

**THE ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**



The Pennsylvania Cyber Charter School

Midland, Pennsylvania

**THE PENNSYLVANIA CYBER CHARTER SCHOOL
MIDLAND, PENNSYLVANIA**



The Pennsylvania Cyber Charter School

**THE ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2022

Brian Hayden
Chief Executive Officer

Prepared by:

Business Administrator's Office

Matthew Schulte
Chief Financial Officer

Ryan Frueh
Director of Business Services

THE PENNSYLVANIA CYBER CHARTER SCHOOL

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THE PENNSYLVANIA CYBER CHARTER SCHOOL

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INTRODUCTORY SECTION



The Pennsylvania Cyber Charter School

Our Mission

Empower all students and families to become active participants in their own learning and equip them with skills for the future. We achieve this through engaging content, delivered by innovative teaching in a culture of caring.



The Pennsylvania Cyber Charter School

Vision, Mission and Core Values

Our Vision

Inspire today's learners to be tomorrow's thinkers.

Our Mission

Empower all students and families to become active participants in their own learning and equip them with skills for the future. We achieve this through engaging content, delivered by innovative teaching in a culture of caring.

Our Core Values

An organization's core values shape its culture, identify its priorities, and provide the framework and criteria by which decisions are made. As these are the essential principles that guide PA Cyber, they must be known, understood, and shared by all stakeholders.

Integrity

We act with transparency, honesty, and accountability, and we are dedicated to exemplary work.

Innovation

We encourage new ideas and practices that foster student success.

Service

We are dedicated to ensuring positive family experiences with passion and enthusiasm by being responsive to our families' needs.

Excellence

We challenge our students and ourselves to meet or exceed the highest expectations.

Professionalism

We place value on all stakeholders, evidenced by how we treat others - with dignity, courtesy, professionalism, and, above all, respect. We believe in collaborative work among teachers, staff, and administrators and use the expertise and support of the families we serve.



The Pennsylvania Cyber Charter School

December 14, 2022

To the Parents/Guardians of Pennsylvania Cyber Charter School students and the Board of Trustees
The Pennsylvania Cyber Charter School
Midland, PA 15059

The Annual Comprehensive Financial Report of the Pennsylvania Cyber Charter School (the School) for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with management and the Board of Trustees (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position and results of operations of the various funds of the School. All disclosures necessary to enable the reader to gain an understanding of the School's financial activities have been included.

Generally accepted accounting principles requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Pennsylvania Cyber Charter School for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the fourth consecutive year that the School has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a School must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

About PA Cyber

Serving students in kindergarten through 12th grade, the School is one of the largest, most experienced, and most successful online public schools in the nation. The School's online learning environments, personalized instructional methods, and choices of curricula connect Pennsylvania students and their families with state-certified and highly-qualified teachers, and rich academic content that is aligned to state standards. Founded in 2000, the School is headquartered in Midland, PA (Beaver County) and maintains a network of support offices throughout the state. As a public school, PA Cyber is open for enrollment by any school-age child residing in the Commonwealth of Pennsylvania and does not charge tuition to students or families.



The Pennsylvania Cyber Charter School

A Continuum of Learning

At the School, our student-centered instructional model recognizes the different developmental stages students typically follow, while respecting the innate differences and unique abilities of each individual child. This flexible-but-focused learning model allows our teachers to use a variety of teaching strategies and curriculum choices to create an education program that is deeply personal. It all works to inspire students – supported by the caring adult mentors in their lives – to become self-motivated, lifelong learners.

Innovative Curriculum and Instruction

The School is a tuition-free public school chartered by the Pennsylvania Department of Education, which approves our curriculum. All of our teachers are Pennsylvania-certified, highly qualified educators. We are one of only three cyber charter schools accredited by the prestigious Middle States Association. Additionally, the National Collegiate Athletic Association and AdvancED accredit our curriculum. The School's graduates can be found attending highly regarded universities, colleges, professional academies, and vocational schools.

A Real Community

Using the power of the internet to overcome the traditional boundaries of time and space, the School makes it possible to deeply personalize the learning experience, connecting students and families with skilled and caring teachers anytime, from anyplace. Our offices are conveniently located throughout Pennsylvania and serve as a hub for enrollment, orientation, and enrichment. Our students belong to a real community where they grow academically, emotionally, socially and physically.

Choices and Opportunities

The School offers abundant choices for both live and self-paced instruction, along with a variety of opportunities for meaningful interaction with teachers and peers. Our extensive courses and program offerings include the creative and performing arts, STEM and Gifted programs, Advanced Placement classes, and a variety of clubs and other activities. And our certified faculty and experienced staff are available to engage with students and families at their convenience.

The Right Technology

The School provides a tuition-free, accredited quality curriculum with access to all the technology and personal guidance that students need for success. Our technology platforms are not only on the leading edge, they are user-friendly and truly enhance the educational experiences of our students. Each student receives a laptop, printer, textbooks, and online connectivity, as well as an expert technical support team that is responsive, skilled, and dependable.



The Pennsylvania Cyber Charter School

REPORTING ENTITY AND ITS SERVICES

The School is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the School are included in this report. The School has no component units.

The School is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) of the Internal Revenue Code. As such, they are exempt from federal and state corporate income taxes. As a 501(c)(3), income from certain activities not directly related to the School’s tax-exempt purpose is subject to taxation as unrelated business income.

The School was formed under the laws of the state of Pennsylvania to provide elementary and secondary education to students through a computer managed learning system designed to meet individual students’ needs and styles. These services include general education and special education for students with disabilities, as well as basic skills instruction for students in need of intervention. The following details the changes in the full time equivalent (FTE) student enrollment for the current and past four fiscal years.

<u>Fiscal Year</u>	<u>FTE Student Enrollment</u>	<u>Percent Change</u>
2021-2022	11,349	-1.02%
2020-2021	11,466	8.99%
2019-2020	10,520	-0.73%
2018-2019	10,597	1.77%
2017-2018	10,413	1.34%

ECONOMIC CONDITION AND OUTLOOK

Though the cyber charter school concept is now widely-accepted as a viable and indeed necessary education model, the issue concerning how cyber charter schools are funded will likely remain contentious in the foreseeable future. Nevertheless, the demand for the type and quality of services provided by the School continues to grow.

MAJOR INITIATIVES

The School continues to focus and serves its students in accordance with its vision and mission statements. The School provides student-centered service that empower each student to succeed and grow beyond the normal curriculum. To fulfill this mission, the School diligently works to improve instruction and student outcomes by growing and developing the staff, providing new resources and programs for the students and providing remedial instruction when needed.



The Pennsylvania Cyber Charter School

INTERNAL ACCOUNTING CONTROLS

The School's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the charter school are protected from loss, theft, or misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable assurance, recognizing that: (1) the costs of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the School is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluations by the School's management.

As part of the School's Single Audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the School has complied with applicable laws and regulations.

BUDGETARY CONTROLS

In addition to internal accounting controls, the School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Trustees. Annual appropriated budgets are adopted for the general fund. The final budget for the fiscal year is reflected in the financial section.

ACCOUNTING SYSTEM AND REPORTS

The School's accounting records reflect generally accepted accounting principles, as promulgated by GASB. The accounting system of the School is organized based on funds. The funds are explained in Notes to the Financial Statements, Note 2.

FINANCIAL POLICIES

The intent of the Board is to ensure that the School manages its budget and finances in a fiscally prudent and responsible way by establishing financial policies for the budget, fund balance, and maintenance of adequate reserves. The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.



The Pennsylvania Cyber Charter School

OTHER INFORMATION

Independent Audit

The Commonwealth of Pennsylvania statutes require an annual audit by independent certified public accountants. The accounting firm of Deluzio & Company, LLP was appointed by the Board of Trustees. In addition to meeting the requirements set forth in the Commonwealth statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The auditor's report on the basic financial statements is included in the Financial Section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit Section of this report.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Business Administration Office. We wish to thank all the departments involved for their assistance in providing the data necessary to prepare this report.

Respectfully submitted,

Matthew Schulte
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

Pennsylvania Cyber Charter School

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

**THE PENNSYLVANIA CYBER CHARTER SCHOOL
MIDLAND, PENNSYLVANIA**

**Roster of Officials
June 30, 2022**

Members of the Board of Trustees

Officers:

Edward Elder	President
Steve Robinson	Vice President

Board Members:

