOFTWARE)

\$100,000/\$10,000

UNNAMED LOCATIONS(HARDWARE/SOFTWARE)

\$100,000/\$10,000

Date Issued: 06/19/2019

# QUICK REFERENCE COMMERCIAL INLAND MARINE COVERAGE PART

## READ YOUR POLICY CAREFULLY

The Commercial Inland Marine Coverage Part in your policy consists of Declarations, one or more Coverage Forms, Commercial Inland Marine Conditions, Common Policy Conditions and Endorsements, if applicable. Following is a Quick Reference indexing of the principal provisions contained in each of the components making up the Coverage Part, listed in sequential order, except for the provisions in the Declarations which may not be in the sequence shown.

### DECLARATIONS

- Named Insured and Mailing Address
- Policy Period
- Description of Business
- Limits of Insurance
- Forms and Endorsements applying to the Coverage Part at times of issue

### COVERAGE FORM(S)

#### COVERAGE

- Covered Property (If Applicable)
- Property Not Covered
- Covered Causes of Loss
- Additional Coverage—Collapse (If Applicable)
- Coverage Extensions (If Applicable)

#### EXCLUSIONS

- Earthquake (If Applicable)
- Governmental Action
- Nuclear Hazard (If Applicable)
- War and Military Action
- Water (If Applicable)
- Other Exclusions (If Applicable)

#### LIMITS OF INSURANCE

DEDUCTIBLE (If Applicable)

#### ADDITIONAL CONDITIONS

#### DEFINITION(S)

### COMMERCIAL INLAND MARINE CONDITIONS (CM 00 01)

#### LOSS CONDITIONS

- Abandonment
- Appraisal
- Duties in the Event of Loss
- Insurance Under Two or More Coverages
- Loss Payment
- Other Insurance
- Pair, Set or Parts
- Privilege to Adjust With Owner
- Recoveries
- Reinstatement of Limit After Loss
- Transfer of Rights of Recovery Against Others to Us

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**GENERAL CONDITIONS**

Concealment, Misrepresentation or Fraud  
Legal Action Against Us  
No Benefit to Bailee  
Policy Period  
Valuation

**COMMON POLICY CONDITIONS (IL 00 17)**

Cancellation  
Changes  
Examination of Your Books and Records  
Inspections and Surveys  
Premiums  
Transfer of Your Rights and Duties Under This Policy

**ENDORSEMENTS (If Any)**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **COMMERCIAL INLAND MARINE CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

### **LOSS CONDITIONS**

#### **A. ABANDONMENT**

There can be no abandonment of any property to us.

#### **B. APPRAISAL**

If we and you disagree on the value of the property or the amount of "loss", either may make written demand for an appraisal of the "loss". In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property 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:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

#### **C. DUTIES IN THE EVENT OF LOSS**

You must see that the following are done in the event of "loss" to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the "loss". Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the "loss" occurred.
4. Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent "loss" resulting from a cause of loss that is not a Covered Cause of Loss. Also if feasible, set the damaged property aside and in the best possible order for examination.
5. Make no statement that will assume any obligation or admit any liability, for any "loss" for which we may be liable, without our consent.
6. Permit us to inspect the property and records proving "loss".
7. If requested, permit us to question you under oath, at such times as may be reasonably required, about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.
8. Send us a signed, sworn statement of "loss" containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Promptly send us any legal papers or notices received concerning the "loss".
10. Cooperate with us in the investigation or settlement of the claim.

#### **D. INSURANCE UNDER TWO OR MORE COVERAGES**

If two or more of this policy's coverages apply to the same "loss", we will not pay more than the actual amount of the "loss".

#### **E. LOSS PAYMENT**

We will pay or make good any "loss" covered under this Coverage Part within 30 days after:

1. We reach agreement with you;
2. The entry of final judgment; or
3. The filing of an appraisal award.

We will not be liable for any part of a "loss" that has been paid or made good by others.

## **F. OTHER INSURANCE**

If you have other insurance covering the same "loss" as the insurance under this Coverage Part, we will pay only the excess over what you should have received from the other insurance. We will pay the excess whether you can collect on the other insurance or not.

## **G. PAIR, SETS OR PARTS**

1. Pair or Set. In case of "loss" to any part of a pair or set we may:
  - a. Repair or replace any part to restore the pair or set to its value before the "loss"; or
  - b. Pay the difference between the value of the pair or set before and after the "loss".
2. Parts. In case of "loss" to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

## **H. PRIVILEGE TO ADJUST WITH OWNER**

In the event of "loss" involving property of others in your care, custody or control, we have the right to:

1. Settle the "loss" with the owners of the property. A receipt for payment from the owners of that property will satisfy any claim of yours.
2. Provide a defense for legal proceedings brought against you. If provided, the expense of this defense will be at our cost and will not reduce the applicable Limit of Insurance under this insurance.

## **I. RECOVERIES**

Any recovery or salvage on a "loss" will accrue entirely to our benefit until the sum paid by us has been made up.

## **J. REINSTATEMENT OF LIMIT AFTER LOSS**

The Limit of Insurance will not be reduced by the payment of any claim, except for total "loss" of a scheduled item, in which event we will refund the unearned premium on that item.

## **K. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If any person or organization to or for whom we make payment under this insurance has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after "loss" to impair them.

## **GENERAL CONDITIONS**

### **A. CONCEALMENT, MISREPRESENTATION OR FRAUD**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

### **B. LEGAL ACTION AGAINST US**

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the "loss".

### **C. NO BENEFIT TO BAILEE**

No person or organization, other than you, having custody of Covered Property, will benefit from this insurance.

### **D. POLICY PERIOD**

We cover "loss" commencing during the policy period shown in the Declarations.

### **E. VALUATION**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before "loss"; or
3. The cost of replacing that property with substantially identical property.

In the event of "loss", the value of property will be determined as of the time of "loss".

## COMMON POLICY CONDITIONS

1. **Assignment** – This policy may not be assigned without "our" written consent.
2. **Cancellation** – "You" may cancel this policy by returning the policy to "us" or by giving "us" written notice and stating at what future date coverage is to stop.

"We" may cancel this policy, or one or more of its parts, by written notice sent to "you" at "your" last mailing address known to "us". If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

If "we" cancel this policy for nonpayment of premium, "we" will give "you" notice at least ten days before the cancellation is effective. If "we" cancel this policy for any other reason, "we" will give "you" notice at least 30 days in advance of cancellation. The notice will state the time that the cancellation is to take effect.

"Your" return premium, if any, will be calculated according to "our" rules. It will be refunded to "you" with the cancellation notice or within a reasonable time. Payment or tender of the unearned premium is not a condition of cancellation.

3. **Change, Modification, or Waiver of Policy Terms** – A waiver or change of the "terms" of this policy must be issued by "us" in writing to be valid.
4. **Inspections** – "We" have the right, but are not obligated, to inspect "your" property and operations at any time. This inspection may be made by "us" or may be made on "our" behalf. An inspection or its resulting advice or report does not warrant that "your" property or operations are safe, healthful, or in compliance with laws, rules, or regulations. Inspections or reports are for "our" benefit only.
5. **Examination of Books and Records** – "We" may examine and audit "your" books and records that relate to this policy during the policy period and within three years after the policy has expired.

## INSURANCE CONSULTATION SERVICES EXEMPTION ACT – NOTICE

"We" may provide consultation services such as inspections or surveys of "your" property in accordance with the provisions of the policy. These services may reduce the likelihood of injury, death, or loss.

This notice is required to be provided to "you" by the Insurance Consultation Services Exemption Act of Pennsylvania. This act provides that "we", "our" agents, employees, or service contractors are not liable for damages from injury, death, or loss occurring as a result of an act or omission by a person in the course of such services.

The Act does not apply:

1. if the injury, death, or loss occurred during the actual performance of the consultation services and was caused by "our" negligence or the negligence of "our" agents, employees, or service contractors;
2. to consultation services performed under a written service contract not related to the policy; or
3. if an act or omission by "us", "our" agents, employees, or service contractors is determined by law to constitute a crime, actual malice, or gross negligence.

This notice must be attached to all new and renewal policies.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ THIS CAREFULLY.**

**AMENDATORY ENDORSEMENT  
PENNSYLVANIA**

1. The following provision applies to policies that do not include coverage for owner-occupied private residential structures with four or less household units or household personal property contained in a private residence.

Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

**Cancellation and Nonrenewal** – “You” may cancel this policy by returning the policy to “us” or by giving “us” written notice and stating at what future date coverage is to stop.

“We” may cancel or not renew this policy by written notice to “you” at the address shown on the “declarations”. “Our” notice will include the specific reason for cancellation or nonrenewal. Proof of delivery or mailing is sufficient proof of notice.

If this policy has been in effect less than 60 days, “we” may cancel for any reason. “We” will give “you” at least 30 days notice before cancellation is effective.

After this policy has been in effect 60 days or more, or if it is a renewal of a policy issued by “us”, “we” may cancel only if one or more of the following reasons apply:

- a. a condition, factor, or loss experience material to insurability has changed substantially, or a substantial condition, factor, or loss experience material to insurability has become known during the policy term;
- b. loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease will, at the time of cancellation, be certified to the Insurance Commissioner as directly affecting in-force policies;
- c. “you” have made a material misrepresentation which affects the insurability of the risk;
- d. the policy was obtained through fraudulent statements, omissions, or concealment of fact material to the acceptance of the risk or hazard assumed by “us”;
- e. “you” have failed to pay a premium when due, whether the premium is payable directly to “us” or “our” agents or indirectly under a premium finance plan or extension of credit;
- f. material failure to comply with policy “terms”, conditions, or contractual duties. This includes material failure to comply with safety standards and loss control recommendations if:
  - 1) “we” have provided “you” with written notice of the failure to comply with safety standards and loss control recommendations;
  - 2) “we” have provided “you” with a reasonable opportunity to cure deficiencies with respect to safety standards and loss control recommendations; and
  - 3) the deficiencies with respect to safety standards and loss control recommendations have not been cured; or
- g. other reasons that the Insurance Commissioner may approve.

After this policy has been in effect 60 days or more: if “we” cancel or nonrenew for nonpayment of premium or material misrepresentation, “we” will give “you” at least 15 days notice before cancellation is effective; if “we” cancel or nonrenew for any other reason, “we” will give “you” at least 60 days notice before cancellation or nonrenewal is effective.

The policy may also be cancelled from inception upon discovery that it was obtained through fraudulent statements, omissions, or concealment of fact material to the acceptance of the risk or to the hazard assumed by “us”.

The return premium, if any, will be refunded to “you” not later than ten business days after the effective date of the termination if “we” cancel this policy, or not later than 30 days after the effective date of the termination if “you” cancel this policy.

2. The following provision applies to policies that include coverage for owner-occupied private residential structures with four or less household units or household personal property contained in a private residence.

Under Common Policy Conditions, Cancellation is deleted and replaced by the following:

**Cancellation and Nonrenewal** – “You” may cancel this policy by returning the policy to “us” or by giving “us” written notice and stating at what future date coverage is to stop.

“We” may cancel or not renew this policy by written notice to “you” at the address shown on the “declarations”. “Our” notice will include the specific reason for cancellation or nonrenewal. Proof of delivery or mailing is sufficient proof of notice.

If this policy has been in effect less than 60 days, “we” may cancel for any reason.

After this policy has been in effect for 60 days or more, or if it is a renewal of a policy issued by “us”, “we” may cancel or not renew only for the following reasons:

- a. the premium has not been paid when due;
- b. the policy was obtained through fraud, material misrepresentation, or omission of fact which, if known by “us”, would have caused “us” not to issue the policy;
- c. there has been a substantial change or increase in hazard in the risk assumed by “us” subsequent to the date the policy was issued;
- d. there is a substantial increase in the hazards insured against by reason of willful or negligent acts or omissions by “you”; or
- e. any other reasons approved by the Insurance Commissioner pursuant to rules and regulations promulgated by the Insurance Commissioner.

“We” will give “you” notice at least 30 days in advance of cancellation or nonrenewal.

This policy terminates automatically on its expiration or anniversary if “you”: surrender the policy to “us”; have notified “us” or “our” agent in writing of “your” intent not to renew; or have not paid the renewal or installment premium when due.

“Your” return premium, if any, will be refunded at the time of cancellation or as soon as practical. Payment or tender of the unearned premium is not a condition of cancellation.

3. Under Common Policy Conditions, the following condition is added:

**Notice Of Increased Premium** – “We” will give “you” notice at least 30 days before the renewal date if “we” intend to increase the renewal premium.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ THIS CAREFULLY.**

## **VIRUS OR BACTERIA EXCLUSION**

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### **DEFINITIONS**

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#### **Definitions Amended –**

When "fungus" is a defined "term", the definition of "fungus" is amended to delete reference to a bacterium.

When "fungus or related perils" is a defined "term", the definition of "fungus or related perils" is amended to delete reference to a bacterium.

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### **PERILS EXCLUDED**

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The additional exclusion set forth below applies to all coverages, coverage extensions, supplemental coverages, optional coverages, and endorsements that are provided by the policy to which this endorsement is attached, including, but not limited to, those that provide coverage for property, earnings, extra expense, or interruption by civil authority.

1. The following exclusion is added under Perils Excluded, item 1.:

#### **Virus or Bacteria –**

"We" do not pay for loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

This exclusion applies to, but is not limited to, any loss, cost, or expense as a result of:

- a. any contamination by any virus, bacterium, or other microorganism; or
  - b. any denial of access to property because of any virus, bacterium, or other microorganism.
2. **Superseded Exclusions –** The Virus or Bacteria exclusion set forth by this endorsement supersedes the "terms" of any other exclusions referring to "pollutants" or to contamination with respect to any loss, cost, or expense caused by, resulting from, or relating to any virus, bacterium, or other microorganism that causes disease, illness, or physical distress or that is capable of causing disease, illness, or physical distress.

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### **OTHER CONDITIONS**

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#### **Other Terms Remain in Effect –**

The "terms" of this endorsement, whether or not applicable to any loss, cost, or expense, cannot be construed to provide coverage for a loss, cost, or expense that would otherwise be excluded under the policy to which this endorsement is attached.

## COMMERCIAL COMPUTER COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy 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. The words we, us and our refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F.

### DEFINITIONS.

#### A. COVERAGE

We will pay for "loss" to Covered Property from a Covered Cause of Loss.

1. **COVERED PROPERTY** as used in this Coverage Form means the following types of property for which a Limit of Insurance is shown in the Declarations and while such property is at a premises described in the Declarations:

- a. Computer Equipment means your electronic data processing equipment (including electronic data processing equipment used to maintain or service your building (such as heating, ventilating, or cooling or alarm systems), facsimile machines, telephone systems, switchboards, word processors, photocopier, printers, laptop and portable computers, related surge protection devices and their component parts and peripherals (including related wiring between equipment) and similar property of others in your care custody or control for which you may be legally liable;
- b. Software meaning your data stored on disks, films, tapes or similar electronic data processing media; the media itself, computer programs and instructions; and similar property of others in your care custody or control for which you may be legally liable.

#### 2. PROPERTY NOT COVERED

Covered Property does not include:

- a. Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts, program documentation or other documents, except those in Software form and then only in that form;
- b. Property you rent or lease to others while such property is away from your premises;
- c. Software which cannot be replaced with other software of the same kind or quality;
- d. Contraband or property in the course of illegal transportation or trade;
- e. Covered Property held for sale by you;
- f. Covered Property of others on which you are performing repairs or work upon;
- g. Computerized production equipment including related software (including but not limited to CAD, CAM or CNC machines), except as provided in the Coverage Extensions.

#### 3. COVERED CAUSES OF LOSS

Covered Cause of Loss means RISK OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions

Covered Cause of Loss includes "loss" to Covered Property caused by or resulting from computer virus including the necessary and reasonable expenses you actually incur to extract computer virus from Covered Property. Computer virus means intrusive codes or programming that are entered into your computer system and interrupt your data processing operation or cause "loss" to Covered Property.

#### 4. COVERAGE EXTENSIONS

##### a. DEBRIS REMOVAL

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of "Loss" that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical "loss".
- (2) The most we will pay under this Coverage Extension is the lesser of:
  - (a) 25% of the amount we pay for the direct physical "loss" to Covered Property plus the deductible in this policy applicable to that "loss"; or
  - (b) \$25,000.
- (3) This Coverage Extension does not apply to costs to:
  - (a) Extract "pollutants" from land or water; or
  - (b) Remove, restore or replace polluted land or water.

**b. PRESERVATION OF PROPERTY**

If it is necessary to move Covered Property from the described premises to preserve it from "loss" by a Covered Cause of "Loss", we will pay for any direct physical "loss" to that property:

- (1) While it is being moved or while temporarily stored at another location; and
- (2) Only if the loss or damage occurs within 10 days after the property is first moved. This Coverage Extension is included within the Limits of Insurance applicable to the described premises from which the Covered Property is removed.

**c. POLLUTANT CLEANUP AND REMOVAL**

We will pay your necessary and reasonable expense to extract "pollutants" of Covered Property from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of "Loss" to Covered Property at a described premises that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of "Loss" occurs.

This Coverage Extension does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants." But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Coverage Extension is \$10,000 for the sum of all covered expenses arising out of Covered Cause of "Loss" occurring during each separate 12 month period of this policy.

**d. NEWLY ACQUIRED COVERED PROPERTY**

We will pay up to \$100,000 for Computer Equipment and \$10,000 for Software you newly acquire at a described premises shown in the Declarations. "Loss" must be by a Covered Cause of Loss.

Coverage under this Extension will end at the earliest of the following:

- (1) When you report values to us;
- (2) 60 days expire after you acquire the Computer Equipment or Software;
- (3) This policy expires; or
- (4) The Property is more specifically insured.

We will charge you additional premium for values reported from the date you acquire the property.

**e. COVERED PROPERTY AT NEWLY ACQUIRED OR TEMPORARY LOCATION**

We will pay up to \$100,000 for Computer Equipment and \$10,000 for Software at a new location which you acquire by purchase or lease or at a temporary location which you do not own, lease or operate. This Coverage Extension does not apply to Computer Equipment and software at trade shows, fairs or exhibitions.

Coverage under this Extension will end when any of the following first occurs:

- (1) When you report values to us;
- (2) 60 days expire after you acquire the location;
- (3) This policy expires; or
- (4) The Property is more specifically insured.

We will charge you additional premium for values reported from the date you acquire the location.

**f. CELLULAR PHONES AND LAPTOP COMPUTERS OFF PREMISES**

We will pay for "loss" by a Covered Cause of Loss to your cellular phones and lap top computers while in your or your employees possession while such property is located away from the premises described in the Declarations. The most we will pay for "loss" is \$5,000. This Coverage Extension does not apply to lap top computers while at an exhibition, fair or trade show.

**g. COVERED PROPERTY AT TRADE SHOWS, FAIRS OR EXHIBITIONS**

We will pay up to \$25,000 for Computer Equipment (including laptop computers) and \$5,000 for Software while such property is temporarily at trade shows, fairs or exhibitions. Coverage under this Extension will end when any of the following first occurs:

- (1) 14 days expire after the trade show, fair or exhibition begins; or
- (2) This policy expires.

**h. EXPENSE TO RECHARGE FIRE PROTECTIVE SYSTEM**

We will pay your expenses to recharge or refill the fire protection system that protects Covered Property at a described premises in the event of any discharge.  
The most we will pay under this Coverage Extension is \$25,000.

**i. DUPLICATES IN STORAGE**

This policy is extended to cover "loss" to duplicate or backup Software while stored at a location not described in the Declarations. The most we will pay under this Coverage Extension is the lesser of:

- (1) The actual cost to replace the duplicate or backup Software; or
- (2) \$50,000.

**j. PROPERTY IN TRANSIT**

We will pay for "loss" to Covered Property while in transit and away from a described premises, Covered Property must be in:

- (1) A vehicle you own lease or operate;
- (2) An employee's vehicle; or
- (3) A carrier for hire.

The most we will pay for "loss" under this Coverage Extension is \$100,000 for Computer Equipment and \$10,000 for Software.

Payment under this Coverage Extension will not increase the applicable Limit of Insurance.

**k. COMPUTERIZED PRODUCTION EQUIPMENT**

We will pay for "loss" to computerized production equipment and related software (including but not limited to CAD, CAM or CNC machines, sound recording or imaging equipment). "Loss" must be by a Covered Cause of Loss.

The most we will pay under this Coverage Extension is \$10,000.

**l. EXTRA EXPENSE**

We will pay the actual necessary and reasonable extra expense you incur to continue the normal computer operations of your business, as a direct result of "loss" by a Covered Cause of "Loss" that damages or destroys any of the following during the policy period:

- (1) Covered Property that is situated at a described premises, Newly Acquired Location, Temporary Location or in transit.
- (2) The building in which the covered property is located, provided the building is damaged to an extent which prevents access to the property;
- (3) The air conditioning system that specifically services or is dedicated to your Covered Property;
- (4) The electrical system that services your Covered Property.

Extra Expense is the actual necessary and reasonable additional cost over and above the total cost you would normally incur to conduct your business computer operations as if no damage had occurred. We will pay this Extra Expense only for the necessary and reasonable length of time needed to repair or replace the damaged property. This length of time may extend beyond the expiration date of the policy.

If you are prevented by a government authority from entering a described premises because of damage to other property, we will pay the actual necessary and reasonable Extra Expense you incur, for up to the first two weeks, to continue your computer operations. The other property must have been damaged by a Covered Cause of Loss insured against under this Coverage Form.

The most we will pay for "loss" under this Extension, unless otherwise shown in the Declarations, is \$5,000.

We will not pay for any increase in extra expense caused by or resulting from any of the following:

- a. Interference by strikers;
- b. The suspension, lapse or cancellation of any lease, license, contract or order.

**B. EXCLUSIONS**

1. We will not pay for a "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss":

**a. GOVERNMENTAL ACTION**

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if "loss" caused by such fire would be covered under this Coverage Form.

**b. NUCLEAR HAZARD**

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause.

But we will pay for direct "loss" caused by resulting fire if such "loss" would be covered under this coverage Form.

**c. WAR AND MILITARY ACTION**

- (1) War, including undeclared or civil war;
- (2) 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
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

**2. We will not pay for a "loss" caused by or resulting from any of the following:**

**a.** Delay, loss of use, loss of market or any other consequential loss.

**b.** Dishonest or criminal acts by:

- (1) You, any of your partners, employees, officers, directors, trustees or authorized representatives;
- (2) Anyone else with an interest in the property, or their employees or authorized representatives; or
- (3) Anyone else to whom the property is entrusted.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to

(1) Covered Property that is entrusted to others who are carriers for hire.

(2) Acts of destruction, including adding computer viruses to software by your employees; but theft by employees is not covered.

**c.** Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

**d.** Unauthorized instructions to transfer property to any person or to any place.

**e.** Your neglect in protecting the Covered Property at the time of and after any "loss."

**f.** Discharge, dispersal, seepage, migration, release or escape of "pollutants."

**g.** Programming errors or faulty machine instructions, including but not limited to, the inability of computer equipment or software to correctly recognize, process, distinguish, interpret or accept one or more dates or times.

However, this Exclusion does not apply to the acts of a computer hacker or malicious introduction of a computer virus.

**h.** Actual work performed upon or service, repair, installation or testing of the property covered. We will, however, pay for the "loss" caused by a resulting fire.

**3. We will not pay for "loss" or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting "loss" or damage:**

**a.** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

**b.** Faulty, inadequate or defective:

- (1) Design, specifications, workmanship, or repair;
- (2) Materials used in repair, or
- (3) Maintenance;

of part or all of any property on or off any described premises.

**c.** Wear and tear; any quality in the property that causes it to damage or destroy itself; hidden or latent defect; gradual deterioration; obsolescence; or depreciation.

**d.** Corrosion, rust, dampness or dryness, cold or heat; but we will pay for such resulting "loss" to Covered Property resulting from direct physical "loss" to the air conditioning system that services your data processing equipment. The "loss" to such air conditioning system must be caused by a Covered Cause of Loss.

## C. LIMITS OF INSURANCE

1. The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
2. The most we will pay for "loss" in any one occurrence for a Coverage Extension is the Limit of Insurance applicable to a Coverage Extension. The limits applicable to the Coverage Extensions are in addition to the Limits of Insurance shown in the Declarations, unless otherwise specified.

## D. DEDUCTIBLE

We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss" before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted "loss" in excess of the Deductible up to the applicable Limit of Insurance.

This deductible provision does not apply to "loss" to surge protection devices, if there is no "loss" to other Computer Equipment or Software.

## E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

### 1. COVERAGE TERRITORY

- a. Coverage applies only while the Covered Property (except cellular phones and lap top computers) is located within the United States or Canada.
- b. Coverage applies to cellular phones and lap top computers located anywhere in the world.

### 2. VALUATION

**GENERAL CONDITION E. VALUATION** in the Commercial Inland Marine Conditions is deleted and replaced by the following:

#### a. Computer Equipment

We will adjust a "loss" to computer equipment on the basis you have chosen, either replacement cost or actual cash value. The basis you have chosen appears in the Declarations.

(1) If replacement cost is indicated in the Declarations, then:

- (a) The value of property will be the replacement cost (without deduction for depreciation).
- (b) You may make a claim for "loss" covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have the "loss" settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the "loss".
- (c) We will not pay for any "loss" on a replacement cost basis:
  - (i) Until the lost or damaged property is actually repaired or replaced; and
  - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the "loss".
- (d) We will not pay more for "loss" on a replacement cost basis than the least of:
  - (i) The amount you actually spend that is necessary to repair or replace the lost or damaged property.
  - (ii) The cost to replace, on the same premises, the lost or damaged property with identical property of comparable material and quality and used for the same purpose; or
  - (iii) If repair or replacement with identical property is not possible, the cost to replace that property with similar property capable of performing the same functions.

In the event of a total loss to Equipment we will replace such equipment with equipment as an upgrade where it performs the same function as the equipment lost or damaged. We will not pay more than the current replacement cost (new) of the original equipment plus an additional 15% for this upgrade.

#### b. Software

The value of software will be the actual cost of replacing or reproducing the lost or damaged data from backup, duplicate, non-Software sources or the actual cost of a relicense fee. If it is not replaced or reproduced, we will pay the cost of replacing the blank tapes, cartridges, or other media.



- (2) If Actual Cash Value is indicated in the Declarations, the value of property will be the least of the following amounts:
- (a) The Limit of Insurance applicable to the lost or damaged property;
  - (b) The actual cash value of that property;
  - (c) The cost of reasonably restoring that property to its condition immediately before "loss"; or
  - (d) The cost of replacing that property with identical property. In the event of "loss", the value of property will be determined as of the time of "loss".
  - (e) If repair or replacement with identical property is not possible, the cost to replace that property with similar property capable of performing the same functions.

### 3. IMPARMENT OF RECOVERY RIGHTS

The following is added to Commercial Inland Marine Loss Condition K., Transfer of Rights of Recovery Against Others to Us:

You may accept bills of lading or shipping receipts issued by carriers that limit their liability to less than the actual value of the property.

### F. DEFINITIONS

1. "Loss" means accidental loss or damage.
2. "Pollutants" means any Covered Property that becomes a 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.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ THIS CAREFULLY.**

**AMENDATORY ENDORSEMENT  
PENNSYLVANIA**

1. Throughout this policy, the "term" actual cash value means the cost to repair or replace property using materials of like kind and quality, to the extent practical, less a deduction for depreciation, however caused.
2. What Must Be Done In Case Of Loss is amended to include the following provision:

**Notice of Our Intent** – Unless "we" need more time to investigate "your" claim, "we" will give "you" notice of "our" intent to accept or deny "your" claim within 15 working days after receipt of a duly executed proof of loss.

If "we" deny "your" claim, "we" give "you" written notice of "our" denial. "Our" notice will identify any provision of this policy on which the denial is based.

If "we" need more time to investigate "your" claim, "we" will give "you" notice of "our" need for more time within 15 working days after receipt of a duly executed proof of loss. "Our" notice will state why more time is needed.

If "our" investigation cannot be completed within 30 days of the date of "our" initial notice, "we" will give "you" written notice to state why more time is needed. "We" will give "you" such notice within 30 days of the date of "our" initial notice.

"We" will continue to give "you" written notice every 45 days thereafter to state why more time is needed until "we" give "you" notice of "our" intent to accept or deny "your" claim.

The requirements of this provision do not apply if there is a reasonable basis supported by specific information available for review by the insurance regulatory authority that "you" have fraudulently caused or contributed to the loss by arson or other illegal activity. Under such circumstances, "we" will give notice of "our" intent to accept or deny "your" claim within a reasonable period of time after receipt of a duly executed proof of loss.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ THIS CAREFULLY.**

**AMENDATORY ENDORSEMENT  
PREMIUM DUE DATE**

The following condition is added:

**Additional Premium Due After Expiration** – If the premium for coverage provided by this policy is based upon an audit of exposures or reports of value and the final premium is determined after the expiration of the policy, any additional premium owed to "us" is due on the due date that appears on the billing notice.

Forming a part of

<b>Policy Number: CBP 8503895</b>	
<b>Coverage Is Provided In THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY</b>	
<b>Named Insured:</b> INSIGHT PA CYBER CHARTER SCHOOL	<b>Agent:</b> TRIDENT RISK ADVISORS, LLC
<b>Agent Code: 3711915</b>	<b>Agent Phone: (484)-582-6043</b>

**TOTAL ADVANCE PREMIUM FOR ALL LIABILITY COVERAGE PARTS** \$ 10,022.00

**COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS**

**LIMITS OF INSURANCE**

Each Occurrence Limit	\$ 1,000,000
Damage To Premises Rented To You Limit	\$ 1,000,000 Any One Premises
Medical Expense Limit	\$ 10,000 Any One Person
Personal and Advertising Injury Limit	\$ 1,000,000 Any One Person or Organization
General Aggregate Limit (Other Than Products/Completed Operations)	\$ 3,000,000
Products/Completed Operations Aggregate Limit	\$ 3,000,000

**LOCATION OF PREMISES**

Location Number	Address of All Premises You Own, Rent or Occupy
001	350 EAGLEVIEW BLVD STE 350 EXTON PA 19341

**PREMIUM**

Class Code	Classification Description		Rates		Advance Premium	
	Premium Base	Territory Code	Prods/Comp Ops	All Other	Prods/Comp Ops	All Other
PA						
44442	INCREASED FIRE DAMAGE DAMAGE TO PREMISES					
	IF ANY	013				\$ 25
73555	SCHOOL AMENDATORY ENDORSEMENT					
						INCL
	FLAT CHARGE					

**COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS (continued)**

**PREMIUM**

Class Code	Classification Description		Rates		Advance Premium	
	Premium Base	Territory Code	Prods/ Comp Ops	All Other	Prods/ Comp Ops	All Other
75449	LIMITED FIDUCIARY LIABILITY EXTENSION					
	100	999				I NCL
	TOTAL EMPLOYEES					
92100	EMPLOYEE BENEFITS LIABILITY COVERAGE					
	100	000				I NCL
	TOTAL EMPLOYEES					
LOCATION 001						
47469	SCHOOLS-FACULTY LIABILITY FOR CORPORAL PUNISHMENT OF PUPILS PRODUCTS-COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT					
	100	013	I NCL	\$ 3.348	I NCL	\$ 335
	EACH FACULTY MEM					
47471	SCHOOLS - PUBLIC - ELEMENTARY, KINDERGARTEN OR JUNIOR HIGH PRODUCTS-COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT					
	1,232	013	I NCL	\$ 1.813	I NCL	\$ 2,234
	EACH STUDENT					
47473	SCHOOLS-PUBLIC-HIGH PRODUCTS-COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT					
	699	013	I NCL	\$ 2.511	I NCL	\$ 1,755
	EACH STUDENT					

Audit Period: Total Advance Premium I INCLUDED

22-19 (12/02)

INSURED COPY

**Forming a part of**

<b>Policy Number:</b> CBP 8503895	
<b>Coverage Is Provided In</b> THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY	
<b>Named Insured:</b> INSIGHT PA CYBER CHARTER SCHOOL	<b>Agent:</b> TRIDENT RISK ADVISORS, LLC
	<b>Agent Code:</b> 3711915 <b>Agent Phone:</b> (484)-582-6043

**COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS (continued)**

**FORMS AND ENDORSEMENTS**

**Forms and Endorsements applying to this Coverage Part and made part of this policy:**

Form Number	Description
IL0017	- 1198 COMMON POLICY CONDITIONS
17-20	- 0718 SCHOOL AMENDATORY ENDORSEMENT
17-22	- 1202 EXCLUSION - LEAD
17-98	- 1202 EXCLUSION - ASBESTOS
22-112	- 0107 NON-CUMULATION OF LIABILITY (SAME OCCURRENCE)
22-115	- 0207 VIOLENT EVENT RESPONSE COVERAGE FOR SCHOOLS
22-142	- 0208 DEFENSE COVERAGE FOR CRIMINAL ACTS
22-144	- 0208 EXCLUSION-SILICA (SCHOOLS)
22-164	- 0910 RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION
22-165	- 0910 AMENDMENT OF OCCURRENCE DEFINITION
22-175	- 0913 EXCLUSION-TRAMPOLINES
22-175	- 1112 EXCLUSION-TRAMPOLINES
22-176	- 1012 EXCLUSION-CLIMBING OR RAPPELLING WALLS
22-28	- 0407 POLLUTION EXCLUSION-EXCEPTION FOR CLASSROOM ACTIVITIES
22-31	- 0799 SEXUAL MISCONDUCT AND MOLESTATION LIABILITY EXCLUSION
22-90	- 0204 EXCLUSION - SILICA
CG0001	- 1001 COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG0062	- 1202 WAR LIABILITY EXCLUSION
CG0435	- 0202 EMPLOYEE BENEFITS LIABILITY COVERAGE
CG2147	- 0798 EMPLOYMENT RELATED PRACTICES EXCLUSION
CG2167	- 0402 FUNGI OR BACTERIAL EXCLUSION
CG2170	- 0115 CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

22-19 (12/02)

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COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS (continued)

FORMS AND ENDORSEMENTS

Forms and Endorsements applying to this Coverage Part and made part of this policy:

Form Number	Description
CG2176	- 0115 EXCLUSION OF PUNITIVE DAMAGES
CG2230	- 0798 EXCLUSION - CORPORAL PUNISHMENT
CG2267	- 1093 CORPORAL PUNISHMENT
CL175	- 0286 QUICK REFERENCE COMML GENERAL LIABILITY COVERAGE PART

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Date Issued: 06/19/2019

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PENNSYLVANIA CHANGES – LOSS INFORMATION**

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY COVERAGE PART  
(Condominium Associations and Homeowners Association)  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
EMPLOYMENT RELATED PRACTICE LIABILITY COVERAGE PART  
LIMITED POLLUTION LIABILITY COVERAGE PART – DESIGNATED STORAGE TANKS  
SCHOOL LEADER ERRORS AND OMISSIONS LIABILITY COVERAGE PART

**A.** If your policy contains one or more of the following Coverage Forms:

DIRECTORS AND OFFICERS LIABILITY COVERAGE FORMS (Condominium Associations and Homeowners Association)  
EMPLOYEE BENEFITS LIABILITY COVERAGE FORMS  
SCHOOL LEADER ERRORS AND OMISSIONS LIABILITY COVERAGE FORM

the following Condition is added to **SECTION IV – CONDITIONS**:

**Your Right to Claim and Wrongful Act Information**

1. When we cancel or non-renew:

Midterm cancellation or nonrenewal notices shall state that, at the insured's request, we shall provide claim and "wrongful act" information to the insured for the lesser of:

- a. At least three years; or
- b. The period of time during which we have provided coverage to the insured.

This information shall contain:

- (1) Information on closed claims, including the date and description of "wrongful acts", and the amounts of payments, if any.
- (2) Information on open claims, including the date and description of "wrongful acts", and the amount of reserves, if any.
- (3) Information on notices of "wrongful acts", including the date and description of "wrongful acts" and the amount of reserves, if any.

The insured's written request for information must be made within 10 days of the insured's receipt of the midterm cancellation or nonrenewal notice. We have 30 days from the date of receipt of the insured's written request to provide the requested information.



2. In other circumstances:

If we receive a written request from the first Named Insured within 60 days after the end of the policy period we will provide the first Named Insured, within 45 days of the receipt of the request, the following information relating to this and any preceding liability claims-made coverage part we have issued to you during the previous three years:

- a. A list or other record of each "wrongful act", not previously reported to any other insurer, of which we were notified in accordance with paragraph **B.1.** of the Duties in the Event of a Wrongful Act, Claim or Suit Condition (Section IV). We will include the date and brief description of the "wrongful act" if that information was in the notice we received.
- b. A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable Aggregate Limit.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

We compile claim and "wrongful act" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information.

- B.** If your policy contains the LIMITED POLLUTION LIABILITY COVERAGE FORM – DESIGNATED STORAGE TANKS the following Condition is added to **SECTION IV – CONDITIONS**:

**Your Right to Claim and Storage Tank Incident Information**

1. When we cancel or non-renew:

Midterm cancellation or nonrenewal notices shall state that, at the insured's request, we shall provide claim and "storage tank incident" information to the insured for the lesser of:

- a. At least three years; or
- b. The period of time during which we have provided coverage to the insured.

This information shall contain:

- (1) Information on closed claims, including the date and description of "storage tank incidents", and the amounts of payments, if any.
- (2) Information on open claims, including the date and description of "storage tank incidents", and the amount of reserves, if any.
- (3) Information on notices of "storage tank incidents", including the date and description of "storage tank incidents" and the amount of reserves, if any.

The insured's written request for information must be made within 10 days of the insured's receipt of the midterm cancellation or nonrenewal notice. We have 30 days from the date of receipt of the insured's written request to provide the requested information.

2. In other circumstances:

If we receive a written request from the first Named Insured within 60 days after the end of the policy period we will provide the first Named Insured, within 45 days of the receipt of the request, the following information relating to this and any preceding liability claims-made coverage part we have issued to you during the previous three years:

- a. A list or other record of each "storage tank incident", not previously reported to any other insurer, of which we were notified in accordance with paragraph B.1. of the Duties in the Event of a Storage Tank Incident Condition (Section IV). We will include the date and brief description of the "storage tank incident" if that information was in the notice we received.
- b. A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable Aggregate Limit.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

We compile claim and "storage tank incident" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information.

- C. If your policy contains the EMPLOYMENT RELATED PRACTICES LIABILITY COVERAGE FORM, the following Condition is added to **SECTION V – CONDITIONS**:

**Your Right to Claim or Wrongful Employment Act Information**

1. When we cancel or non-renew:

Midterm cancellation or nonrenewal notices shall state that, at the insured's request, we shall provide claim and "wrongful employment act" information to the insured for the lesser of:

- a. At least three years; or
- b. The period of time during which we have provided coverage to the insured.

This information shall contain:

- (1) Information on closed claims, including the date and description of "wrongful employment acts", and the amounts of payments, if any.
- (2) Information on open claims, including the date and description of "wrongful employment acts", and the amount of reserves, if any.
- (3) Information on notices of "wrongful employment acts", including the date and description of "wrongful employment acts" and the amount of reserves, if any.

The insured's written request for information must be made within 10 days of the insured's receipt of the midterm cancellation or nonrenewal notice. We have 30 days from the date of receipt of the insured's written request to provide the requested information.

2. In other circumstances:

If we receive a written request from the first Named Insured within 60 days after the end of the policy period we will provide the first Named Insured, within 45 days of the receipt of the request, the following information relating to this and any preceding liability claims-made coverage part we have issued to you during the previous three years:

- a. A list or other record of each "wrongful employment act", not previously reported to any other insurer, of which we were notified in accordance with paragraph **B.1.** of the Duties in the Event of a Wrongful Employment Act, Claim or Suit Condition (Section V). We will include the date and brief description of the "wrongful employment act" if that information was in the notice we received.
- b. A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable Aggregate Limit.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

We compile claim and "wrongful employment act" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information.

Forming a part of

<b>Policy Number:</b> CBP 8503895	
<b>Coverage Is Provided In</b> THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY	
<b>Named Insured:</b> INSIGHT PA CYBER CHARTER SCHOOL	<b>Agent:</b> TRIDENT RISK ADVISORS, LLC
	<b>Agent Code:</b> 3711915 <b>Agent Phone:</b> (484)-582-6043

**SCHOOL LEADERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART DECLARATIONS**

**THIS IS A CLAIMS MADE COVERAGE. READ YOUR COVERAGE FORM CAREFULLY.**

**LIMITS OF INSURANCE**

Each Wrongful Act Limit	\$ 1,000,000
Aggregate Limit	\$ 1,000,000
Aggregate Defense Expense Amount- Non-Monetary Relief	\$ 100,000

**DEDUCTIBLE**

<b>Amount</b>	<b>Basis of Deductible</b>
\$ 5,000	One "Wrongful Act"

**RETROACTIVE DATE**

This insurance does not apply to "wrongful acts" committed before the Retroactive Date, if any, shown here: 07/01/2019  
(Enter Date or "None" if no Retroactive Date applies)

**PREMIUM**

Class Code	Classification Description	Premium Base	Advance Premium
PA 75333	ELEMENTARY AND SECONDARY SCHOOLS - PUBLIC	1,931	INCLUDED
	TOTAL STUDENT ENROLLMENT		
Minimum Premium: 1,750	Total Advance Premium		\$ 2,541
Audit Period:			

**FORMS AND ENDORSEMENTS**

Forms and Endorsements applying to this Coverage Part and made part of this policy:

<b>Form Number</b>	<b>Description</b>
17-179 - 0798	AMENDMENT OF OTHER INSURANCE CONDITION

22-33 (12/99)

INSURED COPY

**FORMS AND ENDORSEMENTS**

**Forms and Endorsements applying to this Coverage Part and made part of this policy:**

Form Number	Description
26-124PA - 0211	DEDUCTIBLE INSURANCE-NON-MONETARY RELIEF CLAIMS
26-145 - 0208	AMENDATORY ENDORSEMENT
26-176 - 0811	LIMITED FIDUCIARY LIABILITY EXTENSION FOR SCHOOL
26-20 - 1299	SCHOOL LEADERS ERRORS & OMISSIONS COVERAGE FORM
26-21 - 1299	QUICK REFERENCE SCHOOL LEADERS ERRORS & OMISSIONS
26-24 - 1299	EXCL-EMINENT DOMAIN INVERSE CONDEMNATION ADVERSE POSS
26-25 - 1299	EXCLUSION - TAX ASSESSMENT
26-32 - 1299	PENNSYLVANIA CHANGES
26-39 - 0700	EXCLUSION-SCHOOL LAW ENFORCEMENT PROFESSIONAL LIABILITY

Date issued: 06/19/2019

Forming a part of

<b>Policy Number:</b> CBP 8503895	
<b>Coverage Is Provided In</b> THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY	
<b>Named Insured:</b> INSIGHT PA CYBER CHARTER SCHOOL	<b>Agent:</b> TRIDENT RISK ADVISORS, LLC
<b>Agent Code:</b> 3711915 <b>Agent Phone:</b> (484)-582-6043	

**SEXUAL MISCONDUCT AND MOLESTATION LIABILITY COVERAGE PART DECLARATIONS**

**LIMITS OF INSURANCE**

Each Loss Limit	\$ 1,000,000
Aggregate Limit	\$ 1,000,000
Innocent Party Aggregate Defense Expense Amount	\$ 100,000

**DEDUCTIBLE**

Amount	Basis of Deductible	
\$ 5,000	"One Wrongful Act"	

**PREMIUM**

Class Code	Classification Description	Premium Base	Advance Premium
PA			
73558	SEXUAL MISCONDUCT AND MOLESTATION LIABILITY	1,931	I NCL
		TOTAL STUDENT ENROLLMENT	
73700	INNOCENT PARTY DEFENSE COVERAGE	1,931	I NCL
		TOTAL STUDENT ENROLLMENT	
Audit Period:		Total Advance Premium	I NCL

**FORMS AND ENDORSEMENTS**

**Forms and Endorsements applying to this Coverage Part and made part of this policy:**

Form Number	Description
17-172 - 0598	INNOCENT PARTY DEFENSE COVERAGE

22-34 (05/12)

INSURED COPY

Forming a part of

<b>Policy Number:</b> CBP 8503895	
<b>Coverage Is Provided In</b> THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY	
<b>Named Insured:</b> INSIGHT PA CYBER CHARTER SCHOOL	<b>Agent:</b> TRIDENT RISK ADVISORS, LLC  <b>Agent Code:</b> 3711915 <b>Agent Phone:</b> (484)-582-6043

**SEXUAL MISCONDUCT AND MOLESTATION LIABILITY COVERAGE PART DECLARATIONS (continued)**

**FORMS AND ENDORSEMENTS**

**Forms and Endorsements applying to this Coverage Part and made part of this policy:**

Form Number	Description
17-180 - 0798	AMENDMENT OF OTHER INSURANCE CONDITION
17-213 - 0799	PENNSYLVANIA CHANGES
17-496 - 0512	SEXUAL MISCONDUCT & MOLESTATION LIABILITY-DEDUCTIBLE
17-78 - 0399	SEXUAL MISCONDUCT & MOLESTATION LIAB COVERAGE FORM
17-82 - 0595	QUICK REFERENCE SEXUAL MISCONDUCT & MOLESTATION LIAB

Date Issued: 06/19/2019

Policy Number: CBP 8503895

Coverage Is Provided In THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY

## Named Insured:

INSIGHT PA CYBER CHARTER  
SCHOOL

## Agent:

TRIDENT RISK ADVISORS, LLC

Agent Code: 3711915

Agent Phone: (484)-582-6043

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## SCHOOL AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

## SCHEDULE

Paragraph 2. of provision L. **Medical Payments Limitation – Students** applies only when a Student Medical Expense Limit is shown below:

Student Medical Expense Limit: NONE      Each Student

## A. Professional Services Liability

1. The following is added to Paragraph 1. **Insuring Agreement** under **Section I – Coverage A – Bodily Injury And Property Damage Liability**:

“Bodily injury” arising out of the rendering of or failure to render “covered professional services” to others by an “employee” shall be deemed to be caused by an “occurrence” but only if such acts or omissions are committed within the scope of his or her employment by you.

With respect to **Section III – Limits Of Insurance**, Paragraph 5., any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one “occurrence”.

2. With respect to the Professional Services Liability insurance provided by this provision, the following exclusion is added to Paragraph 2., **Exclusions** under **Section I – Coverage A – Bodily Injury And Property Damage Liability**:

**Professional Services Liability**

“Bodily injury” arising out of any act or omission that:

- (1) Is in fact criminal, fraudulent, malicious or deliberately dishonest; or
- (2) Occurs prior to the inception date of this coverage:
  - (a) Of which the insured had knowledge before the inception date of this coverage and reasonably could have expected a claim might result; or
  - (b) For which other valid and collectible insurance is available to the insured.



3. Except with respect to the ownership or operation of an infirmary with facilities for lodging and treatment or a public clinic or hospital, Paragraph 2.a.(1)(d) under **Section II – Who Is An Insured** does not apply to the rendering of or failure to render "covered professional services" by an "employee" within the scope of his or her employment by you.
4. For the purposes of coverage afforded under this endorsement, the following is added to **Section V – Definitions**:  

"Covered professional services" means professional services, treatment, advice or instruction provided by nurses, psychologists, mental health counselors, psychometric counselors, occupational or physical therapists, hearing and speech therapists, athletic trainers, emergency medical technicians or paramedics.
5. The insurance afforded under this provision is excess over any of the other professional liability insurance whether primary, excess, contingent or on any other basis.

**B. Medical Malpractice Limitation**

With respect to the ownership or operation of an infirmary with facilities for lodging and treatment or a public clinic or hospital, this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" caused by:

1. The rendering of 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; or
  - c. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming.
2. The furnishing or dispensing of or failure to furnish or dispense drugs or medical, dental or surgical supplies or appliances; or
3. The handling or treatment of dead bodies, including autopsies, organ donation or other procedures.

Nursing service, treatment, advice or instruction and health or therapeutic service, treatment, advice or instruction include but are not limited to the rendering of or failure to render "covered professional services" as defined in Paragraph A.4. of this endorsement.

**C. School Broadcasting And Publication – Personal And Advertising Injury Liability Extension**

1. Exclusion j.(1) under Paragraph 2., **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**, does not apply within the scope of your activities as a school.
2. The following is added to **Section IV – Commercial General Liability Conditions**:

**Retraction Or Correction Of Erroneous Matter**

Retraction or correction shall be promptly made of any matter which has been published or broadcasted through error or mistake, or which is untrue.

3. Paragraph 1. under **Section V – Definitions** is replaced by:

1. "Advertisement" means an announcement that is broadcast or published in the print, broadcast or electronic media to the general public or specific market segments about goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Announcements that are published include material placed on the Internet or on similar electronic means of communication, but only with respect to your goods, products or services for the purpose of attracting customers or supporters; and
  - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

**D. Expected Or Intended Injury Extension**

Exclusion a. **Expected Or Intended Injury** under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

**a. Expected Or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

**E. Pollution Exclusion – Exception For Classroom Instruction Activities**

1. The following is added to provision (1)(a) of Exclusion f., **Pollution** under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability**:

However, this exclusion does not apply to "bodily injury" or "property damage" that is caused, in whole or in part, by activities usual to classroom instruction on premises you own or rent.

2. When the Total Pollution Exclusion endorsement CG 21 55 or CG 21 65 is made a part of this Policy, Paragraph 1. above does not apply and the following is added to provision (1) of Exclusion f. **Pollution** under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** as amended by either endorsement CG 21 55 or CG 21 65:

However, this exclusion does not apply to "bodily injury" or "property damage" that is caused, in whole or in part, by activities usual to classroom instruction on premises you own or rent.

**F. Non-Owned Aircraft**

Except with respect to the transportation of students, Exclusion g., **Aircraft, Auto Or Watercraft** under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** does not apply to an aircraft that an insured does not own, provided:

1. It is hired or chartered by or loaned to an insured with a trained, paid crew;
2. The pilot in command holds a currently effective certificate, issued by the duly constituted authority of the United States of America or Canada, designating him or her a commercial or airline pilot; and
3. It is not being used to carry persons or property for a charge.

However, the insurance afforded by this provision does not apply if there is available to the insured other valid and collectible insurance, whether primary, excess (other than insurance written to apply specifically in excess of this Policy), contingent or on any other basis, that would also apply to the loss covered under this provision.

## G. Unmanned Aircraft

1. Exclusion **g., Aircraft, Auto Or Watercraft** under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is amended by adding the following:

This exclusion does not apply to unmanned aircraft operations if the:

- (1) Unmanned aircraft weighs less than 55 pounds and has a maximum airspeed of less than 100 miles per hour.
  - (2) Operations comply with all Federal Aviation Administration Regulations and Requirements pertaining to unmanned aircraft; and
  - (3) Operations are included within the insured's operations as a school.
2. The following exclusion is added to Paragraph 2., **Exclusions** under **Section I – Coverage B – Personal And Advertising Injury Liability**:

This insurance does not apply to "personal and advertising injury" arising out of unmanned aircraft operations included within the insured's operations as a school.

## H. Non-Owned Watercraft

Except with respect to the transportation of students, Exclusion **g.(2), Aircraft, Auto Or Watercraft** under **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

- (2) A watercraft you do not own that is not being used to carry persons or property for a charge;

The insurance afforded under this provision is excess over any of the other insurance whether primary, excess, contingent or on any other basis.

## I. Transportation Of Students Limitation

With respect to the transportation of students, Exclusion **g., Aircraft, Auto Or Watercraft** of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

### g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, "loading or unloading" or entrustment to others of any aircraft, "auto" or watercraft that is owned, operated or hired by any insured. For the purpose of this exclusion the word hired includes any contract to furnish transportation of your students to and from schools.

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

**J. Personal Property Of Others – Care, Custody Or Control Extension**

1. We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to personal property of others while in the insured's care, custody or control. This insurance applies only to "property damage" arising out of the insured's operations as a school.
2. Except with respect to "property damage" resulting from the use of elevators, Exclusion **j.(4)**, under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability**, does not apply to the coverage provided by this provision.
3. Subject to 4. below, the most we will pay for "property damage" to personal property of others while in the insured's care, custody or control arising from any one "occurrence" is \$100,000. This amount is subject to the Each Occurrence Limit described in Paragraph 5. of **Section III – Limits Of Insurance**.
4. The most we will pay for the sum of all "property damage" to personal property of others while in the insured's care, custody or control in an annual policy period is \$100,000. This amount is subject to the General Aggregate Limit described in Paragraph 2. of **Section III – Limits Of Insurance**.
5. We will not pay for "property damage", under this provision, until the amount of "property damage" exceeds \$250.

**K. Medical Payments Extension**

If **Coverage C – Medical Payments** is not otherwise excluded from this Coverage Part:

1. Paragraph 7. of **Section III – Limits Of Insurance** is replaced by the following:
  7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person other than your student. The Medical Expense Limit is the greater of:
    - a. \$15,000; or
    - b. The Medical Expense Limit shown in the Declarations.
2. The second subparagraph (2) of Paragraph 1.a. **Insuring Agreement** under **Coverage C – Medical Payments** is replaced by the following:
  - (2) The expenses are incurred and reported to us within three years of the date of the accident; and

**L. Medical Payments Limitation – Students**

1. If **Coverage C – Medical Payments** is not otherwise excluded from this Coverage Part, the following is added to Paragraph 2., **Exclusions** under **Section I – Coverage C – Medical Payments**:

We will not pay expenses for "bodily injury" to your students.
2. When a Student Medical Expense Limit is shown in the Schedule of this endorsement, Paragraph 1. of this provision does not apply and the following is added to **Section III – Limits Of Insurance**:

Subject to 5. above, the Student Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one of your students.

**M. Increased Cost Of Bail Bonds And Loss Of Earnings – Extension Of Supplementary Payments – Coverages A And B**

**Supplementary Payments – Coverages A And B** is amended as follows:

1. Paragraph **1.b.** is replaced by the following:
  - b. Up to \$5,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
2. Paragraph **1.d.** is replaced by the following:
  - d. 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.

**N. Criminal Acts Defense Expense Coverage**

1. The following is added to **Supplementary Payments – Coverages A And B:**

Subject to a Criminal Acts Defense Expense Coverage Aggregate Amount of \$50,000 and at your request, we will reimburse the insured for "defense expenses" incurred in the defense of a criminal action or criminal proceeding brought against the insured and commencing during the policy period but only if:

- a. The criminal action or criminal proceeding arose from acts committed within the scope of employment by you or while performing duties related to the conduct of your business; and
- b. The insured is acquitted or the charges are dropped; and
- c. The "defense expenses" are reported to us within one year of the acquittal or dropped charges.

We have no duty to defend the insured. The insured must select an attorney of his or her choice for representation in the criminal action or criminal proceeding. Our obligation to reimburse "defense expenses" ends when the Criminal Acts Defense Expense Coverage Aggregate Amount has been used up in the reimbursement of "defense expenses".

2. The coverage provided under Paragraph 1. of this provision does not apply to "defense expenses" incurred for:
  - a. Appeals after a guilty verdict is rendered at the first trial;
  - b. Any retrial upon an entry of a mistrial after verdict; or
  - c. Any retrial after appeal.
3. Regardless of the number of insureds, criminal actions or criminal proceedings, the Criminal Acts Defense Expense Coverage Aggregate Amount is the most we will reimburse all insureds under Paragraph 1. of this provision for the sum of all "defense expenses". If the policy period is for more than one year, the Criminal Acts Defense Expense Coverage Aggregate Amount applies separately to each consecutive annual period, and to any remaining period of less than 12 months starting with the beginning of the policy period. But if the policy period is extended after issuance for less than 12 months, the additional period will be deemed part of the last preceding period for the purposes of determining the Criminal Acts Defense Expense Coverage Aggregate Amount.
4. As used in this provision, "defense expenses" means those reasonable and necessary expenses that result from the defense of a specific criminal action or criminal proceeding brought against the insured, including:
  - a. Attorney and paralegal fees and expenses; and
  - b. Costs of legal proceedings"Defense expenses" does not include loss of earnings or any fines or penalties imposed by law.
5. The insurance provided by this provision does not apply if there is available to the insured:
  - a. Any other valid and collectible insurance, whether primary, excess (other than insurance written to apply specifically in excess of this Policy), contingent or on any other basis; or
  - b. Any other provision of this Policythat would also apply to the expenses covered under this provision.

## O. Extension Of Who Is An Insured

1. Paragraph 2. of **Section II – Who Is An Insured** is amended to include as an insured:

- a. Any of the following but only with respect to their duties in connection with the positions described below:
  - (1) Any of your trustees or members of your Board of Governors if you are a private charitable or educational institution;
  - (2) Any of your board members or commissioners if you are a public board or commission; or
  - (3) Any student teachers teaching as part of their educational requirements.
- b. Any club or organization, if they have been specifically authorized by you, and only with respect to their use of your premises and their activities elsewhere that are within the scope of the authorized purpose of such organization. Clubs or organizations include, but are not limited to:
  - (1) Parent support groups or booster clubs;
  - (2) Student groups; or
  - (3) Alumni groups.

A club's or organization's directors, officers or members are also insureds, while acting within the scope of their duties for such club or organization.

- c. Any affiliated subsidiary, organization, board, commission, foundation or endowment that you own or control more than 50% of such entity.

The insurance provided by this provision does not apply if there is available to the insured any other valid and collectible insurance, whether primary, excess (other than insurance written to apply specifically in excess of this Policy), contingent or on any other basis that would apply to the insurance provided under this provision.

- d. Any of your students who are members of a safety patrol which you have organized or operate, but only for "bodily injury" or "property damage" that occurs while performing duties related to the conduct of such safety patrol. This includes the parents or legal guardian of such student, but only with respect to his or her liability as a parent or guardian because of "bodily injury" or "property damage" arising out of the operation of such safety patrol.

The insurance provided by this provision is excess over any of the other insurance available to the insured, whether primary, excess, contingent or on any other basis.

2. Definitions 5. and 19. under **Section V – Definitions**, are replaced by the following:

5. "Employee" includes a "leased worker" or a substitute teacher. "Employee" does not include a "temporary worker".
19. "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. "Temporary worker" does not include a substitute teacher.

## P. Coverages A and B Extension – Co-Employees And Volunteer Workers

Except with respect to "bodily injury" or "personal and advertising injury" to a person arising out of employment-related practices, **Section II – Who Is An Insured** is modified as follows:

1. Paragraph 2.a.(1)(a) is replaced by the following:

2. a. (1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), or to your members (if you are a limited liability company);

2. Paragraphs 2.a.(1)(b) and 3.a. are deleted.

Employment-related practices means refusal to employ that person, termination of that person's employment, or practices, policies, acts or omissions related to employment, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or discrimination directed at that person.

#### Q. Newly Acquired Or Formed Organizations

Paragraph 4.a. of Section II – Who Is An Insured is replaced by the following:

a. Coverage under this provision is afforded only until the expiration of the policy period in which the entity was acquired or formed by you;

#### R. Additional Insureds – By Contract, Agreement Or Permit

1. Paragraph 2. under Section II – Who Is An Insured is amended to include as an insured any person or organization when you and such person or organization have agreed in writing in a contract, agreement or permit that such person or organization be added as an additional insured on your Policy to provide insurance such as is afforded under this Coverage Part. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or part, by:

a. Your ongoing operations performed for that person or organization;

b. Premises or facilities owned or used by you; or

c. Your maintenance, operation or use of equipment rented or leased to you by such person or organization.

With respect to Paragraph 1.a. above, a person's or organization's status as an insured under this provision ends when your operations for that person or organization are completed.

With respect to Paragraph 1.b. above, a person's or organization's status as an insured under this provision ends when their contract or agreement with you for such premises or facilities ends.

However:

a. The insurance afforded to such additional insured only applies to the extent permitted by law; and

b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

2. This provision does not apply:

a. Unless the written contract or agreement has been executed, or permit has been issued, prior to the "bodily injury", "property damage" or "personal and advertising injury";

- b. To "bodily injury" or "property damage" occurring after:
  - (1) All work, including materials, parts or equipment furnished in connection with such work, in the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the site of the covered operations has been completed; or
  - (2) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as part of the same project;
- c. To the rendering of or failure to render any professional services including, but not limited to, any professional architectural, engineering or surveying services such as:
  - (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;
- d. To "bodily injury", "property damage" or "personal and advertising injury" arising out of any act, error or omissions that results from the additional insured's sole negligence or wrongdoing;
- e. To any lessor of equipment after the equipment lease expires, or
- f. To any person or organization included as an insured by a separate additional insured endorsement issued by us and made a part of this Policy.

3. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance**:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement; or
  - b. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**S. Additional Insured – Vendors**

- 1. Paragraph 2. of **Section II – Who Is An Insured** is amended to include as an additional insured any person(s) or organization(s) that distribute or sell "your products" in the regular course of their business, hereafter referred to as vendors, to whom you are obligated by a written agreement to procure additional insured coverage under your Policy, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business.

**2. Exclusions**

With respect to the insurance provided by this provision, the following additional exclusions apply:

- a. This insurance does not apply to:
  - (1) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;



- (2) Any express warranty unauthorized by you;
  - (3) Any physical or chemical change in the product made intentionally by the vendor;
  - (4) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
  - (5) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
  - (6) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
  - (7) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
  - (8) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
    - (a) The exceptions contained in Paragraphs (4) or (6); or
    - (b) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
- b. This insurance does not apply to any insured person or organization, from which you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
3. The insurance afforded to any person or organization as an insured under this provision:
- a. Applies only to coverage and minimum limits of insurance required by the written agreement, but in no event exceeds either the scope of coverage or the Limits of Insurance provided by this Policy;
  - b. Does not apply to any person or organization for any "bodily injury" or "property damage" if any other additional insured endorsement attached to this Policy applies to that person or organization with regard to the "bodily injury" or "property damage";
  - c. Applies only if the "bodily injury" or "property damage" occurs subsequent to the execution of the written agreement; and
  - d. Applies only if the written agreement is in effect at the time the "bodily injury" or "property damage" occurs.

**T. Primary And Noncontributory Additional Insured Extension**

This provision applies to any person or organization who qualifies as an additional insured under any form or endorsement under this Policy.

The following is added to Condition 4., **Other Insurance** under **Section IV – Commercial General Liability Conditions**:

### Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your Policy provided that:

- (1) The additional insured is a Named Insured under such other insurance; and
- (2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured. Regardless of the written agreement between you and an additional insured, this insurance is excess over any other insurance whether primary, excess, contingent or on any other basis for which the additional insured has been added as an additional insured on other policies.

### U. Property Damage Liability – Elevators

1. Paragraphs (3), (4), and (6) under Exclusion j., **Damage To Property of Section I – Coverage A – Bodily Injury And Property Damage Liability**, do not apply if such “property damage” results from the use of elevators.
2. The insurance afforded by this provision is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is property insurance.

### V. Damage By Fire, Lightning, Explosion, Smoke Or Leakage

If Damage To Premises Rented To You is not otherwise excluded from this Coverage Part:

1. Under Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability**:
  - a. The fourth from the last Paragraph of Exclusion j., **Damage To Property** is replaced by the following:

Paragraphs (1), (3), and (4) of this exclusion do not apply to “property damage” (other than damage by fire, lightning, explosion, smoke or leakage from automatic fire protection systems) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in **Section III – Limits Of Insurance**.
  - b. The last Paragraph is replaced by the following:

Exclusions c. through n. do not apply to damage by fire, lightning, explosion, smoke or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in **Section III – Limits Of Insurance**.
2. Paragraph 6. under **Section III – Limits Of Insurance**, is replaced by the following:
  6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of “property damage” to any one premises, while rented to you, or in the case of damage by fire, lightning, explosion, smoke or leakage from automatic fire protection systems, while rented to you or temporarily occupied by you with permission of the owner. This limit is the greater of:
    - a. \$500,000; or
    - b. The amount shown in the Declarations for Damage To Premises Rented To You Limit.

3. The word "fire" is replaced with "fire, lightning, explosion, smoke or leakage from automatic fire protection systems" where it appears in:
  - a. **Section IV – Commercial General Liability Conditions, Condition 4., Other Insurance, Paragraph b. Excess Insurance, Paragraph (1)(b);** and
  - b. **Section V – Definitions, Paragraph 9.a.**

**W. Location(s) General Aggregate Limit**

1. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **Section I – Coverage A – Bodily Injury And Property Damage Liability**, and for all medical expenses caused by accidents under **Section I – Coverage C – Medical Payments**, which can be attributed only to operations at a single "location":
  - a. A separate Location General Aggregate Limit applies to each "location", and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
  - b. The Location General Aggregate Limit is the most we will pay for the sum of all damages under **Section I – Coverage A – Bodily Injury And Property Damage Liability**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under **Section I – Coverage C – Medical Payments** regardless of the number of:
    - (1) Insureds;
    - (2) Claims made or "suits" brought; or
    - (3) Persons or organizations making claims or bringing "suits".
  - c. Any payments made under **Section I – Coverage A – Bodily Injury And Property Damage Liability** for damages or under **Section I – Coverage C – Medical Payments** for medical expenses shall reduce the Location General Aggregate Limit for that "location". Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Location General Aggregate Limit for any other "location".
  - d. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You, and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Location General Aggregate Limit.
2. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **Section I – Coverage A – Bodily Injury And Property Damage Liability**, and for all medical expenses caused by accidents under **Section I – Coverage C – Medical Payments**, which cannot be attributed only to operations at a single "location":
  - a. Any payments made under **Coverage A – Bodily Injury And Property Damage Liability** for damages or under **Coverage C – Medical Payments** for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-Completed Operations Aggregate Limit whichever is applicable; and
  - b. Such payments shall not reduce any Location General Aggregate Limit.
3. When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-Completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Location General Aggregate Limit.
4. For the purposes of this provision, the following is added to **Section V – Definitions**:  
 "Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.
5. The provisions of **Section III – Limits Of Insurance** not otherwise modified by this provision shall continue to apply as stipulated.

**X. Waiver Of Transfer Of Rights Of Recovery Against Others To Us – When Required In A Written Contract Or Agreement With You**

The following Paragraph is added to Condition 8., **Transfer Of Rights Of Recovery Against Others To Us** under **Section IV – Commercial General Liability Conditions**:

We waive any right of recovery we may have against a person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard" provided:

- a. You and that person or organization have agreed in writing in a contract or agreement that you waive such rights against that person or organization; and
- b. The injury or damage occurs subsequent to the execution of the written contract or written agreement.

**Y. Knowledge Of Occurrence, Offense, Claim Or Suit**

Except with respect to Professional Liability Paragraph 2.(2)(a) in Section A., **Professional Services Liability** of this endorsement, the following is added to Condition 2., **Duties In The Event Of Occurrence, Offense, Claim Or Suit** under **Section IV – Commercial General Liability Conditions**:

Knowledge of an "occurrence", offense, claim or "suit" by an agent, servant or "employee" of any insured shall not in itself constitute knowledge of the insured unless your school superintendent, business manager or a person who has been designated by them to receive reports of "occurrences", offenses, claims and "suits" shall have received such notice from the agent, servant or "employee".

**Z. Failure To Disclose Hazards And Prior Occurrences**

The following is added to Condition 6., **Representations** under **Section IV – Commercial General Liability Conditions**:

Your failure to disclose all hazards or prior "occurrences" existing as of the inception date of the Policy shall not prejudice the coverage afforded by this Policy provided such failure to disclose all hazards or prior "occurrences" is not intentional.

**AA. Liberalization Clause**

If we revise this School Amendatory Endorsement to provide more coverage without additional premium charge, your Policy will automatically provide the coverage as of the day the revision is effective in your state.

**BB. Bodily Injury Redefined**

The definition of "bodily injury" in Paragraph 3. of **Section V – Definitions** is replaced by the following:

3. "Bodily injury" means physical injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death that results from such physical injury, sickness or disease.

<b>Policy Number:</b> CBP 8503895	
<b>Coverage Is Provided In</b> THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY	
<b>Named Insured:</b> INSIGHT PA CYBER CHARTER SCHOOL	<b>Agent:</b> TRIDENT RISK ADVISORS, LLC  <b>Agent Code:</b> 3711915 <b>Agent Phone:</b> (484)-582-6043

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EMPLOYEE BENEFITS LIABILITY COVERAGE**

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.  
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Coverage	Limit Of Insurance		Deductible		Premium
Employee Benefits Programs	\$ 1,000,000	each employee	\$ 1,000	each employee	\$INCLUDED
	\$ 3,000,000	aggregate			
Retroactive Date: 07/01/2019					

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**A. The following is added to Section I – Coverages:  
COVERAGE – EMPLOYEE BENEFITS LIABILITY**

**1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph E. (Section III – Limits Of Insurance); and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

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

- b. This insurance applies to damages only if:
- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
  - (2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
  - (3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide under Paragraph G. of this endorsement.
- c. A "claim" seeking damages will be deemed to have been made at the earlier of the following times:
- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or
  - (2) When we make settlement in accordance with Paragraph 1.a. above.
- A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.
- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages 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.

## 2. Exclusions

This insurance does not apply to:

### a. Dishonest, Fraudulent, Criminal Or Malicious Act

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

### b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

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

### c. Failure To Perform A Contract

Damages arising out of failure of performance of contract by any insurer.

### d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

### e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

Any "claim" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

### f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

### g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

### h. Available Benefits

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

### i. Taxes, Fines Or Penalties

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

**j. Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

**B. For the purposes of the coverage provided by this endorsement:**

1. All references to Supplementary Payments – Coverages **A** and **B** are replaced by Supplementary Payments – Coverages **A**, **B** and **Employee Benefits Liability**.
2. Paragraphs **1.b.** and **2.** of the Supplementary Payments provision do not apply.

**C. For the purposes of the coverage provided by this endorsement, Paragraphs 2. and 4. of Section II – Who Is An Insured are replaced by the following:**

2. Each of the following is also an insured:

- a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
  - b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.
  - c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.
4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
  - b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.

**D. For the purposes of the coverage provided by this endorsement, Paragraph 3. of Section II – Who Is An Insured does not apply.**

**E. For the purposes of the coverage provided by this endorsement, Section III – Limits Of Insurance is replaced by the following:**

**1. Limits Of Insurance**

a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:

- (1) Insureds;
- (2) "Claims" made or "suits" brought;
- (3) Persons or organizations making "claims" or bringing "suits";
- (4) Acts, errors or omissions; or
- (5) Benefits included in your "employee benefit program".

b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:

- (1) An act, error or omission; or
- (2) A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement 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 benefit program".

The Limits of Insurance of this endorsement 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 of the policy to which this endorsement is attached, 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.

## 2. Deductible

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
- b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
- c. The terms of this insurance, including those with respect to:
  - (1) Our right and duty to defend any "suits" seeking those damages; and
  - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"apply irrespective of the application of the deductible amount.
- d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.

F. For the purposes of the coverage provided by this endorsement, Conditions 2. and 4. of **Section IV – Conditions** are replaced by the following:

### 2. Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"

- a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
  - (1) What the act, error or omission was and when it occurred; and
  - (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.
- b. If a "claim" is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
  - (2) Notify us as soon as practicable.You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.
- c. You and any other involved insured must:
  - (1) Immediately 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 defense against the "suit"; and
  - (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 an act, error or omission to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

#### a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **c.** below.



**b. Excess Insurance**

- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:
  - (a) No Retroactive Date is shown in the Schedule of this insurance; or
  - (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.
- (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance of all insurers.

- G.** For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

**EXTENDED REPORTING PERIOD**

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
  - a. This endorsement is canceled or not renewed; or
  - b. We renew or replace this endorsement with insurance that:
    - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
    - (2) Does not apply to an act, error or omission on a claims-made basis.
2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.
3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The "employee benefit programs" insured;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this endorsement for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph **E.1.b.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **E.1.c.**

- H. For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** Section:

1. "Administration" means:

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

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

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.
4. "Employee benefit 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.

- I. For the purposes of the coverage provided by this endorsement, Definitions **5.** and **18.** in the **Definitions** Section are replaced by the following:

5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
  - a. An arbitration proceeding in which such damages 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 are claimed and to which the insured submits with our consent.

Policy Number: CBP 8503895

Coverage Is Provided In THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY

## Named Insured:

INSIGHT PA CYBER CHARTER  
SCHOOL

## Agent:

TRIDENT RISK ADVISORS, LLC

Agent Code: 3711915

Agent Phone: (484)-582-6043

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE INSURANCE – NON-MONETARY RELIEF CLAIMS  
CO-PARTICIPATION FORM

This endorsement modifies insurance provided under the following:

SCHOOL LEADERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART

## SCHEDULE

## DEDUCTIBLE – NON-MONETARY RELIEF CLAIMS:

Amount	Basis of Deductible
100,000	Each "Wrongful Act"

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following is added to paragraph F. **Deductible** under **SECTION III – LIMITS OF INSURANCE**:

With respect to any "claim" seeking only injunctive or other non-monetary relief that we investigate or settle, or any "suit" seeking only injunctive or other non-monetary relief against an insured we defend:

1. Our obligation to pay under this Coverage Part applies only to "defense expenses" and "legal fees" in excess of the Deductible Amount, if any, shown in the Schedule of this endorsement. The Aggregate Defense Expense Amount – Non-Monetary Relief will not be reduced by the amount of such deductible.
2. The Deductible Amount applies to "defense expenses" and "legal fees" arising from all "claims" made because of one "wrongful act". A single "wrongful act" or a series of causally connected "wrongful acts" will be considered one "wrongful act".
3. The terms of this insurance including our right and duty to defend the insured against any "suit" seeking only injunctive or other non-monetary relief (**SECTION I.B.1.b.**) and your duties in the event of "wrongful act", "claim" or "suit" (**SECTION IV.B.**) apply irrespective of the application of the Deductible Amount.
4. We may pay any part or all of the Deductible Amount and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible Amount as has been paid by us.
5. The insured shall pay 20% of the total "defense expenses" and "legal fees" per "wrongful act" in excess of the deductible until the amount paid by both the insured and us, in excess of the deductible per "wrongful act", is \$100,000. The insured shall pay all "defense expenses" and "legal fees" in excess of our "claim" limits and aggregate limits shown in paragraph 6, below.
6. We will pay 80% of the total "defense expenses" and "legal fees" per "claim" in excess of the deductible per "claim" stated above, up to the lesser of; \$100,000 for any one "claim" or more than \$250,000 in the aggregate for the policy term; or, the limit for the Aggregate Defense Expense Amount – Non-Monetary Relief, whichever is lower.

All other terms, conditions and exclusions shall remain the same.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – LEAD LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
COMMERCIAL PROTECTOR<sup>®</sup> LIABILITY COVERAGE FORM

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising, in whole or in part, either directly or indirectly out of the mining, processing, manufacture, storage, distribution, sale, installation, removal, disposal, handling, inhalation, ingestion, absorption, use or existence of, exposure to, or contact with lead or lead contained in goods, products or materials; or
2. Any loss, cost or expense arising out of any:
  - a. 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 lead or lead contained in goods, products or materials; or
  - b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead or lead contained in goods, products or materials.

# SEXUAL MISCONDUCT OR MOLESTATION LIABILITY COVERAGE FORM

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

Throughout this form the word "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under SECTION II – WHO IS AN INSURED.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION V – DEFINITIONS.

## SECTION I – COVERAGE

### A. Insuring Agreement

1. We will pay those sums that the insured becomes legally obligated to pay because of "loss" arising out of:
  - a. A "wrongful act" to which this insurance applies but only to the extent of the insured's "vicarious liability"; or
  - b. The insured's:
    - (1) Negligent:
      - (a) Employment;
      - (b) Investigation;
      - (c) Supervision;
      - (d) Retention;
      - (e) Training;
      - (f) Reporting to proper authorities, or failure to report to proper authorities, of a person who committed a "wrongful act"; or
    - (2) Negligent act, or failure to act, upon receipt of a complaint arising out of a "wrongful act";  
but only if the "wrongful act" to which this insurance applies is committed without the knowledge, consent, direction or participation of the insured.
2. This insurance applies only if the "loss" arises from a "wrongful act" that is committed in the "coverage territory" and during the "policy period".
3. The amount we will pay for "loss" is limited as described in LIMITS OF INSURANCE (SECTION III).
4. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under paragraph I.B. Defense and Defense Expense.

### B. Defense and Defense Expense

1. We will have the right and duty to defend the insured against any "suit" seeking "loss" to which this insurance applies. We may, at our discretion, investigate any "wrongful act" and settle any claim or "suit" that may result. But:
  - a. When the Each Loss Limit or Aggregate Limit has been used up in the payment of "loss", our duty to defend the insured ends with respect to any "suit" seeking "loss" subject to such exhausted limit; and
  - b. We will have no duty to defend the insured against any "suit" seeking "loss" to which this insurance does not apply.

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2. We will pay with respect to any claim we settle, or any "suit" against the insured we defend:
  - a. All expenses we incur.
  - b. The cost of appeal bonds and bonds to release attachments, but only for bond amounts within the applicable 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 \$250 per day because of time off from work.
  - d. All costs taxed against the insured in the "suit."
  - e. All interest on the full amount of any judgment 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 the applicable limit of insurance.

These payments will not reduce the limits of insurance.

### C. Exclusions

This insurance does not apply:

#### 1. Contractual Liability

To any "loss" for which the insured is obligated to pay by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability the insured would have in the absence of such contract or agreement.

#### 2. Workers Compensation and Similar Laws

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

#### 3. Employers Liability

To claims made or "suits" brought by:

- a. An "employee" of the insured for "loss" arising out of and in the course of:
  - (1) Employment by the insured; or
  - (2) Performing duties related to the conduct of the insured's business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph a. 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 a claim or "suit" described in paragraph a. or b. above.

#### 4. Violation of Penal or Criminal Statute

To the cost of defense of, or payment of fines or penalties for any person who actually or allegedly violated any penal or criminal statute.

#### 5. Punitive Damages And Other Noncompensatory Damages

To punitive or exemplary damages, multiplied portion of multiple damages, or fines or penalties imposed by law.

#### 6. Late Notification Of An Incident

If you fail to give us written notice within 90 days of your being notified of an incident which could reasonably be expected to result in a claim or "suit" involving a "wrongful act".

## SECTION II – WHO IS AN INSURED

- A.** If you are designated in the Declarations as:
1. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
  2. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
  3. An organization other than a partnership or joint venture, you are an insured. Your stockholders are also insureds but only with respect to their liability as stockholders.
- B.** Each of the following is also an insured:
1. Your "executive officers" and directors are insureds, but only with respect to their duties as your "executive officers" and directors.
  2. Any of your trustees or members of your Board of Governors, if you are an educational institution, but only with respect to their duties as such.
  3. Any of your board members or commissioners, if you are a public board or commission, but only with respect to their duties as such.
  4. Any:
    - a. Trustee, official or member of the Board of Governors, or
    - b. Members of the clergy,if you are a church, but only with respect to their duties as such.
  5. Any of your "employees", other than your "executive officers", but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, no "employee" is an insured for claims made or "suits" brought :
    - a. By you, your partners or members (if you are a partnership or joint venture), or by a co-"employee" for "loss" arising out of and in the course of his or her employment or performing duties related to the conduct of your business;
    - b. By the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph a. above; or
    - c. For which there is any obligation to share damages with or repay someone else who must pay damages because of a claim or "suit" described in paragraph a. or b. above.
  6. With respect to the liability of insureds described above, the heirs, administrators, assigns, and legal representatives of each insured in the event of death, incapacity, or bankruptcy.
  7. Any of your student teachers teaching as part of their educational requirements but only within the scope of their duties for you.
  8. Any of your "volunteer workers", but only while acting at your direction and within the scope of their duties for you.
  9. Any of your church members, if you are a church, but only with respect to their liability for your activities or activities they perform on your behalf.
- C.** Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage does not apply to "wrongful acts" that occurred before you acquired or formed the organization.

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

### **SECTION III – LIMITS OF INSURANCE**

- A. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:

1. Insureds;
2. Claims made or "suits" brought; or
3. Persons making claims or bringing "suits".

**B. Aggregate Limit**

The Aggregate Limit is the most we will pay for all "loss" arising from all "wrongful acts" to which this insurance applies.

**C. Each Loss Limit**

Subject to B. above, the Each Loss Limit is the most we will pay for the sum of all "loss" arising out of any "one wrongful act" to which this insurance applies.

- D. If the "policy period" of this Coverage Part is in effect for a period of more than one year, the Aggregate Limit applies separately to each consecutive annual period, and to any remaining period of less than 12 months, starting with the beginning of the "policy period". But if the "policy period" is extended after issuance for less than 12 months, the additional period will be deemed part of the last preceding period for the purposes of determining the Aggregate Limit.

### **SECTION IV – SEXUAL MISCONDUCT AND MOLESTATION LIABILITY CONDITIONS**

We have no duty to provide insurance under this Coverage Part unless you and any other involved insured have fully complied with Conditions contained in the Coverage Part.

**A. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

**B. Duties In The Event Of Wrongful Act, Claim Or Suit**

(See Also Exclusion 6.)

1. You must see to it that we are notified, in writing and within 90 days of any notice to you, of an incident or a "wrongful act" which could reasonably be expected to result in a claim or "suit". To the extent possible, notice should include:
  - a. How, when and where the incident or "wrongful act" took place;
  - b. The names and addresses of any involved person(s) and witnesses; and
  - c. The nature of the harm resulting from the "wrongful act".
2. If a claim is made or "suit" is brought against any insured, you must:
  - a. Immediately record the specifics of the claim or "suit" and the date received; and
  - b. Notify us promptly.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

3. You and any other involved insured must:
  - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";



- b. Authorize us to obtain records and other information;
  - c. Cooperate with us in the investigation, or settlement of the claim or defense against the "suit"; and
  - d. 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 a "wrongful act" to which this insurance may also apply.
4. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

### **C. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

1. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
2. To sue us on this Coverage Part

unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for "loss" amounts that are not payable under the terms of this Coverage Part 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.

### **D. Other Insurance**

If other valid and collectible insurance is available to the insured for "loss" we cover under this coverage part, this insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described below.

Method of Sharing

1. If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the "loss" remains, whichever comes first.
2. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

### **E. Premium Audit**

1. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
2. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the "policy period" is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such time as we may request.

### **F. Representations**

By accepting this policy, you agree:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this policy in reliance upon your representations.

### **G. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom claim is made or "suit" is brought.

### **H. 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 Coverage Part, 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.

### **I. Two Or More Coverage Parts**

1. Except for the insurance provided by this Coverage Part, the policy to which this Coverage Part forms a part does not apply to any claim or "suit" seeking damages arising out of any "wrongful act".
2. If "one wrongful act" applies to this Coverage Part and any other Coverage Parts or policies that provide similar insurance but with different "policy periods" and are issued to you by us or any of our affiliates, the maximum limit of insurance for all such Coverage Parts or policies shall be the highest applicable limit of insurance under any Coverage Part or policy.

### **J. When We Do Not Renew**

If we decide not to renew this Coverage Part, 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.

Any State amendatory endorsement changing Nonrenewal Conditions for any part of the policy to which this Coverage Part forms a part, shall also apply to this Coverage Part.

### **K. Common Policy Conditions**

The following additional conditions apply with respect to this Coverage Part:

1. The Common Policy Conditions contained in form IL 00 17, or if Common Policy Conditions form BP 00 09 is made a part of this policy, paragraphs A., B., D., E., I. and L. of that form; and
2. Any applicable State amendments thereto.

## **SECTION V – DEFINITIONS**

### **A. "Coverage territory" means**

1. The United States of America (including its territories and possessions), Puerto Rico and Canada;
2. International waters or airspace, provided the "wrongful act" does not occur in the course of travel or transportation to or from any place not included in 1. above;
3. All parts of the world if
  - a. The "loss" arises out of the activities of the person whose home is in the territory described in 1. above, but is away for a short time on your business; and
  - b. The insured's responsibility to pay "loss" is determined in a "suit" on the merits, in the territory described in 1. above or in a settlement we agree to.

### **B. "Employee" includes a "leased worker" or a substitute teacher. "Employee" does not include a "temporary worker".**

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

- D. "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".
- E. "Loss" means damages, judgments (including prejudgment interest awarded against the insured on that part of the judgment paid by us), or settlements. "Loss" does not include non-monetary relief, punitive or exemplary damages, multiplied portion of multiple damages, fines or penalties imposed by law, or matters deemed uninsurable according to the law under which this policy is construed.  
  
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.
- F. "One wrongful act" means a single "wrongful act" or a series of related "wrongful acts" committed by one person, or by two or more persons acting together.
- G. "Policy period" means the period stated in the Declarations of the policy of which this Coverage Part forms a part including an extension after issuance of the policy for an additional period of less than 12 months. However:
  - 1. If this Coverage Part is issued to be effective subsequent to the effective date of such policy, the "policy period" for this Coverage Part will start with the effective date of the Coverage Part; and
  - 2. If this Coverage Part is cancelled prior to the expiration date of such policy, the "policy period" for this Coverage Part will end with the cancellation date of the Coverage Part.
- H. "Suit" means a civil proceeding in which damages because of a "wrongful act" to which this insurance applies are alleged. "Suit" includes:
  - 1. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
  - 2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.
- I. "Temporary worker" means a person other than a substitute teacher who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short- term workload conditions.
- J. "Vicarious liability" means liability that the insured derives from the person who committed the "wrongful act" because of the relationship between such a person and the insured, and the "wrongful act" is committed without the knowledge, consent, direction or participation of the insured.
- K. "Volunteer worker" means a person who donates her or his services to you with your knowledge and consent, and who is not paid a fee, salary or other remuneration.
- L. "Wrongful act" means any actual or alleged sexual misconduct toward, or sexual molestation of, another person.

# QUICK REFERENCE

## SEXUAL MISCONDUCT AND MOLESTATION LIABILITY COVERAGE PART

### READ YOUR POLICY CAREFULLY

The Sexual Misconduct and Molestation Liability Coverage Part in your policy consists of Declarations, a Coverage Form (17-78), Common Policy Conditions and Endorsements, if applicable. Following is a Quick Reference indexing of the principal provisions contained in each of the components making up the Coverage Part, listed in sequential order, except for the provisions in the Declarations and/or Schedule which may not be in the sequence shown.

#### DECLARATIONS/SCHEDULE

- Named Insured and Mailing Address
- Policy Period
- Limits of Insurance
- Premium
- Forms and Endorsements applying to the Coverage Form at time of issue

#### COVERAGE FORM (17-78)

##### SECTION I - COVERAGES

- Insuring Agreement
- Defense and Defense Expense
- Exclusions

##### SECTION II - WHO IS AN INSURED

##### SECTION III - LIMITS OF INSURANCE

##### SECTION IV - CONDITIONS

- Bankruptcy
- Duties In The Event Of A Wrongful Act, Claim Or Suit
- Legal Action Against Us
- Other Insurance
- Premium Audit
- Representations
- Separation Of Insureds
- Transfer Of Rights Of Recovery Against Others To Us
- Two Or More Coverage Parts
- When We Do Not Renew

##### SECTION V - DEFINITIONS

#### COMMON POLICY CONDITIONS

- Cancellations
- Changes
- Examination Of Your Books And Records
- Inspections And Surveys
- Premiums
- Transfer Of Your Rights And Duties Under This Policy

#### ENDORSEMENTS (If Any)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – ASBESTOS LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
COMMERCIAL PROTECTOR<sup>®</sup> LIABILITY COVERAGE FORM

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising, in whole or in part, either directly or indirectly out of the manufacture, storage, processing, mining, use, sale, installation, removal, disposal, distribution, handling, inhalation, ingestion, absorption, or existence of, exposure to or contact with asbestos, asbestos contained in goods, products or materials, asbestos fibers or asbestos dust; or
2. Any loss, cost or expense arising out of any:
  - a. 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 asbestos, asbestos contained in goods, products or materials, asbestos fibers or asbestos dust; or
  - b. Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of asbestos, asbestos contained in goods, products or materials, asbestos fibers or asbestos dust.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**POLLUTION EXCLUSION – EXCEPTION FOR  
CLASSROOM INSTRUCTION ACTIVITIES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** The following is added to provisions **(1)(a)** of exclusion **f. Pollution** under paragraph **2. Exclusions of Coverage A Bodily Injury And Property Damage Liability (SECTION I – COVERAGES)**:

However, this exclusion does not apply to “bodily injury” or “property damage” that is caused, in whole or in part, by activities usual to classroom instruction on premises you own or rent.

- B.** When the Total Pollution Exclusion endorsement **CG 21 55** or **CG 21 65** is made a part of this policy, paragraph **A.** above does not apply and the following is added to provision **(1)** of exclusion **f. Pollution** under paragraph **2. Exclusions of Coverage A Bodily Injury And Property Damage Liability (SECTION I – COVERAGES)** as amended by either endorsement **CG 21 55** or **CG 21 65**:

However, this exclusion does not apply to “bodily injury” or “property damage” that is caused, in whole or in part, by activities usual to classroom instruction on premises you own or rent.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SEXUAL MISCONDUCT AND MOLESTATION LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of:

1. Any actual or alleged sexual misconduct or sexual molestation of any person; and
2. Any allegations relating thereto that:
  - a. An insured negligently employed, investigated, trained, supervised, reported to proper authorities or failed to so report, or retained a person whose conduct would be excluded by 1. above, or
  - b. Are based on an alleged practice, custom or policy, including but not limited to any allegation that a person's civil rights have been violated.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – SILICA**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
CUSTOM COMMERCIAL PROTECTOR GENERAL LIABILITY COVERAGE FORM

**A. The following is added to paragraph 2. Exclusions of COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY under SECTION I – COVERAGES:**

This insurance does not apply to:

**Silica**

- (1) "Bodily injury" arising, or allegedly arising, in whole or in part, from the inhalation, ingestion, absorption of or exposure to silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise; or
- (2) "Property damage" arising, or allegedly arising, in whole or in part, from silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise; or
- (3) Any loss, cost or expense arising out of any:
  - (a) 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 silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise.

**B. The following is added to paragraph 2. Exclusions of COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY under SECTION I – COVERAGES:**

This insurance does not apply to:

**Silica**

- (1) "Personal and advertising injury" arising, or allegedly arising, in whole or in part, from silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise; or
- (2) Any loss, cost or expense arising out of any:
  - (a) 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 silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise.



# SCHOOL LEADERS ERRORS AND OMISSIONS LIABILITY COVERAGE FORM

**THIS IS CLAIMS MADE INSURANCE. EXCEPT AS OTHERWISE PROVIDED THIS INSURANCE APPLIES ONLY TO CLAIMS MADE AGAINST THE INSURED DURING THE POLICY PERIOD.**

**PLEASE READ THE ENTIRE FORM CAREFULLY.**

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

Throughout this form the words "we", "us" and "our" refer to the Company providing this insurance.

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 word "insured" means any person or organization qualifying as such under SECTION II – WHO IS AN INSURED.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION VI – DEFINITIONS.

## SECTION I – COVERAGE

### A. Insuring Agreement

1. We will pay those sums that the insured becomes legally obligated to pay because of "loss" arising from a "wrongful act" to which this insurance applies.
2. The amount we will pay for "loss" under paragraph 1. above is limited as described in **SECTION III – LIMIT OF INSURANCE AND DEDUCTIBLE**.
3. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Section I.B. **Defense and Defense Expense**.
4. This insurance applies only to "wrongful acts" that are committed:
  - a. Anywhere in the world if the insured's responsibility to pay "loss" is determined in a "suit" brought on the merits in the United States of America (including its territories or possessions), Puerto Rico or Canada, or in a settlement we agree to; and
  - b. During the "policy period" if a "claim" is first made against any insured during the "policy period" or any Discovery Period (provided in accordance with **SECTION V – DISCOVERY PERIODS**); or
  - c. Prior to the "policy period" and on or after the "retroactive date", if any, but only if:
    - (1) On or before the effective date of the first School Leaders Errors and Omissions Liability Coverage Part issued by us and continuously renewed and maintained by the insured:
      - (a) The insured did not give notice to any prior insurer of such "wrongful act"; and
      - (b) The insured had no knowledge of such "wrongful act" likely to give rise to a "claim" hereunder; and

(2) A "claim" is first made against any insured during the "policy period" or any Discovery Period (provided in accordance with **SECTION V – DISCOVERY PERIODS**).