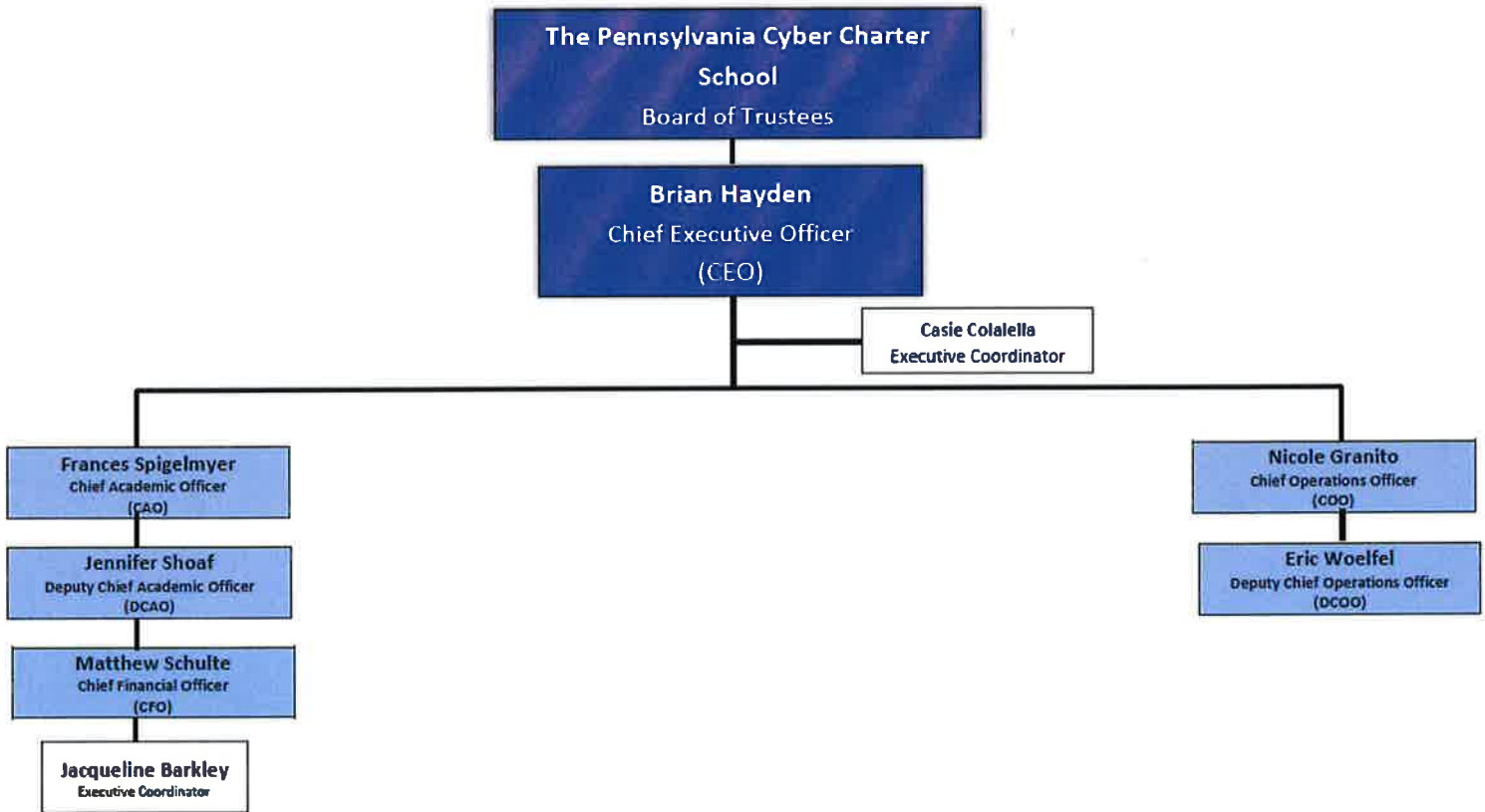
Seemal Shahzadi (resigned September 2021)
Chester Thompson (resigned January 2022)
Tom Dorsey
Marc Stawderman
Melissa DiSanto Castellanno
Logan Clark
Dan LeRoy
Mark Noll

Non-Voting Members:

Brian Hayden	Chief Executive Officer
Matthew Schulte	Chief Financial Officer/Treasurer
Cheryl Leydig	Board Secretary
Joseph Askar	Solicitor

**THE PENNSYLVANIA CYBER CHARTER SCHOOL
MIDLAND, PENNSYLVANIA**

Organizational Chart - Administration
June 30, 2022



FINANCIAL SECTION



Lisa M. Altschaffl, CPA
 Jeffrey P. Anzovino, CPA, MSA
 Cole F. Beehner, CPA

Joseph E. Petrillo, CPA
 Stacey A. Sanders, CPA, CSEP
 Daniel W. Wilkins, CPA

Independent Auditor's Report

To the Board of Trustees
 The Pennsylvania Cyber Charter School

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of Pennsylvania Cyber Charter School, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Pennsylvania Cyber Charter School's basic financial statements as listed in the financial section of the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the governmental activities, the business-type activities and each major fund of Pennsylvania Cyber Charter School, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pennsylvania Cyber Charter School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Pennsylvania Cyber Charter School's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

(continued)

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Independent Auditor's Report

(continued)

Responsibilities of Management for the Financial Statements (continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pennsylvania Cyber Charter School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pennsylvania Cyber Charter School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pennsylvania Cyber Charter School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

(continued)

Independent Auditor's Report

(continued)

Emphasis of Matter

Implementation of GASB Statement No. 87, Leases

Pennsylvania Cyber Charter School implemented the provisions of GASB Statement No. 87, *Leases*, in the current fiscal year. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, other post-employment benefits information, and the pension information on pages 15 through 25 and 61 through 67 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pennsylvania Cyber Charter School's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(continued)

Independent Auditor's Report

(continued)

Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the information included in the introductory section and statistical section of the ACFR but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022, on our consideration of Pennsylvania Cyber Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pennsylvania Cyber Charter School's internal control over financial reporting and compliance.

Deluzio & Company, LLP

Greensburg, Pennsylvania
December 14, 2022

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Management's Discussion and Analysis
Required Supplementary Information
June 30, 2022

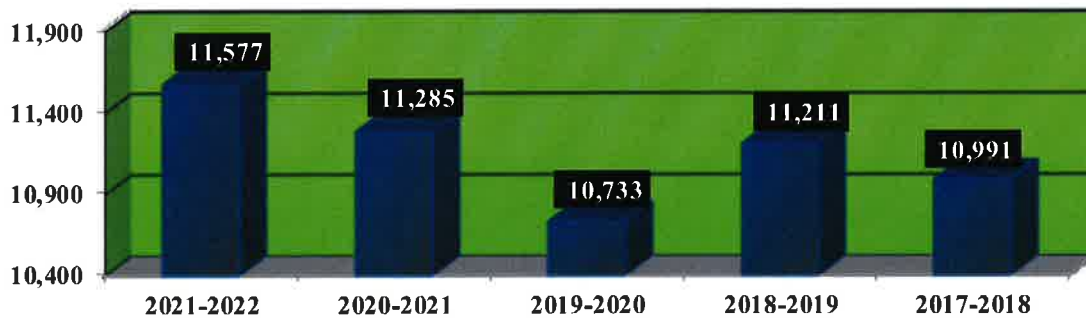
Our discussion and analysis of the Pennsylvania Cyber Charter School's (the School) financial performance provides an overview of the School's financial activities for the fiscal year ended June 30, 2022. Please review this information in conjunction with the School's financial statements that begin on page 26.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

FINANCIAL HIGHLIGHTS

The School continues to serve its students in accordance with its vision and mission statements whereby the School is dedicated to providing student-centered service that empower each student to succeed and grow beyond the normal curriculum.

Pennsylvania Cyber Charter School
Student Enrollment
 Source: Local Education Agencies (LEA) May Enrollment Summaries



The School's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources as of June 30, 2022 by \$103,250,569. As of June 30, 2022, the School reported an unassigned ending fund balance of \$105,080,713 that may be used at the School's discretion. This amount equates to 65.98% of total General Fund Expenditures. The \$105,080,713 balance represents a \$41,772,318 increase from the June 30, 2021 balance of \$63,308,395.

The School's governmental fund balance was \$188,288,825 as of June 30, 2022 and consisted of the following:

Nonspendable	
Prepays and deposits	\$ 862,457
Spendable	
Committed to:	
Future PSERS retirement rate increases	28,373,743
Future healthcare cost increases	10,468,988
Lease obligations	9,826,211
Stabilization fund	32,189,000

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Management's Discussion and Analysis
Required Supplementary Information
June 30, 2022

FINANCIAL HIGHLIGHTS (continued)

Governmental fund balance (continued)

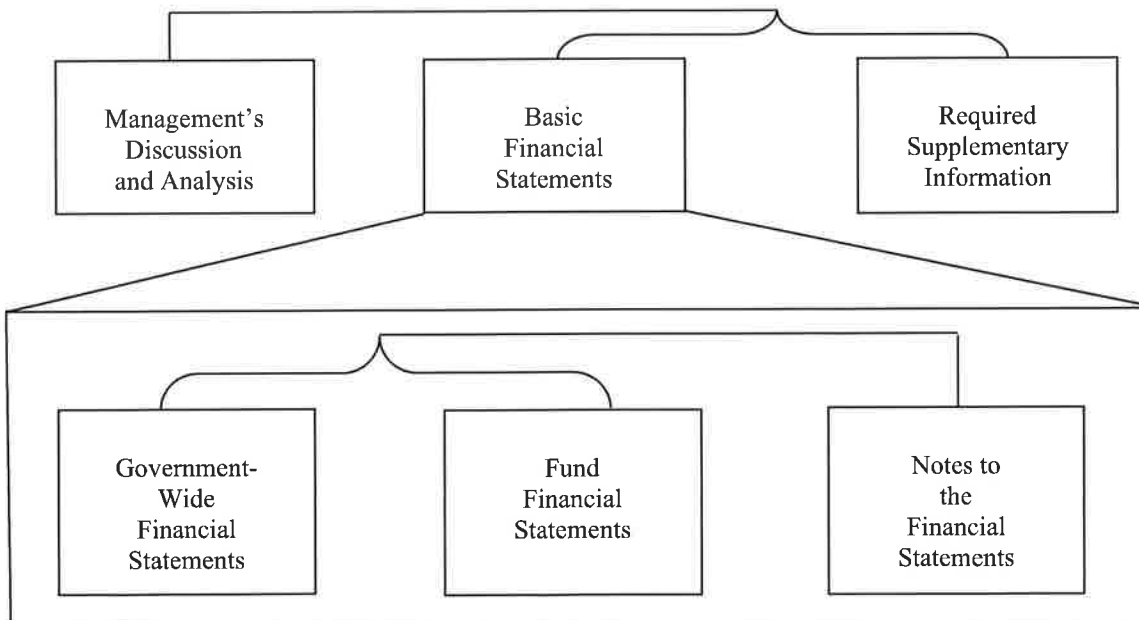
Assigned to:	
Future OPEB liability	1,384,212
Future special education legal obligations	103,501
Unassigned	<u>105,080,713</u>
Total Fund Balance	<u>\$ 188,288,825</u>

USING THE BASIC FINANCIAL STATEMENTS

This Basic Financial Statements consists of the Management's Discussion and Analysis and a series of financial statements and notes to those statements. The Statement of Net Position and Statement of Activities, on pages 26 and 27, provide information about the activities of the School as a whole and present a longer-term view of the School's financial position. Fund Financial Statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. There are two parts to the Fund Financial Statements: 1) the governmental fund statements; and 2) the proprietary fund statements. Lastly, the financial statements include notes that explain some of the information in the financial statements and provide more detailed data.

Table A-1 shows how the required parts of the Financial Section are arranged and relate to one another.

Table A-1
 Required Components of Pennsylvania Cyber Charter School's
 Financial Report



THE PENNSYLVANIA CYBER CHARTER SCHOOL
Management's Discussion and Analysis
Required Supplementary Information
June 30, 2022

REPORTING THE SCHOOL AS A WHOLE

Statement of Net Position and the Statement of Activities

While this document contains the funds used by the School to provide programs and activities, the view of the School as a whole looks at all financial transactions and asks the question, "How did we do financially during Fiscal Year Ended June 30, 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School's net position and changes in net position. This change in net position is important because it tells the reader, for the School as a whole, whether the financial position of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the current charter school laws in Pennsylvania concerning funding, availability of facilities, required educational programs, mandated services and other factors.

OVERVIEW OF FINANCIAL STATEMENTS

Government-Wide Statements

The government-wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all the School's assets and liabilities. All the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the School's net position and how it has changed. Net position, the difference between the School's assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the School's financial health or position.

Over time, increases or decreases in the School's net position is an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the School, you need to consider additional non-financial factors, such as changes in the School's enrollment (growth) and the academic achievement of the students.

In the Statement of Net Position and the Statement of Activities, the School shows the following kinds of activities:

- Governmental activities – Most of the School's basic services are included here, such as instruction, support services, operation and maintenance of plant, and administrative services. Tuition, state and federal subsidies and grants finance most of these activities.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Management's Discussion and Analysis
Required Supplementary Information
June 30, 2022

REPORTING THE CHARTER SCHOOL'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Fund financial statements provide detailed information about the most significant funds - not the School as a whole. Some funds are required by state law.

Governmental fund – Most of the School's activities are reported in the general fund, which focuses on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The general fund statements provide a detailed short-term view of the School's operations and the services it provides. General fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental fund is reflected in reconciliations on pages 29 and 31.

Proprietary fund – The School maintains one proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the School's various functions. The School uses the internal service fund to account for its self-funded health insurance. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

The School's total net position was \$103,250,569 at June 30, 2022 and \$65,416,160 at June 30, 2021.

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Current assets	\$ 203,689,638	\$ 163,095,635
Capital assets	46,403,484	39,719,499
Other noncurrent assets	<u>4,336,121</u>	<u>5,001,757</u>
Total Assets	254,429,243	207,816,891
Deferred Outflows of Resources	40,669,178	37,411,749
Current liabilities	12,151,530	10,730,527
Noncurrent liabilities	<u>155,127,038</u>	<u>164,959,209</u>
Total Liabilities	167,278,568	175,689,736
Deferred Inflows of Resources	<u>24,569,284</u>	<u>4,122,744</u>
Net investment in capital assets	40,800,597	39,134,687
Unrestricted	<u>62,449,972</u>	<u>26,281,473</u>
Total Net Position	<u><u>\$ 103,250,569</u></u>	<u><u>\$ 65,416,160</u></u>

Total current assets increased by \$40,594,003 leading to an overall increase in total assets of \$46,612,352 from the prior year. In addition, total liabilities decreased by \$8,411,168 while total net position increased by \$37,834,409. The increase in net position was higher than budgeted. Overall, the School's financial position has improved.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Management's Discussion and Analysis
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FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE (continued)

The majority of the decrease in total liabilities relates to the School's proportionate share of the PSERS net pension liability. The deferred outflows of resources and deferred inflows of resources are a result of recording the net pension liability and net OPEB liability in accordance with GASB 68 and 75, respectively. For more information on this, see the notes to the financial statements.

The results of this year's operations as a whole are reported in the Statement of Activities on page 27. All operating expenses are reported in the first column. Specific charges, grants, revenues, and subsidies that directly relate to specific expense categories are presented to determine the final amount of the School's activities that are supported by other general revenues. The largest general revenue is tuition charged to local educational agencies for enrolled students residing in those educational agencies.

Total revenue increased \$6,376,290 (3.36%) while total expenses only increased by \$3,974,364 (2.58%) leading to a positive increase in net position. The increase in revenue was due to an increase in the average reimbursement rate per student of \$735 (4.67%). The School has consistently had an increase in net position since the year ended June 30, 2018 due primarily to increased enrollment and increasing reimbursement rates.

Table A-2 takes the information from the Statement of Activities, rearranges it slightly, so you can see total revenues for the year. Prior year information is also provided for a comparative analysis of government-wide data.

Table A-2
Changes in Net Position
Fiscal Years Ended June 30, 2022 and June 30, 2021

	June 30, 2022	June 30, 2021
Revenues		
<u>Program revenues:</u>		
Operating grants and contributions	\$ 9,820,218	\$ 8,021,669
<u>General revenues:</u>		
Payments from local educational agencies	187,028,447	180,537,690
Investment (loss) earnings	(1,069,331)	298,740
Other income (expenses), net	145,883	690,828
Total Revenues	195,925,217	189,548,927
Expenses		
Instructional services	104,897,386	101,414,282
Support services	47,241,723	47,245,806
Non-instructional services	607,610	188,525
Unallocated depreciation	5,344,089	5,267,831
Total Expenses	158,090,808	154,116,444
Increase in Net Position	37,834,409	35,432,483
Net Position, Beginning	65,416,160	29,983,677
Net Position, Ending	\$ 103,250,569	\$ 65,416,160

THE PENNSYLVANIA CYBER CHARTER SCHOOL
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FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE (continued)

The tables below present the expenses of the Governmental Activities of the School.

Tables A-3 and A-4 show the School's four largest functions - instructional services, support services, non-instructional services and unallocated depreciation as well as each program's net cost (total cost less revenues generated by or restricted for the activities). These tables also show the remaining financial needs supported by local and other miscellaneous revenues. Prior year information is again provided to allow for a comparative analysis.

Table A-3
Fiscal Year Ended June 30, 2022
Governmental Activities

<u>Function/Programs</u>	<u>Total Cost of Service</u>	<u>Net Cost of Services</u>
Instructional services	\$ 104,897,386	\$ 98,067,534
Support services	47,241,723	44,292,101
Non-instructional services	607,610	566,866
Unallocated depreciation	5,344,089	5,344,089
Total Governmental Activities	<u><u>\$ 158,090,808</u></u>	<u>148,270,590</u>
 Total Needs from Local and Other Revenues		 <u><u>\$ 148,270,590</u></u>