5. A "claim" by a person or organization will be deemed to have been made when notice of such "claim" is received and recorded by any insured or by us, whichever comes first.

If during the "policy period" or a Discovery Period (provided in accordance with **SECTION V – DISCOVERY PERIODS**) an insured becomes aware of a "wrongful act" that could reasonably be expected to give rise to a "claim" and gives written notice to us as soon as practicable in accordance with paragraph 1. under **Section IV.B. Duties in the Event of a Wrongful Act, Claim or Suit**, then any "claim" subsequently arising from such "wrongful act" shall be considered to have been made during the "policy period" or the Discovery Period in which the "wrongful act" was first reported in writing to us.

All "claims" because of a single "wrongful act" or a series of causally connected "wrongful acts" will be deemed to have been made at the time the first of these "claims" is made against any insured.

## **B. Defense and Defense Expense**

1. We will have the right and duty to defend the insured against any "suit" seeking:

a. "Loss" because of a "wrongful act" to which this insurance applies. But:

- (1) When the Each Wrongful Act Limit or Aggregate Limit has been used up in the payment of "loss", our duty to defend ends with respect to any "suit" seeking "loss" subject to such exhausted limit; and
- (2) We will have no duty to defend the insured against any "suit" seeking "loss" to which this insurance does not apply.

b. Only injunctive or other non-monetary relief because of a "wrongful act" to which this insurance applies. But:

- (1) When the Aggregate Defense Expense Amount – Non-Monetary Relief is used up in the payment of "defense expenses", our duty to defend ends with respect to any "suit" seeking injunctive or other non-monetary relief subject to such exhausted limit; and
- (2) We will have no duty to defend the insured against any "suit" seeking injunctive or other non-monetary relief to which this insurance does not apply.

2. We may, at our discretion, investigate any "wrongful act".

3. We may settle any "claim" that may result from a "wrongful act", provided we have your consent. However, our liability will be limited as described below if you refuse to consent to any settlement that we recommend and elect to contest the "claim" or continue any legal proceedings in connection with such "claim" at your own cost and without our involvement:

a. If the "claim" is seeking "loss":

(1) Our obligation to pay "loss" under this policy shall be the lesser of the following:

- (a) The amount in excess of the Deductible, if any, we would have paid for "loss" if you had consented at the time of our recommendation; or
- (b) The limit of insurance; and

(2) Our obligation to pay under provision **4.a.** below shall be limited to the costs and expenses incurred with our consent up to the date of such refusal.

b. If the "claim" is seeking only injunctive or other non-monetary relief, our obligation to pay "defense expenses" under provision **4.b.** below shall be the lesser of the following:

(1) The costs and expenses incurred up to the date of such refusal; or

(2) The Aggregate Defense Expense Amount – Non-Monetary Relief.

4. We will pay:

a. With respect to any "claim" seeking "loss" against the insured that we investigate or settle, or any "suit" seeking "loss" against an insured we defend:

(1) All expenses we incur.

(2) The cost of appeal bonds and bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

(3) All reasonable expenses incurred by you or 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 \$250 per day because of time off from work.

(4) All costs taxed against the insured in the "suit".

(5) All interest on the full amount of any judgment 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 the limit of insurance.

These payments will not reduce the limit of insurance.

b. With respect to any "claim" seeking only injunctive or other non-monetary relief that we investigate or settle, or any "suit" seeking only injunctive or other non-monetary relief against an insured we defend:

(1) "Defense expenses"; and

(2) "Legal fees"

subject to the Aggregate Defense Expense Amount – Non-Monetary Relief described in **SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLE**. However, we have no obligation to pay costs of compliance with any injunctive or non-monetary relief.

### C. Exclusions

This insurance does not apply to:

#### 1. Personal Injury Offenses

Any "claim" arising out of:

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 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; or
- e. Oral or written publication of material that violates a person's right of privacy.

This exclusion does not apply to the extent of coverage provided under Section I.D. **Coverage Extension – Employment-Related Practices Liability.**

## 2. **Bodily Injury or Property Damage**

Any "claim" arising out of:

- a. "Bodily injury"; or
- b. Physical injury to tangible property, including all resulting loss of use of that property.

## 3. **Intellectual Property Rights**

Any "claim" arising out of piracy, misappropriation of advertising ideas or style of doing business, or infringement of copyright, trade dress, patent, service mark, service name, slogan, title, trademark or trade name.

## 4. **Employers Liability**

Any "claim" made by:

- a. An "employee" of the insured for "loss" arising out of and in the course of:
  - (1) Employment by the insured; or
  - (2) Performing duties related to the conduct of the insured's business; or
- b. The spouse, child, parent, brother or sister of that "employee" 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 damages with or repay someone else who must pay damages because of a "claim" described in paragraphs a. or b. above.

This exclusion does not apply to the extent of coverage provided under Section I.D. **Coverage Extension – Employment-Related Practices Liability.**

## 5. **Criminal, Fraudulent, Malicious or Dishonest Acts**

Any insured who commits, participates in or consents to a "wrongful act" that is criminal, fraudulent, malicious or deliberately dishonest.

## 6. Procuring or Maintaining Insurance

Any "wrongful act" in procuring, effecting or maintaining insurance, or with respect to amount, form, conditions or provisions of such insurance.

## 7. Contractual Liability

Any "claim" alleging breach of contract. However:

- a. This exclusion does not apply to the extent of coverage provided under Section **I.D. Coverage Extension – Employment-Related Practices Liability**; and
- b. The provisions under **Section I.B. Defense and Defense Expense** apply with respect to breach of a non-employment-related contract, other than a construction or demolition contract, but we will have no obligation to pay any "loss" or "legal fees".

With respect to a non-employment-related contract that we defend, any payments we make under **Section I.B.** apply only to the amount excess of a \$5,000 deductible for one "wrongful act". A single "wrongful act" or a series of causally connected "wrongful acts" will be considered one "wrongful act". The terms of this insurance including those with respect to our right and duty to defend the insured and your duties in the event of a "wrongful act", "claim" or "suit" apply irrespective of the application of this deductible amount. We may pay any part or all of the deductible amount and, upon notification of action taken, you shall promptly reimburse us for such part of the deductible amount that has been paid by us.

## 8. Illegal Profit or Advantage

Any insured who commits a "wrongful act" that gains or causes another to gain personal profit or advantage to which the insured or other person was not legally entitled.

## 9. Employee Retirement Income Security Act

Any "claim" arising out of any responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 or any amendments thereto.

## 10. Employee Benefit Plan

Any "wrongful act" related to the administration of any employee benefit plan.

## 11. Workers Compensation

Any "claim" arising out of any responsibilities, obligations or duties imposed upon any insured under a Workers Compensation, unemployment compensation, disability benefits, social security law or any similar law.

## 12. Pollution

Actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants; or for any loss, cost or expense arising out of environmental impairment statutes or regulations, or governmental or any other request, demand or order to test, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of pollutants.

Pollutants mean 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.

### 13. Asbestos Liability

Any "claim" arising in whole or in part out of:

- a. The installation, storage, removal, disposal, handling, use or existence of, exposure to, or contact with asbestos or materials containing asbestos;
- b. The cost or expense arising out of 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 asbestos or materials containing asbestos; or
- c. The failure to comply with the Asbestos Hazard Emergency Response Act, 15 USC 2641 et seq.

However, we will have the right and duty to defend such "suits" subject to an aggregate limit of \$50,000 for the "policy period" including any Discovery Period we provide, but we will have no obligation to pay any "loss" or "legal fees". Our duty to defend ends when this aggregate limit is exhausted by the payment of "defense expenses".

### 14. Lead

Any "claim" arising in whole or in part out of:

- a. The installation, storage, removal, disposal, handling, use or existence of, exposure to, or contact with lead or materials containing lead; or
- b. The cost or expense arising out of 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 lead or materials containing lead.

### 15. Nuclear Liability

Any "claim" arising, directly or indirectly, from nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any of the foregoing.

### 16. Sexual Misconduct or Molestation

Any actual or alleged sexual misconduct or sexual molestation of any person; and any allegations relating thereto that an insured negligently employed, investigated, supervised or retained a person, or based on an alleged practice, custom or policy, including but not limited to any allegation that a person's civil rights have been violated. This exclusion does not apply to the extent of coverage provided under Section I.D. – Employment-Related Practices Liability.

### D. Coverage Extension – Employment-Related Practices Liability

The insurance provided under this Coverage Part is extended to include "wrongful acts" that are employment-related and to which this insurance applies, subject to the following:

1. Employment-related "wrongful acts" are limited to actual or alleged:
  - a. "Discrimination";
  - b. "Workplace harassment";

c. "Wrongful termination"; or

d. "Workplace tort"

committed by the insured, or by any person for whose acts the insured is legally liable, while in the course of performing "educational institution" duties.

2. The following additional Exclusions apply with respect to this coverage extension:

This insurance does not apply to:

**a. Intentional Injury**

Any insured who intentionally causes the injury that arises out of an employment-related "wrongful act".

Injury means:

(1) Mental anguish, humiliation, injury to reputation, emotional distress, mental injury, shock or fright; or

(2) Physical injury, sickness or disease resulting from (1) above;

sustained by a person. Injury includes disability or death resulting from (1) or (2) above.

**b. Statutory Obligations**

Any "claim" arising out of any responsibilities, obligations or duties imposed upon any insured by the:

(1) Workers Adjustment and Retraining Notification Act, Public Law 100-379 (1988); or

(2) Consolidation Omnibus Budget Reconciliation Act or 1985

And any amendments thereto or any similar provisions of federal, state or local statutory law.

**c. Consequential Loss**

A "claim" made by a spouse, child, parent, brother, sister or domestic partner of a current, former, or prospective "employee" as a consequence of an employment-related "wrongful act".

**d. Oral or Written Publication of Material With Knowledge of Falsity**

Any "claim" arising out of any written or oral publication of material, if committed by or at the direction of the insured with knowledge of its falsity.

**e. Post Retirement Insurance Plan Benefits**

Any "claim" for payment of insurance plan benefits claimed by or on behalf of retired "employees".

**f. Collective Bargaining Process**

Any "claim" arising out of the collective bargaining process.

**g. Insurance Plan Benefits**

That part of any "loss" which constitutes payment of insurance plan benefits that a claimant would have been entitled to as an "employee", other than a retired "employee", had the insured provided the claimant with a continuation of insurance or a commencement of employment.

**h. Front Pay and Future Damages**

That part of any "loss" which constitutes front pay, future damages or other future economic relief or the equivalent thereof.

However, with respect to paragraphs **g.** and **h.**, the provisions in Section **I.B. Defense and Defense Expense** apply, but we will have no obligation to pay any "loss".

**3.** The following definitions are added with respect to this coverage extension:

**a.** "Discrimination" means:

Demotion of, or failure or refusal to hire, promote or grant tenure to an "employee";

(2) Termination of an employment relationship;

(3) Failure or refusal to hire an applicant for employment; or

(4) Any other employment practice that adversely affects the employment status of or the employment opportunities for an "employee" or applicant for employment

because of race, color, religion, creed, age, sex, gender, disability or handicap, pregnancy, sexual orientation or preference, physical appearance or national origin.

**b.** "Sexual harassment" means unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature that:

(1) Are made explicitly or implicitly a condition of employment;

(2) Are used as a basis for employment decisions; or

(3) Create a work environment that:

(a) Is intimidating, hostile or offensive, or

(b) Unreasonably interferes with work performance.

**c.** "Workplace harassment" means verbal or physical conduct that creates a work environment that is intimidating, hostile or offensive or unreasonably interferes with work performance. "Workplace harassment" includes "sexual harassment".

**d.** "Workplace tort" means:

(1) Oral or written publication of material that libels or slanders;

(2) Invasion of the right of privacy of;



- (3) False arrest, detention or imprisonment of;
- (4) Negligent hiring or evaluation of;
- (5) Failure to employ or promote;
- (6) Wrongful discipline of;
- (7) Wrongful deprivation of the career opportunity of

A current, former or prospective "employee"; and

- (8) Other torts arising from the facts underlying any "claim" of "discrimination", "wrongful termination" or "workplace harassment".

e. "Wrongful termination" means:

- (1) Breach of an express oral or written employment contract, other than a collective bargaining agreement, when terminating an employment relationship;
- (2) Breach of an implied agreement to continue an employment relationship; or
- (3) Failure to exercise duty and care when terminating an employment relationship that does not arise out of paragraph e.(1) or e.(2) above.

"Wrongful termination" includes constructive discharge.

However, paragraph e.(1) above does not apply if such a breach is committed by or at the direction of the insured with knowledge that it is a breach of contract.

- 4. For the purposes of this coverage extension only, the following is added to "suits" paragraph K. of Section VI. **Definitions:**

"Suit" does not include labor or grievance arbitration subject to a collective bargaining agreement, employment handbook or other employment policies or procedures of the named insured.

## SECTION II – WHO IS AN INSURED

Each of the following is an insured:

- A. The "educational institution", and its board of governors, board of education, school committee, board of trustees, or commission.
- B. Each of the following is also an insured for acts within the scope of their duties as such:
  - 1. Elected or appointed members of your board of governors, board of education, school committee, board of trustees, or commission;
  - 2. Your "employees". However, except to the extent of coverage provided by **Section I.D. Coverage Extension – Employment-Related Practices Liability**, no "employee" is an insured for "claims" made:
    - a. By you or by a co-"employee" for "loss" arising out of and in the course of his or her employment or performing duties related to the conduct of your business;

- b. By the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph a. above; or
    - c. For which there is any obligation to share damages with or repay someone else who must pay damages because of a "claim" described in paragraph a. or b. above;
  - 3. Your student teachers teaching as part of their educational requirements; and
  - 4. Your "volunteer workers".
- C. With respect to the liability of insureds described above, the heirs, administrators, assigns, and legal representatives of each insured in the event of death, incapacity, or bankruptcy.

### **SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLE**

A. The Limits of Insurance shown in the Declarations for this Coverage Part and the rules below fix the most we will pay regardless of the number of:

- 1. Insureds;
- 2. "Claims" made or "suits" brought; or
- 3. Persons or organizations making "claims" or bringing "suits."

#### **B. Aggregate Limit**

The Aggregate Limit is the most we will pay for all "loss" arising from all "wrongful acts" to which this insurance applies and for which a "claim" is first made during the "policy period."

#### **C. Each Wrongful Act Limit**

Subject to B. above, the Each Wrongful Act Limit is the most we will pay for the sum of all "loss" arising out of any one "wrongful act" to which this insurance applies.

A single "wrongful act" or a series of causally connected "wrongful acts" will be considered one "wrongful act".

#### **D. Aggregate Defense Expense Amount – Non-Monetary Relief**

The Aggregate Defense Expense Amount – Non-Monetary Relief is the most we will pay for all "defense expenses" and "legal fees" arising from all "wrongful acts" to which this insurance applies for which a "claim" is first made during the "policy period" seeking only injunctive or other non-monetary relief.

#### **E. Application Of Aggregate Limit And Aggregate Defense Expense Amount – Multi-Year Policies**

If this Coverage Part is in effect for a period of more than one year, the Aggregate Limit and the Defense Expense Amount – Non-Monetary Relief 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." But if the "policy period" is extended after issuance for less than 12 months, the additional period will be deemed part of the last preceding period for the purposes of determining the Aggregate Limit and the Aggregate Defense Expense Amount – Non-Monetary Relief.

## **F. Deductible**

1. Our obligation to pay under this Coverage Part applies only to the amount of "loss" in excess of the Deductible amount, if any, shown in the Declarations for this Coverage Part, and the limits of insurance will not be reduced by the amount of such Deductible.
2. The Deductible amount applies to "loss" arising from all "claims" made because of one "wrongful act". A single "wrongful act" or a series of causally connected "wrongful acts" will be considered one "wrongful act".
3. The terms of this insurance including our right and duty to defend the insured against any "suit" seeking "loss" (**SECTION I.B.1.**) and your duties in the event of a "wrongful act", "claim" or "suit" (**SECTION IV.B.**) apply irrespective of the application of the Deductible amount.
4. We may pay any part or all of the Deductible amount to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible amount as has been paid by us.

## **SECTION IV – SCHOOL LEADERS ERRORS AND OMISSIONS LIABILITY CONDITIONS**

We have no duty to provide insurance under this Coverage Part unless you and any involved insured have fully complied with Conditions contained in this Coverage Part.

### **A. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

### **B. Duties in the Event of a Wrongful Act, Claim or Suit**

1. You must see to it that we are notified as soon as practicable of any "wrongful act" which may result in a "claim". To the extent possible, notice should include:
  - a. How, when and where the "wrongful act" was committed;
  - b. The names and addresses of any persons who may sustain damages and witnesses; and
  - c. The nature of harm resulting from the "wrongful act".
2. If a "claim" is received by any insured, you must:
  - a. Immediately record the specifics of the "claim" and the date received; and
  - b. Notify us promptly.

You must see to it that we receive written notice of the "claim" as soon as practicable.

3. You and any involved insured must:
  - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
  - b. Authorize us to obtain records and other information;

- c. Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
  - d. 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 "loss" to which this insurance may also apply.
4. No insured will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

### C. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- 1. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- 2. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for "loss" amounts that are not payable under the terms of this Coverage Part 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.

### D. Other Insurance

If other valid and collectible insurance is available to the insured for "loss" we cover under this Coverage Part, our obligations are limited as follows:

#### 1. Primary Insurance

This insurance is primary except when 2. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in 3. below.

#### 2. Excess Insurance

- a. This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis:

(1) That is effective prior to the beginning of the "policy period" of this insurance and applies to "wrongful acts" on other than a claims-made basis, if:

(a) No "retroactive date" is shown; or

(b) The other insurance has a policy period which continues after the "retroactive date"; or

(2) That covers "loss" we cover under Section I.D. **Coverage Extension – Employment-Related Practices Liability**.

- b. When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

- c. When this insurance is excess over other insurance, we will pay only our share of the amount of the "loss", if any, that exceeds the sum of:
  - (1) The total amount that all such other insurance would pay for the "loss" in the absence of this insurance; and
  - (2) The total of all deductible and self-insured amounts under all that other insurance.
- d. We will share the remaining "loss", if any, with any other insurance that is not described in this paragraph 2. and was not purchased specifically to apply in excess of the Limits of Insurance for this Coverage Part.

**3. Method of Sharing**

- a. If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the "loss" remains, whichever comes first.
- b. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**E. Premium Audit**

- 1. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- 2. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the "policy period" is greater than the earned premium, we will return the excess to the first Named Insured.
- 3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such time as we may request.

**F. Representations**

By accepting this policy, you agree:

- 1. The statements in the Declarations are accurate and complete;
- 2. Those statements are based upon representations you made to us; and
- 3. We have issued this insurance in reliance upon your representations to us.

**G. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- 1. As if each Named Insured were the only Named Insured; and
- 2. Separately to each insured against whom "claim" is made of "suit" is brought.

#### H. 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 Coverage Part, 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.

#### I. Limitation When Two Or More Coverage Parts Or Policies Apply

Insurance might be provided for the same "claim" by this Coverage Part and also by other Coverage Parts or policies issued to you by us or any of our affiliates. If this occurs, the maximum that we will pay under all such Coverage Parts or policies combined is the highest limit that applies in any one of these Coverage Parts or policies.

This provision does not apply to insurance that is purchased specifically (and which is specified in such insurance) to apply in excess of the Limits of Insurance for this Coverage Part.

#### J. When We Do Not Renew

If we decide not to renew this Coverage Part, 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.

Any State amendatory endorsement changing Nonrenewal Conditions for any part of this policy to which this Coverage Part forms a part, shall also apply to this Coverage Part.

#### K. Common Policy Conditions

The following additional conditions apply with respect to this Coverage Part:

1. The Common Policy Conditions contained in form IL 00 17; and
2. Any applicable State amendments thereto.

### SECTION V – DISCOVERY PERIODS

A. We will provide one or more Discovery Periods, as described below, if:

1. This insurance is cancelled or not renewed; or
2. We renew or replace this Coverage Part with insurance that:
  - a. Does not apply to "wrongful acts" on a claims-made basis; or
  - b. Has a retroactive date later than the date shown in the Declarations.

B. Discovery Periods do not extend the policy period or change the scope of coverage provided. Once in effect, Discovery Periods cannot be cancelled.

C. A Basic Discovery Period is automatically provided without an additional charge. This insurance applies to "claims" made during the Basic Discovery Period because of a "wrongful act" that is committed before the end of the "policy period" but not before the "retroactive date". A "claim" will be deemed to have been made in accordance with **SECTION I – COVERAGES**, paragraph A.5. The Basic Discovery Period starts with the end of the "policy period" and lasts for sixty (60) days.

The Basic Discovery Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such "claims".

When the Basic Discovery Period applies, **SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLE** is extended to include "claims" first made during the Basic Discovery Period however the Aggregate Limit and the Aggregate Defense Expense Amount – Non-Monetary Relief are not reinstated or increased.

- D. An Extended Discovery Period is available but only by endorsement and for an additional charge. This period starts when the Basic Discovery Period described in paragraph C. above ends and lasts for thirty-six (36) months. You must give us written request for the endorsement within 60 days after the end of the "policy period." The Extended Discovery Period will not go into effect unless you have paid all premiums due for the policy at the time you request Extended Discovery Period coverage and you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

1. The exposures insured;
2. Previous types and amounts of insurance;
3. Limits of insurance available under this Coverage Part for future payment of damages; and
4. Other related factors.

The additional premium will not exceed 200% of the annual premium for this Coverage Part.

The endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Extended Discovery Period, including a provision to the effect that the insurance afforded for "claims" first made during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Discovery Period starts.

If the Extended Discovery Period is in effect, we will provide a Supplemental Aggregate Limit of Insurance and a Supplemental Aggregate Defense Expense Amount – Non-Monetary Relief, but only for "claims" first made during the Extended Discovery Period. The Supplemental Aggregate Limit of Insurance and the Supplemental Aggregate Defense Expense Amount – Non-Monetary Relief will each be equal to the respective dollar amount shown in the Declarations for this Coverage Part as Aggregate Limit and Aggregate Defense Expense Amount – Non-Monetary Relief, in effect at the end of the "policy period."

## SECTION VI – DEFINITIONS

- A. "Bodily injury" means physical injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death that results from such physical injury, sickness or disease.
- B. "Claim" means:
1. A written demand for monetary damages, or injunctive or other non-monetary relief; or
  2. A "suit"
- against an insured for a "wrongful act" to which this insurance applies.

- C. "Defense expenses" means reasonable costs, charges and fees (including but not limited to attorney's fees and experts' fees) and expenses allocated to a specific "claim" for its investigation, settlement or defense, and the premium for appeal, attachment, or similar bonds. "Defense expenses" does not include:
1. Wages, salaries, expenses or fees of your trustees, committee members, volunteers, directors, officers, or "employees";
  2. Wages, salaries and expenses of our employees; or
  3. Fees and expenses of independent adjusters we hire.
- D. "Educational institution" means the educational entity shown as a Named Insured in the Declarations, as legally constituted at the beginning of the "policy period".
- E. "Employee" includes a "leased worker" or a substitute teacher. "Employee" does not include a "temporary worker".
- F. "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".
- G. "Legal fees" means attorneys fees, or expenses that the insured is legally obligated to pay as a result of an adverse judgment. "Legal fees" does not include cost of compliance with any injunctive or non-monetary relief action.
- H. "Loss" means monetary damages, judgments (including prejudgment interest awarded against the insured on that part of the judgment paid by us), or settlements. "Loss" does not include:
1. Tuition expenses. However, "loss" does include tuition expenses if, at the time of the "wrongful act", you had programs and facilities that would have provided appropriate special education and related services in accordance with the Individuals with Disabilities Education Act of 1990 and any amendments thereto.
  2. Costs of compliance with any injunctive or other non-monetary relief action.
  3. Any costs or expenses incurred by any insured in making changes, modifications, alterations, or improvements to facilities, equipment, policies or procedures as part of an accommodation pursuant to the Americans With Disabilities Act of 1990 or any similar provisions of federal, state or local statutes, or common law.
  4. "Legal fees" when solely injunctive or other non-monetary relief is sought.
  5. Punitive or exemplary damages.
  6. The multiplied portion of multiple damages.
  7. Fines or penalties imposed by law.
  8. Matters deemed uninsurable according to the law under which this policy is construed.

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.



- I. "Policy period" means the period stated in the Declarations of the policy of which this Coverage Part forms a part including an extension after issuance of the policy for an additional period of less than 12 months. However:
1. If this Coverage Part is issued to be effective subsequent to the effective date of such policy, the "policy period" for this Coverage Part will start with the effective date of the Coverage Part; and
  2. If this Coverage Part is cancelled prior to the expiration date of such policy, the "policy period" for this Coverage Part will end with the cancellation date of the Coverage Part.
- J. "Retroactive date" means the Retroactive Date shown in the Declarations for this Coverage Part.
- K. "Suit" means:
1. A civil proceeding commenced by the service of a complaint or similar pleading;
  2. A formal administrative or regulatory proceeding established under federal, state or local laws and commenced by the filing of a notice of charges, formal investigative order or similar document;
  3. An arbitration proceeding to which the insured must submit or does submit with our consent; or
  4. Any other alternative dispute resolution proceeding which the insured submits with our consent
- because of a "wrongful act" to which this insurance applies.
- L. "Temporary worker" means a person other than a substitute teacher who is furnished to you by another organization to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- M. "Volunteer worker" means a person who donates her or his services to you with your knowledge and consent, and who is not paid a fee, salary or other remuneration.
- N. "Wrongful act" means any actual or alleged act, breach of duty, neglect, error, omission, misstatement, or misleading statement committed by the insured, or by any person for whose acts the insured is legally liable, while in the course of performing "educational institution" duties.

# QUICK REFERENCE SCHOOL LEADERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART

**THIS IS CLAIMS MADE INSURANCE. PLEASE READ YOUR POLICY CAREFULLY.**

The School Leaders Errors and Omissions Liability Coverage Part in your policy consists of Declarations, a Coverage Form (26-20), Common Policy Conditions and Endorsements, if applicable. Following is a Quick Reference indexing of the principal provisions contained in each of the components making up the Coverage Part, listed in sequential order, except for the provisions in the Declarations which may not be in the sequence shown.

## **DECLARATIONS**

- Named Insured and Mailing Address
- Policy Period
- Limits of Insurance
- Deductible
- Retroactive Date
- Premium
- Forms and Endorsements applying to the Coverage Form at time of issue

## **COVERAGE FORM (26-20)**

### **SECTION I – COVERAGES**

- Insuring Agreement
- Defense and Defense Expense
- Exclusions
- Coverage Extension – Employment Related Practices Liability

### **SECTION II – WHO IS AN INSURED**

### **SECTION III – LIMITS OF INSURANCE**

### **SECTION IV – SCHOOL LEADERS ERRORS AND OMISSIONS LIABILITY CONDITIONS**

- Bankruptcy
- Duties In The Event Of A Wrongful Act, Claim Or Suit
- Legal Action Against Us
- Other Insurance
- Premium Audit
- Representations
- Separation Of Insureds
- Transfer Of Rights Of Recovery Against Others To Us
- Limitation When Two Or More Coverage Parts or Policies Apply
- When We Do Not Renew

### **SECTION V – DISCOVERY PERIODS**

### **SECTION VI – DEFINITIONS**

## **COMMON POLICY CONDITIONS**

- Cancellations
- Changes
- Examination Of Your Books And Records
- Inspections And Surveys
- Premiums
- Transfer Of Your Rights And Duties Under This Policy

## **ENDORSEMENTS (If Any)**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – EMINENT DOMAIN, INVERSE  
CONDEMNATION, ADVERSE POSSESSION**

This endorsement modifies insurance provided under the following:

SCHOOL LEADERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART

This insurance does not apply to any "claim" arising out of the rights of eminent domain, inverse condemnation or condemnation proceedings, adverse possession or dedication by adverse use (or by whatever name called), whether such liability accrues directly against any insured or by virtue of any agreement entered into by or on behalf of any insured.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – TAX ASSESSMENT**

This endorsement modifies insurance provided under the following:

SCHOOL LEADERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART

This insurance does not apply to any "claim" arising out of:

- a. Any tax assessment or adjustments;
- b. The collection, refund, disbursement or application of any taxes;
- c. Failure to anticipate tax revenue shortfalls; or
- d. Guarantee on bond issues.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PENNSYLVANIA CHANGES**

This endorsement modifies insurance provided under the following:

**SCHOOL LEADERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART**

**A.** The following is added to provision **4.a.** of paragraph **B. Defense and Defense Expense** under **SECTION I – COVERAGE**:

- (6) Prejudgment interest awarded against the 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.

**B. SECTION IV – SCHOOL LEADERS ERRORS AND OMISSIONS LIABILITY CONDITIONS** is amended as follows:

1. The last sentence of Condition **J. When We Do Not Renew** is replaced by:

Any applicable amendments contained in Pennsylvania Changes – Cancellation and Non-Renewal endorsement **IL 02 46** shall also apply to this Coverage Part.

2. Provision **2.** of Condition **K. Common Policy Conditions** is replaced by the following:

2. Any amendments thereto that are contained in Pennsylvania Changes – Cancellation and Non-Renewal endorsement **IL 02 46**.

**C.** Paragraph **H.** under **SECTION VI – DEFINITIONS** is replaced by the following:

**H.** "Loss" means monetary damages, judgments or settlements. "Loss" does not include:

1. Tuition expenses. However, "loss" does include tuition expenses if, at the time of the "wrongful act", you had programs and facilities that would have provided appropriate special education and related services in accordance with the Individuals With Disabilities Education Act of 1990 and any amendments thereto.
2. Cost of compliance with any injunctive or other non-monetary relief action.
3. Any costs or expenses incurred by any insured in making changes, modifications, alterations, or improvements to facilities, equipment, policies or procedures as part of accommodation pursuant to the Americans With Disabilities Act of 1990 or any similar provisions of federal, state or local statutes, or common law.
4. "Legal fees" when solely injunctive or other non-monetary relief is sought.
5. Punitive or exemplary damages.
6. The multiplied portion of multiple damages.
7. Fines or penalties imposed by law.
8. Matters deemed uninsurable according to the law under which this policy is construed.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – LAW ENFORCEMENT PROFESSIONAL LIABILITY**

This endorsement modifies insurance provided under the following:

SCHOOL LEADERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART

**A.** This insurance does not apply to:

1. Any "claim" arising out of any act, error or omission committed in the performance of "law enforcement activities" by the insured or by any person for whose acts the insured is legally liable; and
2. Any allegations that an insured negligently employed, investigated, trained, supervised, reported to proper authorities or failed to so report, or retained a person whose conduct would be excluded by 1. above.

**B.** For the purposes of this endorsement:

"Law enforcement activities" means activities, services, advice or instruction that are within the scope of the authorized duties of the "educational institution's" law enforcement or security guard personnel.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **INNOCENT PARTY DEFENSE COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

SEXUAL MISCONDUCT AND MOLESTATION LIABILITY COVERAGE PART

### **SCHEDULE**

**Aggregate Defense Expense Amount      \$**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any insured for whom insurance is not provided under Section **I.A. Insuring Agreement** because he or she allegedly commits, directs, participates in, has knowledge of or consents to a "wrongful act", Section **I.B. Defense and Defense Expense** is replaced by the following:

1. We will have the right but not the obligation to defend the insured against any "suit" seeking "loss". We may, at our discretion, investigate any "wrongful act" and settle any claim or "suit" that may result.
2. Subject to the Aggregate Defense Expense Amount shown in the Schedule:
  - a. We will pay "defense expenses" with respect to any "suit" against the insured we elect to defend. However, we have no obligation to pay any "loss" amounts the insured becomes legally obligated to pay, nor appeal any adverse judgments.
  - b. If we elect not to defend the insured against a "suit", we will only reimburse the insured for the amount of her or his "defense expenses" if there is a "final adjudication" in the "suit" that such insured did not commit, direct, participate in, have knowledge of or consent to a "wrongful act".

Our obligation to pay or reimburse for "defense expenses" ends when the Aggregate Defense Expense Amount has been used up in the payment or reimbursement of "defense expenses".

3. The Aggregate Defense Expense Amount is the most we will pay or reimburse for the sum of all "defense expenses" arising out of paragraph 2. above. If the "policy period" is for more than one year, the Aggregate Defense Expense Amount applies separately to each consecutive annual period, and to any remaining period of less than 12 months starting with the beginning of the "policy period". But if the "policy period" is extended after issuance for less than 12 months, the additional period will be deemed part of the last preceding period for the purposes of determining the Aggregate Defense Expense Amount.
4. As used in this endorsement:
  - a. "Defense expenses" means those reasonable and necessary expenses that result from the defense of a specific claim, including:
    - (1) Attorney and paralegal fees and expenses;

(2) Costs of legal proceedings;

(3) 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 \$250 a day because of time off from work.

"Defense expenses" does not include salaries and expenses of our employees, including our employed attorneys, salaries and expense of the insured's employees (other than those described in paragraph a.(3) above), or fees and expenses of independent adjusters we hire.

b. "Final adjudication" means an actual trial involving the following:

(1) A finding of facts;

(2) A presentation of witnesses; and

(3) A final resolution on the merits in which all appeals are exhausted.

All other terms, conditions and exclusions shall remain the same.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT OF OTHER INSURANCE CONDITION**

This endorsement modifies insurance provided under the following:

SCHOOL LEADERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART

Paragraph 2.a. of Condition D. **Other Insurance** (refer to **Section IV – School Leaders Errors and Omissions Liability Conditions**) is replaced by the following:

### **2. Excess Insurance**

a. This insurance is excess over:

(1) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(a) That is effective prior to the beginning of the “policy period” of this insurance and applies to “wrongful acts” on other than a claims-made basis, if:

(i) No “retroactive date” is shown; or

(ii) The other insurance has a policy period which continues after the “retroactive date”; or

(b) That covers “loss” we cover under Section I.D. Coverage Extension – Employment Related Practices Liability.

(2) Any other primary insurance:

(a) For which you have been added as an additional insured by attachment of an endorsement; and

(b) That is available to you covering liability for “loss” we cover under this Coverage Form.

All other terms, conditions and exclusions shall remain the same.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT OF OTHER INSURANCE CONDITION**

This endorsement modifies insurance provided under the following:

### **SEXUAL MISCONDUCT AND MOLESTATION LIABILITY COVERAGE FORM**

Condition **D. Other Insurance** (refer to **Section IV – Sexual Misconduct and Molestation Liability Conditions**) is replaced by the following:

If other valid and collectible insurance is available to the insured for "loss" we cover under this Coverage Part, our obligations are limited as follows:

#### **1. Primary Insurance**

This insurance is primary except when 2. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in 3. below.

#### **2. Excess Insurance**

a. This insurance is excess over any other primary insurance:

(1) For which you have been added as an additional insured by attachment of an endorsement; and

(2) That is available to you covering liability for "loss" we cover under this Coverage Form.

b. When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

c. When this insurance is excess over other insurance, we will pay only our share of the amount of the "loss", if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the "loss" in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

d. We will share the remaining "loss", if any, with any other insurance that is not described in this paragraph 2. and was not purchased specifically to apply in excess of the Limits of Insurance for this Coverage Part.

#### **3. Method of Sharing**

a. If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the "loss" remains, whichever comes first.

b. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

All other terms, conditions and exclusions shall remain the same.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PENNSYLVANIA CHANGES**

This endorsement modifies insurance provided under the following:

**SEXUAL MISCONDUCT AND MOLESTATION LIABILITY COVERAGE PART**

**A.** The following is added to provision **2.** of paragraph **B. Defense and Defense Expense** under **SECTION I – COVERAGE**:

- f.** Prejudgment interest awarded against the 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.

**B.** Paragraph **E.** under **SECTION V – DEFINITIONS** is replaced by the following:

- E.** "Loss" means damages, judgments or settlements. "Loss" does not include non-monetary relief, punitive or exemplary damages, multiplied portion of multiple damages, fines or penalties imposed by law, or matters deemed uninsurable according to the law under which this policy is construed.

**C. SECTION IV – SEXUAL MISCONDUCT AND MOLESTATION LIABILITY CONDITIONS** is amended as follows:

**1.** The last sentence of condition **J. When We Do Not Renew** is replaced by:

Any applicable amendments contained in Pennsylvania Changes – Cancellation and Non-Renewal endorsement **IL 02 46** shall also apply to this Coverage Part.

**2.** Paragraph **2.** of condition **K. Common Policy Conditions** is replaced by the following:

- 2.** Any amendments thereto that are contained in Pennsylvania Changes – Cancellation and Non-Renewal endorsement **IL 02 46**.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**WAR LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY COVERAGE PART  
(CONDOMINIUM ASSOCIATIONS AND HOMEOWNERS ASSOCIATIONS)  
DIRECTORS AND OFFICERS LIABILITY COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
EMPLOYERS STOP GAP LIABILITY COVERAGE PART  
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART  
LAW ENFORCEMENT PROFESSIONAL LIABILITY COVERAGE PART  
LIMITED POLLUTION LIABILITY COVERAGE PART – DESIGNATED STORAGE TANKS  
PASTORAL PROFESSIONAL LIABILITY COVERAGE PART  
PRINTERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART  
RELIGIOUS ORGANIZATIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE PART  
SCHOOL LEADERS ERRORS AND OMISSIONS COVERAGE PART  
SEXUAL MISCONDUCT AND MOLESTATION LIABILITY COVERAGE PART

A. If your policy contains one or more of the following Coverage Parts:

**DIRECTORS AND OFFICERS LIABILITY COVERAGE PART (CONDOMINIUM ASSOCIATIONS AND HOMEOWNERS ASSOCIATIONS)**  
**DIRECTORS AND OFFICERS LIABILITY COVERAGE PART**  
**EMPLOYEE BENEFITS LIABILITY COVERAGE PART**  
**EMPLOYMENT PRACTICES LIABILITY COVERAGE PART**  
**PASTORAL PROFESSIONAL LIABILITY COVERAGE PART**  
**PRINTERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART**  
**RELIGIOUS ORGANIZATIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE PART**  
**SCHOOL LEADERS ERRORS AND OMISSIONS COVERAGE PART**  
**SEXUAL MISCONDUCT AND MOLESTATION LIABILITY COVERAGE PART**

The following exclusion is added:

This insurance does not apply to:

**War**

Injury or damage, however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (2) 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
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

B. If your policy contains **LIMITED POLLUTION LIABILITY COVERAGE PART – DESIGNATED STORAGE TANKS**, the following exclusion is added to Section **I.C. Exclusions**:

This insurance does not apply to:

**War**

"Bodily injury", "property damage" or "corrective action costs", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (2) 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
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

C. If your policy contains **EMPLOYERS STOP GAP LIABILITY COVERAGE PART**, exclusion 16. under Section I.C. **Exclusions** is replaced by the following:

This insurance does not apply to:

**16. War**

"Bodily injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (2) 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
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. If your policy contains **LAW ENFORCEMENT PROFESSIONAL LIABILITY COVERAGE PART**, Section I.C. **Exclusions** is amended as follows:

1. Exclusion 12. is replaced by the following:

This insurance does not apply to:

**12. Labor, Strike Or Civil Commotion**

Any "claim" arising out of a labor strike, civil disturbance, riot or civil commotion.

2. The following exclusion is added:

This insurance does not apply to:

**War**

"Bodily injury", "personal injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (2) 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
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NON-CUMULATION OF LIABILITY (SAME OCCURRENCE)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to paragraph 5. under **SECTION III – LIMITS OF INSURANCE:**

Non-Cumulation of Liability – Same Occurrence – If one "occurrence" causes "bodily injury" or "property damage" during the policy period and during the policy period of one or more prior, or future, general liability policy(ies) issued to you by us, then this policy's Each Occurrence Limit will be reduced by the amount of each payment made by us under the other policy(ies) because of such "occurrence."

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CRIMINAL ACTS DEFENSE COVERAGE**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**Aggregate Defense Expense Amount \$ 50,000**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**A. The following is added to SUPPLEMENTARY PAYMENTS – COVERAGES A AND B:**

3. Subject to the Aggregate Defense Expense Amount shown in the Schedule and at your request, we will reimburse the insured for "defense expenses" incurred in the defense of a criminal action or criminal proceeding brought against the insured and commencing during the policy period but only if:
  - a. The criminal action or criminal proceeding arose from acts committed within the scope of employment by you or while performing duties related to the conduct or your business; and
  - b. The insured is acquitted or the charges are dropped; and
  - c. The "defense expenses" are reported to us within one year of the acquittal or dropped charges.

We have no duty to defend the insured. The insured must select an attorney of his or her choice for representation in the criminal action or criminal proceeding. Our obligation to reimburse "defense expenses" ends when the Aggregate Defense Expense Amount has been used up in the reimbursement of "defense expenses".

**B. The coverage afforded under paragraph A. of this endorsement does not apply to:**

1. "Defense expenses" incurred for appeals after a guilty verdict is rendered at the first trial; or
2. "Defense expenses" incurred for any retrial upon an entry of a mistrial after verdict, or to any retrial after appeal.

**C. Regardless of the number of insureds, criminal actions or criminal proceedings, the Aggregate Defense Expense Amount is the most we will reimburse all insureds under paragraph A. of this endorsement for the sum of all "defense expenses". If the policy period is for more than one year, the Aggregate Defense Expense Amount applies separately to each consecutive annual period, and to any remaining period of less than 12 months starting with the beginning of the policy period. But if the policy period is extended after issuance for less than 12 months, the additional period will be deemed part of the last preceding period for the purposes of determining the Aggregate Defense Expense Amount.**

**D. As used in this endorsement, "defense expenses" means those reasonable and necessary expenses that result from the defense of a specific criminal action or criminal proceeding brought against the insured, including:**

1. Attorney and paralegal fees and expenses; and
2. Costs of legal proceedings

"Defense expenses does not include loss of earnings or any fines or penalties imposed by law.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – SILICA (SCHOOLS)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following is added to paragraph 2. Exclusions of COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY under SECTION I – COVERAGES:**

This insurance does not apply to:

**Silica**

- (1) "Bodily injury" arising, or allegedly arising, in whole or in part, from the inhalation, ingestion, absorption of or exposure to silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise; or
- (2) "Property damage" arising, or allegedly arising, in whole or in part, from silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise; or
- (3) Any loss, cost or expense arising out of any:
  - (a) 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 silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise.

However, exclusion A.(2), does not apply to "property damage" arising from sandblasting operations that are confined to the necessary repair or maintenance of your premises as a school.

**B. The following is added to paragraph 2. Exclusions of COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY under SECTION I – COVERAGES:**

This insurance does not apply to:

**Silica**

- (1) "Personal and advertising injury" arising, or allegedly arising, in whole or in part, from silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise; or
- (2) Any loss, cost or expense arising out of any:
  - (a) 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 silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDMENT OF OCCURRENCE DEFINITION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The definition of "occurrence" in Section **V – Definitions** is replaced with the following:

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

"Occurrence" also means:

- a. An accident, including continuous or repeated exposure to substantially the same general harmful conditions, that involves "property damage" to property that is not "your work", but is caused by "your work", regardless of whether the work is performed by you or on your behalf by a subcontractor; or
- b. An accident, including continuous or repeated exposure to substantially the same general harmful conditions, that involves "property damage" to "your work", but only if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor, and the "property damage" is included within the "products-completed operations hazard".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

SCHOOL LEADERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART

**A.** Provision **1.b.(1)** of paragraph **B. Defense and Defense Expense** under **SECTION I – COVERAGE** is replaced by the following:

1. We will have the right and duty to defend the insured against any "suit" seeking:
  - b. Only injunctive or other non-monetary relief because of a "wrongful act" to which this insurance applies. But:
    - (1) When the Aggregate Defense Expense Amount – Non-Monetary Relief is used up in the payment of "defense expense" or "legal fees", our duty to defend ends with respect to any "suit" seeking injunctive or other non-monetary relief subject to such exhausted limit; and

**B.** Paragraph **C. Exclusions** under **SECTION I – COVERAGE** is amended as follows:

1. Exclusion **4. Employers Liability** is replaced by the following:

This insurance does not apply to:

**4. Employers Liability**

Any "claim" made by or on behalf of:

- a. Any "employee(s)" arising out of and in the course of:
  - (1) Employment by the insured; or
  - (2) Performing duties related to the conduct of the insured's business; or
- b. The spouse, child, parent, brother or sister of that "employee" 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 damages with or repay someone else who must pay damages because of a "claim" described in paragraph a. or b. above.

This exclusion does not apply to the extent of coverage provided under Section I.D. **Coverage Extension – Employment-Related Practices Liability**.

2. Exclusion **8. Illegal Profit Or Advantage** is replaced by the following:

This insurance does not apply to:

**8. Illegal Profit Or Advantage**

Any insured who commits a "wrongful act" that gains or causes another person or organization to gain a profit or advantage to which the insured or other person or organization was not legally entitled.

**C.** Provision **1.** of paragraph **B.** under **SECTION II – WHO IS AN INSURED** is replaced by the following:

1. Any person who was, now is, or shall be an elected or appointed member of your board of governors, board of education, school committee, board of trustees or commission;

All other terms and conditions of the policy remain unchanged.

# COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy 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" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

## SECTION I – COVERAGES

### COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

#### 1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

## 2. Exclusions

This insurance does not apply to:

### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

### b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) 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 damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
  - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

### c. Liquor Liability

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) 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 of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

### d. Workers' Compensation And Similar Laws

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

### e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) 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.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

## **f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":**
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:**
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;**
    - (ii) "Bodily injury" or "property damage" 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 policy 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**
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";**
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;**
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:**
    - (i) Any insured; or**
    - (ii) Any person or organization for whom you may be legally responsible; or**
  - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:**
    - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;**
    - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or**
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".**
  - (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".**
- (2) Any loss, cost or expense arising out of any:**
  - (a) 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**
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".**

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

**g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, 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 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" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) 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 you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

**h. Mobile Equipment**

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

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

**i. War**

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

**j. Damage To Property**

"Property damage" to:

- (1) 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;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) 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
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) 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 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

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

**l. 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".

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.

**m. Damage To Impaired Property Or Property Not Physically Injured**

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

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

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.

**n. Recall Of Products, Work Or Impaired Property**

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

- (1) "Your product";
- (2) "Your work"; or
- (3) "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.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

**COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**

**1. Insuring Agreement**

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance ; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

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

b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

## 2. Exclusions

This insurance does not apply to:

### a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

### b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

### c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

### d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

### e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

### f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

### g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

### h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

### i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

### j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions Section.



For the 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.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) 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
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**COVERAGE C MEDICAL PAYMENTS**

**1. Insuring Agreement**

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while taking part in athletics.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**h. War**

Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
  - a. All expenses we incur.
  - b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
  - 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", including actual loss of earnings up to \$250 a day because of time off from work.
  - e. All costs taxed against the insured in the "suit".
  - f. Prejudgment interest awarded against the 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.
  - g. All interest on the full amount of any judgment 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 the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
  - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
  - b. This insurance applies to such liability assumed by the insured;
  - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
  - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
  - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
  - f. The indemnitee:
    - (1) Agrees in writing to:
      - (a) Cooperate with us in the investigation, settlement or defense of the "suit";

- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
  - (c) Notify any other insurer whose coverage is available to the indemnitee; and
  - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
- (2) Provides us with written authorization to:
- (a) Obtain records and other information related to the "suit"; and
  - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

## SECTION II – WHO IS AN INSURED

### 1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

### 2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

#### (1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

- (2) "Property damage" to property:
- (a) Owned, occupied or used by,
  - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by
    - you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
- (1) With respect to liability arising out of the maintenance or use of that property; and
  - (2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. 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. However, no person or organization is an insured with respect to:
- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
  - b. "Property damage" 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.
4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed 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.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
- a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
- a. Medical expenses under Coverage **C**;
  - b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage **B**.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage A; and
  - b. Medical expenses under Coverage C
 because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part 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 – COMMERCIAL GENERAL LIABILITY CONDITIONS**

##### **1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### **2. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense 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 "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
  - (1) Immediately record the specifics of the claim or "suit" and the date received; and
  - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:
  - (1) Immediately 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 defense against the "suit"; and
  - (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 insurance may also apply.
- 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.

##### **3. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- 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 on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part 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.

#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

##### a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **c.** below.

##### b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
  - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.
- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

##### c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

#### 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. 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.

**6. 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.

**7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, 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.

**8. 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 Coverage Part, 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.

**9. When We Do Not Renew**

If we decide not to renew this Coverage Part, 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. "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 purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
- 2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
- 3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- 4. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
  - c. All other 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;
    - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or

- (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 damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "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:
    - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
    - b. Your fulfilling the terms of the contract or agreement.
9. "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. Any 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 business (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" 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.  
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 an 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.
10. "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".



11. "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".
12. "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;
  - 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.
13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "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, in any manner, 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, in any manner, of material that violates a person's right of privacy;
  - f. The use of another's advertising idea in your "advertisement"; or

**g.** Infringing upon another's copyright, trade dress or slogan in your "advertisement".

**15.** "Pollutants" mean 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.

**16.** "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:

**(a)** 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 job 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.

**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.

**17.** "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 of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the 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.

**18.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

**a.** An arbitration proceeding in which such damages 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 are claimed and to which the insured submits with our consent.

**19.** "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.

**20.** "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.

**21.** "Your product":

**a. Means:**

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

**b. 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.

**c. Does not include vending machines or other property rented to or located for the use of others but not sold.**

**22. "Your work":**

**a. Means:**

- (1)** Work or operations performed by you or on your behalf; and
- (2)** Materials, parts or equipment furnished in connection with such work or operations.

**b. 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.**

**NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**  
**(Broad Form)**

This endorsement modifies insurance provided under the following:

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

1. The insurance does not apply:

**A.** Under any Liability Coverage, to "bodily injury" or "property 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 (a) 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 the United States of America, or any agency thereof, with any person or organization.

**B.** Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

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

2. As used in this endorsement:

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

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

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WAR LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. Exclusion i. under Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:**

#### **2. Exclusions**

This insurance does not apply to:

##### **i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (2) 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
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

#### **2. Exclusions**

This insurance does not apply to:

##### **WAR**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war; or
- 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.

**C. Exclusion h. under Paragraph 2., Exclusions of Section I – Coverage C – Medical Payments does not apply. Medical payments due to war are now subject to Exclusion g. of Paragraph 2., Exclusions of Section I – Coverage C – Medical Payments since "bodily injury" arising out of war is now excluded under Coverage A.**

# QUICK REFERENCE

## COMMERCIAL GENERAL LIABILITY COVERAGE PART

### READ YOUR POLICY CAREFULLY

The Commercial General Liability Coverage Part in your policy consists of Declarations, a Coverage Form (either CG 00 01 or CG 00 02), Common Policy Conditions and Endorsements, if applicable. Following is a Quick Reference indexing of the principal provisions contained in each of the components making up the Coverage Part, listed in sequential order, except for the provisions in the Declarations which may not be in the sequence shown.

#### DECLARATIONS

- Named Insured and Mailing Address
- Policy Period
- Description of Business and Location of Premises
- Limits of Insurance
- Forms and Endorsements applying to the Coverage Part at time of issue

#### COVERAGE FORM (CG 00 01 or CG 00 02)

##### SECTION I—COVERAGES

- Coverage A—Bodily Injury and Property Damage Liability

- Insuring Agreement

- Exclusions

- Coverage B—Personal and Advertising Injury Liability

- Insuring Agreement

- Exclusions

- Coverage C—Medical Payments

- Insuring Agreement

- Exclusions

- Supplementary Payments

##### SECTION II—WHO IS AN INSURED

##### SECTION III—LIMITS OF INSURANCE

##### SECTION IV—COMMERCIAL GENERAL LIABILITY CONDITIONS

- Bankruptcy

- Duties in the Event of Occurrence, Claim or Suit

- Legal Action Against Us

- Other Insurance

- Premium Audit

- Representations

- Separation of Insureds

- Transfer of Rights of Recovery Against Others to Us

- When We Do Not Renew (applicable to CG 00 02 only)

- Your Right to Claim and "Occurrence" Information (applicable to CG 00 02 only)

##### SECTION V—EXTENDED REPORTING PERIODS (applicable to CG 00 02 only)

##### SECTION VI—DEFINITIONS (SECTION V in CG 00 01)

#### COMMON POLICY CONDITIONS (IL 00 17)

- Cancellation

- Changes

- Examination of Your Books and Records

- Inspections and Surveys

- Premiums

- Transfer of Your Rights and Duties under this Policy

#### ENDORSEMENTS (If Any)

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

**(1) A person arising out of any:**

**(a)** Refusal to employ that person;

**(b)** Termination of that person's employment; or

**(c)** Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

**(2) The 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 (a), (b), or (c) above is directed.**

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.**

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

**(1) A person arising out of any:**

**(a)** Refusal to employ that person;

**(b)** Termination of that person's employment; or

**(c)** Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

**(2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.**

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.**



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FUNGI OR BACTERIA EXCLUSION**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi or Bacteria**

- a. "Bodily injury" or "property damage" which would not have occurred, 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 or damage.
- b. 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.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

**2. Exclusions**

This insurance does not apply to:

**Fungi or Bacteria**

- a. "Personal and advertising injury" 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.
- b. Any loss, cost or expense 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.

**C. The following definition is added to the Definitions Section:**

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

**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:

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.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year 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.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such 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.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF PUNITIVE DAMAGES  
RELATED TO A CERTIFIED ACT OF TERRORISM**

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. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

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

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such 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.

**C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION - CORPORAL PUNISHMENT

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., **Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability** and Paragraph 2., **Exclusions of Section I - Coverage B - Personal And Advertising Injury Liability**:

This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" to your student arising out of any corporal punishment administered by or at the direction of any insured.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CORPORAL PUNISHMENT**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE PART**

Exclusion a. of paragraph 2., Exclusions of COVERAGE A—BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I—Coverages) is replaced by the following:

This insurance does not apply to:

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

This exclusion does not apply to "bodily injury" resulting from:

- (1) The use of reasonable force to protect persons or property; or
- (2) Corporal punishment to your student administered by or at the direction of any insured.

**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:

DIRECTORS AND OFFICERS LIABILITY COVERAGE PART (CONDOMINIUM ASSOCIATIONS AND HOMEOWNERS ASSOCIATIONS)  
DIRECTORS AND OFFICERS LIABILITY COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART  
LIMITED POLLUTION LIABILITY COVERAGE PART – DESIGNATED STORAGE TANKS  
RELIGIOUS ORGANIZATIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE PART  
SCHOOL LEADERS ERRORS AND OMISSIONS COVERAGE PART  
SEXUAL MISCONDUCT AND MOLESTATION LIABILITY COVERAGE PART

- A. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year 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 a pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

“Certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such 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.
- B. 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 injury, damage, damages, claims, suits, wrongful acts, losses or employment practices that are otherwise excluded under this Coverage Part.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF PUNITIVE DAMAGES RELATED TO  
A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY COVERAGE PART (CONDOMINIUM ASSOCIATIONS AND HOMEOWNERS ASSOCIATIONS)  
DIRECTORS AND OFFICERS LIABILITY COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART  
LIMITED POLLUTION LIABILITY COVERAGE PART – DESIGNATED STORAGE TANKS  
RELIGIOUS ORGANIZATIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE PART  
SCHOOL LEADERS ERRORS AND OMISSIONS COVERAGE PART  
SEXUAL MISCONDUCT AND MOLESTATION LIABILITY COVERAGE PART

A. The following exclusion is added:

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such 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.

C. 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 injury, damage, damages, claims, suits, wrongful acts, losses or employment practices that are otherwise excluded under this Coverage Part.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**SEXUAL MISCONDUCT AND MOLESTATION LIABILITY – DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

SEXUAL MISCONDUCT AND MOLESTATION COVERAGE FORM

With respect to the coverages provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**The following is added to Section III – LIMITS OF INSURANCE**

**E. Deductible**

1. Our obligation to pay under this Coverage Part applies only to the amount of "loss" in excess of the Deductible amount, if any, shown in the Declarations for this Coverage Part, and the limits of insurance will not be reduced by the amount of such Deductible.
2. The Deductible amount applies to "loss" arising from all claims made because of one "wrongful act". A single "wrongful act" or a series of causally connected "wrongful acts" will be considered one "wrongful act".
3. The terms of this insurance including our right and duty to defend the insured against any "suit" seeking "loss" (**SECTION I.B.1.**) and your duties in the event of a "wrongful act", claim or "suit" (**SECTION IV.B.**) apply irrespective of the application of the Deductible amount.
4. We may pay any part or all of the Deductible amount to effect settlement of any claim and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible amount as has been paid by us.



## RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

### 2. Exclusions

This insurance does not apply to:

#### Recording And Distribution Of Material Or Information In Violation Of Law

“Bodily injury” or “property damage” arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

- B. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability is replaced by the following:

### 2. Exclusions

This insurance does not apply to:

#### Recording And Distribution Of Material Or Information In Violation Of Law

“Personal and advertising injury” arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – TRAMPOLINES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to paragraph 2. **Exclusions** of **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE** under **SECTION I – COVERAGES**:

This insurance does not apply to:

### **Trampolines**

"Bodily injury" or "property damage" arising out of the ownership, operation, maintenance or use of any:

(1) Trampoline; or

(2) Trampoline apparatus, device or accessory;

including the rendering of or failure to render instructions, recommendations, warnings or advice.

However, this exclusion does not apply to any trampoline that is 48 inches or less in diameter.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – TRAMPOLINES**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to paragraph 2. **Exclusions** of **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** under **SECTION I – COVERAGES**:

This insurance does not apply to:

### **Trampolines**

“Bodily injury” or “property damage” arising out of the ownership, operation, maintenance or use of any:

- (1) Trampoline; or
- (2) Trampoline apparatus, device or accessory;

including the rendering of or failure to render instructions, recommendations, warnings or advice.

However, this exclusion does not apply to any trampoline that is 60 inches or less in diameter.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – CLIMBING OR RAPPELLING WALLS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following is added to paragraph 2. **Exclusions** of **COVERAGE A BODILY INJURY AND PROPERTY DAMAGE** under **SECTION I – COVERAGES**:

This insurance does not apply to:

**Climbing Or Rappelling Walls**

“Bodily injury” or “property damage” arising out of the ownership, operation, maintenance or use of any:

- (1) Climbing or rappelling wall, tower or boulder; or
- (2) Climbing or rappelling apparatus, device or accessory;

including the rendering of or failure to render instructions, recommendations, warnings or advice.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**LIMITED FIDUCIARY LIABILITY EXTENSION FOR SCHOOL  
403(b) AND 457(b) PLANS**

This endorsement modifies insurance provided under the following:

SCHOOL LEADERS ERRORS AND OMISSIONS LIABILITY COVERAGE PART

Paragraph **10. Employee Benefit Plan**, of **C. Exclusions**, is replaced as follows:

**10. Employee Benefit Plan**

Any "wrongful act" related to the administration of any employee benefit plan.

This exclusion does not apply to "claims" arising from a 403(b) or 457(b) plan you sponsor for your "employee's" if the "wrongful act" is related to:

- a. Your discretionary control or authority over the decisions made during the management of such a plan;
- b. Your disposition of any plan assets;
- c. Errors in providing information on past performance of investment vehicles; or
- d. Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in an employee benefit program.

However, exception **a.** above does not apply to "claims" arising from any investments:

- a. Selected to be a part of your plan; or
- b. Failure to perform.

The term Company, as used below, means the company that has issued the policy to which this witness statement is attached. The Company is identified on your Declarations in the area titled "Coverage is provided in".

**IN WITNESS WHEREOF**, the Company has caused this policy to be executed and attested on its behalf by its President and Secretary at Boston, Massachusetts, and countersigned on the Declarations by a duly authorized representative of that Company. In a state where a countersignature is not required, no policy shall be deemed invalid due to the absence of a countersignature.



*President*



*Secretary*

<b>Policy Number:</b> CBP 8503895	<b>Prior Policy:</b>
<b>Policy Period:</b> 07/01/2019 To: 07/01/2020 12:01 am Standard Time at the Mailing Address of the Named Insured	
<b>Coverage Is Provided In</b> THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY	
<b>Billing Type:</b> AGENCY BILL - PREPAID	
<b>Named Insured and Mailing Address:</b> INSIGHT PA CYBER CHARTER SCHOOL 350 EAGLEVIEW BLVD STE 350 EXTON PA 19341	<b>Agent:</b> TRIDENT RISK ADVISORS, LLC 150 N RADNOR CHESTER RD STE A220 RADNOR PA 19087-5252  <b>Agent Code:</b> 3711915 <b>Agent Phone:</b> (484)-582-6043

**Reason for Amendment:** NEW BUSINESS

**Transaction Effective Date:** 07/01/2019

**Premium for this Transaction:** \$ 16,966.00

**STATEMENT OF ACCOUNT**

Acct Date	Premium	Surcharge/ Assessment	Total Due
07/2019	\$ 16,966.00	\$ 0.00	\$ 16,966.00
		<b>Total Premium Charged:</b>	<b>\$ 16,966.00</b>

Date Issued: 06/19/2019



Coverage is provided in:  
**PEERLESS INSURANCE COMPANY - A STOCK COMPANY**

**This policy has been prepared for:**

INSIGHT PA CYBER CHARTER  
SCHOOL  
350 EAGLEVIEW BLVD STE 350  
EXTON PA 19341

**Agent Name and Address:**

TRIDENT RISK ADVISORS, LLC  
150 N RADNOR CHESTER RD  
STE A220  
RADNOR PA 19087-5252

**Agent Code:** 3711915

**Agent's Phone Number:** (484)-582-6043

**Your insurance policy is enclosed. Please place it with your important papers.**

**Thank you for selecting us to service your insurance needs!**

INSURED COPY



# TERRORISM INSURANCE PREMIUM DISCLOSURE AND OPPORTUNITY TO REJECT

This notice contains important information about the Terrorism Risk Insurance Act and your option to reject terrorism insurance coverage. Please read it carefully.

## THE TERRORISM RISK INSURANCE ACT

The Terrorism Risk Insurance Act, including all amendments ("TRIA" or the "Act"), establishes a program to spread the risk of catastrophic losses from certain acts of terrorism between insurers and the federal government. If an individual insurer's losses from "certified acts of terrorism" exceed a specified deductible amount the government will reimburse the insurer for a percentage of losses (the "Federal Share") paid in excess of the deductible, but only if aggregate industry losses from such acts exceed the "Program Trigger". An insurer that has met its insurer deductible is not liable for any portion of losses in excess of \$100 billion per year. Similarly the federal government is not liable for any losses covered by the Act that exceed this amount. If aggregate insured losses exceed \$100 billion, losses up to that amount may be pro-rated, as determined by the Secretary of the Treasury.

The Federal Share and Program Trigger by calendar year are:

Calendar Year	Federal Share	Program Trigger
2015	85%	\$100,000,000
2016	84%	\$120,000,000
2017	83%	\$140,000,000
2018	82%	\$160,000,000
2019	81%	\$180,000,000
2020	80%	\$200,000,000

## MANDATORY AVAILABILITY OF COVERAGE FOR "CERTIFIED ACTS OF TERRORISM"

TRIA requires insurers to make coverage available for any loss that occurs within the United States (or outside of the U.S. in the case of U.S. missions and certain air carriers and vessels), results from a "certified act of terrorism" AND that is otherwise covered under your policy.

A "certified act of terrorism" means:

[A]ny act that is certified by the Secretary [of the Treasury], in consultation with the Secretary of Homeland Security, and the Attorney General of the United States

- (i) to be an act of terrorism
- (ii) to be a violent act or an act that is dangerous to
  - (I) human life
  - (II) property; or
  - (III) infrastructure;
- (iii) to have resulted in damage within the United States, or outside of the United States in the case of
  - (I) an air carrier (as defined in section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States); or
  - (II) the premises of a United States mission; and
- (iv) 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.

REJECTING TERRORISM INSURANCE COVERAGE – WHAT YOU MUST DO

We have included in your policy coverage for losses resulting from "certified acts of terrorism" as defined above.

THE PREMIUM CHARGE FOR THIS COVERAGE APPEARS ON THE DECLARATIONS PAGE OF THE POLICY AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT. If we are providing you with a quote, the premium charge will also appear on your quote as a separate line item charge.

Note: With respect to Excess or Umbrella policies, this offer of coverage pertains only to those lines of business covered by TRIA and, more specifically, does not apply to commercial automobile insurance. In addition, this offer of TRIA coverage is expressly conditioned upon your acceptance of coverage for "certified acts of terrorism" on all underlying insurance policies that are subject to TRIA. If you reject such coverage on your primary liability policies, you must also reject it on your Excess or Umbrella policy.

IF YOU CHOOSE TO REJECT THIS COVERAGE PLEASE CHECK THE BOX BELOW, SIGN THE ACKNOWLEDGMENT, AND RETURN IT IN THE ENCLOSED ENVELOPE. Please ensure any rejection is received within thirty (30) days of the effective date of your policy.

\_\_\_\_\_ I hereby reject this offer of coverage. I understand that by rejecting this offer, I will have no coverage for losses arising from "certified acts of terrorism" and my policy will be endorsed accordingly.

Note that certain states (currently CA, GA, IA, IL, ME, MO, NY, NC, NJ, OR, RI, WA, WI and WV) mandate coverage for loss caused by fire following a "certified act of terrorism" in certain types of insurance policies. If you reject TRIA coverage in these states on those policies, you will not be charged any additional premium for that state mandated coverage.

\_\_\_\_\_  
Policyholder/Applicant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

The summary of the Act and the coverage under your policy contained in this notice is necessarily general in nature. Your policy contains specific terms, definitions, exclusions and conditions. In case of any conflict, your policy language will control the resolution of all coverage questions. Please read your policy carefully.

IF YOU HAVE ANY QUESTIONS REGARDING THIS NOTICE, PLEASE CONTACT YOUR AGENT.

FOLD

FOLD

**Policy Number**

**Agency Code**

8503904

3711915

**Insured Name:**

**Please fold on line. Company address  
must show through window.**

INSIGHT PA CYBER CHARTER  
SCHOOL

**Effective Date:**

07/01/2019

## IMPORTANT POLICYHOLDER INFORMATION CONCERNING BILLING PRACTICES

**Dear Valued Policyholder:** This insert provides you with important information about our policy billing practices that may affect you. Please review it carefully and contact your agent if you have any questions.

**Premium Notice:** We will mail you a policy Premium Notice separately. The Premium Notice will provide you with specifics regarding your agent, the account and policy billed, the billing company, payment plan, policy number, transaction dates, description of transactions, charges/credits, policy amount balance, minimum amount, and payment due date. This insert explains fees that may apply to and be shown on your Premium Notice.

### Available Premium Payment Plans:

- **Annual Payment Plan:** When this plan applies, you have elected to pay the entire premium amount balance shown on your Premium Notice in full. No installment billing fee applies when the Annual Payment Plan applies.
- **Installment Payment Plan:** When this plan applies, you have elected to pay your policy premium in installments (e.g.: quarterly or monthly installments – Installment Payment Plans vary by state). As noted below, an installment fee may apply when the Installment Payment Plan applies.

The Premium Payment Plan that applies to your policy is shown on the top of your Premium Notice. Please contact your agent if you want to change your Payment Plan election.

**Installment Payment Plan Fee:** If you elected to pay your premiums in installments using the Installment Premium Payment Plan, an installment billing fee applies to each installment bill. The installment billing charge will not apply, however, if you pay the entire balance due when you receive the bill for the first installment. Because the amount of the installment charge varies from state to state, please consult your Premium Notice for the actual fee that applies.

**Dishonored Payment Fee:** Your financial institution may refuse to honor the premium payment withdrawal request you submit to us due to insufficient funds in your account or for some other reason. If that is the case, and your premium payment withdrawal request is returned to us dishonored, a payment return fee will apply. Because the amount of the return fee varies from state to state, please consult your premium Notice for the actual fee that applies.

**Late Payment Fee:** If we do not receive the minimum amount due on or before the date or time the payment is due, as indicated on your Premium Notice, you will receive a policy cancellation notice effective at a future date that will also reflect a late payment fee charge. Issuance of the cancellation notice due to non-payment of a scheduled installment(s) may result in the billing and collection of all or part of any outstanding premiums due for the policy period. Late Payment Fees vary from state to state and are not applicable in some states.)

**Special Note:** Please note that some states do not permit the charging of certain fees. Therefore, if your state does not allow the charging of an Installment Payment Plan, Dishonored Payment or Late Payment Fee, the disallowed fee will not be charged and will not be included on your Premium Notice.

**EFT-Automatic Withdrawals Payment Option:** When you select this option, you will not be sent premium notices and, in most cases, will not be charged installment fees. For more information on our EFT-Automatic Withdrawals payment option, refer to the attached policyholder plan notice and enrollment sheet.

Once again, please contact your agent if you have any questions about the above billing practice information.

**Thank you for selecting us to service your insurance needs.**

**Insured Copy**

**IMPORTANT NOTICE TO POLICYHOLDER  
RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION  
IN VIOLATION OF LAW EXCLUSION**

This Notice explains changes in your Commercial Umbrella Liability coverage. It contains a brief summary of significant revisions and must be reviewed in conjunction with your previous and renewal policies to reference the endorsements described herein.

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), **the provisions of the policy (including its endorsements) shall prevail.**

Carefully read your policy, including the endorsements attached to your policy.

Your policy is being renewed with the **Exclusion – Recording And Distribution Of Material Or Information In Violation Of Law** endorsement **14-257 (05/09)**.

This endorsement replaces the current "Exclusion – Violation Of Statutes That Govern E-mails, Fax, Phone Calls Or Other Methods Of Sending Material Or Information In Your Policy" endorsement with a revised exclusion, newly titled "Exclusion – Recording And Distribution Of Material Or Information In Violation Of Law" endorsement. The revised exclusion contains language that elaborates on the intent of the Distribution Of Material In Violation Of Statutes Exclusion to reflect that, in addition to the TCPA and CAN-SPAM Act of 2003, the exclusion will more explicitly exclude liability coverage for bodily injury, property damage or personal and advertising injury arising out of any action or omission that violates, or is alleged to violate, the Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA) and any other similar federal, state or local statute, ordinance or regulation concerning disposal and dissemination of personal information.

NEW BUSINESS



EFFECTIVE DATE: 07/01/2019

<b>Policy Number:</b> CU 8503904	<b>Prior Policy:</b>
<b>Billing Type:</b> AGENCY BILL	
<b>Coverage Is Provided In</b> PEERLESS INSURANCE COMPANY - A STOCK COMPANY	
<b>Named Insured and Mailing Address:</b> INSIGHT PA CYBER CHARTER SCHOOL 350 EAGLEVIEW BLVD STE 350 EXTON PA 19341	<b>Agent:</b> TRIDENT RISK ADVISORS, LLC 150 N RADNOR CHESTER RD STE A220 RADNOR PA 19087-5252  <b>Agent Code:</b> 3711915 <b>Agent Phone:</b> (484)-582-6043

**COMMON POLICY DECLARATIONS**

In return for the payment of premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

**POLICY PERIOD:** From : 07/01/2019 To: 07/01/2020 at 12:01 AM Standard Time at your mailing address shown above.

**FORM OF BUSINESS:** SCHOOL

**BUSINESS DESCRIPTION:** SCHOOL

This policy consists of the following coverage parts for which a premium is indicated. This premium may be subject to adjustment.

	<b>PREMIUM</b>
Commercial Umbrella Liability Coverage Part	\$ 6,750.00
Terrorism Risk Insurance Act	\$ 203.00
<b>Total Policy Premium</b>	<b>\$ 6,953.00</b>

**FORMS AND ENDORSEMENTS**

**Forms and Endorsements made a part of this policy at time of issue:**

Applicable Forms and Endorsements are omitted if shown in specific Coverage Part/Coverage Form Declarations

Form Number	Description
IL0017	- 1198 COMMON POLICY CONDITIONS

Countersigned: By \_\_\_\_\_ Date \_\_\_\_\_  
Authorized Representative

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

Includes copyrighted material of Insurance Services Office, Inc. with its permission. Copyright, Insurance Services Office, Inc. 1982,1983, 1984, 1985.

Date Issued: 06/17/2019

17-57 (06/94)

INSURED COPY

# COMMON POLICY CONDITIONS

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

## A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
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 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.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

## B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

## C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

## D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

## E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

## F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

EFFECTIVE DATE: 07/01/2019

<b>Policy Number:</b> CU 8503904	<b>Prior Policy:</b>
<b>Billing Type:</b> AGENCY BILL	
<b>Coverage Is Provided In The</b> PEERLESS INSURANCE COMPANY - A STOCK COMPANY	
<b>Named Insured and Mailing Address:</b> INSIGHT PA CYBER CHARTER SCHOOL 350 EAGLEVIEW BLVD STE 350 EXTON PA 19341	<b>Agent:</b> TRIDENT RISK ADVISORS, LLC 150 N RADNOR CHESTER RD STE A220 RADNOR PA 19087-5252  <b>Agent Code:</b> 3711915 <b>Agent Phone:</b> (484)-582-6043

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART DECLARATIONS**

**LIMITS OF INSURANCE**

Each Occurrence Limit	\$ 10,000,000	Any One Occurrence or Offense Subject To The General Aggregate and Products/Completed Operations Aggregate Limits
Aggregate Limits	\$ 10,000,000	General Aggregate Limit
	\$ 10,000,000	Products/Completed Operations Aggregate Limit

**SELF INSURED RETENTION**

Self Insured Retention	NONE	Any One Occurrence Or Offense
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**UNDERLYING INSURANCE – Refer to Schedule of Underlying Insurance**

**PREMIUM**

Total Premium	\$	6,750
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**FORMS AND ENDORSEMENTS**

Forms and Endorsements made a part of this policy:

Form Number	Description
14-118 - 0718	SCHOOL AMENDATORY ENDORSEMENT
14-121 - 0204	PENNSYLVANIA CHANGES
14-148 - 0108	SCHEDULE OF UNDERLYING INSURANCE
14-148 - 1202	SCHEDULE OF UNDERLYING INSURANCE
14-149 - 1010	SCHOOL LEADERS ERRORS AND OMISSIONS FOLLOW FORM
14-155 - 0204	QUICK REFERENCE COMMERCIAL UMBRELLA LIAB COV PART
14-161 - 0204	SEXUAL MISCONDUCT & MOLESTATION LIABILITY
14-175 - 0204	EXCLUSON-LAW ENFORCEMENT PROFESSIONAL LIABILITY
14-186 - 0204	EXCLUSION - FUNGI OR BACTERIA
14-200 - 0108	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
14-200 - 0115	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
14-206 - 0108	EXCLUSION OF PUNITIVE DAMAGES OF CERT ACTS OF TERRORISM
14-206 - 0115	EXCLUSION OF PUNITIVE DAMAGES
14-210 - 0204	COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM
14-242 - 0204	NUCLEAR ENERGY LIABILITY EXCLUSION
14-249 - 0204	EXCLUSION - SILICA
14-254 - 0712	CONDITIONAL EXCLUSION OF TERRORISM

14-211 (02/04)

UNDERLYING INSURANCE – Refer to Schedule of Underlying Insurance

PREMIUM

FORMS AND ENDORSEMENTS

Forms and Endorsements made a part of this policy:

Form Number	Description
14-257 - 0509	EXCL-RECORDING & DISTRIBUTION OF MATERIAL VIOLATION
14-267 - 0107	NON-CUMULATION OF LIABILITY (SAME OCCURENCE)
14-308 - 0710	AMENDMENT OF OCCURRENCE DEFINITION
14-374 - 0913	EXCLUSION-TRAMPOLINES
14-375 - 1012	EXCLUSION-CLIMBING OR RAPPELLING WALLS
14-68 - 0204	AUTO LIABILITY - FOLLOW FORM
14-74 - 0204	CROSS CLAIMS OR SUITS EXCLUSION
14-80 - 0204	EMPLOYEE BENEFITS LIABILITY - FOLLOW FORM
14-82 - 0204	EMPLOYERS LIABILITY - FOLLOW FORM



**Forming a part of**

<b>Policy Number:</b> CU 8503904	
<b>Coverage Is Provided In</b> PEERLESS INSURANCE COMPANY - A STOCK COMPANY	
<b>Named Insured:</b> INSIGHT PA CYBER CHARTER SCHOOL	<b>Agent:</b> TRIDENT RISK ADVISORS, LLC  <b>Agent Code:</b> 3711915 <b>Agent Phone:</b> (484)-582-6043

**Forming a part of**

<b>Policy Number:</b> CU 8503904	
<b>Coverage Is Provided In</b> PEERLESS INSURANCE COMPANY - A STOCK COMPANY	
<b>Named Insured:</b> INSIGHT PA CYBER CHARTER SCHOOL	<b>Agent:</b> TRIDENT RISK ADVISORS, LLC  <b>Agent Code:</b> 3711915 <b>Agent Phone:</b> (484)-582-6043

**SCHEDULE OF UNDERLYING INSURANCE**

**SCHEDULE OF UNDERLYING INSURANCE**

Type of Insurance	Policy Number	Policy Period	Insurer
Commercial General Liability	CBP 8503895	07/01/2019 - 07/01/2020	NETHERLANDS INSURANCE COMPANY
	<b>Limits of Liability:</b>		
	Each Occurrence:		\$ 1,000,000
	Personal and Advertising Injury:		\$ 1,000,000
	General Aggregate:		\$ 3,000,000
	Products/Completed Operations Aggregate:		\$ 3,000,000

Type of Insurance	Policy Number	Policy Period	Insurer
Employers Liability	WC 8503883	07/01/2019 - 07/01/2020	NETHERLANDS INSURANCE COMPANY
	<b>Limits of Liability:</b>		
	Bodily Injury Each Accident:		\$ 1,000,000
	Bodily Injury by Disease Policy Limit:		\$ 1,000,000
	Bodily Injury by Disease Each Employee:		\$ 1,000,000

**SCHEDULE OF UNDERLYING INSURANCE (continued)**

Type of Insurance	Policy Number	Policy Period	Insurer
Auto Liability	BA 8503887	07/01/2019 - 07/01/2020	NETHERLANDS INSURANCE COMPANY
	<b>Limits of Liability:</b>		
	Each Accident:		\$ 1,000,000

Type of Insurance	Policy Number	Policy Period	Insurer
Employee Benefits Liability	CBP 8503895	07/01/2019 - 07/01/2020	NETHERLANDS INSURANCE COMPANY
	<b>Limits of Liability:</b>		
	Each Employee:		\$ 1,000,000
	Aggregate:		\$ 3,000,000
<b>Retroactive Date: 07/01/2019</b>			

Type of Insurance	Policy Number	Policy Period	Insurer
School Leaders Errors and Omissions Liability	CBP 8503895	07/01/2019 - 07/01/2020	NETHERLANDS INSURANCE COMPANY
	<b>Limits of Liability:</b>		
	Each Loss:		\$1,000,000
	Aggregate:		\$1,000,000
<b>This is a claims made coverage. Read your coverage form carefully.</b>			
<b>Retroactive Date: 07/01/2019</b>			

Type of Insurance	Policy Number	Policy Period	Insurer
Sexual Misconduct and Molestation Liability	CBP 8503895	07/01/2019 - 07/01/2020	NETHERLANDS INSURANCE COMPANY
	<b>Limits of Liability:</b>		
	Each Loss:		\$1,000,000
	Aggregate:		\$1,000,000
Date Issued: 06/17/2019			
Date Issued: 06/17/2019			

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AUTOMOBILE LIABILITY – FOLLOW FORM**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

**A. The following is added to paragraph 3. Exclusions under SECTION I – COVERAGE:**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, maintenance, use, leasing, rental or entrustment to others of any "auto". 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" which caused the "bodily injury" or "property damage", or the "offense" which caused the "personal and advertising injury", involved the ownership, maintenance, use, leasing, rental or entrustment of others of any "auto".

**Exception**

This exclusion does not apply to the extent that valid "scheduled underlying insurance" is applicable to the "bodily injury", "property damage" or "personal and advertising injury" described above or would have been applicable to such injury or damage but for the exhaustion of the limits of the "scheduled underlying insurance". The coverage provided:

- (1) Will follow the provisions, exclusions and limitations of the "scheduled underlying insurance" unless otherwise directed by this insurance; and
- (2) Will be subject to Condition **13. Maintenance of Scheduled Underlying Insurance.**

Regardless of the extent of coverage afforded by the "scheduled underlying insurance", this insurance does not apply to:

- (1) Motor vehicle no-fault law, first party physical damage coverage, personal injury protection coverage or other laws or coverages similar to any of the foregoing; or
- (2) Motor vehicle uninsured motorists or underinsured motorists law, unless an Uninsured/Underinsured Motorists Coverage – Follow Form endorsement is attached to this policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CROSS CLAIMS OR SUITS EXCLUSION**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

This insurance does not apply to any claim or "suit" brought by any insured against another insured because of "bodily injury", "property damage" or "personal and advertising injury".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EMPLOYEE BENEFITS LIABILITY – FOLLOW FORM**

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART**

- A.** When Employee Benefits Liability Coverage is shown in the Schedule of Underlying Insurance and for the purposes of this coverage only, the following is added to paragraph **1. Insuring Agreement** under **SECTION I – 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 due to any negligent act, error or omission by you or any person for whose acts you are legally responsible in the administration of your employee benefits.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under paragraph **2. Defense And Expense Of Claims And Suits** under **SECTION I – COVERAGE**.

This insurance applies only to the extent of coverage afforded by valid "scheduled underlying insurance" that is applicable to the negligent acts, errors or omissions described above or would have been applicable but for the exhaustion of the limits of "scheduled underlying insurance". The coverage provided:

- (a) Will follow the provisions, exclusions and limitations of the "scheduled underlying insurance" unless otherwise directed by this insurance; and
- (b) Will be subject to Condition **13. Maintenance of Scheduled Underlying Insurance**.

- B.** Paragraph **2. Defense And Expense Of Claims And Suits** under **SECTION I – COVERAGE** applies except as amended below:

Provision **(3)** of subparagraph **a. Defense, Investigation And Settlement** is replaced by the following:

- (3)** At our discretion, we may:

- (a) Investigate any "occurrence", "offense", act, error or omission or claim; and
- (b) Settle any claim or "suit" of which we assume charge of the settlement or defense.

- C. SECTION III – LIMITS OF INSURANCE** applies except as amended below:

- 1.** Paragraph **5.** is replaced by the following:

- 5.** If the applicable aggregate limits of liability of the "scheduled underlying insurance" or "other underlying insurance" are reduced or exhausted by payments for damages because of:

- a.** "Bodily injury" or "property damage" that occurs during the Policy Period of this policy;
- b.** "Offenses", acts, errors or omissions that are committed during the Policy Period of this policy; or
- c.** Claims first made during the Policy Period of this policy or during a Discovery Period to which this insurance applies

the Limits of Insurance of this Coverage Part will apply in excess of such reduced or exhausted aggregate limits of liability.

- 2.** Paragraph **6.** is replaced by the following:

- 6.** If the limits of the "scheduled underlying insurance" or "other underlying insurance" are reduced or exhausted by payments for damages because of:

- a.** "Bodily injury" or "property damage" that occurred;
- b.** "Offenses", acts, errors or omissions that were committed; or
- c.** Claims first made

prior to the Policy Period of this policy, the Limits of Insurance of this Coverage Part will apply as if such payments had not been made.

**D. SECTION IV – CONDITIONS** applies except as amended below:

1. The title and subparagraphs **a.** and **d.** of Condition **3.** are replaced by the following:

**3. DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, ACT, ERROR, OMISSION, CLAIM OR SUIT**

- a. You must see to it that we are notified promptly of an "occurrence", "offense", act, error or omission which may result in a claim under this policy. Notice should include:
  - (1) How, when and where the "occurrence", "offense", act, error or omission took place;
  - (2) The "insured's" name and address;
  - (3) The names and addresses of any persons who may sustain injuries or damages and witnesses; and
  - (4) The nature and location of any injury or damage arising out of the "occurrence", "offense", act, error or omission.
- d. No "insured" will, except at their own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

2. The following is added to Condition **13., Maintenance of Scheduled Underlying Insurance:**

You agree that applicable "scheduled underlying insurance" shall remain in force during any Discovery Period of this policy. Your failure to comply with this agreement shall not invalidate this policy. However, in the event of a loss, we will pay only to the extent that we would have paid had you maintained such "scheduled underlying insurance".

- E. The following are added to **SECTION V. – DEFINITIONS:**

"Insured" means any person or organization qualifying as such under the applicable "scheduled underlying insurance".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYERS LIABILITY – FOLLOW FORM**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

The following is added to paragraph 3. **Exclusions** under **SECTION I – COVERAGE**:

This insurance does not apply to any “bodily injury” or “personal and advertising injury”:

- (1) To an employee of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured’s business; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) 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:

This exclusion does not apply to the extent that valid “scheduled underlying insurance” is applicable to the injury described above or would have been applicable but for the exhaustion of the limits of “scheduled underlying insurance”. The coverage provided:

- (a) Will follow the provisions, exclusions and limitations of the “scheduled underlying insurance” unless otherwise directed by this insurance; and
- (b) Will be subject to Condition 13. **Maintenance of Scheduled Underlying Insurance.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PENNSYLVANIA CHANGES**

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART**

**A.** The **Cancellation** Common Policy Condition is replaced by the following:

**Cancellation**

1. The first Named Insured shown in the Declarations may cancel this policy by writing or giving notice of cancellation.

2. Cancellation of policies in effect for less than 60 days

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation.

3. Cancellation of policies in effect for 60 days or more

If this policy has been in effect for 60 days or more or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons.

a. You have made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be mailed or delivered at least 15 days before the effective date of cancellation.

b. You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be mailed at least 15 days before the effective date of cancellation.

c. A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the policy period. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

d. Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

e. Material failure to comply with the policy terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

f. Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

This policy may also be cancelled from inception upon discovery that the policy was obtained through fraudulent statements, omissions or concealment of facts material to the acceptance of the risk or to the hazard assumed by us.

4. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. Notice of cancellation will state the specific reasons for cancellation.

5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

6. 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 and will be returned within 10 business days after the effective date of cancellation. If the first Named Insured cancels, the refund may be less than pro rata and will be returned within 30 days after the effective date of cancellation. The cancellation will be effective even if we have not made or offered a refund.

7. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.



**B.** The following is added to the Common Policy Conditions and supercedes Condition 10. **When We Do Not Renew** under **SECTION IV CONDITIONS:**

**1. Nonrenewal**

If we decide not to renew this policy, we will mail or deliver written notice of non-renewal, stating the specific reasons for non-renewal, to the first Named Insured at least 60 days before the expiration date of the policy.

**2. Increase Of Premium**

If we increase your renewal premium, we will mail or deliver to the first Named Insured written notice of our intent to increase the premium at least 30 days before the effective date of the premium increase.

Any notice of non-renewal or renewal premium increase will be mailed or delivered to the first Named Insured's last known address. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

**C.** The following is added to Condition 9. **Transfer Of Rights Of Recovery Against Others To Us:**

**9. Transfer Of Rights Of Recovery Against Others To Us**

If we make a payment due to an "occurrence" and the insured recovers from another party in a separate claim or "suit", the insured shall hold the proceeds in trust for us and pay us back the amount we have paid less reasonable attorney fees, costs and expenses incurred by the insured to the extent such payment duplicates any amount we have paid under this coverage.

**D. PENNSYLVANIA NOTICE**

An Insurance Company, its agents, employees, or service contractors acting on its behalf, may provide services to reduce the likelihood of injury, death or loss. These services may include any of the following or related services incident to the application for, issuance, renewal or continuation of, a policy of insurance:

1. Surveys;
2. Consultation or advice; or
3. Inspections.

The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, is not liable for damages from injury, death or loss occurring as a result of any act or omission by any person in the furnishing of or the failure to furnish these services.

The Act does not apply:

1. If the injury, death or loss occurred during the actual performance of the services and was caused by the negligence of the Insurance Company, its agents, employees or service contractors;
2. To consultation services required to be performed under a written service contract not related to a policy of insurance; or
3. If any acts or omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual malice, or gross negligence.

# QUICK REFERENCE COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

## READ YOUR POLICY CAREFULLY

Your Commercial Umbrella Liability Coverage Part in your policy consists of a Coverage Part Declarations, a Coverage Form (14-210), Common Policy Conditions and Endorsements, if applicable. Following is a Quick Reference indexing of the principle provisions contained in each of the components making up the Coverage Part, listed in sequential order.

### COVERAGE PART DECLARATIONS

Named Insured and Mailing Address  
Limits of Insurance  
Self Insured Retention  
Schedule of Underlying Insurance (14-148)  
Premium  
Forms and Endorsements applying to the policy at time of issue

### COVERAGE FORM (14-210)

#### SECTION I – COVERAGE

1. Insuring Agreement – Bodily Injury, Property Damage, Personal Injury and Advertising Injury
2. Defense and Expense of Claims and Suits
3. Exclusions

#### SECTION II – WHO IS AN INSURED

#### SECTION III – LIMITS OF INSURANCE

#### SECTION IV – CONDITIONS

1. Appeals
2. Bankruptcy
3. Duties In the Event of Occurrence, Offense, Claim or Suit
4. Legal Action Against Us
5. Other Insurance
6. Premium Audit
7. Representations
8. Separation Of Insureds
9. Transfer Of Rights Of Recovery Against Others To Us
10. When We Do Not Renew
11. Loss Payable
12. Insolvency of the Underlying Insurer
13. Maintenance of Underlying Insurance
14. Jurisdictions Outside The United States, Puerto Rico And Canada
15. Terms Conformed To Statute

#### SECTION V – DEFINITIONS

### COMMON POLICY CONDITIONS (IL 00 17)

- A. Cancellation
- B. Changes
- C. Examination Of Your Books And Records
- D. Inspections And Surveys
- E. Premiums
- F. Transfer Of Your Rights And Duties Under This Policy

### ENDORSEMENTS (If Any)

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SEXUAL MISCONDUCT AND MOLESTATION LIABILITY – FOLLOW FORM**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

I. Except to the extent of coverage provided in:

- A. The School Leaders Errors and Omissions Liability – Follow Form Endorsement, if such endorsement is made a part of this policy; and
- B. Section II below,

this insurance does not apply to any claims or “suits” arising out of any actual or alleged sexual misconduct toward, or sexual molestation of, another person including any allegations relating thereto that an “insured” negligently employed, trained, investigated, supervised, reported to proper authorities or failed to so report, or retained a person, or based on an alleged practice, custom or policy and including, but not limited to, any allegation that the violation of a civil right caused or contributed to such a claim or “suit”.

II. When Sexual Misconduct and Molestation Liability is shown in the Schedule of Underlying Insurance and for the purposes of this coverage only:

A. The following is added to paragraph 1. **Insuring Agreement** under **SECTION I – COVERAGE**:

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 because of “loss” arising out of:

a. A “wrongful act” but only to the extent of the “insured’s” “vicarious liability”;

b. The “insured’s” negligent:

- (1) Employment,
- (2) Investigation,
- (3) Supervision,
- (4) Retention,
- (5) Training,
- (6) Reporting to proper authorities, or failure to report to proper authorities,

of a person who committed a “wrongful act”; or

c. The “insured’s” negligent act, or failure to act, upon receipt of a complaint arising out of a “wrongful act”;

but only if the “wrongful act” to which this insurance applies is committed without the knowledge, consent, direction or participation of the “insured”. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under paragraph 2. **Defense And Expense Of Claims And Suits**.