Table A-4
Fiscal Year Ended June 30, 2021
Governmental Activities

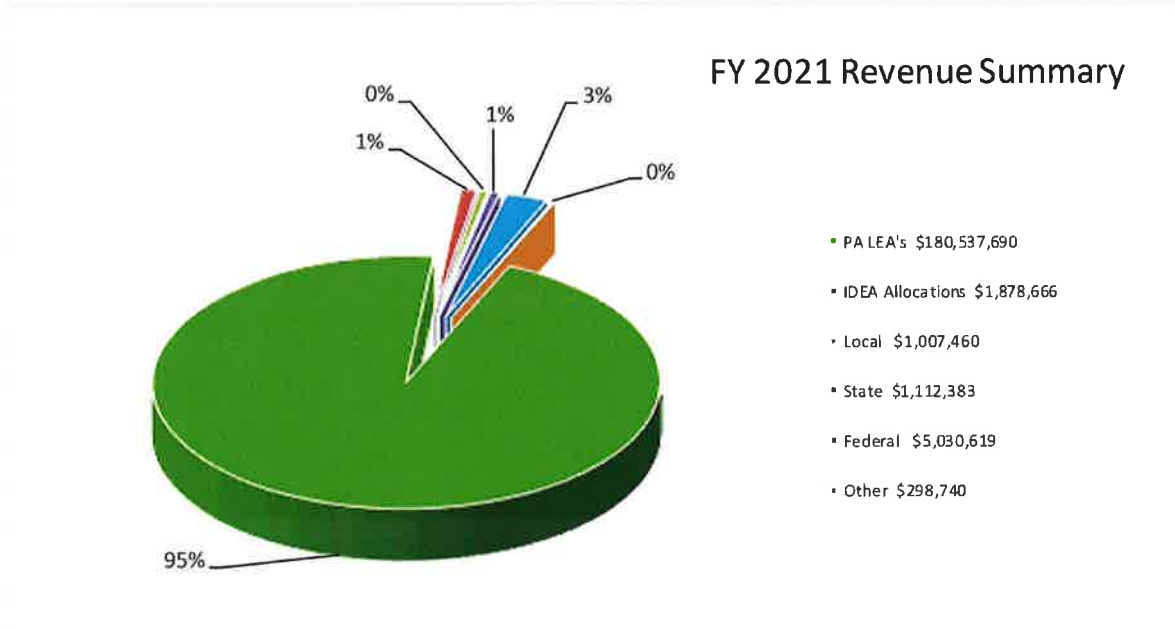
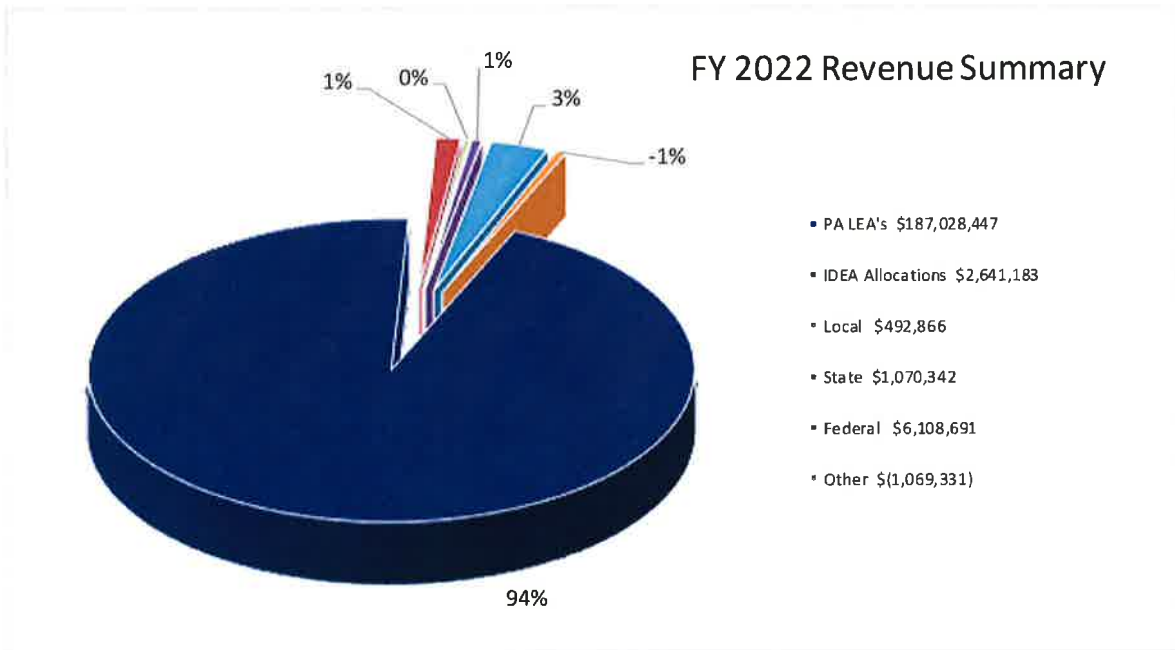
<u>Function/Programs</u>	<u>Total Cost of Service</u>	<u>Net Cost of Services</u>
Instructional services	\$ 101,414,282	\$ 96,114,067
Support services	47,245,806	44,647,297
Non-instructional services	188,525	65,580
Unallocated depreciation	5,267,831	5,267,831
Total Governmental Activities	<u><u>\$ 154,116,444</u></u>	<u>146,094,775</u>
 Total Needs from Local and Other Revenues		 <u><u>\$ 146,094,775</u></u>

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Management's Discussion and Analysis
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THE SCHOOL'S FUNDS

General Fund

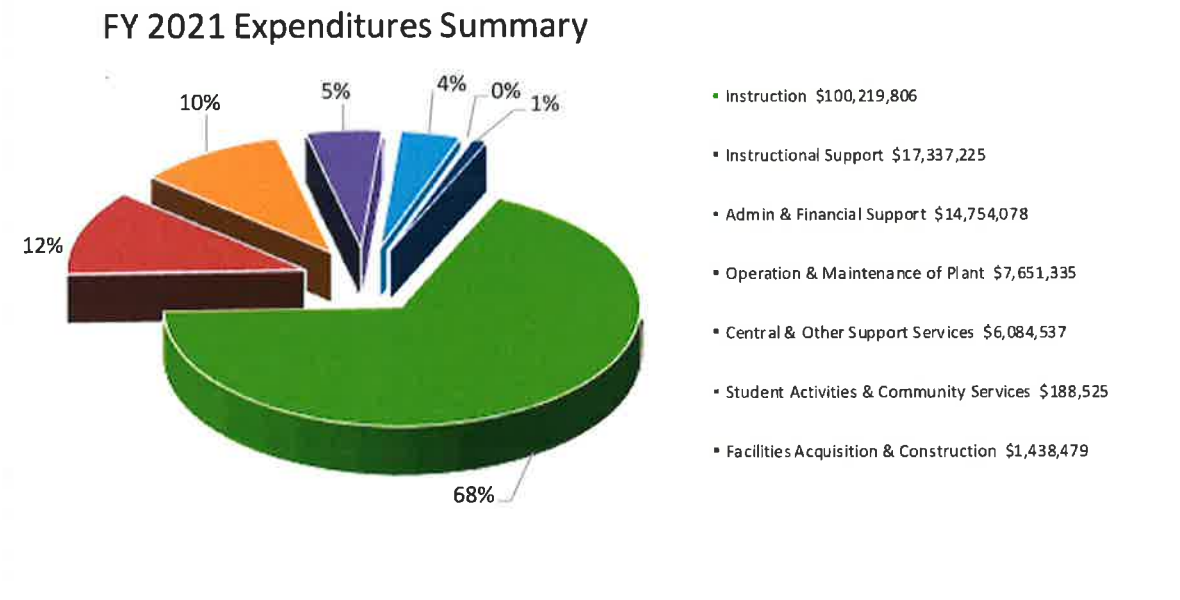
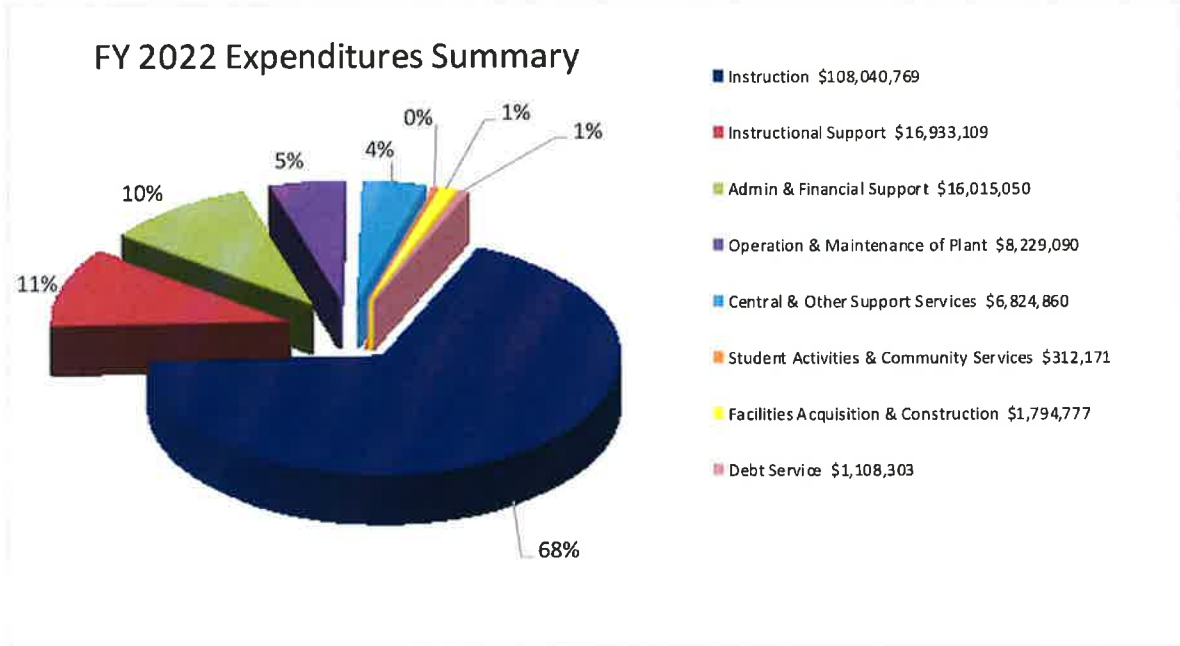
The General Fund, which accounts for the School's operations, had an unassigned fund balance of \$105,080,713, as noted on page 28. This represents an increase of \$41,772,318 from 2020-2021 operations. This increase was mainly due to a Net Change in Fund Balance of \$38,512,031.



THE PENNSYLVANIA CYBER CHARTER SCHOOL
Management's Discussion and Analysis
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THE SCHOOL'S FUNDS (continued)

General Fund (continued)



As noted in the revenue and expenditures summaries above the makeup of revenues and expenditures have remained consistent. Revenues increased \$6,406,640 (3.37%) while expenditures increased \$11,584,144 (7.84%). The increase in revenues was due to an increase in both tuition revenue and federal funds received. The average reimbursement rate was \$16,480 per student compared to \$15,745 in the prior year. Although expenditures increased more than revenues the School had a Net Change in Fund Balance of \$38,512,031 as compared to \$42,216,024 for the fiscal year ended June 30, 2021. The School has consistently had a positive change in fund balance since the fiscal year ended June 30, 2016.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
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THE SCHOOL'S FUNDS (continued)

Budgeting Highlights

The School's budget is prepared according to Pennsylvania law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The only budgeted fund is the General Fund.