The amount we will pay for “loss” is limited as described in **SECTION III – LIMITS OF INSURANCE**.

2. This insurance applies to “loss” described in paragraph 1. above to the extent of coverage afforded by valid “scheduled underlying insurance” that is applicable to such “loss” or would have been applicable but for the exhaustion of the limits of the “scheduled underlying insurance”. The coverage provided:

a. Will follow the provision, exclusions and limitation of the “scheduled underlying insurance” unless otherwise directed by this insurance; and

b. Will be subject to Condition 13. **Maintenance of Scheduled Underlying Insurance**.

B. Paragraph 2. **Defense And Expense Of Claims And Suits** under **SECTION I – COVERAGE** applies except as amended below:

1. Provision a.(3) is replaced by the following:

(3) At our discretion, we may:

- (a) Investigate any "occurrence", "offense", "wrongful act" or claim; and
  - (b) Settle any claim or "suit" of which we assume charge of the settlement or defense.
2. Paragraph **2. Defense And Expense Of Claims And Suits** does not apply to any limited defense coverage that may be provided in the "scheduled underlying insurance" for defense of innocent parties.
- C. SECTION III – LIMITS OF INSURANCE** applies except as amended below:

Paragraphs **5.** and **6.** are amended to read:

- 5. If the applicable aggregate limits of liability of the "scheduled underlying insurance" are reduced or exhausted by payments for damages because of "bodily injury" or "property damage" that occur, or "offenses" or "wrongful acts" that are committed during the Policy Period of this policy, the Limits of Insurance of this Coverage Part will apply in excess of such reduced or exhausted aggregate limits of liability.
- 6. If the limits of liability of the "scheduled underlying insurance" are reduced or exhausted by payments for damages because of "bodily injury" or "property damage" that occurred, or "offenses" or "wrongful acts" that were committed prior to the Policy Period of this policy, the Limits of Insurance of this Coverage Part will apply as if such payments had not been made.

**D. SECTION IV – CONDITIONS** apply except as amended below:

- 1. The title and provision **a.** of Condition **3.** are replaced by the following:

**3. Duties In The Event Of Occurrence, Offense, Wrongful Act, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence", "wrongful act" or "offense" which may result in a claim under this Coverage Part. Notice should include:
  - (1) How, when and where the "occurrence", "wrongful act" or "offense" took place;
  - (2) The "insured's" name and address;
  - (3) The names and addresses of any persons who may sustain injury or damage, and witnesses; and
  - (4) The nature and location of any injury or damage arising out of the "occurrence", "wrongful act" or "offense".

- 2. The following is added:

**Limitation When Two Or More Policies Apply**

Insurance might be provided for "loss" by this policy and also by other policies issued to you by us or any of our affiliates. If this occurs, the maximum we will pay under all such policies combined is the highest limit that applies in any one of these policies. This limitation does not apply to insurance that is "scheduled underlying insurance" or any other insurance afforded under the policies listed in the Schedule of Underlying Insurance of the Declarations.

**E.** The following are added to **SECTION V – DEFINITIONS:**

"Insured" means any person or organization qualifying as such in the "scheduled underlying insurance".

"Loss" means damages, judgments or settlements but only to the extent of coverage afforded by "scheduled underlying insurance". If prejudgment interest is included as "loss" in the "scheduled underlying insurance", provision **b.2.(f)** of paragraph **2. Defense And Expense Of Claims And Suits** under **SECTION I – COVERAGE** does not apply.

"Vicarious liability" means liability that the "insured" derives from the person who committed the "wrongful act" because of the relationship between such a person and the "insured", and the "wrongful act" is committed without the knowledge, consent, direction or participation of the "insured".

"Wrongful act" means any actual or alleged sexual misconduct toward, or sexual molestation of, another person.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – LAW ENFORCEMENT PROFESSIONAL LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

**A. The following is added to paragraph 3. Exclusions under SECTION I – COVERAGE:**

This insurance does not apply to:

**Law Enforcement Activities**

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of any act, error or omission committed in the performance of "law enforcement activities" by the insured or by any person for whose acts the insured is legally liable; and
- (2) Any allegations that an insured negligently employed, investigated, trained, supervised, reported to proper authorities or failed to so report, or retained a person whose conduct would be excluded by 1. above.

**B. For the purposes of this endorsement, the following is added to SECTION V – DEFINITIONS:**

"Law enforcement activities" means activities, services, advice or instruction that are within the scope of the authorized duties of your law enforcement or security guard personnel.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – FUNGI OR BACTERIA**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

1. The following are added to paragraph 3. **Exclusions** under **SECTION I – COVERAGE**:

a. This insurance does not apply to:

### **Fungi Or Bacteria – Bodily Injury Or Property Damage**

- (1) "Bodily injury" or "property damage" which would not have occurred, 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 or damage.
- (2) 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.

#### Exception

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

b. This insurance does not apply to:

### **Fungi Or Bacteria – Personal And Advertising Injury**

- (1) "Personal and advertising injury" 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) 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.

2. The following definition is added to **SECTION V – DEFINITIONS**:

"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.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL UMBRELLA LIABILITY COVERAGE PART**

If aggregate insured losses attributable to terrorist acts certified under the federal 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.

"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.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF PUNITIVE DAMAGES  
RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

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

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

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

"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.



# COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy 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" means any person or organization qualifying as such under **SECTION II – WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V – DEFINITIONS**.

## SECTION I – COVERAGE

### 1. Insuring Agreement

- a. 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", "property damage" or "personal and advertising injury" to which this insurance applies. The amount we will pay is limited as described in **SECTION III – LIMITS OF INSURANCE**. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under paragraph 2. **Defense And Expense Of Claims And Suits** under **SECTION I – COVERAGE**.
- b. This insurance applies to:
  - (1) "Bodily injury" or "property damage" only if:
    - (a) The "bodily injury" or "property damage" occurs during the Policy Period; and
    - (b) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
    - (c) Prior to the Policy Period, no insured listed under paragraph 1. of **SECTION II – WHO IS AN INSURED** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such listed insured or authorized "employee" knew, prior to the Policy Period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the Policy Period will be deemed to have been known prior to the Policy Period.
  - (2) "Personal and advertising injury" caused by an "offense" arising out of your business but only if the "offense" was committed in the "coverage territory" during the Policy Period.
- c. "Bodily injury" or "property damage" which occurs during the Policy Period and was not, prior to the Policy Period, known to have occurred by any insured listed under paragraph 1. of **SECTION II – WHO IS AN INSURED** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the Policy Period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under paragraph 1. of **SECTION II – WHO IS AN INSURED** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
  - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
  - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
  - (3) Becomes aware of any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

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## 2. Defense And Expense Of Claims And Suits

### a. Defense, Investigation And Settlement

- (1) We shall have the right and duty to defend the insured against any claim or "suit" seeking damages to which this insurance applies when:
  - (a) Such damages are not covered by "scheduled underlying insurance" or "other underlying insurance"; or
  - (b) The applicable limits of liability of the "scheduled underlying insurance" or "other underlying insurance" have been exhausted by payment of judgments or settlements.However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply.
- (2) When insurance is available to the insured under any "scheduled underlying insurance" or "other underlying insurance", we will have the right and opportunity, although not the obligation, to associate with the "underlying insurers" in the defense and control of any claim or "suit" which, in our opinion, may create liability under this Coverage Part.
- (3) At our discretion, we may:
  - (a) Investigate any "occurrence", "offense" or claim; and
  - (b) Settle any claim or "suit" of which we assume charge of the settlement or defense.
- (4) We will not be required to defend the insured against any existing or future claim or "suit" after the applicable Limit of Insurance shown in the Declarations has been exhausted by payment of judgments or settlements.
- (5) When the duty to defend has been transferred to us as provided under provision **2.a.(1)(b)** of **SECTION I – COVERAGE**, we will cooperate in the transfer of control to us of any outstanding claims or "suits" seeking damages to which this insurance applies that would have been covered by the "scheduled underlying insurance" or "other underlying insurance" had the applicable limit not been exhausted.

### b. Payment Of Expenses

- (1) We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend, of which we assume the charge of investigation, settlement or defense:
  - (a) All expenses we incur.
  - (b) The cost of appeal bonds and bonds to release attachments, but only for bond amounts within the applicable Limits of Insurance. We do not have to furnish these bonds.
  - (c) The cost of bail bonds (including bonds for related traffic law violations) required because of an "occurrence" we cover. 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", including actual loss of earnings up to \$500 a day because of time off from work.
  - (e) All costs taxed against the insured in the "suit".
  - (f) Pre-judgment interest awarded against the 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 pre-judgment interest based on that period of time after the offer.
  - (g) All interest that accrues on that part of any judgment within the Limit of Insurance after entry of the judgment and before we have paid, offered to pay, or deposited in court that part of any judgment that is within the applicable Limit of Insurance.
- (2) With respect to any claim or "suit" to which this insurance applies and for which we do not assume charge of investigation, settlement or defense:
  - (a) We will pay expenses we incur.

- (b) We will not pay or contribute to the expenses incurred by you or others, or included in any "scheduled underlying insurance" or "other underlying insurance".

Payments under this paragraph **2.b.** will not reduce the Limits of Insurance.

**c. Defense Of The Insured's Indemnitees**

If we assume the charge of defense of an insured against a "suit" in accordance with paragraph **2.a.** of **SECTION I – COVERAGE**, and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- (1) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- (2) This insurance applies to such liability assumed by the insured;
- (3) The obligation to defend, or the cost to defend, that indemnitee, has also been assumed by the insured in the same "insured contract";
- (4) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the indemnitee;
- (5) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- (6) The indemnitee:
  - (a) Agrees in writing to:
    - (i) Cooperate with us in the investigation, settlement or defense of the "suit";
    - (ii) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
    - (iii) Notify any other insurer whose coverage is available to the indemnitee; and
    - (iv) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
  - (b) Provides us with written authorization to:
    - (i) Obtain written records and other information related to the "suit"; and
    - (ii) Conduct and control the defense of the indemnitee in such "suit"

So long as the above conditions are met, attorneys fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid subject to paragraph **2.b.** of **SECTION I – COVERAGE**. Notwithstanding the provisions of paragraph **3.b.(2)** of **SECTION I – COVERAGE**, such payments will not be deemed to be damages for "bodily injury" or "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorney's fees and necessary litigation expenses subject to paragraph **2.b.** of **SECTION I – COVERAGE** ends when we have used up the applicable limit of insurance in the payment of judgments, or settlements, or the conditions set forth above, or the terms of the agreement described in paragraph **(6)** above, are no longer met.

**3. Exclusions**

This insurance does not apply to:

**a. Expected Or Intended Injury**

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

Exception:

This exclusion **3.a.** does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

**b. Contractual Liability**

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

Exception:

This exclusion **3.b.** does not apply to liability for damages:

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

**c. Liquor Liability**

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

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) 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 of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

Exception:

This exclusion **3.c.** does not apply to the extent that valid "scheduled underlying insurance" is applicable to the "bodily injury" or "property damage" described above or would have been applicable to such injury or damage but for the exhaustion of the limits of the "scheduled underlying insurance". The coverage provided:

- (a) Will follow the provisions, exclusions and limitations of the "scheduled underlying insurance" unless otherwise directed by this insurance; and
- (b) Will be subject to Condition **13. Maintenance of Scheduled Underlying Insurance.**

**d. Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation or occupational disease law, disability benefits or unemployment compensation law, or any similar law;

**e. E.R.I.S.A.**

Any obligation of the insured under the Employees' Retirement Income Security Act of 1974 (E.R.I.S.A.) and any amendments thereto or any similar federal, state or local statute;

**f. Motor Vehicle Laws and Coverages**

Motor vehicle no-fault law, first party physical damage coverage, personal injury protection coverage, uninsured motorists or underinsured motorists law; or other laws or coverages similar to any of the foregoing.

**g. Injury To Co-"Employee" or Other "Volunteer Worker"**

Liability of your "employees" or "volunteer workers" with respect to "bodily injury" or "personal and advertising injury":

- (1) To a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

- (2) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of provision (1) above; or
- (3) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in provision (1) or (2) above.

Exception:

This exclusion 3.g. does not apply to the extent that valid "scheduled underlying insurance" is applicable to the "bodily injury" or "personal and advertising injury" described above or would have been applicable to such injury but for the exhaustion of the limits of the "scheduled underlying insurance". The coverage provided:

- (a) Will follow the provisions, exclusions and limitations of the "scheduled underlying insurance" unless otherwise directed by this insurance; and
- (b) Will be subject to Condition **13. Maintenance of Scheduled Underlying Insurance.**

#### **h. Employment-Related Practices**

"Bodily injury" or "personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment;
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of injury to that person at whom any of the employment-related practices described in paragraphs (1)(a), (1)(b) or (1)(c) above is directed.

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.

#### **i. Pollution**

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
- (2) "Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants"; or
- (3) "Pollution cost or expense".

Exception:

Provisions (1) and (3) of this exclusion 3.i. do not apply to the extent that valid "scheduled underlying insurance" is applicable to the "bodily injury", "property damage" or "pollution cost or expense" described above or would have been applicable to such injury, damage or expense but for the exhaustion of the limits of the "scheduled underlying insurance". The coverage provided:

- (a) Will follow the provisions, exclusions and limitations of the "scheduled underlying insurance" unless otherwise directed by this insurance; and
- (b) Will be subject to Condition **13. Maintenance of Scheduled Underlying Insurance.**

**j. Watercraft Liability**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any watercraft. 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" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any watercraft that is owned or operated by or rented or loaned to any insured.

Exceptions:

This exclusion **3.j.** does not apply:

- (1) To watercraft while ashore on premises owned by, rented to, or controlled by you;
- (2) To watercraft you do not own that is:
  - (a) Less 51 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) To liability assumed under any "insured contract" for the ownership, maintenance or use of watercraft; or
- (4) To the extent that valid "scheduled underlying insurance" is applicable to the "bodily injury" or "property damage" described above or would have been applicable to such injury or damage but for the exhaustion of the limits of the "scheduled underlying insurance". The coverage provided:
  - (a) Will follow the provisions, exclusions and limitations of the "scheduled underlying insurance" unless otherwise directed by this insurance; and
  - (b) Will be subject to Condition **13. Maintenance of Scheduled Underlying Insurance.**

**k. Aircraft Liability**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft 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" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is owned or operated by or rented or loaned to any insured.

Exceptions:

This exclusion **3.k.** does not apply:

- (1) To liability assumed under an "insured contract" for the ownership, maintenance or use of aircraft; or
- (2) To the extent that valid "scheduled underlying insurance" is applicable to the "bodily injury" or "property damage" described above or would have been applicable to such injury or damage but for the exhaustion of the limits of the "scheduled underlying insurance". The coverage provided:
  - (a) Will follow the provisions, exclusions and limitations of the "scheduled underlying insurance" unless otherwise directed by this insurance; and
  - (b) Will be subject to Condition **13. Maintenance of Scheduled Underlying Insurance.**

**l. Recall Of Products, Work Or Impaired Property**

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

- (1) "Your product";
- (2) "Your work"; or
- (3) "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.

**m. Racing Activities**

"Bodily injury" or "property damage" arising out of the use of any "mobile equipment" or "auto" in, or while in practice for, or while being prepared for, any prearranged professional or organized racing, speed, demolition, or stunting activity or contest.

**n. War**

"Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (2) 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
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**o. Damage To Property**

"Property damage" to:

- (1) Property:
  - (a) 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; or
  - (b) Owned or transported by the insured and arising out of the "auto hazard";
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) 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
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Exceptions:

- (a) Provision (2) of this exclusion 3.o. does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.
- (b) Provisions (1)(b), (3), (4), (5), and (6) of this exclusion 3.o. do not apply to liability assumed under a sidetrack agreement.
- (c) Provision (5) of this exclusion 3.o. does not apply to "property damage" included in the "products-completed operations hazard".

**p. Damage To Your Product**

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

**q. 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:

This exclusion **3.q.** does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor, but only to the extent that valid "scheduled underlying insurance" is applicable to such "property damage" or would have been applicable to such "property damage" but for the exhaustion of the limits of the "scheduled underlying insurance". The coverage provided:

- (1) Will follow the provisions, exclusions and limitations of the "scheduled underlying insurance" unless otherwise directed by this insurance; and
- (2) Will be subject to Condition **13. Maintenance of Scheduled Underlying Insurance.**

**r. Damage To Impaired Property Or Property Not Physically Injured**

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

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

Exception:

This exclusion **3.r.** 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.

**s. Personal And Advertising Injury**

"Personal and advertising injury":

- (1) Caused by or at the direction of the insured with knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";
- (2) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication of material whose first publication took place before the beginning of the Policy Period;
- (4) Arising out of a criminal act committed by or at the direction of any insured;
- (5) For which the insured has assumed liability in a contract or agreement;
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (8) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (9) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.
- (10) Committed by an insured whose business is:
  - (a) Advertising, broadcasting, publishing or telecasting;
  - (b) Designing or determining content of web-sites for others; or
  - (c) An Internet search, access, content or service provider.

For the 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.

- (11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control; or
- (12) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.



Exceptions:

Provision (5) of this exclusion 3.s. does not apply to liability for damages that the insured would have in the absence of the contract or agreement;

Provision (9) of this exclusion 3.s. does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan;

Provision (10) of this exclusion 3.s. does not apply to provisions 17.a., 17.b. or 17.c. of the definition of "personal and advertising injury"

**t. Asbestos**

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising, in whole or in part, either directly or indirectly out of the manufacture, storage, processing, mining, use, sale, installation, removal, disposal, distribution, handling, inhalation, ingestion, absorption, or existence of, exposure to or contact with asbestos, asbestos contained in goods, products or materials, asbestos fibers or asbestos dust; or
- (2) Any loss, cost or expense arising out of any:
  - (a) 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 asbestos, asbestos contained in goods, products or materials, asbestos fibers or asbestos dust; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of asbestos, asbestos contained in goods, products or materials, asbestos fibers or asbestos dust.

**u. Lead**

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising, in whole or in part, either directly or indirectly out of the mining, processing, manufacture, storage, distribution, sale, installation, removal, disposal, handling, inhalation, ingestion, absorption, use or existence of, exposure to, or contact with lead or lead contained in goods, products or materials; or
- (2) Any loss, cost or expense arising out of any:
  - (a) 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 lead or lead contained in goods, products or materials; or
  - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead or lead contained in goods, products or materials.

**v. Electronic Data**

Damages 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.

**SECTION II – WHO IS AN INSURED**

**1. Except for liability arising out of the "auto hazard":**

**a. If you are designated in the Declarations as:**

- (1) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

- (2) A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
  - (3) A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - (4) An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - (5) A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
- b.** Each of the following is also an insured:
- (1) Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no similar insurance available to that organization. However:
    - (a) Coverage under this provision does not apply to:
      - (i) "Bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
      - (ii) "Personal and advertising injury" arising out of an "offense" committed before you acquired or formed the organization.
    - (b) Coverage under this provision is afforded only until the 90th day after you acquired or formed the organization or the end of the Policy Period, whichever is earlier.
  - (2) Any person (other than your "employee" or "volunteer worker") or any organization while acting as your real estate manager.
  - (3) Any person or organization having proper temporary custody of your property if you die but only:
    - (a) With respect to liability arising out of the maintenance or use of that property; and
    - (b) Until your legal representative has been appointed.
  - (4) Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
  - (5) Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
    - (a) "Bodily injury" or "personal and advertising injury" to you, to your partners or members (if you are a partnership or joint venture) or to your members (if you are a limited liability company);
    - (b) "Bodily injury" or "personal and advertising injury" arising out of his or her providing or failing to provide professional health care services; or
    - (c) "Property damage" to property:
      - (i) Owned, occupied or used by,
      - (ii) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are limited liability company).

2. Only with respect to the "auto hazard":
  - a. You are an insured;
  - b. Anyone else while using with your permission an "auto" you own, hire or borrow is also an insured except:
    - (1) The owner or anyone else from whom you hire or borrow an "auto". This exception does not apply if the "auto" is a trailer or semi-trailer connected to an "auto" you own.
    - (2) Your "employee" if the "auto" is owned by that "employee" or a member of his or her household, unless coverage is provided by "scheduled underlying insurance" and then not for broader coverage than is afforded by that "scheduled underlying insurance".
    - (3) Any person using an "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos", unless the business is yours.
    - (4) Anyone other than your "employees", partners (if you are a partnership), or a member (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from an "auto".
    - (5) A partner (if you are a partnership), or a member (if you are a limited liability company), for an "auto" owned by him or her or a member or his or her household, unless coverage is provided by "scheduled underlying insurance" and then not for broader coverage than is afforded by that "scheduled underlying insurance".
  - c. Any person or organization legally responsible for the actions of an insured but only to the extent of that responsibility. However, the owner or anyone else from whom you hire or borrow an "auto" is an insured only if coverage is provided by "scheduled underlying insurance", but not for broader coverage than is afforded by that "scheduled underlying insurance".
3. Any other person or organization who is an insured in the "scheduled underlying insurance" is an insured under this insurance. However, the coverage provided to such insureds by this insurance will not be broader than the coverage afforded by that "scheduled underlying insurance".
4. No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company which is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay under this Coverage Part for all damages except for damages because of:
  - a. "Bodily injury" and "property damage" included in the "products-completed operations hazard", and
  - b. "Bodily injury" and "property damage" arising out of the ownership or use of an "auto".
3. The Products-Completed Operations Aggregate Limit is the most we will pay under this Coverage Part for all damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard".
4. Subject to paragraphs 2. and 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of all damages because of "bodily injury", "property damage" and "personal and advertising injury" arising out of any one "occurrence" or one "offense".
5. If the applicable aggregate limits of liability of the "scheduled underlying insurance" or "other underlying insurance" are reduced or exhausted by payments for damages because of "bodily injury" or "property damage" that occur, or "offenses" that are committed, during the Policy Period of this policy, the Limits of Insurance of this Coverage Part will apply in excess of such reduced or exhausted aggregate limits of liability.

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6. If the limits of liability of the "scheduled underlying insurance" or "other underlying insurance" are reduced or exhausted by payments for damages because of "bodily injury" or "property damage" that occurred, or "offenses" that were committed, prior to the Policy Period of this policy, the Limits of Insurance of this Coverage Part will apply as if such payments had not been made.
7. The Limits of Insurance 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 to be part of the last preceding period for purposes of determining Limits of Insurance.

#### **SECTION IV – CONDITIONS**

We have no duty to provide coverage under this insurance unless you and any other involved insured have fully complied with the Conditions contained in this Coverage Part.

##### **1. Appeals**

If the insured or any "underlying insurer" elects not to appeal a judgment which exceeds the "retained limit", we may elect to do so at our own expense. In such case, we will pay all costs, taxes, expenses incurred and interest on judgments incidental to such an appeal. We will also pay all costs on appeals related to the defense of the insured as provided in paragraph 2.b. of **SECTION I – COVERAGE**. In no event shall this provision increase our liability beyond our applicable Limits of Insurance set forth in the Declarations and in **SECTION III – LIMITS OF INSURANCE**, plus the expenses incidental to the appeal.

##### **2. Bankruptcy Or Insolvency Of The Insured**

Bankruptcy or insolvency of the insured or the insured's estate shall not relieve us of any of our obligations under this policy. However, this insurance will not replace the "retained limit" in event of such bankruptcy, insolvency or declaration of impairment. This insurance will apply as if the "retained limit" were in full effect.

##### **3. Duties In The Event Of Occurrence, Offense, Claim Or Suit**

a. You must see to it that we are notified as soon as practicable of an "occurrence" or "offense" which may result in a claim under this Coverage Part. Notice should include:

- (1) How, when and where the "occurrence" or "offense" took place;
- (2) The insured's name and address;
- (3) The names and addresses of any injured person(s) and witnesses; and
- (4) The nature and location of any injury or damage arising out of the "occurrence" or "offense".

b. If a claim is made or "suit" is brought against any insured which may result in a claim against this insurance, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately 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 defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against a person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

e. You must notify us immediately of the exhaustion of any aggregate limit of liability in any "scheduled underlying insurance" or "other underlying insurance" due to payment of judgments, settlements, costs or expenses.

#### 4. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- 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 on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part 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.

#### 5. Other Insurance

If there is any other valid and collectible insurance available to the insured (whether such insurance is stated to be primary, contributing, excess or contingent) that covers a loss that is also covered under this Coverage Part, the insurance provided by this Coverage Part is excess of, and shall not contribute with, such insurance.

We will pay only our share of the loss, if any, that exceeds the sum of:

1. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
2. The total of all deductible and self insured amounts under this or any other insurance.

This condition 5. does not apply to any insurance policy purchased specifically (and which is so specified in such insurance policy) to apply in excess of this Coverage Part.

#### 6. Premium Audit

- a. We will compute all premiums for this insurance in accordance with our rules and rates.
- b. Premium shown on the Declarations as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for the audit premium is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the first Named Insured subject to the minimum premium.
- c. 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.

#### 7. Representations

By accepting this policy, you agree that:

- a. The information shown in the Declarations is accurate and complete;
- b. The information is based upon representations you made to us;
- c. We evaluated the risk to be covered by this insurance, and then issued this policy, in reliance upon your representations; and
- d. Except as otherwise provided in this policy or by law, this policy is void in any case of fraud by you or if you intentionally conceal or misrepresent any material facts concerning this policy or any claim under this policy.

#### 8. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, 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.

#### 9. Transfer Of Rights Of Recovery Against Others To Us

- a. If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after the loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

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- b. Any recoveries shall be applied in the following order:
  - (1) First, to reimburse any interests (including the insured), that may have paid any amounts in excess of our Limit of Insurance;
  - (2) Then, to reimburse us for all amounts paid under this Coverage Part;
  - (3) Finally, to reimburse all other interests (including the insured) of which this insurance is excess and have claim to any amount remaining.
- c. Expenses necessary to the recovery of any such amounts shall be apportioned between the interests (including the insured) concerned, in the ratio of their respective recoveries as finally settled.

**10. 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 or such other period as may be required by law. If notice is mailed, proof of mailing will be sufficient proof of notice.

**11. Loss Payable**

We shall be liable for payment under this Coverage Part only after the insured or "underlying insurer" has become obligated to pay the "retained limit". Such obligation by the insured to pay the "retained limit" shall have been previously determined by a final settlement or judgment after an actual trial or written agreement between the insured, claimant and us.

**12. Insolvency Of Underlying Insurer**

Bankruptcy, insolvency or a declaration of impairment of the "underlying insurer", will not relieve us of our obligations under this Coverage Part. However, this insurance will not replace the "scheduled underlying insurance" or "other underlying insurance" in event of such bankruptcy, insolvency or declaration of impairment. This insurance will apply as if the "scheduled underlying insurance" or "other underlying insurance" were in full effect.

**13. Maintenance Of Scheduled Underlying Insurance**

You agree:

- a. That the "scheduled underlying insurance" shall remain in effect during the Policy Period of this policy;
- b. That the terms, conditions and endorsements of the "scheduled underlying insurance" will not materially change; and
- c. That the limits of liability as warranted in the Schedule of Underlying Insurance will not change, except for their reduction or exhaustion due to payments for damages that would be covered by this Coverage Part.

Your failure to comply with paragraphs a., b. or c. above shall not invalidate this policy. However, in the event of a loss, we will pay only to the extent that we would have paid had you maintained such "scheduled underlying insurance".

You must give us written notice as soon as practicable when one or more of the policies of "scheduled underlying insurance" are no longer in effect.

**14. Jurisdictions Outside The United States, Puerto Rico And Canada**

In any jurisdiction that is part of the "coverage territory", but outside the United States of America (including its territories and possessions), Puerto Rico or Canada:

- a. If we are prevented by law or otherwise from investigating, settling or defending any claim or "suit":
  - (1) You must arrange such investigation, defense or settlement.
  - (2) You will not make any settlement without our consent.
  - (3) We will reimburse you for incurred expenses described under paragraph 2.b. of **SECTION I – COVERAGE** that we would have paid had we been able to exercise our right to investigate or settle claims, or our right and duty to defend the insured as provided under paragraph 2.a. of **SECTION I – COVERAGE**.

- b. If we are prevented by law or otherwise from paying on behalf of the insured those sums that the insured becomes legally obligated to pay as damages to which this insurance applies, we will reimburse the insured for such sums.
- c. All payments or reimbursements we make for damages because of judgments or settlements will be made in U.S. currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums. All payments or reimbursements we make for expenses under paragraph 2.b. of **SECTION I – COVERAGE** will be made in U.S. currency at the prevailing exchange rate at the time the expenses were incurred.
- d. Any disputes between you and us as to whether there is coverage under this Coverage Part must be filed in the courts of the United States of America (including its territories and possessions), Canada or Puerto Rico.
- e. The insured must fully maintain any insurance required by law, regulation or other governmental authority during the Policy Period, except for the reduction of the aggregate limits due to payments of claims, judgments or settlements. Failure to maintain such insurance will not invalidate this insurance. However, this insurance will apply as if the required insurance by law, regulation or other governmental authority was in full effect.

#### 15. Terms Conformed To Statute

The terms of this Coverage Part which are in conflict with the statutes of the state where the policy is issued are amended to conform to such statutes.

#### SECTION V – DEFINITIONS

1. "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 purposes of this definition:
  - a. Notices that are published include material placed on the Internet or similar electronic means of communication; and
  - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
3. "Auto hazard" means liability arising out of the ownership, maintenance, use or "loading or unloading" of any "auto".
4. "Bodily injury" means physical injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death that results from such physical injury, sickness or disease. This does not include "consequential bodily injury".
5. "Consequential bodily injury" means "bodily injury" arising out of "personal and advertising injury".
6. "Coverage territory" means anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.
7. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
8. "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. "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.

**10. "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, lightning, explosion, smoke, or leakage from automatic fire protection systems 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. Any easement or license agreement, except in connection with construction or demolition operations 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 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".
- g. 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 party to pay for "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.

Paragraphs f. and g. do 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 any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, 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 or 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) 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.
  - (4) That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of an "auto" over a route or territory that person or organization is authorized to serve by public authority.
- 11. "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".**
- 12. "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".
- 13. "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;
  - 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 paragraphs 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 and lower workers;
  - f. Vehicles not described in paragraphs 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;
      - (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.
14. "Occurrence" means:
- a. An accident, including continuous or repeated exposure to substantially the same general harmful conditions, that results in "bodily injury" or "property damage"; or
  - b. With respect to "employees" of the Named Insured, an accident or disease that results in "bodily injury".
15. "Offense" means an offense included in the definition of "personal and advertising injury". All damages that arise from exposure to the same act, publication or infringement are considered one "offense".
16. "Other underlying insurance" means insurance that provides coverage for damages covered by this insurance, including any self-insurance or other funding mechanism intended to pay damages covered by this insurance. "Other underlying insurance" does not include "scheduled underlying insurance" or insurance purchased specifically to be excess of this Coverage Part.
17. "Personal and advertising injury" means injury, other than "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, in any manner, 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, in any manner, of material that violates a person's right of privacy;
  - f. The use of another's advertising idea in your "advertisement"; or
  - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- "Personal and advertising injury" includes "consequential bodily injury".
18. "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.

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- 19. "Pollution cost or expense" means any loss, cost or expense arising out of any:**
- a.** 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
  - b.** Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**20. "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:
    - (a)** 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 job 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.
- 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;

**21. "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 of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the 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.

**22. "Retained limit" means either:**

- a.** The total amount of "scheduled underlying insurance" or "other underlying insurance" applicable to the injury or damage whether such insurance is collectible or not; or
- b.** The Self Insured Retention. This means the amount you will pay as shown in the Declarations for injury or damage covered by this Coverage Part and not covered by any "scheduled underlying insurance" or "other underlying insurance". The Self Insured Retention will apply separately to each "occurrence" or "offense" to which this insurance applies. The Self Insured Retention does not apply to injury or damage which would have been covered by "scheduled underlying insurance" or "other underlying insurance" but for the exhaustion of applicable limits.

The insured will reimburse us promptly for any amount of judgments and settlements we pay on behalf of the insured that is within the Self Insured Retention.

23. "Scheduled underlying insurance" means the policies of insurance designated in the Schedule of Underlying Insurance shown in the Declarations of this Coverage Part, including any renewals or replacements of such policies, which provide the underlying coverages stated in the Schedule of Underlying Insurance.
24. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages 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 are claimed and to which the insured submits with our consent or the "underlying insurer's" consent.
25. "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. "Underlying insurer" means the provider of any "scheduled underlying insurance" or "other underlying insurance".
27. "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.
28. "Your product":
- a. Means:
    - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      - (a) You;
      - (b) Others trading under your name; or
      - (c) A person or organization whose business or assets you have acquired; and
    - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
  - b. 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.
  - c. "Your product" does not include vending machines or other property rented to or located for the use of others but not sold.
29. "Your work":
- a. Means:
    - (1) Work or operations performed by you or on your behalf; and
    - (2) Materials, parts or equipment furnished in connection with such work or operations.
  - b. 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.**

**NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**  
**(Broad Form)**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

**A. The following are added to paragraph 3. Exclusions under SECTION I – COVERAGE:**

This insurance does not apply to:

1. "Bodily injury" or "property damage":
  - a. With respect to which an insured under this 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 insured under any such policy but for its termination upon exhaustion of its limit of liability; or
  - b. Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
    - (1) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or
    - (2) The insured is, or had this policy not been issued would be entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
2. "Bodily injury" or "property damage" resulting from the "hazardous properties" of "nuclear material", if:
  - a. The "nuclear material":
    - (1) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
    - (2) Has been discharged or dispersed therefrom;
  - b. 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
  - c. The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts, or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this subparagraph (c) applies only to "property damage" to such "nuclear facility" and any property thereat.

**B. For the purposes of this endorsement only, the following are added to SECTION V – DEFINITIONS:**

- (1) "Hazardous properties" include radioactive, toxic or explosive properties;
- (2) "Nuclear material" means "source material", "special nuclear material" or "by-product material";
- (3) "Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (4) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";
- (5) "Waste" means any waste material:
  - (a) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and
  - (b) Resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

- (6) "Nuclear facility" means:
- (a) Any "nuclear reactor";
  - (b) Any equipment or device designed or used for:
    - (i) Separating the isotopes of uranium or plutonium,
    - (ii) Processing or utilizing "spent fuel", or
    - (iii) Handling, processing or packaging "waste";
  - (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
  - (d) Any structure, basin, excavation, premises, or place prepared or used for the storage or disposal of "waste";
- and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;
- (7) "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
- (8) "Property Damage" includes all forms of radioactive contamination of property.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – SILICA**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

The following is added to paragraph 3. **Exclusions** under **SECTION I – COVERAGE**:

This insurance does not apply to:

### **Silica**

- (1) "Bodily injury" arising, or allegedly arising, in whole or in part, from the inhalation, ingestion, absorption of or exposure to silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise; or
- (2) "Property damage" or "personal and advertising injury" arising, or allegedly arising, in whole or in part, from silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise; or
- (3) Any loss, cost or expense arising out of any:
  - (a) 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 silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of silica in any form or any substance containing silica, either alone, or in combination with other substances or factors, whether included in a product or otherwise.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**NON-CUMULATION OF LIABILITY (SAME OCCURRENCE)**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

The following is added to paragraph 4. under **SECTION III – LIMITS OF INSURANCE:**

Non-Cumulation of Liability – Same Occurrence – If one “occurrence” causes “bodily injury” or “property damage” during the policy period and during the policy period of one or more prior, or future, commercial umbrella liability policy(ies) issued to you by us, then this policy’s Each Occurrence Limit will be reduced by the amount of each payment made by us under the other policy(ies) because of such “occurrence.”

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SCHOOL AMENDATORY ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

**I. Personal And Advertising Injury – Follow Form**

**A. The following is added to Provision b.(2) of Paragraph 1. Insuring Agreement under Section I – Coverage:**

This insurance applies to "personal and advertising injury" to the extent of coverage afforded by valid "scheduled underlying insurance" that is applicable to such "personal and advertising injury" or would have been applicable to such injury but for the exhaustion of the limits of the "scheduled underlying insurance".

The coverage provided:

(a) Will follow the provisions, exclusions and limitations of the "scheduled underlying insurance" unless otherwise directed by this insurance, except that any exclusion in this insurance of "personal and advertising injury" does not apply within the scope of your broadcasting or publication activities as a school; and

(b) Will be subject to Condition 13. **Maintenance Of Scheduled Underlying Insurance.**

**B. Regardless of the extent of coverage afforded by the "scheduled underlying insurance", exclusions h. Employment-Related Practices, i. Pollution, t. Asbestos and u. Lead of paragraph 3. Exclusions under Section I – Coverage apply.**

**C. For the purposes of the coverage provided by this endorsement, the definition of "advertisement" in Section V – Definitions is superseded by the definition contained in the "scheduled underlying insurance".**

**II. Section II – Who Is An Insured is amended as follows:**

**A. Provision (1)(b) of Paragraph 1.b. is replaced by the following:**

(b) Coverage under this provision is afforded only until the expiration of the policy period in which the entity was acquired or formed by you.

**B. The following is added to Paragraph 3.:**

Any person or organization included as an additional insured in the "scheduled underlying insurance". The coverage under this Policy will be no broader than that provided by the "scheduled underlying insurance".

However:

- a. The insurance afforded to such additional insured only applies to the extent permitted by law; and
- b. If coverage provided to the additional insured is required by a contract or agreement, the insurance will be no broader than that which you are required by the contract or agreement to provide for such additional insured.

The Limits of Insurance applicable to the additional insured are included within, and are not in addition to the Limits of Insurance shown in the Declarations.

**III. Amendment Of Exclusions**

**A. The following exclusions of Paragraph 3. Exclusions under Section I – Coverage are replaced:**

**a. Expected Or Intended Injury**

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



Exception:

This exclusion **3.a.** does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

**b. Contractual Liability**

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

Exceptions:

This exclusion **3.b.** does not apply to:

(1) The extent that valid "scheduled underlying insurance" is applicable to the "bodily injury" or "property damage" described above or would have been applicable to such injury or damage but for the exhaustion of the limits of the "scheduled underlying insurance". Coverage provided:

(a) Will follow the provisions, exclusions and limitations of the "scheduled underlying insurance" unless otherwise directed by this insurance; and

(b) Is subject to Condition **13. Maintenance Of Scheduled Underlying Insurance.**

(2) Liability for damages that the insured would have in the absence of the contract or agreement.

**B. The following exclusions are added to Paragraph 3. Exclusions under Section I – Coverage:**

This insurance does not apply:

**1. Trampolines**

To "bodily injury" arising out of the ownership, operation, maintenance or use of any trampoline including the rendering of or failure to render instructions, recommendations, warnings or advice.

**2. Medical Malpractice Limitation**

To "bodily injury", "property damage" or "personal and advertising injury" caused by:

a. The rendering of or failing to render:

(1) Medical, surgical, dental, x-ray, or nursing service, treatment, advice or instruction or the related furnishing of food or beverages;

(2) Any health or therapeutic service, treatment, advice or instruction; or

(3) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming.

b. The furnishing or dispensing of or failure to furnish or dispense drugs or medical, dental or surgical supplies or appliances; or

c. The handling or treatment of dead bodies, including autopsies, organ donation or other procedures.

This exclusion applies only with respect to the ownership or operation of an infirmary with facilities for lodging and treatment or a public clinic or hospital.

**3. Other Professional Services**

To "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failing to render professional services other than those described in the **Medical Malpractice Limitation** above.

**4. Corporal Punishment**

To "bodily injury", "property damage" or "personal and advertising injury" to your student arising out of any corporal punishment administered by or at the direction of any insured.

**5. Athletics Or Sports Participants**

To "bodily injury" to any person while practicing for or participating in any sports or athletic contest or exhibition that you sponsor.

**6. Transportation Of Students Limitation**

To "bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, "loading or unloading" or entrustment to others of any aircraft, "auto" or watercraft that is owned, operated or hired by, or loaned to, an insured. For the purpose of this exclusion, the word hired includes any contract to furnish transportation of your students to and from schools.

This exclusion applies:

- (1) Even if the claims against the insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, operation, use, "loading or unloading" or entrustment to others of any "auto" or watercraft that is owned, operated or hired by, or loaned to any insured; and
- (2) Only with respect to the transportation of students.

Exceptions:

The exclusions for **3. Other Professional Services**, **4. Corporal Punishment**, **5. Athletics Or Sports Participants** and **6. Transportation Of Students Limitation** do not apply to the extent that valid "scheduled underlying insurance" is applicable to the "bodily injury", "property damage" or "personal or advertising injury" described in such exclusions or would have been applicable but for the exhaustion of the limits of the "scheduled underlying insurance". Such coverage provided:

- (a) Will follow the provisions, exclusions and limitations of the "scheduled underlying insurance" unless otherwise directed by this insurance; and
- (b) Will be subject to Condition **13. Maintenance Of Scheduled Underlying Insurance**.

With respect to **Other Professional Services**, the following applies:

- (1) The following is added to Paragraph **1. Insuring Agreement** under **Section I – Coverage**:

"Bodily injury" arising out of the rendering of or failure to render "covered professional services" to others by an "employee" shall be deemed to be caused by an "occurrence" but only if such acts or omissions are committed within the scope of his or her employment by you.

- (2) The following is added to Paragraph **4. Section III – Limits Of Insurance**:

Any act or omission together with all related acts or omissions in the furnishing of these services to any one person will be considered one "occurrence".

- C. Exclusion **j. Watercraft Liability** of Paragraph **3. Exclusions** under **Section I – Coverage** is amended as follows:

Except with respect to the transportation of students, Provision (2) of Exceptions is replaced with the following:

- (2) To watercraft you do not own that is not being used to carry persons or property for a charge.

- D. The following is added to the Exceptions under Exclusion **s. Personal And Advertising Injury** of Paragraph **3. Exclusions** under **Section I – Coverage**:

Exceptions:

Provision (5) of this Exclusion **3.s.** does not apply to the extent that valid "scheduled underlying insurance" is applicable to the "personal and advertising injury" described in provision (5) above or would have been applicable to such injury but for the exhaustion of the limits of the "scheduled underlying insurance". The coverage provided:

(a) Will follow the provisions, exclusions and limitations of the "scheduled underlying insurance" unless otherwise directed by this insurance; and

(b) Will be subject to Condition 13. **Maintenance Of Scheduled Underlying Insurance.**

E. The following is added to the Exceptions for Exclusion o. **Damage To Property:**

Exceptions:

Provisions (3), (4) and (6) of this Exclusion 3.o. do not apply to the extent that valid "scheduled underlying insurance" is applicable to such damage or would have been applicable but for the exhaustion of the limits of the "scheduled underlying insurance". The coverage provided:

(a) Will follow the provisions, exclusions and limitations of the "scheduled underlying insurance" unless otherwise directed by this insurance; and

(b) Will be subject to Condition 13. **Maintenance Of Scheduled Underlying Insurance.**

However, regardless of the extent of coverage afforded by "scheduled underlying insurance", this insurance does not apply to:

(a) Damage by fire, lightning, explosion, smoke, leakage from automatic fire protection systems or other "property damage" to premises while rented to you or temporarily occupied by you; or

(b) Personal property in the care, custody or control of the insured.

IV. The following is added to **Section III – Limits Of Insurance**

If coverage provided to an additional insured is required by a contract or agreement, we will pay on behalf of the additional insured lessor of:

1. The amount of insurance required by the contract or agreement less any amounts payable by any "scheduled underlying insurance" or otherwise retained; or
2. The available applicable Limits of Insurance of this Policy.

V. **Amendment Of Conditions**

**Section IV - Conditions** is amended as follows:

1. The following is added to Paragraph 3. **Duties In The Event Of Occurrence, Offense, Claim Or Suit:**

Knowledge of an "occurrence", "offense", claim or "suit" by an agent, servant or "employee" of any insured shall not in itself constitute knowledge of the insured unless the school superintendent, business manager or a person designated by them to receive reports of "occurrences", "offenses", claims and "suits" shall have received such notice from the agent, servant or "employee".

2. The following is added to Paragraph 5. **Other Insurance**

However, with respect to a person or organization that qualifies as and additional insured under Paragraph 3. of **Section II – Who Is An Insured**, this insurance will not seek contribution from any other insurance available to an additional insured under this Policy provided that:

- a. The additional insured is a Named Insured under such other insurance;
- b. You have agreed in a written contract or agreement with the additional insured that insurance would not seek contribution from any other insurance available;
- c. The "scheduled underlying insurance" includes the person or organization as an additional insured; and
- d. The "scheduled underlying insurance" provides coverage to the person or organization on a primary and noncontributory basis.

3. Provision **d.** of Condition **7. Representations** is replaced by the following:

**d.** Your failure to disclose all hazards of prior "occurrences" or "offenses" existing as of the inception date of the Policy shall not prejudice the coverage afforded by this Policy provided such failure to disclose all hazards or prior "occurrences" or "offenses" is not intentional.

4. The following is added to Paragraph **9. Transfer Of Rights Of Recovery Against Others To Us**:

We waive any right of recovery we may have against a person or organization because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard" provided:

- a.** You and that person or organization have agreed in writing in a contract or agreement that you waive such rights against that person or organization; and
- b.** The injury or damage occurs subsequent to the execution of the written contract or agreement.

#### **VI. Amendment Of Definitions**

**Section V – Definitions** is amended as follows:

1. The following definitions are replaced:

- 7. "Employee" includes a "leased worker" or a substitute teacher. "Employee" does not include a "temporary worker".
- 25. "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. "Temporary worker" does not include a substitute teacher.

2. The following definition is added:

"Covered professional services" means professional services, treatment, advice or instruction provided by nurses, psychologists, mental health counselors, psychometric counselors, occupational or physical therapists, hearing and speech therapists, athletic trainers, emergency medical technicians or paramedics.