For the General Operating Fund, budgeted revenue and other financing sources were in the amount of \$204,581,546. Actual revenues and other financing sources were less than this budget amount by \$6,811,386. The expenditures were budgeted at \$175,688,034. Actual expenditures were less than budgeted expenditures by approximately \$16,429,905. A schedule showing the School's original and final budget amounts compared to actual amounts is provided on page 61.

The COVID-19 Pandemic continued to impact the school's operations during the 2021/2022 school year with respect to enrollment, federal program revenues, and expenditures. During the 2021/2022 fiscal year, PA Cyber experienced an increase in fund balance of the General Fund and net position. Nevertheless, the school experienced a decrease in both total revenues and total expenditures.

The school budgeted for receipt of monies associated with COVID-19 Pandemic relief through the Coronavirus Response and Relief Supplemental Appropriations Act which included the Elementary and Secondary School Emergency Relief Fund (ESSER II Funds). At the time the budget was developed and finalized, there was uncertainty regarding ESSER II Funds because guidelines for the funds were not fully developed. Nevertheless, according to the Pennsylvania school code, school districts must pass a final budget by June 30 each year. Several months later after the budget was developed and approved, the school did not apply for ESSER II Funds. This led to the reduction in federal program revenues.

Also, in terms of revenues, the school experienced a slight decrease in enrollment for the first three months of the 2021/2022 school year compared to the budgeted forecast. Yet, after this time frame, revenues from school districts were on target so the effect of the slight decrease in enrollment was only a 1.4% decrease in local revenues for the 2021/2022 school year.

In terms of expenditures, there were several main areas which explain why actual expenses were less than budgeted expenses. These areas are salaries/benefits, facilities construction, and professional services. With respect to salaries/benefits, PA Cyber budgeted for additional positions that were anticipated to be filled during the 2021/2022 school year. To be succinct, many hires were delayed while other open positions were not filled during the 2021/2022 school year. These open positions will be filled during the 2022/2023 school year.

PA Cyber also budgeted monies for multi-million-dollar renovation projects for four of its facilities located in Midland, PA. The projects were scheduled to begin during the 2021-2022 school year. However, the start date of the projects were delayed. The school during the 2022 year began negotiations to acquire additional property and will be constructing a facility to meet its needs. The school intends to follow through with the four renovation projects to its existing facilities. However, these projects will be delayed until the new facility is completed.

Another construction/renovation project was scheduled for a newly leased regional office in Harrisburg was delayed. The reason for this delay is that it unexpectedly took much longer to secure a new location for this location and as a result the retrofit of the new location to meet the school's requirements was delayed.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Management's Discussion and Analysis
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THE SCHOOL'S FUNDS (continued)

Budgeting Highlights (continued)

Finally, expenditures associated with student testing unexpectedly declined. The reason is that the testing session was postponed from the 2021-2022 school year to the 2022-2023 school year.

During the 2021/2022 school year, monies were budgeted for professional services. As a result of the pandemic, the services were not utilized for such activities associated with construction/renovation projects, marketing initiatives and upgrades to technology infrastructure.

Therefore, both internal and external factors led to the positive variance associated with expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2022, the School's Governmental Activities had \$40,800,597 invested in a broad range of capital assets, including land, buildings and improvements, furniture and equipment, right-to-use assets and construction in progress. This amount represents a net increase of \$1,665,910 from last year. The increase in capital assets is primarily due to the addition of right-to-use assets recorded due to the implementation of GASB No. 87. More detailed information regarding the School's capital assets is included in the Notes to the Financial Statements (Note 6).

Leases

During the fiscal year ended June 30, 2022, the School implemented GASB Statement No. 87, *Leases* and on July 1, 2021, recognized a lease liability of \$4,983,585 and right-to-use assets totaling \$4,983,585. As of June 30, 2022, right-to-use assets totaling \$6,415,752 and the total lease obligation was \$5,602,887. The current portion of the lease obligation is \$802,179.

Debt Administration

As of June 30, 2022, the School had no outstanding debt.

ECONOMIC FACTORS AND BUDGETS

Though the cyber charter school concept is now widely-accepted as a viable and indeed necessary educational model, the issue concerning how cyber charter schools are funded will likely remain contentious in the foreseeable future. Nevertheless, the demand for the type and quality of services provided by the School continues to grow. The success of the School has created hundreds of new jobs in and around the community of Midland, PA as more professional and support staff are needed to serve the growing roster of students. As a state-wide school, the School is also establishing a physical presence in key areas across Pennsylvania. Furthermore, the innovations – technological and educational – pioneered by the School, are helping to establish Pennsylvania as a leader in the development of 21st century learning strategies for public education.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Management's Discussion and Analysis
Required Supplementary Information
June 30, 2022

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT DEPARTMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students and creditors with a general overview of the School's finances and to show the Board of Trustees accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Matthew Schulte, Chief Financial Officer, at Pennsylvania Cyber Charter School, 652 Midland Avenue, Midland, Pennsylvania 15059.

Basic Financial Statements

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Statement of Net Position

June 30, 2022

<u>ASSETS</u>	<u>Governmental Activities</u>
Current Assets	
Cash and cash equivalents	\$ 150,605,368
Investments	33,897,933
Intergovernmental receivables, net	17,787,061
Other receivables	359,316
Current portion of note receivable	340,000
Deposits	90,480
Prepays	609,480
Total Current Assets	203,689,638
Noncurrent Assets	
Land	1,101,631
Buildings and improvements (net of depreciation)	26,465,650
Furniture and equipment (net of depreciation)	1,594,859
Computer equipment (net of depreciation)	9,964,113
Right-to-use assets (net of amortization)	5,445,635
Construction in progress	1,831,596
Deposits	173,169
Other receivables	82,952
Note receivable, net of current portion	4,080,000
Total Noncurrent Assets	50,739,605
Total Assets	254,429,243
Deferred Outflows of Resources	40,669,178
<u>LIABILITIES</u>	
Current Liabilities	
Intergovernmental payables	407,885
Accounts payable	2,912,870
Claims and judgments payable	103,501
Accrued salaries and benefits	2,085,088
Retirement payable	4,825,263
Other payables	2,200
Accrued healthcare costs	1,012,544
Current portion of lease obligation	802,179
Total Current Liabilities	12,151,530
Noncurrent Liabilities	
Net pension liability	140,824,584
Net OPEB liability	9,501,746
Lease obligation net of current portion	4,800,708
Total Noncurrent Liabilities	155,127,038
Total Liabilities	167,278,568
Deferred Inflows of Resources	24,569,284
<u>NET POSITION</u>	
Net investment in capital assets	40,800,597
Unrestricted net position	62,449,972
Total Net Position	\$ 103,250,569

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Statement of Activities
Fiscal Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental Activities					
Instructional Services					
Regular instruction	\$ 67,155,439	\$ -	\$ 3,936,915	\$ -	\$ (63,218,524)
Special instruction	35,979,599	-	2,892,937	-	(33,086,662)
Vocational instruction	-	-	-	-	-
Other instructional programs	1,738,201	-	-	-	(1,738,201)
Higher education programs	24,147	-	-	-	(24,147)
Total Instructional Services	104,897,386	-	6,829,852	-	(98,067,534)
Support Services					
Pupil personnel	13,530,179	-	630,587	-	(12,899,592)
Instructional staff	3,782,772	-	1,362,494	-	(2,420,278)
Administration	7,923,937	-	530,011	-	(7,393,926)
Pupil health	862,194	-	133,832	-	(728,362)
Business services	7,294,657	-	-	-	(7,294,657)
Operation of plant and maintenance services	7,028,229	-	80,085	-	(6,948,144)
Student transportation services	-	-	-	-	-
Support services - central	6,819,755	-	212,613	-	(6,607,142)
Total Support Services	47,241,723	-	2,949,622	-	(44,292,101)
Non-Instructional Services					
Student activities	269,927	-	-	-	(269,927)
Food services	-	-	-	-	-
Community services	42,244	-	40,744	-	(1,500)
Facilities	-	-	-	-	-
Interest on long-term debt	295,439	-	-	-	(295,439)
Other expense	-	-	-	-	-
Unallocated depreciation expense	5,344,089	-	-	-	(5,344,089)
Total Non-Instructional Services	5,951,699	-	40,744	-	(5,910,955)
Total Governmental Activities	\$ 158,090,808	\$ -	\$ 9,820,218	\$ -	(148,270,590)
General Revenues:					
Payments from local educational agencies					187,028,447
Investment loss					(1,069,331)
Loss on disposal of capital assets					(6,981)
Miscellaneous income					152,864
Total General Revenues					186,104,999
Change in Net Position					
					37,834,409
Net Position - July 1, 2021					65,416,160
Net Position - June 30, 2022					\$ 103,250,569

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Balance Sheet – Governmental Fund
June 30, 2022

	General Fund
<u>ASSETS</u>	
Cash and cash equivalents	\$ 145,771,219
Investments	33,897,933
Intergovernmental receivables, net	17,787,061
Other receivables	203,461
Deposits	263,649
Prepays	598,808
Total Assets	\$ 198,522,131
<u>LIABILITIES</u>	
Accounts payable	\$ 2,912,870
Accrued salaries and benefits	2,085,088
Intergovernmental payable	407,885
Retirement payable	4,825,263
Other payables	2,200
Total Liabilities	10,233,306
<u>FUND BALANCE</u>	
Nonspendable	
Prepays and deposits	862,457
Spendable	
Committed to:	
Future PSERS retirement rate increases	28,373,743
Future healthcare cost increases	10,468,988
Lease obligations	9,826,211
Stabilization fund	32,189,000
Assigned to:	
Future OPEB liability	1,384,212
Future special education legal obligations	103,501
Unassigned	105,080,713
Total Fund Balance	188,288,825
Total Liabilities and Fund Balance	\$ 198,522,131

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
Fiscal Year Ended June 30, 2022

TOTAL FUND BALANCE - GOVERNMENTAL FUND \$ 188,288,825

Amounts reported for *governmental activities* in the statement of net position are different because:

Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental fund.

Cost of all capital assets	\$ 77,158,184	
Less: accumulated depreciation	<u>(30,754,700)</u>	46,403,484

Note receivable is utilized in the governmental activities as a financial resource and is not reported as an asset in the governmental fund.

Current portion	340,000
Long-term portion	4,080,000

Certain liabilities are not due and payable in the current period and therefore are not reported on the government fund.

Net OPEB liability	(9,501,746)
Claims and judgments payable	(103,501)
Net pension liability	(140,824,584)
Lease obligations	(5,602,887)

Deferred outflows of resources related to the School's net pension and OPEB liabilities.	40,669,178
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Deferred inflows of resources related to the School's net pension and OPEB liabilities.	(24,569,284)
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The internal service fund is used by management to account for medical benefits of the School's employees. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	<u>4,071,084</u>
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TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 103,250,569**

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund
Fiscal Year Ended June 30, 2022

	General Fund
<u>REVENUES</u>	
Local sources	\$ 189,093,165
State sources	1,070,342
Federal sources	6,108,691
Total Revenues	196,272,198
<u>EXPENDITURES</u>	
Instructional services	108,040,769
Support services	48,002,109
Non-instructional services	312,171
Capital outlay	1,794,777
Debt service:	
Principal	812,864
Interest	295,439
Total Expenditures	159,258,129
Excess of Revenues Over Expenditures	37,014,069
<u>OTHER FINANCING SOURCES</u>	
Proceeds from financing leases	1,432,167
Proceeds from disposal of capital assets	65,795
Total Other Financing Sources	1,497,962
Net Change in Fund Balance	38,512,031
Fund Balance - July 1, 2021	149,776,794
Fund Balance - June 30, 2022	\$ 188,288,825

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Reconciliation of Governmental Fund –
Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
Fiscal Year Ended June 30, 2022

NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND \$ 38,512,031

Amounts reported for *governmental activities* in the statement of activities are different because:

Capital outlays are reported in the governmental fund as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Add: capital outlays	\$ 8,199,134	
Less: depreciation and amortization expense	<u>(6,314,206)</u>	1,884,928

The governmental fund reports proceeds from the sale of property and equipment as revenue. However, in the statement of activities, only the gain or loss (proceeds less depreciated cost) is recognized from the sale of capital assets. This is the amount by which the net book value exceeded sales proceeds.

(72,776)

The issuance of notes payable provides current financial resources to the governmental fund, while repayment of the principal consumes the current financial resources of the governmental fund. Neither transaction, however, has any effect on the change in net position. This amount is the net effect of these differences in the treatment of notes payable and related items:

Proceeds from financing leases	\$ (1,432,167)	
Principal payments on lease obligations	<u>812,864</u>	(619,303)

The portion of the notes receivable which was received in the current year is treated as revenue on the fund statements, while, on the government-wide statements, it is treated as a reduction to notes receivable.

(340,000)

Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund.

Other postemployment benefits expense		(69,242)
Pension expense		(2,589,210)

Difference in amount expensed on the statement of activities for claims and judgments due to the timing of when the liability is recognized.

148,284

The internal service fund is used by management to account for medical benefits of the School's employees. The change in net position of the internal service is reported with governmental activities.

979,697

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 37,834,409**

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Statement of Net Position – Proprietary Fund
June 30, 2022

	Governmental Activities - Internal Service Fund	Health Insurance Fund
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 4,834,149	
Other receivables	238,807	
Prepaid expenses	<u>10,672</u>	
Total Assets	5,083,628	
<u>LIABILITIES</u>		
Current Liabilities		
Accrued healthcare costs	<u>1,012,544</u>	
Total Liabilities	<u>1,012,544</u>	
<u>NET POSITION</u>		
Unrestricted	\$ <u>4,071,084</u>	

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund
Fiscal Year Ended June 30, 2022

	Governmental Activities - Internal Service Fund	Health Insurance Fund
<u>OPERATING REVENUES</u>		
Charges for services	\$ 14,906,118	
Total Operating Revenues	14,906,118	
<u>OPERATING EXPENSES</u>		
Cost of services	12,876,167	
Administrative	1,050,254	
Total Operating Expenses	13,926,421	
Operating Income	979,697	
<u>OPERATING TRANSFERS</u>		
Transfers from general fund	-	
Change in Net Position	979,697	
Net Position - July 1, 2021	3,091,387	
Net Position - June 30, 2022	\$ 4,071,084	

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Statement of Cash Flows – Proprietary Fund
Fiscal Year Ended June 30, 2022

	Governmental Activities - Internal Service Fund	Health Insurance Fund
<u>Cash Flows from Operating Activities</u>		
Receipts from interfund services provided	\$ 14,906,118	
Payments to suppliers, net		<u>(14,076,714)</u>
Net Cash Provided by Operating Activities		<u>829,404</u>
Net Increase in Cash and Cash Equivalents		829,404
Cash and Cash Equivalents - July 1, 2021		<u>4,004,745</u>
Cash and Cash Equivalents - June 30, 2022	\$	<u><u>4,834,149</u></u>
 <u>Reconciliation of Change in Net Position to Net Cash Provided by</u>		
<u>Operating Activities:</u>		
Operating Income	\$ 979,697	
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in operating assets and liabilities		
Increase in other receivables		(67,214)
Decrease in prepaid expenses		43
Decrease in accrued healthcare costs		<u>(83,122)</u>
Net Cash Provided by Operating Activities	\$	<u><u>829,404</u></u>

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Notes to the Financial Statements

Fiscal Year Ended June 30, 2022

NOTE 1 - REPORTING ENTITY

The Pennsylvania Cyber Charter School (the School) was formed under the laws of the state of Pennsylvania to provide elementary and secondary education to students through a computer managed learning system designed to meet individual students' needs and styles.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the School are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School. For the School, this includes general operations.

Component units are legally separate organizations for which the School is financially accountable. The School is financially accountable for an organization if the School appoints a voting majority of the organization's governing board and (1) the School is able to significantly influence the programs or services performed or provided by the organization; or (2) the School is legally entitled to or can otherwise access the organization's resources; the School is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School in that the School approves the budget or the issuance of debt. The School does not have any component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School have been prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP and used by the School are described below.

A. Basis of Presentation

The School's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide financial statements – The statement of net position and the statement of activities display information about the School. These statements include the financial activities of the overall government.

The statement of net position presents the financial condition of the governmental and business-type activities of the School at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program.

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Notes to the Financial Statements

Fiscal Year Ended June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation (continued)

Revenues which are not classified as program revenues are presented as general revenues of the School, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business activity or governmental function is self-financing or draws from the general revenues of the School.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Fund financial statements – During the year, the School segregates transactions related to certain School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds, if any, are aggregated and presented in a single column. The fiduciary funds, if any, are reported by type.

Proprietary fund financial statements – The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private-sector. The School reports the internal service fund as a proprietary fund. An internal service fund accounts for operations that provide services to other departments of the School on a cost reimbursement basis. The Health Insurance Fund accounts for the employees' self-insured medical, dental and vision benefits. Because the principal users of the internal services are the School's governmental activities, the financial statements of the internal service fund are consolidated into the governmental column when presented in the government-wide financial statements.

B. Measurement Focus/Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The School uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, post-employment healthcare benefits and pensions, are recorded only when payment is due.

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Notes to the Financial Statements

Fiscal Year Ended June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus/Basis of Accounting (continued)

The School reports the following major governmental fund:

General Fund - The General Fund is the operating fund of the School and is used to account for all financial resources except those required to be accounted for in another fund.

Additionally, the School reports the following proprietary fund type:

Internal Service Fund - accounts for risk management and health insurance costs provided to departments of the School.

C. Budgetary Process

The School passed an appropriated budget for the fiscal year ending June 30, 2022 with revenues totaling \$204,581,546 and expenditures totaling \$175,688,034.

The School is required by state law to adopt an annual budget for the General Fund. The budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. The School prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. The School adopts a proposed budget, after ten days' public notice of the meeting has been given.
3. Prior to July 1, the budget is legally enacted via resolution of the School.
4. The Budget for the general fund must be filed with the Office of Public Instruction within fifteen (15) days after the adoption of the budget.

Final Budget: The final budget for each year must be adopted (via Board vote) by June 30 of the preceding school fiscal year.

Once the budget is approved, it can be amended at the Function and Fund level only by approval of a majority of the members of the Board.

D. Cash and Cash Equivalents

The School's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, not included in investments.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Investments and Fair Value Measurement

Investments are recorded at fair value, net asset value or amortized cost in accordance with GASB. Investments consist of certificates of deposit, bonds, U.S. Treasury notes, or other short-term investments. The School complies with the investment guidelines set forth by the Pennsylvania School Code.

The School categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School has the following recurring fair value measurements as of June 30, 2022:

- Direct obligations of the U.S. Government, Government Sponsored Enterprise Securities, U.S. Treasury Securities, and Municipal Bonds are valued using quoted market prices (Level 1 inputs).
- Certificates of deposit are valued based on the cost of the investment plus interest receivable at the stated interest rate (Level 2 inputs).