**VII.** Notwithstanding any coverage afforded by "scheduled underlying insurance", this insurance does not apply to any defense expenses incurred in the defense of a criminal action or criminal proceeding brought against any insured.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SCHOOL LEADERS ERRORS AND OMISSIONS LIABILITY – FOLLOW FORM**

**THIS IS CLAIMS MADE INSURANCE. EXCEPT AS OTHERWISE PROVIDED THIS INSURANCE APPLIES ONLY TO CLAIMS MADE AGAINST THE INSURED DURING THE POLICY PERIOD. PLEASE READ THE ENTIRE FORM CAREFULLY.**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL UMBRELLA LIABILITY COVERAGE PART**

When School Leaders Errors and Omissions Liability is shown in the Schedule of Underlying Insurance and for the purposes of this coverage only:

**A. The following are added to paragraph 1. Insuring Agreement under SECTION I – COVERAGE:**

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 because of “loss” arising from a “wrongful act” to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under paragraph 2. **Defense And Expense Of Claims And Suits.**

The amount we will pay for “loss” is limited as described in **SECTION III – LIMITS OF INSURANCE.**

2. This insurance applies to “loss” described in paragraph 1. above to the extent of coverage afforded by valid “scheduled underlying insurance” that is applicable to such “loss” or would have been applicable but for the exhaustion of the limits of the “scheduled underlying insurance”. The coverage provided:
  - a. Will follow the provisions, exclusions and limitations of the “scheduled underlying insurance” unless otherwise directed by this insurance; and
  - b. Will be subject to Condition 13. **Maintenance of Scheduled Underlying Insurance.**

However, regardless of the extent of “scheduled underlying insurance”, this insurance does not apply to:

- (1) Any “wrongful act” related to the administration of any employee benefit plan; or
- (2) Any “claim” arising out of any responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 or any amendments thereto.

**B. Paragraph 2. Defense And Expense Of Claims And Suits applies except as amended below:**

1. Provision a.(3) is replaced by the following:

(3) At our discretion, we may:

- (a) Investigate any “occurrence”, “offense”, “wrongful act” or “claim”; and
- (b) Settle any “claim” of which we assume charge of the settlement or defense.

2. Paragraph 2. **Defense And Expense Of Claims And Suits** does not apply to:

- a. Any “suit” seeking solely injunctive or other nonmonetary relief; or
- b. Any coverage that may be provided in the “scheduled underlying insurance” for which payment or reimbursement of defense expenses is subject to an aggregate limit including, but not limited to, defense coverage for “suits” involving asbestos or the procuring, maintaining or effecting adequate insurance.

**C. Provisions 1.b., 2. and 3. under SECTION II – WHO IS AN INSURED do not apply.**

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**D. SECTION III – LIMITS OF INSURANCE** applies except as amended below:

1. Paragraph 4. is replaced by the following:

4. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of all:
- a. Damages because of "bodily injury", "property damage" and "personal and advertising injury" arising out of any one "occurrence" or one "offense"; and
  - b. "Loss" arising out of any one "wrongful act" to which this insurance applies. A single "wrongful act" or a series of causally connected "wrongful acts" will be considered one "wrongful act".

2. The following is added to paragraph 5.:

If the Aggregate Limit of the "scheduled underlying insurance" is reduced or exhausted by payments for "loss" because of "claims" first made during the "policy period" or during a Discovery Period to which this insurance applies, the Limits of Insurance of this Coverage Part will apply in excess of such reduced or exhausted aggregate limits of liability.

3. The following is added to paragraph 6.:

If the limits of liability of the "scheduled underlying insurance" are reduced or exhausted by payments for "loss" because of "claims" first made prior to the "policy period", the Limits of Insurance of this Coverage Part will apply as if such payment had not been made.

**E. SECTION IV – CONDITIONS** apply except as amended below:

1. The title and provision a. of Condition 3. are replaced by the following:

**Duties In The Event Of Occurrence, Offense, Wrongful Act, Claim Or Suit**

- a. You must see to it that we are notified as soon as practicable of an "occurrence", "wrongful act" or "offense" which may result in a "claim" under this Coverage Part. Notice should include:
- (1) How, when and where the "occurrence", "wrongful act" or "offense" took place;
  - (2) The "insured's" name and address;
  - (3) The names and addresses of any persons who may sustain injury or damage, and witnesses; and
  - (4) The nature and location of any injury or damage arising out of the "occurrence", "wrongful act" or "offense".

2. The following is added to Condition 13. **Maintenance of Scheduled Underlying Insurance:**

You agree that "scheduled underlying insurance" shall remain in force during any Discovery Period provided by this Coverage Part. Your failure to comply with this agreement shall not invalidate this policy. However, in the event of "loss", we will pay only to the extent that we would have paid had you maintained such "scheduled underlying insurance".

**F. For the purposes of this endorsement, SECTION V – DEFINITIONS** is amended as follows:

1. Definition 24. is replaced by the following:

24. "Suit" means a suit as it is defined in the School Leaders Errors and Omissions Liability Coverage that is provided in the "scheduled underlying insurance".

2. The following definitions are added:

"Claim" means a claim as it is defined in the School Leaders Errors and Omissions Liability Coverage that is provided in the "scheduled underlying insurance".

"Insured" means any person or organization qualifying as such in the School Leaders Errors and Omissions Liability Coverage that is provided in the "scheduled underlying insurance".

"Loss" means loss as it is defined in the School Leaders Errors and Omissions Liability Coverage that is provided in the "scheduled underlying insurance". If prejudgment interest is included as "loss" in the "scheduled underlying insurance", provision **b.(1)(f)** of paragraph 2. **Defense And Expense Of Claims And Suits** under **SECTION I – COVERAGE** does not apply.

"Policy period" means the period stated in the Declarations of this policy to which this endorsement is attached including an extension after issuance of the policy for an additional period of less than 12 months. However,

- a. If this endorsement is issued to be effective subsequent to the effective date of such policy, the "policy period" for this endorsement will start with the effective date of the endorsement; and
- b. If this endorsement is cancelled prior to the expiration date of such policy, the "policy period" for this endorsement will end with the cancellation date of the endorsement.

"Retroactive date" means the date shown in the "scheduled underlying insurance" after which a "wrongful act" must be committed.

"Wrongful act" means a wrongful act as it is defined in the School Leaders Errors and Omissions Liability Coverage that is provided in the "scheduled underlying insurance".

**G. SECTION VI – DISCOVERY PERIODS** is added:

**SECTION VI – DISCOVERY PERIODS**

1. We will provide one or more Discovery Periods, as described below if:
  - a. This insurance is cancelled or not renewed, or renewed under terms and conditions less favorable to the named insured; and
  - b. Applicable "scheduled underlying insurance" is shown in the Schedule of Underlying Insurance.
2. Discovery Periods do not extend the "policy period" or change the scope of coverage provided. Once in effect, the Discovery Periods cannot be cancelled.
3. A Basic Discovery Period is automatically provided without an additional charge. The Basic Discovery Period starts with the end of the "policy period" and lasts for sixty (60) days. This insurance applies to "claims" made during the Basic Discovery Period for "loss" arising from a "wrongful act" that is committed before the end of the "policy period" but not before the "retroactive date". However, the Basic Discovery Period applies:
  - a. Only to the extent of coverage afforded by applicable "scheduled underlying insurance"; and
  - b. Subject to Condition **13. Maintenance of Scheduled Underlying Insurance**.

The Basic Discovery Period does not apply to "claims" that are covered under any subsequent insurance that you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such "claims".

When the Basic Discovery Period applies, the General Aggregate Limit described in **SECTION III – LIMITS OF INSURANCE** is extended to include "claims" first made during the Basic Discovery Period. However, the General Aggregate Limit is not reinstated or increased.

4. An Extended Discovery Period is available but only by endorsement and for an additional charge. This period starts when the Basic Discovery Period described in paragraph 3. above ends and lasts for thirty-six (36) months. You must give us written request for the endorsement within 60 days after the end of the "policy period". The Extended Discovery Period will not go into effect unless you have paid all premiums due for the policy at the time you request Extended Discovery Period coverage and you pay the additional premium promptly when due.

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We will determine the additional premium in accordance with our rules and rates. In so doing, we may take into account the following:

- a. The exposure of the insured;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this Coverage Part for future payment of damage; and
- d. Other related factors.

The additional premium will not exceed 200% of the annual premium for this Coverage Part.

The endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Extended Discovery Period.

If the Extended Discovery Period is in effect, we will provide a Supplemental Aggregate Limit of Insurance but only for "claims" first made during the Extended Discovery Period. The Supplemental Aggregate Limit of Insurance will be equal to the dollar amount of the General Aggregate Limit shown in the Declarations of this Coverage Part, in effect at the end of the "policy period".



**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:

### **COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM**

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year 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.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such 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.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION OF PUNITIVE DAMAGES  
RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM

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

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

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

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such 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.

**C.** The terms and limitation of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this policy.

**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 UMBRELLA LIABILITY COVERAGE PART

**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 definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are enclosed in quotation marks:

"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.

"Any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury" as may be defined in any applicable Coverage Part, "scheduled underlying insurance" or "other underlying insurance".

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.

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.

All other terms and provisions remain the same.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

The following is added to Paragraph 3. **Exclusions** under **SECTION I – COVERAGE**:

**3. Exclusions**

This insurance does not apply to:

**Recording And Distribution Of Material Or Information In Violation Of Law**

“Bodily injury”, “property damage” or “personal and advertising injury” 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. The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- d. Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **AMENDMENT OF OCCURRENCE DEFINITION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA COVERAGE PART**

Paragraph **a.** of definition **14.** under **SECTION V – DEFINITIONS** is replaced by the following:

**14.** "Occurrence" means:

- a.** An accident, including continuous or repeated exposure to substantially the same general harmful conditions, that results in "bodily injury" or "property damage". "Occurrence" also means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, that involves:
  - (1)** "Property damage" to property that is not "your work", but is caused by "your work", regardless of whether the work is performed by you or on your behalf by a subcontractor; or
  - (2)** "Property damage" to "your work", but:
    - (a)** Only if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor, and the "property damage" is included within the "products-completed operations hazard"; and
    - (b)** Only to the extent that valid "scheduled underlying insurance" is applicable to such "property damage" or would have been applicable to such "property damage" but for the exhaustion of the limits of the "scheduled underlying insurance". The coverage provided will follow the provisions, exclusions and limitations of the "scheduled underlying insurance" unless otherwise directed by this insurance and will be subject to Condition 13. Maintenance of Scheduled Underlying Insurance; or

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION – TRAMPOLINES**

This endorsement modifies insurance provided under the following:

**COMMERCIAL UMBRELLA LIABILITY COVERAGE PART**

The following is added to paragraph **3. Exclusions** under **SECTION I – COVERAGE**:

This insurance does not apply to:

### **Trampolines**

“Bodily injury” or “property damage” arising out of the ownership, operation, maintenance or use of any:

**(1)** Trampoline; or

**(2)** Trampoline apparatus, device or accessory;

including the rendering of or failure to render instructions, recommendations, warnings or advice.

However, this exclusion does not apply to any trampoline that is 60 inches or less in diameter.

This endorsement supersedes provision **A.1.** contained in Section II. of the **School Amendatory Endorsement 14-118.**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUSION – CLIMBING OR RAPPELLING WALLS**

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART

The following is added to paragraph 3. **Exclusions** under **SECTION I – COVERAGE**:

This insurance does not apply to:

**Climbing Or Rappelling Walls**

"Bodily injury" or "property damage" arising out of the ownership, operation, maintenance or use of any:

- (1) Climbing or rappelling wall, tower or boulder; or
- (2) Climbing or rappelling apparatus, device or accessory;

including the rendering of or failure to render instructions, recommendations, warnings or advice.



The term Company, as used below, means the company that has issued the policy to which this witness statement is attached. The Company is identified on your Declarations in the area titled "Coverage is provided in".

**IN WITNESS WHEREOF**, the Company has caused this policy to be executed and attested on its behalf by its President and Secretary at Boston, Massachusetts, and countersigned on the Declarations by a duly authorized representative of that Company. In a state where a countersignature is not required, no policy shall be deemed invalid due to the absence of a countersignature.



*President*



*Secretary*

<b>Policy Number:</b> CU 8503904	<b>Prior Policy:</b>
<b>Policy Period:</b> 07/01/2019 To: 07/01/2020 12:01 am Standard Time at the Mailing Address of the Named Insured	
<b>Coverage Is Provided In</b> PEERLESS INSURANCE COMPANY - A STOCK COMPANY	
<b>Billing Type:</b> AGENCY BILL - PREPAID	
<b>Named Insured and Mailing Address:</b> INSIGHT PA CYBER CHARTER SCHOOL 350 EAGLEVIEW BLVD STE 350 EXTON PA 19341	<b>Agent:</b> TRIDENT RISK ADVISORS, LLC 150 N RADNOR CHESTER RD STE A220 RADNOR PA 19087-5252  <b>Agent Code:</b> 3711915 <b>Agent Phone:</b> (484)-582-6043

**Reason for Amendment:** NEW BUSINESS

**Transaction Effective Date:** 07/01/2019

**Premium for this Transaction:** \$ 6,953.00

**STATEMENT OF ACCOUNT**

<b>Acct Date</b>	<b>Premium</b>	<b>Surcharge/ Assessment</b>	<b>Total Due</b>
07/ 2019	\$ 6,953.00	\$ 0.00	\$ 6,953.00
<b>Total Premium Charged:</b>			<b>\$ 6,953.00</b>

Date Issued: 06/17/2019



Coverage is provided in:  
**THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY**

**This policy has been prepared for:**  
INSIGHT PA CYBER CHARTER  
SCHOOL  
350 EAGLEVIEW BLVD STE 350  
EXTON PA 19341

**Agent Name and Address:**

TRIDENT RISK ADVISORS, LLC  
150 N RADNOR CHESTER RD  
STE A220  
RADNOR PA 19087-5252

**Agent Code:** 3711915

**Agent's Phone Number:** (484)-582-6043

**Your insurance policy is enclosed. Please place it with your important papers.**

**Thank you for selecting us to service your insurance needs!**

**INSURED COPY**

## NOTICE TO POLICYHOLDERS

We (see the companies listed below), in accordance with the Pennsylvania Workers' Compensation Act, are required to provide accident and illness prevention services based on the nature of its business or its policyholder's operations, including information about the 5% premium discount available to employers who form a certified workplace committee. For more information about these services, contact your local Independent Agent.

Peerless Insurance Company  
The Netherlands Insurance Company  
Excelsior Insurance Company  
Peerless Indemnity Insurance Company  
The Midwestern Indemnity Company  
Merchants & Business Men's Mutual Insurance Company  
Montgomery Mutual Insurance Company

## IMPORTANT POLICYHOLDER INFORMATION CONCERNING BILLING PRACTICES

**Dear Valued Policyholder:** This insert provides you with important information about our policy billing practices that may affect you. Please review it carefully and contact your agent if you have any questions.

**Premium Notice:** We will mail you a policy Premium Notice separately. The Premium Notice will provide you with specifics regarding your agent, the account and policy billed, the billing company, payment plan, policy number, transaction dates, description of transactions, charges/credits, policy amount balance, minimum amount, and payment due date. This insert explains fees that may apply to and be shown on your Premium Notice.

### Available Premium Payment Plans:

- **Annual Payment Plan:** When this plan applies, you have elected to pay the entire premium amount balance shown on your Premium Notice in full. No installment billing fee applies when the Annual Payment Plan applies.
- **Installment Payment Plan:** When this plan applies, you have elected to pay your policy premium in installments (e.g.: quarterly or monthly installments – Installment Payment Plans vary by state). As noted below, an installment fee may apply when the Installment Payment Plan applies.

The Premium Payment Plan that applies to your policy is shown on the top of your Premium Notice. Please contact your agent if you want to change your Payment Plan election.

**Installment Payment Plan Fee:** If you elected to pay your premiums in installments using the Installment Premium Payment Plan, an installment billing fee applies to each installment bill. The installment billing charge will not apply, however, if you pay the entire balance due when you receive the bill for the first installment. Because the amount of the installment charge varies from state to state, please consult your Premium Notice for the actual fee that applies.

**Dishonored Payment Fee:** Your financial institution may refuse to honor the premium payment withdrawal request you submit to us due to insufficient funds in your account or for some other reason. If that is the case, and your premium payment withdrawal request is returned to us dishonored, a payment return fee will apply. Because the amount of the return fee varies from state to state, please consult your premium Notice for the actual fee that applies.

**Late Payment Fee:** If we do not receive the minimum amount due on or before the date or time the payment is due, as indicated on your Premium Notice, you will receive a policy cancellation notice effective at a future date that will also reflect a late payment fee charge. Issuance of the cancellation notice due to non-payment of a scheduled installment(s) may result in the billing and collection of all or part of any outstanding premiums due for the policy period. Late Payment Fees vary from state to state and are not applicable in some states.)

**Special Note:** Please note that some states do not permit the charging of certain fees. Therefore, if your state does not allow the charging of an Installment Payment Plan, Dishonored Payment or Late Payment Fee, the disallowed fee will not be charged and will not be included on your Premium Notice.

**EFT-Automatic Withdrawals Payment Option:** When you select this option, you will not be sent premium notices and, in most cases, will not be charged installment fees. For more information on our EFT-Automatic Withdrawals payment option, refer to the attached policyholder plan notice and enrollment sheet.

Once again, please contact your agent if you have any questions about the above billing practice information.

**Thank you for selecting us to service your insurance needs.**

**Insured Copy**

# IMPORTANT NOTICE CONCERNING OUR WORKERS' COMPENSATION INSURANCE PRIVACY PRACTICES

We value you as a customer and take your personal privacy seriously!

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Some states regulate the use of non-public information by financial services institutions. In the interest of complying with existing state law and in providing you with an affirmation of our commitment to maintaining the privacy of customer and claimant information, we have prepared this Privacy Practices Notice to explain our privacy practices as respects:

- The categories of nonpublic personally identifiable information, not corporate information, we collect from you or from a third party about you or beneficiaries or claimants under your insurance coverage;
- How we use the information;
- The categories of affiliates and non-affiliate third parties with whom we share the information; and
- The kind of security policies and procedures that are in place to protect the confidentiality and security of nonpublic personal information provided to us.

If you have questions or concerns regarding this Privacy Practices Disclosure Notice, please contact your independent insurance agent or us.

1. **PERSONALLY IDENTIFIABLE INFORMATION COLLECTED:** We want you to conduct business with us knowing that we protect personal information. We collect personally identifiable information from you or from third parties about you or beneficiaries or claimants under your insurance coverage as part of the insurance application, underwriting, claim, administration and servicing process. We collect nonpublic personal information from the following sources:
  - Information we receive on applications or other forms and which may include policyholder, beneficiary or claimant name, address, phone number, vehicle and driver information, date of birth, medical information related to underwriting and claims, and insurance coverage information;
  - Information about transactions with us, our affiliates, or others (including information about previous claims or accidents, medical information related to claims, information about the circumstances of your accident or injury (if applicable), and the names of witnesses and other contact information); and
  - Information we receive from consumer reporting agencies, state motor vehicle departments, and inspection services.
2. **HOW THE INFORMATION IS USED:** The information we collect is used to provide policy and premium quotes, underwrite applications, administer claims, and to answer questions or concerns about our insurance products and services. We also use the information for account administration, reporting, investigating, or preventing fraud or material misrepresentation, processing premium billing payments, processing and defending insurance claims, administering insurance benefits (including utilization review activities), or as otherwise required or permitted by law.

We maintain paper copies or electronic archives of the information provided by you or by a third party for policy quoting and for processing and administering your application or claims made under your policy and for improving our products and services. This information is kept internal to us except when needed to verify the information provided, to service your policy or claim or as required or permitted by law. The information is not available to the general public. We retain the information collected when a claim is filed under your policy for as long as required by law, or as long as the claim is open and thereafter for a period set by our record retention policies.

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For the purposes of this notice, the terms "we", "us" and "our" refer to the Company providing your insurance shown as "Coverage Is Provided In" on your Declarations.

ST-WC-357 (05/03)

Page 1 of 2

3. **SHARING INFORMATION GATHERED:** We do not disclose nonpublic personal information about you or beneficiaries or claimants under your insurance policy to anyone, except as permitted by law. We may share information about you or beneficiaries or claimants under your insurance policy in the normal business of conducting insurance operations, such as providing you with an insurance quote, processing, servicing, administering and enforcing your insurance policy and your claims.

We are permitted by law to share information about you when and if you become our customer or claimant, even without your authorization, with, for example:

- A third party, if it is reasonably necessary to enable the party to perform services for us, such as claims investigations, appraisals, or the detection of fraud or material misrepresentations;
- Any of our affiliated companies who provide services to you;
- Insurance regulatory authorities, reporting agencies, or if applicable involuntary market administrators;
- State Motor Vehicle Department to obtain a report of any accidents or convictions;
- Law enforcement agencies or other governmental authorities to protect our interest or to report illegal activities;
- Persons or organizations conducting insurance actuarial or research studies, subject to appropriate confidentiality agreements; and
- As otherwise permitted or required by law.

We are also permitted by law to disclose the following information to companies that perform marketing services on our behalf or with whom we have joint marketing agreements, including:

- Information we receive on applications or other forms, such as policyholder or claimant name, address, social security number, insurance coverage, vehicle and driver information, and certain claims information;
- Information about transactions with us, our affiliates, or others, such as insurance coverage, vehicle and driver information, and claims information; and
- Information we receive from third parties, such as a consumer reporting agency, or state motor vehicle records and claims history.

We do not sell any customer or policyholder information to mailing list companies or mass marketing companies. We treat our policyholder information as confidential.

4. **SECURITY POLICIES AND PROCEDURES:** We restrict access to nonpublic personal information about you or beneficiaries and claimants under your insurance policy to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with state and federal regulations to guard your nonpublic personal information. We also use a wide variety of data protection procedures, computer hardware and software tools to guard system and data privacy and integrity. Our computer systems are also protected by additional measures such as encrypted data transmissions, network routers and firewalls intended to prevent unauthorized access.

**Thank you for selecting us to service your insurance needs!**

## IMPORTANT

CERTIFICATES OF WORKER'S COMPENSATION INSURANCE WILL ENABLE US TO DETERMINE YOUR PROPER WORKER'S COMPENSATION INSURANCE EXPOSURE

IF YOU SUB-CONTRACT ANY WORK...IF YOU HAVE INDEPENDENT CONTRACTORS OR SUB-CONTRACTORS WORKING FOR YOU...

CERTIFICATES OF WORKER'S COMPENSATION INSURANCE MAY REDUCE YOUR WORKER'S COMPENSATION PREMIUM

Most Worker's Compensation Laws provide that an employer, principal or general contractor shall be responsible for compensation to employees of sub-contractors if the sub-contractor is unable to meet his obligations under the applicable law.

We must apply Worker's Compensation rates to the entire payroll of employees of all sub-contractors except those who have insured their compensation obligation and have furnished satisfactory evidence of insurance.

To avoid this additional premium charge, be certain to secure current Certificates of Insurance from all contractors and sub-contractors whom you hire. In the absence of Certificates of Insurance, we must consider the employees of subcontractors as being your employees for purposes of premium computation.



# TIMELY NOTICE

## Workers' Compensation and Liability Injury Claims Reporting

**Timely reporting of Workers' Compensation and other injury claims has been proven to lower claim costs positively impacting loss experience modifications.**

That's why Liberty Mutual Insurance offers **ANYTIME™** Claim Reporting services 24 hours a day to policyholders.

Call **1-800-362-0000** to report all Workers' Compensation and injury claims.

- Policy number
  - Fax number
  - Name, Address and Federal ID
    - Wage information (if the loss involves loss time from work)
    - Claim information (date, time and description of loss)
      - Employee information (name, address, social security number, DOB, marital status, and dependent)
      - Injury information (injury type and medical facility initiating treatment)

Remember, **Timely Notice** of claims can:

- Avoid state imposed late reporting penalties
- Reduce litigation activities and costs
- Enhance medical care process
- Improve employee/employer relations
- Mitigate lost time and speed recovery

**Please report all Workers' Compensation  
and injury losses within 24 hours of the loss.**



**1-800-362-0000**

# NOTICE OF ELECTION TO ACCEPT OR REJECT AN INSURANCE DEDUCTIBLE FOR DELAWARE WORKERS COMPENSATION DEATH AND MEDICAL BENEFITS

Delaware Law permits an employer to buy Workers Compensation insurance with a deductible. The deductible is for death and medical benefits and applies to each accident. The deductible amounts available are as follows:

Deductible Per Accident:

- \$ 500
- \$1,000
- \$1,500
- \$2,000
- \$2,500
- \$3,000
- \$3,500
- \$4,000
- \$4,500
- \$5,000

Consult with your agent for the current premium reductions associated with each deductible amount shown above.

You are not required to choose a deductible program. However, if you do so choose, it is to be understood that your insurance company will administer and pay all claims and that you will reimburse the insurance company for payments it makes within the amount of the deductible selected. Failure to reimburse the insurance company for such deductible amounts within 30 days can result in cancellation of coverage.

Please show whether or not you want the deductible by initialing the appropriate choice below:

\_\_\_\_\_ Yes, I want a deductible of \$ \_\_\_\_\_ applied to death and medical benefits under the Delaware Workers Compensation Law. I understand that the company shall pay the deductible amount and be reimbursed by the employer shown below.

\_\_\_\_\_ No, I do not want the deductible described in this Notice.

I understand that in accordance with 19 Del. C. § Chapter 2372, I have the option of modifying the above deductible program choice at the time of renewal of my Workers Compensation insurance policy with the insurance company named below.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date of This Notice)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Employer Name)

\_\_\_\_\_  
(Employer Address)

\_\_\_\_\_  
(Insurance Company)

Delaware Insurance Form B

**Workers Compensation And Employers Liability Insurance Policy**



**NEW BUSINESS**

Transaction Effective: 07/01/2019

**INFORMATION PAGE**

**AGENCY BILL**

Policy Number: WC 8503883	Prior Policy:	Date Issued: 06/17/2019
Coverage Is Provided In THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY		NCCI Number: 14184
<b>1. Named Insured and Mailing Address:</b> INSIGHT PA CYBER CHARTER SCHOOL 350 EAGLEVIEW BLVD STE 350 EXTON PA 19341		<b>Agent:</b> TRIDENT RISK ADVISORS, LLC 150 N RADNOR CHESTER RD STE A220 RADNOR PA 19087-5252  <b>Agent Code:</b> 3711915 <b>Agent Phone:</b> (484)-582-6043
Federal Employer ID Number:	Filing Number:	SIC Code: 8211
Other Workplaces not shown above: REFER TO ADDITIONAL WORKPLACES SCHEDULE		
Entity of Insured - SCHOOL		

**2. Policy Period:**

The Policy Period is from 07/01/2019 to 07/01/2020, 12:01 AM Standard Time at the insured's mailing address.

**3. A. Worker's Compensation Insurance:**

Part One of the policy applies to Worker's Compensation Law of the states listed here:  
DE, PA

**B. Employers Liability Insurance:**

Part Two of the policy applies to work in each state listed in 3.A. The limits of liability under Part Two are:

- Bodily Injury by Accident \$ 1,000,000 each accident
- Bodily Injury by Disease \$ 1,000,000 policy limit
- Bodily Injury by Disease \$ 1,000,000 each employee

**C. Other States Insurance:**

Part Three of the policy applies to states, if any, listed here: All states except North Dakota, Ohio, Washington, Wyoming and states designated in item 3.A. on the Information Page;

**D. Endorsements and Schedules:**

This policy includes these endorsements and schedules: See Extension of Information Page

**4. Premium:**

The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

Code Number	Classifications	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remuneration	Estimated Annual Premium
See Extension of Information Page				
<b>POLICY PREMIUM TOTALS</b>				
		Total Estimated Standard Premium	\$	41,759.00
0900		Expense Constant	\$	305.00
		Total Premium Discount	\$	-3,683.00
		Total Estimated Premium	\$	38,381.00
		Total Assessments/Funds/Surcharges	\$	697.00
		Total Estimated Cost	\$	39,078.00
Minimum Premium	\$ 550.00	Deposit Premium	\$ 39,078.00	Adjustment Period: ANNUAL

Date: \_\_\_\_\_

Countersigned by: \_\_\_\_\_

Authorized Signature

NEW BUSINESS

Transaction Effective: 07/01/2019

Policy Number: WC 8503883	Policy Period: From 12:01 AM 07/01/2019 To 12:01 AM 07/01/2020
Coverage Is Provided In THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY	NCCI Number: 14184
Named Insured: INSIGHT PA CYBER CHARTER SCHOOL	Agent: TRIDENT RISK ADVISORS, LLC  Agent Code: 3711915
Federal Employer ID Number:	Filing Number:

EXTENSION OF INFORMATION PAGE

Code Number	Classifications	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remuneration	Estimated Annual Premium
DE				
0965	SCHOOL DISTRICT - PUBLIC, PRIVATE OR PAROCHIAL	IF ANY	0.9200	0.00
	Sub-Total .....		\$	0.00
	Sub-Total .....		\$	0.00
	State Total Estimated Standard Premium .....		\$	0.00
9740	Terrorism .....		\$	0.00
9741	Catastrophe (other than Certified Acts of Terrorism) .....		\$	0.00
	State Total Estimated Cost .....		\$	0.00
PA				
0965	SCHOOL DISTRICT - PUBLIC, PRIVATE OR PAROCHIAL	5,977,815	0.7800	46,627.00
	Sub-Total .....		\$	46,627.00
9812	Premium for Increased Limits Part Two .....		\$	653.00
	Sub-Total .....		\$	47,280.00
9887	Schedule Modification - using factor 0.8200 .....		\$	-8,510.00
	State Total Estimated Standard Premium .....		\$	38,770.00
0063	State Premium Discount .....		\$	-3,683.00
9740	Terrorism .....		\$	1,793.00
9741	Catastrophe (other than Certified Acts of Terrorism) .....		\$	1,196.00
0938	PA Employer Assessment - using factor 0.01830 .....		\$	697.00
	State Total Estimated Cost .....		\$	38,773.00

Date Issued: 06/17/2019

**NEW BUSINESS**

Transaction Effective: 07/01/2019

Policy Number: WC 8503883	Policy Period: From 12:01 AM 07/01/2019 To 12:01 AM 07/01/2020
Coverage Is Provided In <b>THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY</b>	NCCI Number: 14184
<b>Named Insured:</b> INSIGHT PA CYBER CHARTER SCHOOL	<b>Agent:</b> TRIDENT RISK ADVISORS, LLC  <b>Agent Code:</b> 3711915
Federal Employer ID Number:	Filing Number:

**ENDORSEMENT SCHEDULE**

Form Number	Description
25-191 - 0694	EXTENSION OF INFORMATION PAGE
25-193 - 0694	ADDITIONAL WORKPLACES SCHEDULE
WC000000C - 0115	WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
WC000404 - 0484	PENDING RATE CHANGE
WC000406 - 0884	PREMIUM DISCOUNT
WC000414A - 0119	90-DAY REPRTING REQ - NOTIFICATION OF CHNGE IN OWNERS'P
WC000419 - 0101	PREMIUM DUE DATE ENDORSEMENT
WC000421D - 0115	CAT (OTHER THAN CERTIFIED ACTS OF TERRORISM) PREM END'T
WC000422B - 0115	TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT
WC000425 - 0517	EXPERIENCE RATING MODIFICATION FACTOR REVISION
WC070408 - 0799	DELAWARE MERIT RATING PLAN ENDORSEMENT
WC370601 - 0484	SPECIAL PENNSYLVANIA ENDORSE.-INSPECTION OF MANUALS
WC370602 - 0484	PENNSYLVANIA NOTICE
WC370603A - 0895	PENNSYLVANIA ACT 86-1986 ENDORSEMENT

Date Issued: 06/17/2019

**NEW BUSINESS**

Transaction Effective: 07/01/2019

Policy Number: WC 8503883		Policy Period: From 12:01 AM 07/01/2019 To 12:01 AM 07/01/2020	
Coverage Is Provided In <b>THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY</b>		NCCI Number: 14184	
<b>Named Insured:</b> INSIGHT PA CYBER CHARTER SCHOOL		<b>Agent:</b> TRIDENT RISK ADVISORS, LLC  <b>Agent Code:</b> 3711915	
Federal Employer ID Number:		Filing Number:	

**ADDITIONAL WORKPLACES SCHEDULE**

Location Number	Address
001	350 EAGLEVIEW BLVD STE 350 EXTON PA 19341

Date Issued: 06/17/2019

WC 00 04 06

**PREMIUM DISCOUNT ENDORSEMENT**

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on 07/01/2019 at 12:01 A. M. standard time, forms a part of

Policy No. WC 8503883

of the THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY

issued to INSIGHT PA CYBER CHARTER SCHOOL

Premium \$

\_\_\_\_\_  
Authorized Representative

The premium for this policy and the policies, if any, listed in item 3 of the Schedule may be eligible for a discount. This endorsement shows your estimated discount in item 1 or 2 of the Schedule. The final calculation of premium discount will be determined by our manuals and your premium basis as determined by audit. Premium subject to retrospective rating is not subject to premium discount.

**Schedule**

<b>1. State</b>	<b>Estimated Eligible Premium</b>			
	First \$5,000	Next \$95,000	Next \$400,000	Balance
PENNSYLVANIA	NIL	10.9%	12.6%	14.4%
<b>2. Average percentage discount:</b>	%			
<b>3. Other policies:</b>				
<b>4. If there are no entries in items 1, 2 and 3, of the Schedule see the Premium Discount Endorsement attached to your policy number:</b>				

# WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

## QUICK REFERENCE

**BEGINNING ON  
Page**

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**IMPORTANT:** This Quick Reference is not part of the Workers Compensation and Employers Liability Policy and does not provide coverage. Refer to the Workers Compensation and Employers Liability Policy itself for actual contractual provisions.

PLEASE READ THE WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY CAREFULLY.  
WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY WC 00 00 00 C

**WC 00 00 00 C (Ed. 01-15)**

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# WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows:

## GENERAL SECTION

### A. The Policy

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

### B. Who is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

### C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

### D. State

State means any state of the United States of America, and the District of Columbia.

### E. Locations

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A. states unless you have other insurance or are self-insured for such workplaces.

## PART ONE WORKERS COMPENSATION INSURANCE

### A. How This Insurance Applies

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

### B. We Will Pay

We will pay promptly when due the benefits required of you by the workers compensation law.

### C. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

### D. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;

3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

**E. Other Insurance**

We will not pay more than our share of benefits and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

**F. Payments You Must Make**

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation; or
4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

**G. Recovery From Others**

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

**H. Statutory Provisions**

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.
2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.
3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.
4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.
5. This insurance conforms to the parts of the workers compensation law that apply to:
  - a. benefits payable by this insurance;
  - b. special taxes, payments into security or other special funds, and assessments payable by us under that law.
6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

**PART TWO  
EMPLOYERS LIABILITY INSURANCE**

**A. How This Insurance Applies**

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.

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3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

**B. We Will Pay**

We will pay all sums that you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

1. For which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;
2. For care and loss of services; and
3. For consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee; provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and
4. Because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

**C. Exclusions**

This insurance does not cover:

1. Liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
2. Punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
3. Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
4. Any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
5. Bodily injury intentionally caused or aggravated by you;
6. Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;
7. Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
8. Bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 U.S.C. Sections 901 et seq.), the Nonappropriated Fund Instrumentalities Act (5 U.S.C. Sections 8171 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. Sections 1331 et seq.), the Defense Base Act (42 U.S.C. Sections 1651-1654), the Federal Mine Safety and Health Act (30 U.S.C. Sections 801 et seq. and 901-944), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws;
9. Bodily injury to any person in work subject to the Federal Employers' Liability Act (45 U.S.C. Sections 51 et seq.), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws;
10. Bodily injury to a master or member of the crew of any vessel, and does not cover punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law;
11. Fines or penalties imposed for violation of federal or state law; and
12. Damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. Sections 1801 et seq.) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

**D. We Will Defend**

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

**E. We Will Also Pay**

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding, or suit we defend:

1. Reasonable expenses incurred at our request, but not loss of earnings;
2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. Litigation costs taxed against you;
4. Interest on a judgment as required by law until we offer the amount due under this insurance; and
5. Expenses we incur.

**F. Other Insurance**

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

**G. Limits of Liability**

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident – each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease – policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease – each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.

Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

**H. Recovery From Others**

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

**I. Actions Against Us**

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and
2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

**PART THREE  
OTHER STATES INSURANCE**

**A. How This Insurance Applies**

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
3. We will reimburse you for the benefits required by the workers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.
4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

**B. Notice**

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

**PART FOUR  
YOUR DUTIES IF INJURY OCCURS**

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.
4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

**PART FIVE  
PREMIUM**

**A. Our Manuals**

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

**B. Classifications**

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

**C. Remuneration**

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

1. all your officers and employees engaged in work covered by this policy; and
2. all other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

**D. Premium Payments**

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

**E. Final Premium**

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short-rate cancellation table and procedure. Final premium will not be less than the minimum premium.

**F. Records**

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

**G. Audit**

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

**PART SIX  
CONDITIONS**

**A. Inspection**

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

**B. Long Term Policy**

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

**C. Transfer of Your Rights and Duties**

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

**D. Cancellation**

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.

3. The policy period will end on the day and hour stated in the cancelation notice.
4. Any of these provisions that conflict with a law that controls the cancelation of the insurance in this policy is changed by this statement to comply with the law.

**E. Sole Representative**

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancelation.

In witness whereof, THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY has caused this policy to be signed by its President and its Secretary.



**SECRETARY**



**PRESIDENT**

## PENDING RATE CHANGE ENDORSEMENT

A rate change filing is being considered by the proper regulatory authority. The filing may result in rates different from the rates shown on the policy. If it does, we will issue an endorsement to show the new rates and their effective date.

If only one state is shown in Item 3.A. of the Information Page, this endorsement applies to that state. If more than one state is shown there, this endorsement applies only in the state shown in the Schedule.

### Schedule

State



## 90-DAY REPORTING REQUIREMENT–NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT

You must report any change in ownership to us in writing within 90 days of the date of the change. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity, and other changes provided for in the applicable experience rating plan. Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you for experience rating purposes.

Failure to report any change in ownership, regardless of whether the change is reported within 90 days of such change, may result in revision of the experience rating modification factor used to determine your premium.

This reporting requirement applies regardless of whether an experience rating modification is currently applicable to this policy.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

**(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)**

Endorsement Effective  
Insured

Policy No.

Endorsement No.  
Premium:

Insurance Company

Countersigned by \_\_\_\_\_

## PREMIUM DUE DATE ENDORSEMENT

This endorsement is used to amend:

Section D. of Part Five of the policy is replaced by this provision.

### PART FIVE PREMIUM

D. **Premium** is amended to read:

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. **The due date for audit and retrospective premiums is the date of the billing.**

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

**(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)**

Endorsement Effective  
Insured

Policy No.

Endorsement No.  
Premium \$

Insurance Company

Countersigned by \_\_\_\_\_

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# CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) PREMIUM ENDORSEMENT

This endorsement is notification that your insurance carrier is charging premium to cover the losses that may occur in the event of a Catastrophe (other than Certified Acts of Terrorism) as that term is defined below. Your policy provides coverage for workers compensation losses caused by a Catastrophe (other than Certified Acts of Terrorism). This premium charge does not provide funding for Certified Acts of Terrorism contemplated under the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 B), attached to this policy.

For purposes of this endorsement, the following definitions apply:

- Catastrophe (other than Certified Acts of Terrorism): Any single event, resulting from an Earthquake, Noncertified Act of Terrorism, or Catastrophic Industrial Accident, which results in aggregate workers compensation losses in excess of \$50 million.
- Earthquake: The shaking and vibration at the surface of the earth resulting from underground movement along a fault plane or from volcanic activity.
- Noncertified Act of Terrorism: An event that is not certified as an Act of Terrorism by the Secretary of Treasury pursuant to the Terrorism Risk Insurance Act of 2002 (as amended) but that meets all of the following criteria:
  - a. It is an act that is violent or dangerous to human life, property, or infrastructure;
  - b. The act results in damage within the United States, or outside of the United States in the case of the premises of United States missions or air carriers or vessels as those terms are defined in the Terrorism Risk Insurance Act of 2002 (as amended); and
  - c. It is an act that has 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.
- Catastrophic Industrial Accident: A chemical release, large explosion, or small blast that is localized in nature and affects workers in a small perimeter the size of a building.

The premium charge for the coverage your policy provides for workers compensation losses caused by a Catastrophe (other than Certified Acts of Terrorism) is shown in Item 4 of the Information Page or in the Schedule below.

### Schedule

State	Rate	Premium
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This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

**(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)**

Endorsement Effective  
Insured

Policy No.

Endorsement No.  
Premium:

Insurance Company

Countersigned by \_\_\_\_\_

# TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT DISCLOSURE ENDORSEMENT

This endorsement addresses the requirements of the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015. It serves to notify you of certain limitations under the Act, and that your insurance carrier is charging premium for losses that may occur in the event of an Act of Terrorism.

Your policy provides coverage for workers compensation losses caused by Acts of Terrorism, including workers compensation benefit obligations dictated by state law. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy, and any applicable federal and/or state laws, rules, or regulations.

## Definitions

The definitions provided in this endorsement are based on and have the same meaning as the definitions in the Act. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

"Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments thereto, including any amendments resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2015.

"Act of Terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States as meeting all of the following requirements:

- a. The act is an act of terrorism.
- b. The act is violent or dangerous to human life, property or infrastructure.
- c. The act resulted in damage within the United States, or outside of the United States in the case of the premises of United States missions or certain air carriers or vessels.
- d. The act has 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.

"Insured Loss" means any loss resulting from an act of terrorism (and, except for Pennsylvania, including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at the premises of United States missions or to certain air carriers or vessels.

"Insurer Deductible" means, for the period beginning on January 1, 2015, and ending on December 31, 2020, an amount equal to 20% of our direct earned premiums, during the immediately preceding calendar year.

## Limitation of Liability

The Act limits our liability to you under this policy. If aggregate Insured Losses exceed \$100,000,000,000 in a calendar year and if we have met our Insurer Deductible, we are not liable for the payment of any portion of the amount of Insured Losses that exceeds \$100,000,000,000; and for aggregate Insured Losses up to \$100,000,000,000, we will pay only a pro rata share of such Insured Losses as determined by the Secretary of the Treasury.

## Policyholder Disclosure Notice

1. Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses exceed:
  - a. \$100,000,000, with respect to such Insured Losses occurring in calendar year 2015, the United States Government would pay 85% of our Insured Losses that exceed our Insurer Deductible.
  - b. \$120,000,000, with respect to such Insured Losses occurring in calendar year 2016, the United States Government would pay 84% of our Insured Losses that exceed our Insurer Deductible.
  - c. \$140,000,000, with respect to such Insured Losses occurring in calendar year 2017, the United States Government would pay 83% of our Insured Losses that exceed our Insurer Deductible.



# EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT

This endorsement is added to Part Five—Premium of the policy.

The premium for the policy is adjusted by an experience rating modification factor. The factor shown on the Information Page may be revised and applied to the policy in accordance with our manuals and endorsements. We will issue an endorsement to show the revised factor, if different from the factor shown, when it is calculated.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

**(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)**

Endorsement Effective  
Insured

Policy No.

Endorsement No.  
Premium:

Insurance Company

Countersigned by \_\_\_\_\_

## DELAWARE MERIT RATING PLAN ENDORSEMENT

This endorsement applies to the insurance provided by this policy because Delaware is shown in Item 3.A of the Information Page.

The premium for this insurance may be subject to merit rating plan adjustment because your premium may be less than the amount necessary to be eligible for the Uniform Experience Rating Plan.

The following premium discount or surcharge will be applied to your manual premium based on your claims during the most recent three year period for which statistics are available.

1. A 5% credit (discount) will be applied if you had no compensable employee lost-time injuries—Statistical Code 9885.
2. No credit or debit will be applied if you had one (1) compensable employee lost-time injury—Statistical Code 9884.
3. A 5% debit (surcharge) will be applied if you had two (2) or more compensable employee lost-time injuries—Statistical Code 9886.

# SPECIAL PENNSYLVANIA ENDORSEMENT—INSPECTION OF MANUALS

The manuals of rules, rating plans, and classifications are approved pursuant to the provisions of Section 654 of the Insurance Company Law of May 17, 1921, P.L. 682, as amended, and are on file with the Insurance Commissioner of the Commonwealth of Pennsylvania.



## PENNSYLVANIA NOTICE

An Insurance Company, its agents, employees, or service contractors acting on its behalf, may provide services to reduce the likelihood of injury, death or loss. These services may include any of the following or related services incident to the application for, issuance, renewal or continuation of, a policy of insurance:

1. surveys;
2. consultation or advice; or
3. inspections.

The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, is not liable for damages from injury, death or loss occurring as a result of any act or omission by any person in the furnishing of or the failure to furnish these services.

The Act does not apply:

1. if the injury, death or loss occurred during the actual performance of the services and was caused by the negligence of the Insurance Company, its agents, employees or service contractors;
2. to consultation services required to be performed under a written service contract not related to a policy of insurance; or
3. if any acts of omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual, malice, or gross negligence.

# PENNSYLVANIA ACT 86-1986 ENDORSEMENT

## NONRENEWAL, NOTICE OF INCREASE OF PREMIUM, AND RETURN OF UNEARNED PREMIUM

This endorsement applies only to the insurance provided by the policy because Pennsylvania is shown in Item 3.A. of the Information Page.

The policy conditions are amended by adding the following regarding nonrenewal, notice of increase in premium, and return of unearned premium.

### Nonrenewal

1. We may elect not to renew the policy. We will mail to each named insured, by first class mail, not less than 60 days advance notice stating when the nonrenewal will take effect. Mailing that notice to you at your mailing address last known to us will be sufficient to prove notice.
2. Our notice of nonrenewal will state our specific reasons for not renewing.
3. If we have indicated our willingness to renew, we will not send you a notice of nonrenewal. However, the policy will still terminate on its expiration date if:
  - a. you notify us or the agent or broker who procured this policy that you do not want the policy renewed; or
  - b. you fail to pay all premiums when due; or
  - c. you obtain other insurance as a replacement of the policy.

### Notice of Increase in Premium

1. We will provide you with not less than 30 days advance notice of an increase in renewal premium of this policy, if it is our intent to offer such renewal.
2. The above notification requirement will be satisfied if we have issued a renewal policy more than 30 days prior to its effective date.
3. If a policy has been written or is to be written on a retrospective rating plan basis, the notice of increase in premium provision of this endorsement does not apply.

### Return of Unearned Premium

1. If this policy is canceled and there is unearned premium due you:
  - a. If the Company cancels, the unearned premium will be returned to you within 10 business days after the effective date of cancellation.
  - b. If you cancel, the unearned premium will be returned within 30 days after the effective date of cancellation.
2. Because this policy was written on the basis of an estimated premium and is subject to a premium audit, the unearned premium specified in 1.a. and 1.b. above, if any, shall be returned on an estimated basis. Upon our completion of computation of the exact premium, an additional return premium or charge will be made to you within 15 days of the final computation.
3. These return of unearned premium provisions shall not apply if this policy is written on a retrospective rating plan basis.

<b>Policy Number:</b> WC 8503883		<b>Prior Policy:</b>	
<b>Policy Period:</b> 07/01/2019 To: 07/01/2020 12:01 am Standard Time at the Mailing Address of the Named Insured			
<b>Coverage Is Provided In</b> THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY			
<b>Billing Type:</b> AGENCY BILL - PREPAID			
<b>Named Insured and Mailing Address:</b> INSIGHT PA CYBER CHARTER SCHOOL 350 EAGLEVIEW BLVD STE 350 EXTON PA 19341		<b>Agent:</b> TRIDENT RISK ADVISORS, LLC 150 N RADNOR CHESTER RD STE A220 RADNOR PA 19087-5252	
		<b>Agent Code:</b> 3711915 <b>Agent Phone:</b> (484)-582-6043	

**Reason for Amendment:** NEW BUSINESS

**Transaction Effective Date:** 07/01/2019

**Premium for this Transaction:** \$ 39,078.00

**STATEMENT OF ACCOUNT**

<b>Acct Date</b>	<b>Premium</b>	<b>Surcharge/ Assessment</b>	<b>Total Due</b>
07/2019	\$ 38,381.00	\$ 697.00	\$ 39,078.00
		<b>Total Premium Charged:</b>	<b>\$ 39,078.00</b>

Date Issued: 06/17/2019

**LIBERTY INSURANCE UNDERWRITERS INC.**

(A Stock Insurance Company, hereinafter the Company)  
One Battery Park Plaza | 30th Floor | New York, NY 10004

The Company will pay the benefits of this Policy subject to its provisions. This page and the pages that follow are part of this Policy.

**Blanket Policy No.:** SCH-4000048-00

**Policyholder:** Insight PA Cyber Charter School

**Policy Term:** July 1, 2019 – June 30, 2020

**PREMIUM PAYMENTS**

This Policy is issued in return for the payment by the **Policyholder** of required premiums. Premiums are payable at the Home Office of the Company or to its authorized agent. The first premium is due on the effective date of this Policy. These dates are the premium due dates.

**EFFECTIVE DATE**

This Policy will take effect on July 1, 2019. The Insurance Company agrees to provide insurance benefits in consideration of the **Policyholder's** application and payment of the initial premium when due. Insurance coverage begins on the Policy Effective Date shown herein.

**POLICY ANNIVERSARIES**

Policy anniversaries will be July 1, 2019 and each subsequent September.

**APPLICABLE LAW**

This Policy is a legal contract between the **Policyholder** and the Company. This Policy is issued in and governed by the laws of Pennsylvania.

The President and Secretary of the Company witness this Policy.



\_\_\_\_\_  
PRESIDENT  
Christopher L. Peirce



\_\_\_\_\_  
SECRETARY  
Kristin Kelley

Signed by: \_\_\_\_\_  
(A licensed resident agent where required by law)

**BLANKET ACCIDENT POLICY**

**THIS POLICY PAYS BENEFITS FOR SPECIFIC LOSSES FROM ACCIDENT ONLY.**

**IT DOES NOT PAY BENEFITS FOR LOSS CAUSED BY SICKNESS OR DISEASE.**

**THIS POLICY MAY CONTAIN A DEDUCTIBLE. A PRE- EXISTING CONDITION  
LIMITATION MAY APPLY. EXCESS INSURANCE FOR ACCIDENTAL MEDICAL  
EXPENSE BENEFIT ONLY**

**PLEASE READ THIS POLICY CAREFULLY  
NON-PARTICIPATING**

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**SCHEDULE OF BENEFITS**

This Policy is intended to be read in its entirety. In order to understand all the conditions, exclusions and limitations applicable to its benefits. PLEASE READ ALL THE POLICY PROVISIONS CAREFULLY.

The Schedule of Benefits provides a brief outline of the coverage and benefits provided by this Policy. Please read the **Conditions of Coverage** and Description of Benefits sections for full details.

**Eligible Persons:** An Eligible Person is an individual who meets all of the requirements of one of the covered classes shown below:

Class 1	<b>Principal Sum</b>
All students enrolled in grades PK-12 of the Policyholder while participating in school sponsored and supervised nonsporting field trips, nonsporting extracurricular activities and testing at designated testing facilities by the Policyholder.	\$15,000

**CONDITIONS OF COVERAGE**

The benefits provided by this Policy will be paid, subject to applicable conditions, limitations and exclusions, under the following coverages:

**SUPERVISED AND SPONSORED COVERED ACTIVITIES COVERAGE**

**Supervised and Sponsored Covered Activities:** nonsporting field trips, nonsporting extracurricular activities and testing at designated testing facilities by the Policyholder.

Travel: Not Included

**Personal Deviations covered**

No

**ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS**

Loss, (except Accidental Death) must occur within

365 days of the **Covered Loss**



## SCHEDULE OF BENEFITS

<b>Loss</b>	<b>Benefit Amount</b>
Loss of Life	100% of the Principal Sum
Loss of Two or More Hands or Feet	200% of the Principal Sum
Loss of Sight of Both Eyes	200% of the Principal Sum
<b>Loss of Speech</b> and Hearing (in Both Ears)	200% of the Principal Sum
Loss of One Hand or Foot	100% of the Principal Sum
<b>Loss of Sight</b> in One Eye	100% of the Principal Sum
<b>Loss of Speech</b>	100% of the Principal Sum
<b>Loss of Hearing</b> (in Both Ears)	100% of the Principal Sum
Loss of Thumb and Index Finger of the Same Hand	50% of the Principal Sum

### ACCIDENT MEDICAL EXPENSE BENEFIT

Full Excess Accident Expense Benefit Maximum                      \$25,000

First Covered Expenses must be received within	60 days after the <b>Covered Injury</b>
Benefit Period	The earliest of the <b>Date of Recovery</b> or 1 year from the date of the <b>Covered Injury</b>
<b>Deductible</b>	\$0 applies to <b>each Covered Injury</b>
Benefit Limit for all <b>Covered Injuries</b> from any one <b>Accident</b>	\$25,000
<b>Covered Expenses</b>	100% of the <b>Usual and Customary Charges</b>

### COVERED EXPENSES AND OTHER LIMITS

Room and Board Expenses	
Semi-Private Room	100% of the <b>Usual and Customary Charges</b>
Intensive Care Unit/Critical Care Unit	100% of the <b>Usual and Customary Charges</b>
Hospital Miscellaneous Expenses	100% of the <b>Usual and Customary Charges</b>
X-ray, CT scan, MRI, laboratory tests	100% of the <b>Usual and Customary Charges</b>
Emergency Room Treatment	100% of the <b>Usual and Customary Charges</b>
Emergency Room Treatment must occur within	72 hours of the <b>Covered Injury</b>

<b>Registered Nursing Services</b>	100% of the <b>Usual and Customary Charges</b>
Surgery	75% of the <b>Usual and Customary Charges</b>
Assistant Surgeon	25% of Physician's Surgery Allowance
Anesthesia and its Administration	25% of Physician's Surgery Allowance
<b>Outpatient Physiotherapy Benefit</b>	
Benefit Amount	100% of the <b>Usual and Customary Charges</b> ; Up to \$1,000 per <b>Covered Injury</b>
Covered physiotherapy services	(a) acupuncture; (b) microthermy; (c) manipulation; (d) diathermy; (e) massage therapy; (f) heat treatment; and (g) ultrasonic treatment)
<b>Outpatient Orthopedic Appliances</b>	
Benefit Amount	100% of the <b>Usual and Customary Charges</b>
<b>Hospital Outpatient Surgery Facilities Payment</b>	100% of the <b>Usual and Customary Charges</b>
<b>Ambulance Services</b>	100% of the <b>Usual and Customary Charges</b>
<b>Medical Equipment Rental</b>	100% of the <b>Usual and Customary Charges</b>
<b>Dental Services</b>	100% of the <b>Usual and Customary Charges</b>
<b>Outpatient Prescription Drugs</b>	100% of the <b>Usual and Customary Charges</b>

## PREMIUM RATE TABLE

It is hereby agreed and understood that the premium amounts, and the manner in which premiums are due and payable, are as follows:

Single Class: \$2,342 (the Calculated Premium)

The Initial Premium Rate Guarantee applicable to renewal are subject to the Cancellation and Premium Rate Change sections of the Administrative Provisions of This Policy.

Mode of Premium Payment	Single Premium
Premium Due Date	Policy Effective Date
Contributions:	The cost of coverage is paid by the <b>Policyholder</b> .

## GENERAL DEFINITIONS

Please note that certain words used in the Policy have specific meanings. The words defined below and capitalized and bolded within the text of the Policy have the meanings set forth below. References to he, his and him in this General Definitions section and throughout the Policy refer to any individual, male or female.

**Accident** or **Accidental** means a sudden, unexpected, specific and abrupt event that occurs by chance at an identifiable time and place while the **Insured Person** is covered under the Policy.

### **Age**

means the **Insured Person's Age** attained on the date coverage becomes effective for him under the Policy. Thereafter, it is his **Age** attained on the last Policy anniversary or his last birthday.

### **Calendar Year**

means January 1st through December 31st of any year.

### **Condition of Coverage**

means the circumstances under which the **Policy** provides benefits as stated in the Schedule of Benefits. Classes of individuals to which a **Condition of Coverage** applies are shown in the Schedule of Benefits.

### **Covered Accident**

means a sudden, unexpected, specific and abrupt event that results directly and independently of all other causes, in a **Covered Injury** or **Covered Death** and meets all of the following conditions:

1. occurs while the **Insured Person's** coverage under the **Policy** is in force;
2. occurs while the **Insured Person** is attending, participating in or traveling to and from a **Covered Activity**; and
3. is not otherwise excluded under the terms of the **Policy**.

### **Covered Activity(ies)**

means any activity that is shown in the Schedule of Benefits and:

1. takes place under one of the **Conditions of Coverage** specified in the Schedule of Benefits; and
2. is sponsored, organized, scheduled or otherwise provided by the **Policyholder**.

### **Covered Death**

means **Accidental** death:

1. which is the direct result of a **Covered Accident**;
2. which results directly and independently from all other causes from a **Covered Accident** and independent of **Sickness**, disease, mental incapacity, bodily infirmity or any other cause; and
3. suffered by the **Insured Person** within the applicable time period specified in the Schedule of Benefits.

### **Covered Injury**

means **Accidental** bodily injury:

1. which is sustained by an **Insured Person** as a direct result of a **Covered Accident**;
2. which results directly and independently from all other causes from a **Covered Accident** (independent of **Sickness**, disease, mental incapacity, or bodily infirmity that causes a **Covered Loss**); and
3. suffered by the **Insured Person** within the applicable time period specified in the Schedule of Benefits.

The **Covered Injury** must be caused through **Accidental** means. All injuries sustained by an **Insured Person** in any one **Accident**, including related conditions and recurrent symptoms of these injuries, are considered a single injury.

**Covered Loss**

means a loss which results from a **Covered Injury** or **Covered Death**, and for which benefits are payable under the Policy. **Covered Loss** includes any expenses arising from services or supplies rendered or obtained by the **Insured Person** when such services and supplies are covered by the Policy.

**Eligible Person**

means an individual as defined in the Schedule of Benefits.

**Heart Failure**

means death because the heart ceases to beat due to failure of the heart to maintain adequate circulation of blood provoked by participation in a **Covered Activity**.

**Home Country**

means a country from which the **Insured Person** holds a passport. If the **Insured Person** holds passports from more than one country, the **Home Country** will be the country declared to in writing as his **Home Country**.

**Hospital**

means an institution that meets all of the following:

1. it is operated pursuant to law and is licensed or approved as a **Hospital** by the responsible state agency;
2. it is primarily and continuously engaged in providing medical care and treatment to sick and injured persons;
3. it provides 24-hour nursing services by or under the supervision of a graduate registered nurse (R.N.);
4. it charges for its services.

**Hospital** shall include a Veteran's Administration Hospital or Federal Government.

The term **Hospital** does not include a clinic, facility, or unit of a **Hospital** for:

1. rehabilitation, convalescent, custodial, educational or nursing care; or
2. the aged, drug addicts or alcoholics.

**Hospital Confinement or Confined**

means a **Necessary Treatment** stay of 72 or more consecutive hours as a registered resident bed patient in a **Hospital**. **Hospital Confinements** due to the same **Covered Injury** will be treated as one **Hospital Confinement** unless separated by at least 30 days.

**Immediate Family Member**

means a person who is related to the **Insured Person** in any of the following ways: **Spouse**, **Domestic Partner**, brother-in-law, sister-in-law, daughter-in-law, son-in-law, mother-in-law, father-in-law, parent (includes stepparent), brother or sister (includes stepbrother or stepsister), or child (includes legally adopted or stepchild).

**Injury**

means **Accidental** bodily injury:

1. That is the direct result of an **Accident**;
2. Which results directly and independently from all other causes of an **Accident** (independent of **Sickness**, disease, mental incapacity, bodily infirmity or any other causes).

**Inpatient**

means confined overnight as a registered bed patient in a **Hospital** or other medical facility where at least one day's room and board is charged. The confinement must be on the advice of a **Physician**.

**Insured Person**

means an **Eligible Person**, as defined in the Schedule of Benefits, for whom the required premium has been paid when due and for whom coverage under the Policy remains in force.

**Loss of a Hand or Foot**

means complete **Severance** through or above the wrist or ankle joint.

**Loss of Hearing**

means total and permanent loss of ability to hear any sound which is irrecoverable by natural, surgical or artificial means.

**Loss of Sight**

means the total, permanent **Loss of Sight** of one eye. The **Loss of Sight** must be irrecoverable by natural, surgical or artificial means.

**Loss of Speech**

means total and permanent loss of audible communication which is irrecoverable by natural, surgical or artificial means.

**Loss of a Thumb and Index Finger of the Same Hand**

means complete **Severance** through or above the metacarpophalangeal joints of the same hand (the joints between the fingers and the hand).

**Necessary Treatment**

means medical services that:

1. are essential for diagnosis, treatment or care for which it is prescribed or performed;
2. meets generally accepted standards of medical practice; and
3. are ordered by a **Physician** and performed under his care, supervision or order.

**Nurse**

means a licensed graduate registered nurse (R.N.) or a licensed practical nurse (L.P.N.) who is not:

1. the **Insured Person**;
2. an **Immediate Family Member** of either the **Insured Person** or the **Insured Person's Spouse**;
3. a person living in the **Insured Person's** household; or
4. a person employed or retained by the **Policyholder**.

**Outpatient**

means an **Insured Person** who is a patient and is not hospitalized overnight but who visits a **Hospital**, clinic, or associated facility for diagnosis or treatment.

**Personal Deviation**

means:

1. an activity that is not reasonably related to the **Policyholder's Covered Activity**;
2. not incidental to the purpose of the trip;
3. such travel or activities coincide with the **Insured Person's Covered Activity**; and
4. **Personal Deviation** is limited to any consecutive period shown in the Schedule of Benefits period immediately prior to, during or following such **Covered Activity**.

**Physical Therapy**

means a branch of rehabilitative health care that uses specially designed exercises and equipment to help patients regain or improve their physical abilities. **Physical Therapy** must be prescribed by a **Physician** and performed by a licensed physical therapist practicing within the scope of his license.

**Physician**

means a **licensed** health care provider practicing **within** the scope of his license and rendering care and treatment to the **Insured Person** that is appropriate for the condition and locality, and who is not:

1. the **Insured Person**;
2. an **Immediate Family Member** of either the **Insured Person** or the **Insured Person's Spouse**;
3. a **Resident of the Same Household**;
4. a person employed or retained by the **Policyholder**; or
5. a person providing homeopathic, aroma-therapeutic, or herbal therapeutic services.

**Policyholder**

means the entity, named on the Policy's face page, to which the Company issues the Policy.

**Policy Term**

means the time period defined for the **Policyholder** shown in the Schedule of Benefits.

**Prosthesis**

means an artificial limb or artificial medical device that is not surgically implanted and that is used to replace a missing limb. The term does not include artificial eyes, ears, noses, dental appliances, ostomy products, or devices such as eyelashes or wigs.

**Resident of the Same Household**

means a person who maintains residence at the same address as the **Insured Person**.

**School**

means the participating School District where the **Insured Person** is enrolled. The **School** must be licensed or accredited, as applicable, by the jurisdiction where it is located, to provide the care, education or training for which the **Insured Person** is enrolled.

**Severance**

means complete separation and dismemberment of the part from the body.

**Sickness**

means a physical or mental illness including pregnancy.

**Usual and Customary Charges**

means the average amount charged by most providers for treatment, service or supplies in the geographic area where the treatment, service or supply is provided.

**We, Us, Our**

means Liberty Insurance Underwriters Inc.

**You, Your**

means the person to whom the Certificate is issued.

## INCORPORATION PROVISIONS

1. From the effective date of the Policy, changes in the following items will be made a part of this Policy:
  - a. the name of the **Policyholder**;
  - b. the premium rates;
  - c. amounts of insurance, eligibility, benefit descriptions, or any other provisions incorporated into the Policy.
2. Any change in item "1" above will be given on the Company's forms.
3. The effective date of incorporation of a provision or another change that affects the insurance of any person insured under this Policy will be the later of:
  - a. the effective date of this Policy;
  - b. the date of any amendment to this Policy that changes the Company's obligation to pay benefits under this Policy.



## ELIGIBILITY, EFFECTIVE DATE AND TERMINATION PROVISIONS

### **Eligibility**

An **Eligible Person** becomes eligible for insurance under the Policy on the date he meets all of the requirements of one of the Covered Classes. An **Eligible Person** may be insured under only one Covered Class, even though he may be eligible under more than one Covered Class.

### **Effective Date for Individuals**

Insurance for an **Eligible Person** is effective on the date stated in the Schedule of Benefits.

1. the effective date of the **Policyholder's** participation under the Policy; and
2. the date the **Eligible Person** becomes eligible based on **Policyholder** requirements; and
3. the effective date of the Subscriber's participation under this Policy.

## **DATE INSURANCE ENDS**

### **Termination of Insurance**

Insurance for the **Insured Person** will end on the earliest of:

1. the date the person is no longer in an Eligible Class;
2. the date the person enters full time active duty in any Armed Forces. The Company will refund any premium paid for any period of active duty when the Company receives proof of active duty. Active duty does not include Reserve or National Guard duty for training
3. the end of the period for which the last premium is made;
4. the date this Policy ends;
5. the date the Subscriber with which the **Insured Person** is affiliated ceases to be a Subscriber under this Policy; or
6. the end of the **School** year.

Termination does not affect a claim for a **Covered Loss** due to an **Accident** that occurs before the termination date. However, in no instance will benefits extend beyond the earlier of:

1. the end of the Benefit Period; and
2. the date benefits equal to any applicable Benefit Limit, as shown in the Schedule of Benefits, have been paid

## COMMON EXCLUSIONS

In addition to any benefit or coverage specific exclusion, benefits will not be paid for any loss which directly or indirectly, in whole or in part, is caused by or results from any of the following unless coverage is specifically provided for by name in the policy.

1. Intentionally self-inflicted injury, suicide, auto-erotic asphyxiation or any attempt while sane or insane;
2. Commission or attempt to commit a felony or an assault;
3. Commission of or active participation in a riot or insurrection;
4. Declared or undeclared war or act of war or any act of declared or undeclared war unless specifically provided by the Policy;
5. The **Insured Person's** intoxication as determined according to the laws of the jurisdiction in which the **Covered Loss** occurred or the laws of the **Home Country**;
6. A **Covered Loss** that occurs while on active duty service in the military, naval or air force of any country or international organization. Upon the Company's receipt of proof of service, the Company will refund, on a pro rata basis, any premium paid for this time. Reserve or National Guard active duty training is not excluded unless it extends beyond 31 days;
7. Flight in, boarding or alighting from an **Aircraft**, except as:
  - a. a fare-paying passenger on a regularly scheduled commercial or charter airline;
8. **Sickness**, disease, bodily or mental infirmity, bacterial or viral infection or medical or surgical treatment thereof, including exposure, whether or not accidental, to viral, bacterial or chemical agents whether the loss results directly or non-directly from the treatment except for any bacterial infection resulting from an accidental cut or wound or accidental ingestion of contaminated food;
9. Injuries compensable under Workers' Compensation law or any similar law;
10. Participation in any sports activity not specifically authorized, sponsored and supervised by the **Policyholder** whether or not it takes place on **Policyholder** premises or during normal **School** hours, during a **Covered Activity**, including but not limited to snowboarding, skateboarding, motorcycle racing, racing rocket-powered, jet propelled or nuclear-powered vehicles (or any other activity to be excluded).

In addition, benefits will not be paid for services or treatment rendered by any person who is:

1. employed or retained by the **Policyholder**;
2. a **Resident of the Same Household**;
3. an **Immediate Family Member** of either the **Insured Person** or the **Insured Person's Spouse**;
4. the **Insured Person**.

## CLAIM PROVISIONS

### **Beneficiary**

The beneficiary, unless the **Insured Person** specifies otherwise as provided below, will be the person he has named as beneficiary of any group insurance, or if none is in force, of any group **Accident** insurance, provided by the **Policyholder**.

The beneficiary is the person or persons the **Insured Person** names or changes on a form executed by him and satisfactory to the Company. This form may be in writing or by any electronic means agreed upon between the Company and the **Policyholder**. Consent of the beneficiary is not required to affect any changes, unless the beneficiary has been designated as an irrevocable beneficiary. The beneficiary is barred from recovery if the **Covered Loss** is caused by his willful or negligent actions or he is otherwise criminally responsible for the **Covered Loss**.

A beneficiary designation or change will become effective on the date the **Insured Person** executes it. However, the Company will not be liable for any action taken or payment made before the Company records notice of the change at our Home Office.

If more than one person is named as beneficiary, the interests of each will be equal unless the **Insured Person** has specified otherwise. The share of any beneficiary who does not survive the **Insured Person** will pass equally to any surviving beneficiaries unless otherwise specified.

If there is no named beneficiary or surviving beneficiary or if the **Insured Person** dies while benefits are payable to him, the Company may make direct payment to the first surviving class of the following classes of persons:

1. **Spouse**;
2. Child or Children;
3. Parents;
4. Siblings; or
5. the estate of the **Insured Person**.

### **Claim Forms**

The Company will send claim forms to the claimant upon receipt of a written notice of claim. If such forms are not furnished within fifteen (15) days after the Company received notice of claim, the claimant will be deemed to have met the proof of loss requirements upon submitting, within the time fixed in the Policy for filing proof of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made. The notice should include the **Insured Person's** name, the **Policyholder's** name and the Policy number. Any forms that may be required to be provided under this subsection may be provided in electronic or paper form.

### **Economic Sanctions Provision**

This insurance does not apply to the extent that trade or economic sanctions or regulations prohibit the Company from providing insurance, including, but not limited to, the payment of claims.

### **Notice of Claim**

Written notice of claim must be given to the Company within 30 days after the occurrence or commencement of the **Insured Person's Covered Loss**, or as soon thereafter as reasonably possible. Failure to give notice within such time does not invalidate nor reduce any claim if was not reasonably possible to give such notice and the notice was given as soon as reasonably possible. Notice given by or on behalf of the claimant to the Company at Liberty Mutual Accident & Health Claims, 512 Township Line Road Suite 300, Blue Bell, PA, 19422, or any authorized agent of the Company, with information sufficient to identify the **Insured Person**, is deemed notice to the Company. Any notices that may be required to be provided under this subsection may be provided in electronic or paper form.

### **Payment of Claims**

All benefits will be paid in United States Currency. Upon receipt of due written proof of death, payment for loss of life of an **Insured Person** will be made to the **Insured Person's** beneficiary as described in the Beneficiary Provision and these Claims Provisions.

Upon receipt of due written proof of loss, payments for all losses, except loss of life, will be made to (or on behalf of, if applicable) the **Insured Person** suffering the loss. If an **Insured Person** dies before all payments due have been made, the amount still payable will be paid to his beneficiary as described in the Beneficiary Provision.

If any payee is a minor or is not competent to give a valid release for the payment, the payment will be made to the legal guardian of the payee's property. If the payee has no legal guardian for his property, a payment not exceeding \$1,000 may be made, at the Company's option, to any relative by blood or connection by marriage of the payee, who has assumed the custody and support of the minor or responsibility for the incompetent person's affairs.

Any payment the Company makes in good faith fully discharges liability to the extent of the payment made.

### **Time of Payment of Claims**

Benefits payable under the Policy for any loss other than loss for which the Policy provides any periodic payment will be paid immediately upon receipt of due written proof of the loss. Subject to the Company's receipt of due written proof of loss, all accrued benefits for loss for which the Policy provides periodic payment will be paid at the expiration of each month during the continuance of the period for which the Company is liable and any balance remaining unpaid upon termination of liability will be paid immediately upon receipt of such proof.

### **Conditional Claim Payment**

If the **Insured Person** incurs expenses for a **Covered Loss** and a third party may be liable, the Company will pay benefits if: the **Insured Person** first agrees in writing to refund the lesser of:

1. the amount the Company actually paid for such expenses; and
2. the amount actually received from the third party regardless of whether the amount is for such expenses; and the third party's liability is determined and satisfied whether by settlement, judgment, or otherwise. However, if the third party's liability is satisfied in an amount less than the benefits paid under the Policy, the Company will pay the difference.

### **Legal Actions**

No action at law or in equity will be brought to recover benefits under the Policy less than 60 days after satisfactory proof of loss has been furnished as required by the Policy. No such action will be brought after three years from the time proof of loss is required to be furnished under the Policy.

### **Physical Examination And Autopsy**

The Company, at its own expense, has the right and opportunity to examine the **Insured Person** when and as often as the Company may reasonably require while a claim is pending and to make an autopsy in case of death, where it is not prohibited by law.

### **Proof of Loss**

Written proof of loss must be furnished to the Company within 90 days after the date of the **Covered Loss**.

Failure to furnish proof within the time required neither invalidates nor reduces any claim if it was not reasonably possible to furnish proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity of the claimant, later than one year from the time proof is otherwise required. Any forms that may be required to be provided under this subsection may be provided in electronic or paper form.

### **Subrogation**

The Company may recover any benefits paid under the Policy to the extent an **Insured Person** is paid for the same Injury by a third party, or another insurer. The Company may only be reimbursed to the amount of the **Insured Person's** recovery. The **Insured Person** has a right to be fully compensated before any recovery by the Company or reimbursement to the Company. Further, the Company has the right to offset future benefits payable to the **Insured Person** under the Policy against such recovery.

Upon request the **Insured Person** must complete the required forms and return them to the Company or its authorized agent. The **Insured Person** must cooperate fully with the Company or its representative in asserting its right to recover.

A refund from any recovery will only be made to the Company if the amount of the recovery exceeds the amount of the **Insured Person's** actual damages.

### **Recovery of Overpayment**

If benefits are overpaid, the Company has the right to recover the amount overpaid by either of the following methods.

1. A request for lump sum payment of the overpaid amount.
2. A reduction of any amounts payable under the Policy.

If there is an overpayment due when the **Insured Person** dies, the Company may recover the overpayment from the **Insured Person's** estate.

## ADMINISTRATIVE PROVISIONS

### PREMIUM PROVISIONS

#### **Grace Period**

A Grace Period of 31 days will be provided for the payment of any premium due after the first. During the Grace Period, the Policy shall continue in force, unless the **Policyholder** has given written notice of discontinuance in advance of the premium due date and in accordance with the terms of this Policy. If the required premium is not paid during the Grace Period, coverage will terminate on the last day of the grace period. The **Policyholder** will be liable for the payment of a pro rata premium for the time the Policy was in force during the Grace Period.

#### **Premiums**

Premium rates are expressed in, and premiums are payable in United States Currency. The premiums for this Policy will be based on the rates set forth in the Premium Rate Table, the plan and amounts of insurance in effect for **Insured Persons** and the premium mode selected, as shown in the Premium Rate Table. The Company will provide authorized electronic notifications of premiums due or premium changes, by mail to the most current address in the Company files, to the **Policyholder**.

#### **Premium Payment**

The total premium paid by the **Policyholder** is the sum of premiums for all **Insured Persons**. The initial premium is due on the Policy Effective Date unless the **Policyholder** and The Company agree to another mode of premium payment. Premiums are paid at the Company's Home Office or to the Company's authorized agent.

If any premium is not paid when due, this Policy will be cancelled as of the Premium Due Date of the unpaid premium, except as provided in any applicable Policy Grace Period section.

#### **Premium Rate Guarantee Period**

Premium rates may be guaranteed for a period of 1 year. During this time, no change may be made to the premium unless one of the events stated in the Premium Rate Changes provision occurs.

#### **Premium Rate Changes**

**We** may change premium rates at the end of any **Policy Term** or any Premium Rate Guarantee Period with at least 31 advance notice mailed to the last known address of the **Policyholder**.

**We** may change the premium rate during a **Policy Term** or during any applicable Premium Rate Guarantee Period if any one of the following occurs:

1. the terms of this Policy change;
2. the number of **Eligible Persons** increases or decreases by more than 25% since the later of the Policy Effective Date and the date of the last renewal of this Policy;
3. coverage is reinstated following failure to pay premium during the Grace Period;
4. an acquisition, merger, consolidation, divestiture, corporate reorganization or purchase or sale of assets affecting, increasing or decreasing by 25% or more the number of **Eligible Persons**;
5. a change in **Eligible Persons** which would, on a manual rate basis, require a change of 50% or more in the premium rate;
6. a change in any federal or state law or regulation is enacted, adopted or amended to the extent it affects the Company's benefit obligations under this Policy;
7. the **Policyholder** fails to provide sufficient information, as required by The Company, to confirm adequacy of premiums and rates currently being paid; or
8. any increase or decrease in rate will take effect on the date of the applicable change specified above. A pro rata adjustment will apply from the date of the change to the end of any period for which premium has been paid.

### **Premium Audit**

The Company will have the right to audit books and records of the **Policyholder** at its place of business and during its regularly scheduled business hours, in order to determine the accuracy of premiums paid.

### **Reinstatement**

This Policy may be reinstated if it lapsed for nonpayment of premium. Requirements for reinstatement are written application of the **Policyholder** satisfactory to the Company and payment of all overdue premiums. Any premium accepted in connection with a reinstatement will be applied to a period for which premium was not previously paid.

## **CANCELLATION PROVISION**

### **Cancellation and Non-Renewal**

The **Policyholder** may cancel this Policy by giving the Company advance written or authorized electronic notice. The Company may cancel the Policy, as of any Premium Due Date by giving the Policyholder 31 days advance written or authorized electronic notice. Any premium rate guarantee will not affect the Company's or the **Policyholder's** right to cancel this Policy. The **Policyholder** has the sole responsibility to notify **Insured Persons** of the cancellation.

Cancellation or non-renewal by the Company will be for one of the following reasons:

1. non-payment of premium;
2. the **Policyholder** or **Insured Person** has performed an act or practice constituting fraud, or made an intentional misrepresentation of material fact;
3. the **Policyholder** has failed to comply with a material provision of the Policy related to **Policyholder** contribution or group participation; or
4. claims experience or overall case performance.

If a premium is not paid when due, the Company will cancel this Policy at the end of the last period for which premium was paid, subject to the Grace Period provision. Premium Due Dates are shown in the Schedule of Benefits.

Cancellation does not affect a claim for a **Covered Loss** when the **Covered Loss** occurs before the cancellation date.

## GENERAL PROVISIONS

### **Addition of New Individuals**

All person added to the Classes of **Eligible Persons** in the Schedule of Benefits are eligible for insurance under the Policy.

### **Assignment**

The rights and benefits under the Policy may not be assigned and any attempt to assign will be void.

This insurance may not be levied on, attached, garnished, or otherwise taken for a person's debts unless contrary to law.

### **Clerical Error**

A person's coverage will not be affected by error or delay in keeping records of insurance under the Policy. If such error or delay is found, the Company will adjust the premium fairly.

### **Conformity with State Statutes**

Any provision in the Policy that is in conflict with the requirements of any state or federal law that apply to the Policy are automatically changed to satisfy the minimum requirements of such laws.

### **Entire Contract; Changes**

The Policy, the Master Application and any attached papers make up the entire contract between the **Policyholder** and the Company. In the absence of fraud, all statements made by the **Policyholder** or any **Insured Person** will be considered representations and not warranties. No written statement made by an **Insured Person** will be used in any contest unless a copy of the statement is furnished to the **Insured Person** or, in the event of the death or incapacity of the **Insured Person**, to his beneficiary or personal representative.

No change in the Policy will be valid until approved by one of the Company's executive officers and endorsed on or attached to the Policy. No agent has authority to change the Policy or to waive any of its provisions.

If an enrollment form for an **Insured Person** is required, it may also be made a part of the Policy at the Company's option.

### **Examination of the Policy**

The Policy will be available for inspection at the **Policyholder's** office during regular business hours.

### **Incontestability**

The validity of the Policy will not be contested after it has been in force for three years from the Policy Effective Date, except for non-payment of premium, misrepresentation or fraud.

After an **Insured Person** has been insured under the Policy for three years during his lifetime, no statement made by the **Insured Person**, except a fraudulent one, will be used to contest a claim under the Policy. The Company may only contest coverage if the misstatement is made in a written instrument signed by the **Insured Person** and a copy is given to the **Policyholder**, the **Insured Person**, his beneficiary or personal representative.

### **Misstatement of Fact**

If the **Policyholder** has misstated any fact, all amounts payable under the Policy will be such as the premium paid would have purchased had such fact been correctly stated.

### **Noncompliance with Policy Requirements**

Any express or implied waiver by the Company of any requirements of the Policy is not a continuing waiver of such requirements. Any failure by the Company to enforce any policy provision will not be a waiver or amendment of that provision.

### **Policy Changes**

No change in the Policy will be valid until approved by one of the Company's executive officers, and endorsed on or attached to the Policy. The Company may agree with the **Policyholder** to modify a plan of benefits without the **Insured Person's** consent.



**Records**

The **Policyholder** or its authorized Administrator will maintain the records of the **Insured Person's** insurance under the Policy. The Company will be permitted to examine the **Policyholder's** records relating to the insurance under the Policy at any reasonable time. The **Policyholder** is acting as an agent of the **Insured Person** for transactions relating to this insurance. The actions of the **Policyholder** will not be considered the actions of the Insurance Company.

**Workers' Compensation**

The Policy is not in lieu of and does not affect any requirements for coverage by any Workers' Compensation Act or similar law.

## DESCRIPTION OF CONDITIONS OF COVERAGE

### **SUPERVISED AND SPONSORED COVERED ACTIVITIES COVERAGE**

The Company will pay the Benefit Amount shown in the Schedule of Benefits, subject to all applicable conditions and exclusions, when the **Insured Person** suffers a **Covered Loss** that occurs during one of the **Supervised and Sponsored Covered Activities** shown in the Schedule of Benefits.

The **Covered Loss** must take place:

1. on the premises of the **Policyholder** during normal hours of operation or during schedule functions; or
2. on the premises of the **Policyholder** during other periods if attending or participating in a **Supervised and Sponsored Covered Activities**;
3. At another site designated by the **Policyholder**, where the **Supervised and Sponsored Covered Activities** is scheduled.
4. while the **Insured Person** is participating in a **Supervised and Sponsored Covered Activities**.

Exclusions

1. This coverage will not be in effect during the **Insured Person's Personal Deviation**.

## DESCRIPTION OF BENEFITS

Please read these and the Common Exclusions section in order to understand all of the terms, conditions, and limitations applicable to these Benefits.

If the **Insured Person** sustains more than one **Covered Loss** as a result of the same **Covered Accident**, the Company will pay the Benefit for the **Covered Loss** for which the largest benefit is payable.

### ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT

**Covered Losses** The Company will pay the Benefit Amount for any one of the **Covered Losses** listed in the Schedule of Benefits, subject to all applicable conditions and exclusions, if the **Insured Person** suffers a **Covered Loss**, other than **Covered Death**, within the applicable time period specified in the Schedule of Benefits.

If the **Insured Person** suffers a **Covered Death**, the Company will pay for **Accidental Death** and any other **Covered Losses** will not exceed the largest Benefit payable for a **Covered Loss**.

### ACCIDENT MEDICAL EXPENSE BENEFIT

**Covered Expenses** and any applicable **Deductible** are shown in the Schedule of Benefits.

**Other Insurance Benefits** When **Other Insurance** provides benefits in the form of services rather than cash payments, the Company will consider the reasonable cash value of such service in determining whether any **Deductible** has been satisfied, or any amount by which any benefit provided by this Policy will be reduced.

### Full Excess Medical Expense

The Company will pay **Covered Expenses**:

1. after the **Insured Person** satisfies any **Deductible**; and
2. only when they are in excess of amounts payable by any **Other Insurance** whether or not claim has been made for benefits it provides.

The Company will pay benefits without regard to any Coordination of Benefits provision in such **Other Insurance**.

The Company will pay the benefits shown in Schedule of Benefits for the **Insured Person's Necessary Treatment Covered Expenses**, subject to all applicable conditions and exclusions, for treatment of a **Covered Injury**.

Benefits will be paid:

- When **Covered Expenses** exceed any applicable **Deductible** within the number of days from the date of the **Covered Injury** specified in the Schedule of Benefits; and
- The Company shall not pay more than the Maximum Benefit Amount shown in the Schedule of Benefits.
- The **Covered Expenses** must be provided within the Maximum **Benefit Period** shown in the Schedule of Benefits.
- The Company will multiply the **Covered Expenses** by the Co-Insurance percentage contained in the Schedule of Benefits to determine the amount payable.

- The Company may impose limits on certain types or categories of **Covered Expenses**. These limits are contained in the Schedule of Benefits.
- The Company will not pay any amounts for services received after the **Date of Recovery** has been reached.

## LIMITATIONS AND EXCLUDED ACCIDENT MEDICAL BENEFIT EXPENSES

### Non-Duplication of Benefits

This provision applies if:

1. any **Other Insurance** covers the **Insured Person**; and
2. total benefits under all Plans would exceed the expenses for services provided to the **Insured Person**; and
3. we are not defined as primary under another **Other Insurance** Coordination of Benefits provision.

When the total of benefits payable by all **Other Insurances**, whether or not claim is made for those benefits, exceeds **Covered Expenses**, any **Covered Expense- Accident Benefit Medical Benefits**, the amount **We** will pay will be reduced by such excess.

### Non-Duplication of Benefits When This Policy and Other Plans Are Excess

This provision applies if benefits under any **Other Insurance Plan** are covered under this Benefit and coverage under this Benefit and the other Plan are excess.

We pay a pro rata share of the total amount of **Covered Expenses**. In no case will the total benefits payable exceed 100% of the **Covered Expenses**.

Our pro rata share equals the total of benefits payable under this Policy multiplied by a fraction, of which the numerator is the benefits **We** pay and the denominator is the total of benefits payable by an **Other Insurance** for the same **Covered Injury**.

### Excluded Expenses

The following will not be considered **Covered Expenses** unless coverage is specifically provided.

1. Routine physical and care of any kind;
2. Routine dental care and treatment;
3. Immunizations of any kind;
4. Cosmetic or plastic surgery, except as the result of a **Covered Injury**;
5. Routine nursery or routine child care;
6. Any mental or nervous disorders;
7. Eye refractions or eye examinations for the purpose of prescribing corrective lenses or for the fitting thereof; eyeglasses, contact lenses, and/or hearing aids unless **Necessary Treatment** of a **Covered Injury**;
8. Services, supplies, or treatment including any period of **Hospital Confinement** which is not recommended, approved, and certified as **Necessary Treatment** and reasonable by a **Physician**, or expenses which are non-medical in nature;
9. Charges for **Covered Medical Expenses** for which the **Insured Person** would not be responsible in the absence of this Policy;

10. **Injury or Sickness** for which benefits are payable under any worker's compensation or occupational disease law or act, or similar legislation, whether United States federal or foreign law;
11. Any elective or routine treatment, surgery, health treatment, or examination, including any service, treatment of supplies that: (a) are deemed by the Company to be experimental or investigational; and (b) are not recognized and generally accepted medical practice in the United States;
12. Services or treatment provided by persons who do not normally charge for their services, unless there is a legal obligation to pay;
13. Repair or replacement of existing dentures, partial dentures, braces or bridgework;
14. Personal services such as television and telephone or transportation;
15. Expenses payable by any automobile insurance policy without regard to fault;
16. Repair or replacement of existing artificial limbs, eyes and larynx;
17. Treatment of Hernia of any kind. Hernia means a rupture or protrusion of an organ or part through connective tissues or through a wall of a cavity in which it is normally enclosed;

Other Exclusions and Limitation that apply to this Benefit are in the Common Exclusions Section of the Policy.

#### DEFINITIONS FOR THIS BENEFIT

**Benefit Period** means the maximum period that benefits are payable under this Benefit.

**Covered Expenses** means the **Usual and Customary Charges** for the following services, provided such following services are **Necessary Treatment** of a **Covered Injury**:

##### **Inpatient Hospital services**

- Room and board in a semi-private room;
- Intensive Care Unit (Critical Care Unit);
- **Hospital** Miscellaneous Services;
- **Inpatient** medical and surgical services, physiotherapy prescription drugs and other medical supplies commonly used for therapeutic or diagnostic services;
- X Ray, CT Scan, MRI and Laboratory Test includes charges for reading;
- **Ambulatory Medical Center**;
- **Physician** services, Surgery, Assistant Surgeon, **Physician's** Surgical Facilities, Second Opinion, or consultation, Anesthesia and its administration, In **Physician Hospital** Visits, **Physician** Office visits;
- Emergency Room;
- **Outpatient Services**;
- **Outpatient** physiotherapy;
- Orthopedic Appliances and Artificial Limbs;
- Ambulance Services: air and ground;
- Medical Equipment;
- Dental Services;
- **Outpatient** prescription drugs;
- Medical equipment rental or if less than the purchase of equipment;

##### **Date of Recovery**

means 1) the date the **Insured Person** received medical clearance to participate in a **Covered Activity** or 2) the **date** immediately following a period of 12 consecutive months during which the **Insured Person** received no **Necessary Treatment** or service as a result of the **Covered Injury** for which benefits has been received under this Policy.

##### **Hospital Miscellaneous Expenses:**

means the **Necessary Treatment** expenses charged by a **Hospital** or **Ambulatory Surgical Center** for **Outpatient** surgery. The Miscellaneous Expenses include, but are not limited to the expenses shown in the Schedule of Benefits and all necessary charges other than room and board, for services received during a **Hospital** stay. Miscellaneous Expenses also include personal supplies and services, such as barber or beautician services and television when provided during a **Hospital** stay.

#### **Other Insurance**

means any reimbursement for or recovery of any element of **Covered Injury** as a result of an **Accident** available from any other source whatsoever, except gifts and donations, but including without limitations:

- any individual, group, blanket or franchise policy of **Accident**, disability or health insurance or any similar type of arrangement that provides for payments or reimbursement of medical expenses or disability payments;
- Social Security Disability Benefits; and
- any benefits payable under any program provided or sponsored solely or primarily by and federal, state or local governmental unit or agency or subdivision or through operation of law or regulation; except Medicaid.

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**LIBERTY INSURANCE UNDERWRITERS INC.**

(A Stock Insurance Company, hereinafter the "Insurer/Company")

**ENDORSEMENT NO. 1**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

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<b>Named Insured:</b>	<b>Insight PA Cyber Charter School</b>
<b>Policy Number:</b>	<b>SCH-40000048-00</b>
<b>Effective Date:</b>	<b>July 1, 2019</b>

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**U.S. ECONOMIC AND TRADE SANCTIONS CLAUSE**

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void. Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.

**LIBERTY INSURANCE UNDERWRITERS INC.**

(A Stock Insurance Company, hereinafter the Company)  
One Battery Park Plaza | 30th Floor | New York, NY 10004

The Company will pay the benefits of this Policy subject to its provisions. This page and the pages that follow are part of this Policy.

**Blanket Policy No.:** SCH-6000039-00

**Policyholder:** Insight PA Cyber Charter School

**Policy Term:** July 1, 2019 – June 30, 2020

**PREMIUM PAYMENTS**

This Policy is issued in return for the payment by the **Policyholder** of required premiums. Premiums are payable at the Home Office of the Company or to its authorized agent. The first premium is due on the effective date of this Policy. These dates are the premium due dates.

**EFFECTIVE DATE**

This Policy will take effect on July 1, 2019. The Insurance Company agrees to provide insurance benefits in consideration of the **Policyholder's** application and payment of the initial premium when due. Insurance coverage begins on the Policy Effective Date shown herein.

**POLICY ANNIVERSARIES**

Policy anniversaries will be July 1, 2019 and each subsequent September.

**APPLICABLE LAW**

This Policy is a legal contract between the **Policyholder** and the Company. This Policy is issued in and governed by the laws of Pennsylvania.