Below is a summary of investments measured at fair value as of June 30, 2022:

U.S. Treasury Securities	\$	1,706,780
Government Sponsored Enterprise Securities		2,379,780
Direct Obligations of the U.S. Government		700,743
Municipal Bonds		4,096,005
Certificate of Deposits		<u>25,014,625</u>
 Total Investments Measured at Fair Value	 \$	 <u><u>33,897,933</u></u>

Money market funds totaling \$115,627,734 at June 30, 2022 included in cash and cash equivalents, are valued at net asset value per share as provided by GASB Statement No.72. There are no restrictions on withdrawals and no deposit requirements.

F. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are offset against each other in the governmental activities column of the statement of net position, except for amounts due to/from other funds which are not presented in the statement of net position. There were no interfund transfers during the fiscal year ending June 30, 2022.

G. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities’ column of the government-wide statement of net position but are not reported in the fund financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets (continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art and similar items, and capital assets received in service concession arrangements are reported at acquisition value rather than fair value. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Buildings and Improvements	10 - 40 years
Furniture and Equipment	3 - 15 years
Computer Equipment	3 years

The School has recorded right-to-use lease assets as a result of implementing GASB 87. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

H. Compensated Absences

The School has no compensated absences as of June 30, 2022.

I. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year.

J. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms and investments are reported at fair value.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Pension (continued)

General Information about the Pension Plan

Plan description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania (System). The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Benefits provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2.0% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members, whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2.0% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Pension (continued)

Contributions

The contribution rates based on qualified member compensation for virtually all members are presented below:

Member Contribution Rates				
Membership Class	Continuous Employments Since	Defined Benefit (DB) Contribution	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
				6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	7.50%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	10.30%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	8.25%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	7.50%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

Shared Risk Program Summary				
Membership Class	Defined Benefit (DB) Base Rate	Shared Risk Increment	Minimum	Maximum
T-E	7.50%	+/- 0.50%	5.50%	9.50%
T-F	10.30%	+/- 0.50%	8.30%	12.30%
T-G	5.50%	+/- 0.75%	2.50%	8.50%
T-H	4.50%	+/- 0.75%	1.50%	7.50%

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Pension (continued)

Employer Contributions:

The School's contractually required contribution rate for fiscal year ended June 30, 2022 was 33.99% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions payable to the pension plan from the School were \$17,337,940 for the fiscal year ended June 30, 2022.

K. Other Postemployment Benefits (OPEB)

PSERS OPEB Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the PSERS and additions to/deductions from PSERS' fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Health Insurance Premium Assistance Program

PSERS provides Premium Assistance, which is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program (HOP). As of June 30, 2021, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

Retirees of the System can participate in the Premium Assistance program if they have 24 ½ or more years of service, are a disability retiree, or have 15 or more years of service and retired after reaching superannuation age and participate in the HOP or employer-sponsored health insurance program. Class DC members may participate if they attain Medicare eligibility with 24 ½ or more eligibility points, or have 15 or more eligibility points, terminated after the age of 67, and have received all or part of their distributions.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Other Postemployment Benefits (OPEB) (continued)

PSERS OPEB Plan

Employer Contributions

The School's contractually required contribution rate for fiscal year ended June 30, 2022 was 0.80% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School were \$408,072 for the fiscal year ended June 30, 2022.

L. Fund Balance Classifications

GASB Code Section 1800 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, deposits, and inventories.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

Restricted – Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed – Fund balances that contain self-imposed constraints of the government from its highest level of decision making authority (Board of Trustees). The board of trustees may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as a majority vote or resolution. These committed amounts cannot be used for any other purpose unless the board of trustees removes or changes the specific use through the same type of formal action taken to establish the commitment. The board's action to commit fund balance needs to occur within the fiscal reporting period, no later than June 30th; however, the amount can be determined subsequent to the release of the financial statements.

Assigned – Fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The Board has delegated the Board Treasurer the authority to assign fund balance for specific purposes.

Unassigned – Fund balance of the general fund that is not constrained for any purpose.

Prioritization of Fund Balance Use

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the School to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the School that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Change in Accounting Principle

Effective July 1, 2021, the School adopted the new lease accounting guidance in GASB Statement No. 87, *Leases*. As a result of the adoption of the new lease accounting guidance, the School recognized on July 1, 2021 (a) a lease liability of \$4,983,585, which represents the present value of the remaining lease payments discounted using the School's incremental borrowing rate of 5%, and (b) right-to-use assets totaling \$4,983,585.

NOTE 3 - CASH AND CASH EQUIVALENTS

Under Section 440.1 of the Public School Code for 1949, as amended, the School is permitted to invest funds consistent with sound business practices in the following types of investments:

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Deposits in savings accounts, time deposits, or share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.

The deposit and investment policy of the School adheres to state statutes and prudent business practices. Deposits of the governmental funds are either maintained in demand deposits or savings accounts, certificates of deposit, or cash equivalents. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the School.

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Notes to the Financial Statements

Fiscal Year Ended June 30, 2022

NOTE 3 - CASH AND CASH EQUIVALENTS (continued)

The following is a description of the School's deposit and investment risks:

Custodial Credit Risk – The risk that in the event of a bank failure, the School's deposits may not be returned to it. The School does not have a formal deposit policy for custodial credit risk. As of June 30, 2022, \$155,967,392 of the School's bank balance of \$156,226,714 was exposed to custodial credit risk, however this balance is collateralized in accordance with Act 72 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits have a carrying amount of \$150,605,368 as of June 30, 2022.

Concentration of Credit Risk – School deposits greater than five percent of total School deposits were with First National Bank as follows, at June 30, 2022:

First National Bank	\$ 150,596,046	99.99%
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NOTE 4 - INVESTMENTS

Interest Rate Risk – Interest rate risk arises from investments and is defined as "the risk that changes in interest rates will adversely affect the fair value of the investment." According to the School's investment policy, the highest priority is safety of principal. Preservation of capital in the portfolio of investments are insured through the mitigation of credit risk and interest rate risk. Investments are to be made with the objective of attaining a market average rate of return through the budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

Concentration of Credit Risk – The School places no limit on the amount the School can invest in any one issuer. More than five percent of the School's investments are in the following investments:

U.S. Treasury Securities	\$ 1,706,780
Government Sponsored Enterprise Securities	\$ 2,379,780
Certificate of deposit	\$ 16,779,870

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the School. The School is authorized by the Pennsylvania School Code 440.1(c) to invest in:

- United States Treasury bills.
- Short-term obligations of the United States Government or its agencies or instrumentalities. Short-term obligations usually refer to investments of less than 12 months.
- Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC), or The Federal Savings and Loan Insurance Corporation, or The National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and for any amounts above maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Notes to the Financial Statements

Fiscal Year Ended June 30, 2022

NOTE 4 - INVESTMENTS (continued)

Credit Risk (continued)

- Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities. Full faith and credit means the obligation is backed by the government's ability to levy taxes to repay debt. These investments include any bonds issued by the Commonwealth of Pennsylvania or any municipality or school district carrying the backing of the taxation powers of the governmental unit issuing the debt. Some investments of the federal government do not have full faith and credit backing. Fannie-Mae (FNMA) and Freddy-Mach (FNMC) bonds do not. Ginnie-Mae (GNMA) bonds do have full faith and credit backing.
- Shares of an investment company registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933 provided that the following are met:
 - * Only investments of that company are in the authorized investments for school funds listed in the categories above, and repurchase agreements fully collateralized by such investments.
 - * The investment company is managed so as to maintain its shares as a constant net asset value in accordance with 17 CFR 270 2a-7 (relating to money market funds).
 - * The investment company is rated in the highest category by a nationally recognized rating agency.

Custodial Credit Risk – is the risk that in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, the School will not be able to recover the value of its investments in collateral securities that are held in the possession of another party.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2022

NOTE 4 - INVESTMENTS (continued)

The School's balances of these investments at June 30, 2022, were not subject to custodial credit risk. These investments are collateralized, insured, or held by the counterparty's trust department or agent in the School's name.

	<u>Fair Value</u>	<u>Rating</u>	<u>No Maturity Date</u>	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>Greater Than 60 Months</u>
Investments:							
U.S. Treasury securities	\$ 1,473,137	AAA	\$ -	\$ -	\$ 972,953	\$ -	\$ 500,184
U.S. Treasury securities	233,643	N/A	-	-	-	-	233,643
Direct obligation of the U.S. Government	700,743	AAA	-	-	-	-	700,743
Government sponsored enterprise securities	2,379,780	N/A	-	-	-	1,035,996	1,343,784
Municipal bonds	600,897	A	-	-	-	49,179	551,718
Municipal bonds	3,284,387	AA	-	-	-	-	3,284,387
Municipal bonds	210,721	AAA	-	-	-	-	210,721
Certificates of deposit	<u>25,014,625</u>	N/A	-	<u>16,779,870</u>	<u>823,236</u>	<u>1,654,815</u>	<u>5,756,704</u>
Total Investments	33,897,933		-	16,779,870	1,796,189	2,739,990	12,581,884
Cash and Cash Equivalents:							
Money market funds	<u>115,627,734</u>	N/A	<u>115,627,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Included in Cash and Cash Equivalents	<u>115,627,734</u>		<u>115,627,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets Considered Investments	<u>\$ 149,525,667</u>		<u>\$ 115,627,734</u>	<u>\$ 16,779,870</u>	<u>\$ 1,796,189</u>	<u>\$ 2,739,990</u>	<u>\$ 12,581,884</u>

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Notes to the Financial Statements

Fiscal Year Ended June 30, 2022

NOTE 5 - INTERGOVERNMENTAL RECEIVABLES

Amounts due from other governments represent receivables earned by the School. At June 30, 2022, the following amounts were receivable from other governmental units.