The President and Secretary of the Company witness this Policy.



\_\_\_\_\_  
PRESIDENT  
Christopher L. Peirce



\_\_\_\_\_  
SECRETARY  
Kristin Kelley

Signed by: \_\_\_\_\_  
(A licensed resident agent where required by law)



**BLANKET ACCIDENT POLICY**

**THIS POLICY PAYS BENEFITS FOR SPECIFIC LOSSES FROM ACCIDENT ONLY.**

**IT DOES NOT PAY BENEFITS FOR LOSS CAUSED BY SICKNESS OR DISEASE.**

**THIS POLICY MAY CONTAIN A DEDUCTIBLE. A PRE- EXISTING CONDITION  
LIMITATION MAY APPLY. EXCESS INSURANCE FOR ACCIDENTAL MEDICAL  
EXPENSE BENEFIT ONLY**

**PLEASE READ THIS POLICY CAREFULLY  
NON-PARTICIPATING**

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**SCHEDULE OF BENEFITS**

This Policy is intended to be read in its entirety. In order to understand all the conditions, exclusions and limitations applicable to its benefits. PLEASE READ ALL THE POLICY PROVISIONS CAREFULLY.

The Schedule of Benefits provides a brief outline of the coverage and benefits provided by this Policy. Please read the **Conditions of Coverage** and Description of Benefits sections for full details.

**Eligible Persons:** An Eligible Person is an individual who meets all of the requirements of one of the covered classes shown below:

Class 1	<b>Principal Sum</b>
All students enrolled in grades PK-12 of the Policyholder while participating in school sponsored and supervised nonsporting field trips, nonsporting extracurricular activities and testing at designated testing facilities by the Policyholder.	\$10,000

**CONDITIONS OF COVERAGE**

The benefits provided by this Policy will be paid, subject to applicable conditions, limitations and exclusions, under the following coverages:

**SUPERVISED AND SPONSORED COVERED ACTIVITIES COVERAGE**

**Supervised and Sponsored Covered Activities:** nonsporting field trips, nonsporting extracurricular activities and testing at designated testing facilities by the Policyholder.

Travel: Not Included

**Personal Deviations covered**

No

**ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS**

Loss, (except Accidental Death) must occur within

365 days of the **Covered Loss**

## SCHEDULE OF BENEFITS

<b>Loss</b>	<b>Benefit Amount</b>
Loss of Life	100% of the Principal Sum
Loss of Two or More Hands or Feet	200% of the Principal Sum
Loss of Sight of Both Eyes	200% of the Principal Sum
<b>Loss of Speech</b> and Hearing (in Both Ears)	200% of the Principal Sum
Loss of One Hand or Foot	100% of the Principal Sum
<b>Loss of Sight</b> in One Eye	100% of the Principal Sum
<b>Loss of Speech</b>	100% of the Principal Sum
<b>Loss of Hearing</b> (in Both Ears)	100% of the Principal Sum
Loss of Thumb and Index Finger of the Same Hand	50% of the Principal Sum

### ACCIDENT MEDICAL EXPENSE BENEFIT

Full Excess Accident Expense Benefit Maximum	\$5,000,000
First Covered Expenses must be received within	730 days after the <b>Covered Injury</b>
Catastrophic Benefit Period	The earliest of the <b>Date of Recovery</b> or 10 years from the date of the <b>Covered Injury</b> .
<b>Catastrophic Accident Medical Deductible</b>	\$25,000 applies to each <b>Covered Injury</b>
<b>Deductible</b> must be satisfied within	24 months from the date of the <b>Covered Injury</b>

### COVERED EXPENSES AND OTHER LIMITS

Room and Board Expenses	
Semi-Private Room	100% of the <b>Usual and Customary Charges</b>
<b>Inpatient Mental and Nervous Disorders</b>	
Hospital Expenses Benefit Amount	100% of the <b>Usual and Customary Charge</b>
Maximum Days of <b>Hospital Confinement</b>	45 days

### OUTPATIENT BENEFITS

<b>Outpatient Physiotherapy Benefit</b>	
Benefit Amount	up to \$25,000 per <b>Calendar Year</b>
Covered physiotherapy services	(a) acupuncture; (b) microthermy; (c) manipulation; (d) diathermy; (e) massage therapy; (f) heat treatment; and (g) ultrasonic treatment)

<b>Chiropractic Treatment Benefit</b>	up to \$1,000 per <b>Calendar Year</b>
<b>Outpatient Mental and Nervous Disorders</b> Physician Expenses	up to \$50 per day, up to 50 visits per <b>Calendar Year</b>
<b>Artificial Limbs</b>	up to \$200,000 per <b>Covered Injury</b> If amputation of the leg above the knee \$300,000
<b>Extended Care Facility</b> Must begin within	up to \$365,000 per <b>Calendar Year</b> 5 days after the <b>Insured Person</b> has been continually <b>Hospital Confined</b> for 5 days

## PREMIUM RATE TABLE

It is hereby agreed and understood that the premium amounts, and the manner in which premiums are due and payable, are as follows:

Single Class: \$600 (the Calculated Premium)

The Initial Premium Rate Guarantee applicable to renewal are subject to the Cancellation and Premium Rate Change sections of the Administrative Provisions of This Policy.

Mode of Premium Payment	Single Premium
Premium Due Date	Policy Effective Date
Contributions:	The cost of coverage is paid by the <b>Policyholder</b> .

## GENERAL DEFINITIONS

Please note that certain words used in the Policy have specific meanings. The words defined below and capitalized and bolded within the text of the Policy have the meanings set forth below. References to he, his and him in this General Definitions section and throughout the Policy refer to any individual, male or female.

**Accident** or **Accidental** means a sudden, unexpected, specific and abrupt event that occurs by chance at an identifiable time and place while the **Insured Person** is covered under the Policy.

**Activities of Daily Living (ADL)** means the following activities:

Bathing - the ability to wash oneself in either a tub or shower, or by sponge bath; including the tasks of getting into and out of the tub or shower with or without the assistance of equipment;

Dressing - the ability to put on, take off, and secure all necessary and appropriate items of clothing and any necessary braces or artificial limbs;

Toileting - the ability to get to and from the toilet, get on and off the toilet, and perform associated personal hygiene with or without the assistance of equipment;

Transferring - the ability to move in and out of bed, chair, or wheelchair with or without the assistance of equipment;

Eating - the ability to get nourishment into the body by any means once it has been prepared and made available to one with or without the assistance of equipment; and

Continence - the ability to voluntarily maintain control of bowel and/or bladder function or, in the event of incontinence, the ability to maintain a reasonable level of personal hygiene.

### **Age**

means the **Insured Person's Age** attained on the date coverage becomes effective for him under the Policy. Thereafter, it is his **Age** attained on the last Policy anniversary or his last birthday.

### **Calendar Year**

means January 1st through December 31st of any year.

### **Condition of Coverage**

means the circumstances under which the **Policy** provides benefits as stated in the Schedule of Benefits. Classes of individuals to which a **Condition of Coverage** applies are shown in the Schedule of Benefits.

### **Covered Accident**

means a sudden, unexpected, specific and abrupt event that results directly and independently of all other causes, in a **Covered Injury** or **Covered Death** and meets all of the following conditions:

1. occurs while the **Insured Person's** coverage under the **Policy** is in force;
2. occurs while the **Insured Person** is attending, participating in or traveling to and from a **Covered Activity**; and
3. is not otherwise excluded under the terms of the **Policy**.

### **Covered Activity(ies)**

means any activity that is shown in the Schedule of Benefits and:

1. takes place under one of the **Conditions of Coverage** specified in the Schedule of Benefits; and
2. is sponsored, organized, scheduled or otherwise provided by the **Policyholder**.

### **Covered Death**

means **Accidental** death:

1. which is the direct result of a **Covered Accident**;
2. which results directly and independently from all other causes from a **Covered Accident** and independent of **Sickness**, disease, mental incapacity, bodily infirmity or any other cause; and



3. suffered by the **Insured Person** within the applicable time period specified in the Schedule of Benefits.

### **Covered Injury**

means **Accidental** bodily injury:

1. which is sustained by an **Insured Person** as a direct result of a **Covered Accident**;
2. which results directly and independently from all other causes from a **Covered Accident** (independent of **Sickness**, disease, mental incapacity, or bodily infirmity that causes a **Covered Loss**); and
3. suffered by the **Insured Person** within the applicable time period specified in the Schedule of Benefits.

The **Covered Injury** must be caused through **Accidental** means. All injuries sustained by an **Insured Person** in any one **Accident**, including related conditions and recurrent symptoms of these injuries, are considered a single injury.

### **Covered Loss**

means a loss which results from a **Covered Injury** or **Covered Death**, and for which benefits are payable under the Policy. **Covered Loss** includes any expenses arising from services or supplies rendered or obtained by the **Insured Person** when such services and supplies are covered by the Policy.

### **Eligible Person**

means an individual as defined in the Schedule of Benefits.

### **Custodial Care**

means **Necessary Treatment** services or treatment which, regardless of where provided could be rendered safely by a person without medical skills, and provides a routine level of maintenance care designed mainly to help the patient with **Activities of Daily Living**, including (but not limited to): personal care such as help in walking and getting in and out of bed; help with bathing; help with eating by spoon, tube or gastrostomy; exercising; dressing; enema and using the toilet; homemaking such as preparing meals or special diets; moving the patient; acting as companion or sitter; supervising medication which can usually be self-administered oral hygiene; and ordinary skin and nail care. **Custodial Care** does not include **Home Health Care** or **Private Duty Nursing** services or treatment.

### **Extended Care Facility**

means an institution operating pursuant to applicable state law which is engaged in providing, for a fee, skilled nursing care and related services including physical therapy services under the supervision of a **Physician** and registered nurses, to persons convalescing from a **Covered Injury**. It must have facilities for ten (10) or more patients and maintain clerical records on all of its patients. To qualify as a **Covered Expense** under the policy, the **Insured Person's** confinement in an **Extended Care Facility** must:

1. start within the period of times shown in the Schedule of Benefits as a result of a **Covered Injury**;
2. be for treatment of the **Covered Injuries** resulting from such **Covered Accident**;
3. be one during which a **Physician** visits the **Insured Person** at least once every thirty (30) days;
4. be certified to be **Necessary Treatment** by the attending **Physician**; and
5. not be for routine **Custodial Care**.

### **Heart Failure**

means death because the heart ceases to beat due to failure of the heart to maintain adequate circulation of blood provoked by participation in a **Covered Activity**.

### **Home Health Care**

means **Necessary Treatment** services, furnished to an **Insured Person** in his home, provided and billed by the **Home Health Agency**. Such services must be prescribed and supervised by a **Physician** in accordance with a medical treatment. To qualify for **Home Health Care**:

1. the plan must be established and approved in writing by the attending Physician, including certification in writing by the attending **Physician** that confinement in a **Hospital** or **Extended Care Facility** would be required in the absence of **Home Health Care**;
2. nursing care and treatment must be provided by a **Hospital** certified to provide **Home Health Care** services or by a certified **Home Health Care Agency**;
3. **Home Health Care** services must commence within the time period shown in the Schedule of Benefits; and
4. Home physical, speech, and occupational therapies will be covered when initiated in conjunction with discharge placement through a **Rehabilitation Facility** and approved by the attending **Physician**.

#### **Home Health Agency**

means an entity engaged in arranging and providing nursing services, home health services or other therapeutic and related services. The entity must be certified by a competent governmental authority in the jurisdiction where the services are rendered, as meeting requirement of Title XVIII of the Social Security Act, as amended, for home health agencies.

#### **Home Country**

means a country from which the **Insured Person** holds a passport. If the **Insured Person** holds passports from more than one country, the **Home Country** will be the country declared to in writing as his **Home Country**.

#### **Hospital**

means an institution that meets all of the following:

1. it is operated pursuant to law and is licensed or approved as a **Hospital** by the responsible state agency;
2. it is primarily and continuously engaged in providing medical care and treatment to sick and injured persons;
3. it provides 24-hour nursing services by or under the supervision of a graduate registered nurse (R.N.);
4. it charges for its services.

**Hospital** shall include a Veteran's Administration Hospital or Federal Government.

The term **Hospital** does not include a clinic, facility, or unit of a **Hospital** for:

1. rehabilitation, convalescent, custodial, educational or nursing care; or
2. the aged, drug addicts or alcoholics.

#### **Hospital Confinement or Confined**

means a **Necessary Treatment** stay of 72 or more consecutive hours as a registered resident bed patient in a **Hospital**. **Hospital Confinements** due to the same **Covered Injury** will be treated as one **Hospital Confinement** unless separated by at least 30 days.

#### **Immediate Family Member**

means a person who is related to the **Insured Person** in any of the following ways: **Spouse**, **Domestic Partner**, brother-in-law, sister-in-law, daughter-in-law, son-in-law, mother-in-law, father-in-law, parent (includes stepparent), brother or sister (includes stepbrother or stepsister), or child (includes legally adopted or stepchild).

#### **Injury**

means **Accidental** bodily injury:

1. That is the direct result of an **Accident**;

2. Which results directly and independently from all other causes of an **Accident** (independent of **Sickness**, disease, mental incapacity, bodily infirmity or any other causes).

**Inpatient**

means confined overnight as a registered bed patient in a **Hospital** or other medical facility where at least one day's room and board is charged. The confinement must be on the advice of a **Physician**.

**Insured Person**

means an **Eligible Person**, as defined in the Schedule of Benefits, for whom the required premium has been paid when due and for whom coverage under the Policy remains in force.

**Loss of a Hand or Foot**

means complete **Severance** through or above the wrist or ankle joint.

**Loss of Hearing**

means total and permanent loss of ability to hear any sound which is irrecoverable by natural, surgical or artificial means.

**Loss of Sight**

means the total, permanent **Loss of Sight** of one eye. The **Loss of Sight** must be irrecoverable by natural, surgical or artificial means.

**Loss of Speech**

means total and permanent loss of audible communication which is irrecoverable by natural, surgical or artificial means.

**Loss of a Thumb and Index Finger of the Same Hand**

means complete **Severance** through or above the metacarpophalangeal joints of the same hand (the joints between the fingers and the hand).

**Necessary Treatment**

means medical services that:

1. are essential for diagnosis, treatment or care for which it is prescribed or performed;
2. meets generally accepted standards of medical practice; and
3. are ordered by a **Physician** and performed under his care, supervision or order.

**Nurse**

means a licensed graduate registered nurse (R.N.) or a licensed practical nurse (L.P.N.) who is not:

1. the **Insured Person**;
2. an **Immediate Family Member** of either the **Insured Person** or **the Insured Person's Spouse**;
3. a person living in the **Insured Person's** household; or
4. a person employed or retained by the **Policyholder**.

**Outpatient**

means an **Insured Person** who is a patient and is not hospitalized overnight but who visits a **Hospital**, clinic, or associated facility for diagnosis or treatment.

**Personal Deviation**

means:

1. an activity that is not reasonably related to the **Policyholder's Covered Activity**;
2. not incidental to the purpose of the trip;
3. such travel or activities coincide with the **Insured Person's Covered Activity**; and
4. **Personal Deviation** is limited to any consecutive period shown in the Schedule of Benefits period immediately prior to, during or following such **Covered Activity**.

**Physical Therapy**

means a branch of rehabilitative health care that uses specially designed exercises and equipment to help patients regain or improve their physical abilities. **Physical Therapy** must be prescribed by a **Physician** and performed by a licensed physical therapist practicing within the scope of his license.

**Physician**

means a **licensed** health care provider practicing **within** the scope of his license and rendering care and treatment to the **Insured Person** that is appropriate for the condition and locality, and who is not:

1. the **Insured Person**;
2. an **Immediate Family Member** of either the **Insured Person** or the **Insured Person's Spouse**;
3. a **Resident of the Same Household**;
4. a person employed or retained by the **Policyholder**; or
5. a person providing homeopathic, aroma-therapeutic, or herbal therapeutic services.

**Policyholder**

means the entity, named on the Policy's face page, to which the Company issues the Policy.

**Policy Term**

means the time period defined for the **Policyholder** shown in the Schedule of Benefits.

**Private Duty Nursing**

means in-home skilled nursing care provided on a continuous basis by a Registered Nurse (RN) or Licensed Practical Nurse (LPN).

**Prosthesis**

means an artificial limb or artificial medical device that is not surgically implanted and that is used to replace a missing limb. The term does not include artificial eyes, ears, noses, dental appliances, ostomy products, or devices such as eyelashes or wigs.

**Resident of the Same Household**

means a person who maintains residence at the same address as the **Insured Person**.

**School**

means the participating School District where the **Insured Person** is enrolled. The **School** must be licensed or accredited, as applicable, by the jurisdiction where it is located, to provide the care, education or training for which the **Insured Person** is enrolled.

**Severance**

means complete separation and dismemberment of the part from the body.

**Sickness**

means a physical or mental illness including pregnancy.

**Usual and Customary Charges**

means the average amount charged by most providers for treatment, service or supplies in the geographic area where the treatment, service or supply is provided.

**We, Us, Our**

means Liberty Insurance Underwriters Inc.

**You, Your**

means the person to whom the Certificate is issued.

## INCORPORATION PROVISIONS

1. From the effective date of the Policy, changes in the following items will be made a part of this Policy:
  - a. the name of the **Policyholder**;
  - b. the premium rates;
  - c. amounts of insurance, eligibility, benefit descriptions, or any other provisions incorporated into the Policy.
2. Any change in item "1" above will be given on the Company's forms.
3. The effective date of incorporation of a provision or another change that affects the insurance of any person insured under this Policy will be the later of:
  - a. the effective date of this Policy;
  - b. the date of any amendment to this Policy that changes the Company's obligation to pay benefits under this Policy.

## ELIGIBILITY, EFFECTIVE DATE AND TERMINATION PROVISIONS

### **Eligibility**

An **Eligible Person** becomes eligible for insurance under the Policy on the date he meets all of the requirements of one of the Covered Classes. An **Eligible Person** may be insured under only one Covered Class, even though he may be eligible under more than one Covered Class.

### **Effective Date for Individuals**

Insurance for an **Eligible Person** is effective on the date stated in the Schedule of Benefits.

1. the effective date of the **Policyholder's** participation under the Policy; and
2. the date the **Eligible Person** becomes eligible based on **Policyholder** requirements; and
3. the effective date of the Subscriber's participation under this Policy.

## **DATE INSURANCE ENDS**

### **Termination of Insurance**

Insurance for the **Insured Person** will end on the earliest of:

1. the date the person is no longer in an Eligible Class;
2. the date the person enters full time active duty in any Armed Forces. The Company will refund any premium paid for any period of active duty when the Company receives proof of active duty. Active duty does not include Reserve or National Guard duty for training
3. the end of the period for which the last premium is made;
4. the date this Policy ends;
5. the date the Subscriber with which the **Insured Person** is affiliated ceases to be a Subscriber under this Policy; or
6. the end of the **School** year.

Termination does not affect a claim for a **Covered Loss** due to an **Accident** that occurs before the termination date. However, in no instance will benefits extend beyond the earlier of:

1. the end of the Benefit Period; and
2. the date benefits equal to any applicable Benefit Limit, as shown in the Schedule of Benefits, have been paid

## COMMON EXCLUSIONS

In addition to any benefit or coverage specific exclusion, benefits will not be paid for any loss which directly or indirectly, in whole or in part, is caused by or results from any of the following unless coverage is specifically provided for by name in the policy.

1. Intentionally self-inflicted injury, suicide, auto-erotic asphyxiation or any attempt while sane or insane;
2. Commission or attempt to commit a felony or an assault;
3. Commission of or active participation in a riot or insurrection;
4. Declared or undeclared war or act of war or any act of declared or undeclared war unless specifically provided by the Policy;
5. The **Insured Person's** intoxication as determined according to the laws of the jurisdiction in which the **Covered Loss** occurred or the laws of the **Home Country**;
6. A **Covered Loss** that occurs while on active duty service in the military, naval or air force of any country or international organization. Upon the Company's receipt of proof of service, the Company will refund, on a pro rata basis, any premium paid for this time. Reserve or National Guard active duty training is not excluded unless it extends beyond 31 days;
7. Flight in, boarding or alighting from an **Aircraft**, except as:
  - a. a fare-paying passenger on a regularly scheduled commercial or charter airline;
8. **Sickness**, disease, bodily or mental infirmity, bacterial or viral infection or medical or surgical treatment thereof, including exposure, whether or not accidental, to viral, bacterial or chemical agents whether the loss results directly or non-directly from the treatment except for any bacterial infection resulting from an accidental cut or wound or accidental ingestion of contaminated food;
9. Injuries compensable under Workers' Compensation law or any similar law;
10. Participation in any sports activity not specifically authorized, sponsored and supervised by the **Policyholder** whether or not it takes place on **Policyholder** premises or during normal **School** hours, during a **Covered Activity**, including but not limited to snowboarding, skateboarding, motorcycle racing, racing rocket-powered, jet propelled or nuclear-powered vehicles (or any other activity to be excluded).

In addition, benefits will not be paid for services or treatment rendered by any person who is:

1. employed or retained by the **Policyholder**;
2. a **Resident of the Same Household**;
3. an **Immediate Family Member** of either the **Insured Person** or the **Insured Person's Spouse**;
4. the **Insured Person**.

## CLAIM PROVISIONS

### **Beneficiary**

The beneficiary, unless the **Insured Person** specifies otherwise as provided below, will be the person he has named as beneficiary of any group insurance, or if none is in force, of any group **Accident** insurance, provided by the **Policyholder**.

The beneficiary is the person or persons the **Insured Person** names or changes on a form executed by him and satisfactory to the Company. This form may be in writing or by any electronic means agreed upon between the Company and the **Policyholder**. Consent of the beneficiary is not required to affect any changes, unless the beneficiary has been designated as an irrevocable beneficiary. The beneficiary is barred from recovery if the **Covered Loss** is caused by his willful or negligent actions or he is otherwise criminally responsible for the **Covered Loss**.

A beneficiary designation or change will become effective on the date the **Insured Person** executes it. However, the Company will not be liable for any action taken or payment made before the Company records notice of the change at our Home Office.

If more than one person is named as beneficiary, the interests of each will be equal unless the **Insured Person** has specified otherwise. The share of any beneficiary who does not survive the **Insured Person** will pass equally to any surviving beneficiaries unless otherwise specified.

If there is no named beneficiary or surviving beneficiary or if the **Insured Person** dies while benefits are payable to him, the Company may make direct payment to the first surviving class of the following classes of persons:

1. **Spouse**;
2. Child or Children;
3. Parents;
4. Siblings; or
5. the estate of the **Insured Person**.

### **Claim Forms**

The Company will send claim forms to the claimant upon receipt of a written notice of claim. If such forms are not furnished within fifteen (15) days after the Company received notice of claim, the claimant will be deemed to have met the proof of loss requirements upon submitting, within the time fixed in the Policy for filing proof of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made. The notice should include the **Insured Person's** name, the **Policyholder's** name and the Policy number. Any forms that may be required to be provided under this subsection may be provided in electronic or paper form.

### **Economic Sanctions Provision**

This insurance does not apply to the extent that trade or economic sanctions or regulations prohibit the Company from providing insurance, including, but not limited to, the payment of claims.

### **Notice of Claim**

Written notice of claim must be given to the Company within 30 days after the occurrence or commencement of the **Insured Person's Covered Loss**, or as soon thereafter as reasonably possible. Failure to give notice within such time does not invalidate nor reduce any claim if it was not reasonably possible to give such notice and the notice was given as soon as reasonably possible. Notice given by or on behalf of the claimant to the Company at Liberty Mutual Accident & Health Claims, 512 Township Line Road Suite 300, Blue Bell, PA, 19422, or any authorized agent of the Company, with information sufficient to identify the **Insured Person**, is deemed notice to the Company. Any notices that may be required to be provided under this subsection may be provided in electronic or paper form.

### **Payment of Claims**

All benefits will be paid in United States Currency. Upon receipt of due written proof of death, payment for loss of life of an **Insured Person** will be made to the **Insured Person's** beneficiary as described in the Beneficiary Provision and these Claims Provisions.



Upon receipt of due written proof of loss, payments for all losses, except loss of life, will be made to (or on behalf of, if applicable) the **Insured Person** suffering the loss. If an **Insured Person** dies before all payments due have been made, the amount still payable will be paid to his beneficiary as described in the Beneficiary Provision.

If any payee is a minor or is not competent to give a valid release for the payment, the payment will be made to the legal guardian of the payee's property. If the payee has no legal guardian for his property, a payment not exceeding \$1,000 may be made, at the Company's option, to any relative by blood or connection by marriage of the payee, who has assumed the custody and support of the minor or responsibility for the incompetent person's affairs.

Any payment the Company makes in good faith fully discharges liability to the extent of the payment made.

#### **Time of Payment of Claims**

Benefits payable under the Policy for any loss other than loss for which the Policy provides any periodic payment will be paid immediately upon receipt of due written proof of the loss. Subject to the Company's receipt of due written proof of loss, all accrued benefits for loss for which the Policy provides periodic payment will be paid at the expiration of each month during the continuance of the period for which the Company is liable and any balance remaining unpaid upon termination of liability will be paid immediately upon receipt of such proof.

#### **Conditional Claim Payment**

If the **Insured Person** incurs expenses for a **Covered Loss** and a third party may be liable, the Company will pay benefits if: the **Insured Person** first agrees in writing to refund the lesser of:

1. the amount the Company actually paid for such expenses; and
2. the amount actually received from the third party regardless of whether the amount is for such expenses; and the third party's liability is determined and satisfied whether by settlement, judgment, or otherwise. However, if the third party's liability is satisfied in an amount less than the benefits paid under the Policy, the Company will pay the difference.

#### **Legal Actions**

No action at law or in equity will be brought to recover benefits under the Policy less than 60 days after satisfactory proof of loss has been furnished as required by the Policy. No such action will be brought after three years from the time proof of loss is required to be furnished under the Policy.

#### **Physical Examination And Autopsy**

The Company, at its own expense, has the right and opportunity to examine the **Insured Person** when and as often as the Company may reasonably require while a claim is pending and to make an autopsy in case of death, where it is not prohibited by law.

#### **Proof of Loss**

Written proof of loss must be furnished to the Company within 90 days after the date of the **Covered Loss**.

Failure to furnish proof within the time required neither invalidates nor reduces any claim if it was not reasonably possible to furnish proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity of the claimant, later than one year from the time proof is otherwise required. Any forms that may be required to be provided under this subsection may be provided in electronic or paper form.

#### **Subrogation**

The Company may recover any benefits paid under the Policy to the extent an **Insured Person** is paid for the same Injury by a third party, or another insurer. The Company may only be reimbursed to the amount of the **Insured Person's** recovery. The **Insured Person** has a right to be fully compensated before any recovery by the Company or reimbursement to the Company. Further, the Company has the right to offset future benefits payable to the **Insured Person** under the Policy against such recovery.

Upon request the **Insured Person** must complete the required forms and return them to the Company or its authorized agent. The **Insured Person** must cooperate fully with the Company or its representative in asserting its right to recover.

A refund from any recovery will only be made to the Company if the amount of the recovery exceeds the amount of the **Insured Person's** actual damages.

### **Recovery of Overpayment**

If benefits are overpaid, the Company has the right to recover the amount overpaid by either of the following methods.

1. A request for lump sum payment of the overpaid amount.
2. A reduction of any amounts payable under the Policy.

If there is an overpayment due when the **Insured Person** dies, the Company may recover the overpayment from the **Insured Person's** estate.

## ADMINISTRATIVE PROVISIONS

### PREMIUM PROVISIONS

#### Grace Period

A Grace Period of 31 days will be provided for the payment of any premium due after the first. During the Grace Period, the Policy shall continue in force, unless the **Policyholder** has given written notice of discontinuance in advance of the premium due date and in accordance with the terms of this Policy. If the required premium is not paid during the Grace Period, coverage will terminate on the last day of the grace period. The **Policyholder** will be liable for the payment of a pro rata premium for the time the Policy was in force during the Grace Period.

#### Premiums

Premium rates are expressed in, and premiums are payable in United States Currency. The premiums for this Policy will be based on the rates set forth in the Premium Rate Table, the plan and amounts of insurance in effect for **Insured Persons** and the premium mode selected, as shown in the Premium Rate Table. The Company will provide authorized electronic notifications of premiums due or premium changes, by mail to the most current address in the Company files, to the **Policyholder**.

#### Premium Payment

The total premium paid by the **Policyholder** is the sum of premiums for all **Insured Persons**. The initial premium is due on the Policy Effective Date unless the **Policyholder** and The Company agree to another mode of premium payment. Premiums are paid at the Company's Home Office or to the Company's authorized agent.

If any premium is not paid when due, this Policy will be cancelled as of the Premium Due Date of the unpaid premium, except as provided in any applicable Policy Grace Period section.

#### Premium Rate Guarantee Period

Premium rates may be guaranteed for a period of 1 year. During this time, no change may be made to the premium unless one of the events stated in the Premium Rate Changes provision occurs.

#### Premium Rate Changes

**We** may change premium rates at the end of any **Policy Term** or any Premium Rate Guarantee Period with at least 31 advance notice mailed to the last known address of the **Policyholder**.

**We** may change the premium rate during a **Policy Term** or during any applicable Premium Rate Guarantee Period if any one of the following occurs:

1. the terms of this Policy change;
2. the number of **Eligible Persons** increases or decreases by more than 25% since the later of the Policy Effective Date and the date of the last renewal of this Policy;
3. coverage is reinstated following failure to pay premium during the Grace Period;
4. an acquisition, merger, consolidation, divestiture, corporate reorganization or purchase or sale of assets affecting, increasing or decreasing by 25% or more the number of **Eligible Persons**;
5. a change in **Eligible Persons** which would, on a manual rate basis, require a change of 50% or more in the premium rate;
6. a change in any federal or state law or regulation is enacted, adopted or amended to the extent it affects the Company's benefit obligations under this Policy;
7. the **Policyholder** fails to provide sufficient information, as required by The Company, to confirm adequacy of premiums and rates currently being paid; or
8. any increase or decrease in rate will take effect on the date of the applicable change specified above. A pro rata adjustment will apply from the date of the change to the end of any period for which premium has been paid.

### **Premium Audit**

The Company will have the right to audit books and records of the **Policyholder** at its place of business and during its regularly scheduled business hours, in order to determine the accuracy of premiums paid.

### **Reinstatement**

This Policy may be reinstated if it lapsed for nonpayment of premium. Requirements for reinstatement are written application of the **Policyholder** satisfactory to the Company and payment of all overdue premiums. Any premium accepted in connection with a reinstatement will be applied to a period for which premium was not previously paid.

## **CANCELLATION PROVISION**

### **Cancellation and Non-Renewal**

The **Policyholder** may cancel this Policy by giving the Company advance written or authorized electronic notice. The Company may cancel the Policy, as of any Premium Due Date by giving the Policyholder 31 days advance written or authorized electronic notice. Any premium rate guarantee will not affect the Company's or the **Policyholder's** right to cancel this Policy. The **Policyholder** has the sole responsibility to notify **Insured Persons** of the cancellation.

Cancellation or non-renewal by the Company will be for one of the following reasons:

1. non-payment of premium;
2. the **Policyholder** or **Insured Person** has performed an act or practice constituting fraud, or made an intentional misrepresentation of material fact;
3. the **Policyholder** has failed to comply with a material provision of the Policy related to **Policyholder** contribution or group participation; or
4. claims experience or overall case performance.

If a premium is not paid when due, the Company will cancel this Policy at the end of the last period for which premium was paid, subject to the Grace Period provision. Premium Due Dates are shown in the Schedule of Benefits.

Cancellation does not affect a claim for a **Covered Loss** when the **Covered Loss** occurs before the cancellation date.

## GENERAL PROVISIONS

### **Addition of New Individuals**

All person added to the Classes of **Eligible Persons** in the Schedule of Benefits are eligible for insurance under the Policy.

### **Assignment**

The rights and benefits under the Policy may not be assigned and any attempt to assign will be void.

This insurance may not be levied on, attached, garnished, or otherwise taken for a person's debts unless contrary to law.

### **Clerical Error**

A person's coverage will not be affected by error or delay in keeping records of insurance under the Policy. If such error or delay is found, the Company will adjust the premium fairly.

### **Conformity with State Statutes**

Any provision in the Policy that is in conflict with the requirements of any state or federal law that apply to the Policy are automatically changed to satisfy the minimum requirements of such laws.

### **Entire Contract; Changes**

The Policy, the Master Application and any attached papers make up the entire contract between the **Policyholder** and the Company. In the absence of fraud, all statements made by the **Policyholder** or any **Insured Person** will be considered representations and not warranties. No written statement made by an **Insured Person** will be used in any contest unless a copy of the statement is furnished to the **Insured Person** or, in the event of the death or incapacity of the **Insured Person**, to his beneficiary or personal representative.

No change in the Policy will be valid until approved by one of the Company's executive officers and endorsed on or attached to the Policy. No agent has authority to change the Policy or to waive any of its provisions.

If an enrollment form for an **Insured Person** is required, it may also be made a part of the Policy at the Company's option.

### **Examination of the Policy**

The Policy will be available for inspection at the **Policyholder's** office during regular business hours.

### **Incontestability**

The validity of the Policy will not be contested after it has been in force for three years from the Policy Effective Date, except for non-payment of premium, misrepresentation or fraud.

After an **Insured Person** has been insured under the Policy for three years during his lifetime, no statement made by the **Insured Person**, except a fraudulent one, will be used to contest a claim under the Policy. The Company may only contest coverage if the misstatement is made in a written instrument signed by the **Insured Person** and a copy is given to the **Policyholder**, the **Insured Person**, his beneficiary or personal representative.

### **Misstatement of Fact**

If the **Policyholder** has misstated any fact, all amounts payable under the Policy will be such as the premium paid would have purchased had such fact been correctly stated.

### **Noncompliance with Policy Requirements**

Any express or implied waiver by the Company of any requirements of the Policy is not a continuing waiver of such requirements. Any failure by the Company to enforce any policy provision will not be a waiver or amendment of that provision.

### **Policy Changes**

No change in the Policy will be valid until approved by one of the Company's executive officers, and endorsed on or attached to the Policy. The Company may agree with the **Policyholder** to modify a plan of benefits without the **Insured Person's** consent.

**Records**

The **Policyholder** or its authorized Administrator will maintain the records of the **Insured Person's** insurance under the Policy. The Company will be permitted to examine the **Policyholder's** records relating to the insurance under the Policy at any reasonable time. The **Policyholder** is acting as an agent of the **Insured Person** for transactions relating to this insurance. The actions of the **Policyholder** will not be considered the actions of the Insurance Company.

**Workers' Compensation**

The Policy is not in lieu of and does not affect any requirements for coverage by any Workers' Compensation Act or similar law.

## DESCRIPTION OF CONDITIONS OF COVERAGE

### **SUPERVISED AND SPONSORED COVERED ACTIVITIES COVERAGE**

The Company will pay the Benefit Amount shown in the Schedule of Benefits, subject to all applicable conditions and exclusions, when the **Insured Person** suffers a **Covered Loss** that occurs during one of the **Supervised and Sponsored Covered Activities** shown in the Schedule of Benefits.

The **Covered Loss** must take place:

1. on the premises of the **Policyholder** during normal hours of operation or during schedule functions; or
2. on the premises of the **Policyholder** during other periods if attending or participating in a **Supervised and Sponsored Covered Activities**;
3. At another site designated by the **Policyholder**, where the **Supervised and Sponsored Covered Activities** is scheduled.
4. while the **Insured Person** is participating in a **Supervised and Sponsored Covered Activities**.

Exclusions

1. This coverage will not be in effect during the **Insured Person's Personal Deviation**.

## DESCRIPTION OF BENEFITS

Please read these and the Common Exclusions section in order to understand all of the terms, conditions, and limitations applicable to these Benefits.

If the **Insured Person** sustains more than one **Covered Loss** as a result of the same **Covered Accident**, the Company will pay the Benefit for the **Covered Loss** for which the largest benefit is payable.

### ACCIDENTAL DEATH AND DISMEMBERMENT BENEFIT

**Covered Losses** The Company will pay the Benefit Amount for any one of the **Covered Losses** listed in the Schedule of Benefits, subject to all applicable conditions and exclusions, if the **Insured Person** suffers a **Covered Loss**, other than **Covered Death**, within the applicable time period specified in the Schedule of Benefits.

If the **Insured Person** suffers a **Covered Death**, the Company will pay for **Accidental Death** and any other **Covered Losses** will not exceed the largest Benefit payable for a **Covered Loss**.

### CATASTROPHIC ACCIDENT MEDICAL EXPENSE BENEFIT

**Covered Expenses** and any applicable **Catastrophic Deductible** are shown in the Schedule of Benefits.

**Other Insurance Benefits** When **Other Insurance** provides benefits in the form of services rather than cash payments, the Company will consider the reasonable cash value of such service in determining whether any **Deductible** has been satisfied, or any amount by which any benefit provided by this Policy will be reduced.

### Full Excess Medical Expense

The Company will pay **Covered Expenses**:

1. after the **Insured Person** satisfies any **Deductible**; and
2. only when they are in excess of amounts payable by any **Other Insurance** whether or not claim has been made for benefits it provides.

The Company will pay benefits without regard to any Coordination of Benefits provision in such **Other Insurance**.

The Company will pay the benefits shown in Schedule of Benefits for the **Insured Person's Necessary Treatment Covered Expenses**, subject to all applicable conditions and exclusions, for treatment of a **Covered Injury**.

Benefits will be paid:

- When **Covered Expenses** exceed any applicable **Deductible** within the number of days from the date of the **Covered Injury** specified in the Schedule of Benefits; and
- The Company shall not pay more than the Maximum Benefit Amount shown in the Schedule of Benefits.
- The **Covered Expenses** must be provided within the Maximum **Benefit Period** shown in the Schedule of Benefits.
- The Company will multiply the **Covered Expenses** by the Co-Insurance percentage contained in the Schedule of Benefits to determine the amount payable.



- The Company may impose limits on certain types or categories of **Covered Expenses**. These limits are contained in the Schedule of Benefits.
- The Company will not pay any amounts for services received after the **Date of Recovery** has been reached.

## LIMITATIONS AND EXCLUDED ACCIDENT MEDICAL BENEFIT EXPENSES

### Non-Duplication of Benefits

This provision applies if:

1. any **Other Insurance** covers the **Insured Person**; and
2. total benefits under all Plans would exceed the expenses for services provided to the **Insured Person**; and
3. we are not defined as primary under another **Other Insurance** Coordination of Benefits provision.

When the total of benefits payable by all **Other Insurances**, whether or not claim is made for those benefits, exceeds **Covered Expenses**, any **Covered Expense- Accident Benefit Medical Benefits**, the amount **We** will pay will be reduced by such excess.

### Non-Duplication of Benefits When This Policy and Other Plans Are Excess

This provision applies if benefits under any **Other Insurance Plan** are covered under this Benefit and coverage under this Benefit and the other Plan are excess.

We pay a pro rata share of the total amount of **Covered Expenses**. In no case will the total benefits payable exceed 100% of the **Covered Expenses**.

Our pro rata share equals the total of benefits payable under this Policy multiplied by a fraction, of which the numerator is the benefits **We** pay and the denominator is the total of benefits payable by an **Other Insurance** for the same **Covered Injury**.

### Excluded Expenses

The following will not be considered **Covered Expenses** unless coverage is specifically provided.

1. Routine physical and care of any kind;
2. Routine dental care and treatment;
3. Immunizations of any kind;
4. Cosmetic or plastic surgery, except as the result of a **Covered Injury**;
5. Routine nursery or routine child care;
6. Any mental or nervous disorders;
7. Eye refractions or eye examinations for the purpose of prescribing corrective lenses or for the fitting thereof; eyeglasses, contact lenses, and/or hearing aids unless **Necessary Treatment** of a **Covered Injury**;
8. Services, supplies, or treatment including any period of **Hospital Confinement** which is not recommended, approved, and certified as **Necessary Treatment** and reasonable by a **Physician**, or expenses which are non-medical in nature;
9. Charges for **Covered Medical Expenses** for which the **Insured Person** would not be responsible in the absence of this Policy;

10. **Injury or Sickness** for which benefits are payable under any worker's compensation or occupational disease law or act, or similar legislation, whether United States federal or foreign law;
11. Any elective or routine treatment, surgery, health treatment, or examination, including any service, treatment of supplies that: (a) are deemed by the Company to be experimental or investigational; and (b) are not recognized and generally accepted medical practice in the United States;
12. Services or treatment provided by persons who do not normally charge for their services, unless there is a legal obligation to pay;
13. Repair or replacement of existing dentures, partial dentures, braces or bridgework;
14. Personal services such as television and telephone or transportation;
15. Expenses payable by any automobile insurance policy without regard to fault;
16. Repair or replacement of existing artificial limbs, eyes and larynx;
17. Treatment of Hernia of any kind. Hernia means a rupture or protrusion of an organ or part through connective tissues or through a wall of a cavity in which it is normally enclosed;

Other Exclusions and Limitation that apply to this Benefit are in the Common Exclusions Section of the Policy.

#### DEFINITIONS FOR THIS BENEFIT

**Benefit Period** means the maximum period that benefits are payable under this Benefit.

**Catastrophic Benefit Period** means the maximum period that benefits are payable under the Catastrophic Accident Expense benefit.

**Co-insurance** means the out of pocket expenses to be paid by the **Insured Person**. This percentage is the Co-Insurance Rate shown in the Schedule of Benefits.

**Covered Expenses** means the **Usual and Customary Charges** for the following services, provided such following services are **Necessary Treatment** of a **Covered Injury**:

**Covered Expenses** means the **Usual and Customary Charges** for the following services, provided such following services are **Necessary Treatment** of a **Covered Injury**:

#### **Inpatient Hospital services**

- Room and board in a semi-private Private room;
- Intensive Care Unit (Critical Care Unit);
- **Hospital** Miscellaneous Services;
- **Inpatient** medical and surgical services, physiotherapy prescription drugs and other medical supplies commonly used for therapeutic or diagnostic services;
- **Inpatient** X Ray, CT Scan, MRI and Laboratory Test;
- **Ambulatory Medical Center**;
- **Physician** services, Surgery, Assistant Surgeon, **Physician's** Surgical Facilities, Second Opinion, or consultation, Anesthesia and its administration, In **Physician Hospital** Visits, **Physician** Office visits;
- Emergency Room;

#### **Outpatient Services**

- **Outpatient** X Ray, CT Scan, MRI, and Laboratory Test includes charges for reading;
- **Outpatient** physiotherapy;
- Chiropractic Treatments;
- confinement in an **Extended Care Facility**;
- Mental and Nervous Disorders;
- Ambulance Services: air and ground
- **Outpatient** prescription drugs;

- Artificial limbs;
- Medical equipment rental or if less than the purchase of equipment;

### **Catastrophic Accident Deductible**

means the amount of **Covered Expenses** that the **Insured Person** incurs prior to benefits being payable under this Policy. The **Catastrophic Accident Deductible** is shown in the Schedule of Benefits. The **Catastrophic Accident Deductible** shall only be satisfied by amounts paid pursuant to **Underlying Insurance**. To the extent that the policy limits on the **Underlying Insurance** for **Covered Expenses** are less than the **Catastrophic Accident Deductible** or there is no **Underlying Insurance**, the **Catastrophic Accident Medical Deductible** may further be satisfied by amounts paid by the **Policyholder**, or **Other Insurance** or the **Insured Person**.

### **Date of Recovery**

means 1) the date the **Insured Person** received medical clearance to participate in a **Covered Activity** or 2) the **date** immediately following a period of 12 consecutive months during which the **Insured Person** received no **Necessary Treatment** or service as a result of the **Covered Injury** for which benefits has been received under this Policy.

### **Hospital Miscellaneous Expenses:**

means the **Necessary Treatment** expenses charged by a **Hospital** or **Ambulatory Surgical Center** for **Outpatient** surgery. The Miscellaneous Expenses include, but are not limited to the expenses shown in the Schedule of Benefits and all necessary charges other than room and board, for services received during a **Hospital** stay. Miscellaneous Expenses also include personal supplies and services, such as barber or beautician services and television when provided during a **Hospital** stay.

### **Other Insurance**

means any reimbursement for or recovery of any element of **Covered Injury** as a result of an **Accident** available from any other source whatsoever, except gifts and donations, but including without limitations:

- any individual, group, blanket or franchise policy of **Accident**, disability or health insurance or any similar type of arrangement that provides for payments or reimbursement of medical expenses or disability payments;
- Social Security Disability Benefits; and
- any benefits payable under any program provided or sponsored solely or primarily by and federal, state or local governmental unit or agency or subdivision or through operation of law or regulation; except Medicaid.

### **Pre-existing Condition**

means a disease of physical condition for which the **Insured Person** received medical advice or treatment during the 6 months before the effective date of the **Insured Person's** coverage.

Pre-existing conditions may be excluded until the earlier of:

1. 12 months after the effective date of coverage during which the **Insured Person** has not received medical advice or treatment in connection with the disease or physical condition; or
2. the second anniversary of the effective date of the **Insured Person's** coverage.

### **Underlying Insurance**

means any accident insurance policy issued to the **Policyholder**, and paid for by the **Policyholder**, that is intended to provide **Accident** coverage for the **Covered Activity** that led to the **Accident** that resulted in the **Covered Injury** under this Policy. **Underlying Insurance** may also include a plan or program sponsored or created by the **Policyholder** to self-insure **Accident** coverage for the **Covered Activity** that led to the to the **Accident** that resulted in the **Covered Injury** under this Policy.

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**LIBERTY INSURANCE UNDERWRITERS INC.**

(A Stock Insurance Company, hereinafter the "Insurer/Company")

**ENDORSEMENT NO. 1**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

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<b>Named Insured:</b>	<b>Insight PA Cyber Charter School</b>
<b>Policy Number:</b>	<b>SCH-60000039-00</b>
<b>Effective Date:</b>	<b>July 1, 2019</b>

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**U.S. ECONOMIC AND TRADE SANCTIONS CLAUSE**

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void. Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.