Governmental Units:

Federal - Grant Programs	\$ 2,681,087
Local Educational Agencies, net of allowance	<u>15,105,974</u>
Totals	<u><u>\$ 17,787,061</u></u>

Allowance for Doubtful Accounts

Receivables are stated at the amount the School expects to collect. The School maintains allowances for doubtful accounts for estimated losses resulting from the inability of local education agencies (LEAs) to make required payments and PDE-363 rate disputes. Based on management's assessment, the School provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. The allowance account was approximately \$5,074,000 as of June 30, 2022.

NOTE 6 - CAPITAL ASSETS

A summary of capital assets recorded as of June 30, 2022 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Disposals/ Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 1,101,631	\$ -	\$ -	\$ 1,101,631
Construction in progress	<u>11,930,818</u>	<u>1,823,796</u>	<u>(11,923,018)</u>	<u>1,831,596</u>
Total capital assets, not being depreciated	<u>13,032,449</u>	<u>1,823,796</u>	<u>(11,923,018)</u>	<u>2,933,227</u>
Capital assets, being depreciated:				
Buildings and improvements	21,641,223	244,101	11,789,120	33,674,444
Furniture and equipment	6,037,175	324,181	(54,740)	6,306,616
Computer equipment	<u>27,392,516</u>	<u>4,263,137</u>	<u>(3,827,508)</u>	<u>27,828,145</u>
Total capital assets, being depreciated	<u>55,070,914</u>	<u>4,831,419</u>	<u>7,906,872</u>	<u>67,809,205</u>
Accumulated depreciation for:				
Buildings and improvements	(6,200,729)	(1,135,928)	127,863	(7,208,794)
Furniture and equipment	(4,291,892)	(419,865)		(4,711,757)
Computer equipment	<u>(17,891,243)</u>	<u>(3,788,296)</u>	3,815,507	<u>(17,864,032)</u>
Total accumulated depreciation	<u>(28,383,864)</u>	<u>(5,344,089)</u>	3,943,370	<u>(29,784,583)</u>
Total capital assets, being depreciated, net:	<u>26,687,050</u>	<u>(512,670)</u>	11,850,242	<u>38,024,622</u>
Right-to-use assets				
Buildings	<u>-</u>	<u>6,415,752</u>	<u>-</u>	<u>6,415,752</u>
Accumulated amortization for:				
Buildings	<u>-</u>	<u>(970,117)</u>	<u>-</u>	<u>(970,117)</u>
Total right-to-use assets, net	<u>-</u>	<u>5,445,635</u>	<u>-</u>	<u>5,445,635</u>
Governmental activities capital assets, net:	<u>\$ 39,719,499</u>	<u>\$ 6,756,761</u>	<u>\$ (72,776)</u>	<u>\$ 46,403,484</u>

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Notes to the Financial Statements

Fiscal Year Ended June 30, 2022

NOTE 6 - CAPITAL ASSETS (continued)

Depreciation expense of \$5,344,089 for the fiscal year ended June 30, 2022 was not allocated to the various functions because the property, plant and equipment serve all functions of the School. Amortization expense of \$970,117 was allocated to operation of plant and maintenance services.

NOTE 7 - NOTE RECEIVABLE

On June 30, 2009, the School and the Lincoln Park Performing Arts Center (LPPAC) agreed to cancel a prepaid lease originally signed in May 2005. Additionally, LPPAC signed a promissory note agreeing to repay the School the remaining balance of \$8,500,000 in equal installments over a period of twenty-four years through June 30, 2034. As of June 30, 2022, the balance of this note receivable is \$4,420,000.

NOTE 8 - LINE OF CREDIT

Effective June 30, 2020, the School has a \$20,000,000 revolving line of credit with First National Bank of Pennsylvania, which the School can borrow and repay funds on a secured basis at the 1-month LIBOR rate plus 1.50%. The agreement required that the School adhere to certain covenants and meet or exceed certain financial ratios. Management believes the School was in compliance with these covenants as of June 30, 2022. There was no balance outstanding as of June 30, 2022.

NOTE 9 - NET PENSION LIABILITY

At June 30, 2022, the School reported a liability of \$140,824,584 for its proportionate share of the net pension liability. The total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2020 to June 30, 2021. The School's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2022, the School's proportion was 0.3430%, which was an increase of 0.0248% from its proportionate share measured as of June 30, 2021.

For the fiscal year ended June 30, 2022, the School recognized pension expense of approximately \$19,525,000. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ 22,416,000
Difference between expected and actual experience	104,000	1,850,000
Changes in proportions	13,760,000	-
Changes in assumptions	6,830,000	-
Contributions subsequent to the measurement date	<u>17,337,940</u>	<u>-</u>
Total	<u>\$ 38,031,940</u>	<u>\$ 24,266,000</u>

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Notes to the Financial Statements

Fiscal Year Ended June 30, 2022

NOTE 9 - NET PENSION LIABILITY (continued)

The School reported \$17,337,940 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended June 30:	
2023	\$ 1,968,000
2024	1,444,000
2025	258,000
2026	(7,242,000)
Thereafter	-
	<u>\$ (3,572,000)</u>

Actuarial assumptions

The total pension liability as of the June 30, 2021, measurement date, was determined by rolling forward the System's total pension liability as of June 30, 2020 to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

- The actuarial cost method is Entry Age Normal, Level Percent of Pay.
- The Investment Rate of Return is 7.00%, including inflation of 2.50%.
- Salary growth is an effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure Total Pension Liability decreased from 7.25% as of June 30, 2020 to 7.00% as of June 30, 2021.

Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:

- Salary growth rate – decreased from 5.00% to 4.50%.
- Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
- Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2021 valuation was based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Notes to the Financial Statements

Fiscal Year Ended June 30, 2022

NOTE 9 - NET PENSION LIABILITY (continued)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	27.0%	5.2%
Private equity	12.0%	7.3%
Fixed income	35.0%	1.8%
Commodities	10.0%	2.0%
Absolute return	8.0%	3.1%
MLPs/Infrastructure	8.0%	5.1%
Real estate	10.0%	4.7%
Cash	3.0%	0.1%
Leverage	-13.0%	0.1%
	<u>100.0%</u>	

The above was PSERS' Board adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2021.

Discount rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Notes to the Financial Statements

Fiscal Year Ended June 30, 2022

NOTE 9 - NET PENSION LIABILITY (continued)

Sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate 7.00%	1% Increase <u>8.00%</u>
School's proportionate share of the net pension liability	\$ 184,837,408	\$ 140,824,584	\$ 103,697,592

Pension plan fiduciary net position

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at www.psers.pa.gov.

NOTE 10 - NET OPEB LIABILITY

PSERS OPEB Plan

At June 30, 2022, the School reported a liability of \$8,117,534 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2020 to June 30, 2021. The School's proportion of the net OPEB liability was calculated using the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2022, the School's proportion was 0.3425%, which was an increase of 0.0246% from its proportionate share measured as of June 30, 2021.

For the fiscal year ended June 30, 2022, the School recognized OPEB expense of approximately \$749,000. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ 16,000	\$ -
Difference between expected and actual experience	76,000	-
Changes in proportions	1,106,000	-
Changes in assumptions	864,000	108,000
Contributions subsequent to the measurement date	<u>408,072</u>	<u>-</u>
Total	<u>\$ 2,470,072</u>	<u>\$ 108,000</u>

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Notes to the Financial Statements

Fiscal Year Ended June 30, 2022

NOTE 10 - NET OPEB LIABILITY (continued)

The School reported \$408,072 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability during the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30:	
2023	\$ 394,000
2024	393,000
2025	429,000
2026	323,000
2027	233,000
Thereafter	182,000
	<u>\$ 1,954,000</u>

Actuarial assumptions

The total OPEB liability as of the June 30, 2021, measurement date, was determined by rolling forward the System's total OPEB liability as of June 30, 2020 to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

- The actuarial cost method is Entry Age Normal, Level percent of pay.
- The investment return is 2.18%, the S&P 20 Year Municipal Bond Rate.
- Salary growth is expected to be 4.50%, 2.00% for real wage growth, merit and seniority increases, and 2.50% expected inflation.
- Premium assistance reimbursement is capped at \$1,200 per year.
- Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rates are assumed to be 50% for eligible retirees pre-age 65, and 70% for eligible retirees post age 65.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2015.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2019 determined the employer contribution rate for fiscal year 2021.
- The cost method was determined based on the amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- The asset valuation method is Market Value.
- The participation rate is assumed to be 63% of eligible retirees electing premium assistance.
- Mortality rates were based on the Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Notes to the Financial Statements

Fiscal Year Ended June 30, 2022

NOTE 10 - NET OPEB LIABILITY (continued)

Investments consist primarily of short-term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS. Under the program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	79.8%	0.1%
U.S. Core Fixed Income	17.5%	0.7%
Non-U.S. Developed Fixed	2.7%	-0.3%
	<u>100.0%</u>	

The above was PSERS' Board adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2021.

Discount rate

The discount rate used to measure the total OPEB liability was 2.18%. Under the plan's funding policy, contributions are structured for short-term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments; therefore, the plan is considered a "pay-as-you-go" plan. A discount rate of 2.18% which represents the S&P 20-year Municipal Bond Rate at June 30, 2021, was applied to all projected benefit payments to measure the total OPEB liability.

Sensitivity of the School's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability, calculated using the discount rate of 2.18%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.18%) or 1-percentage point higher (3.18%) than the current rate:

	<u>1% Decrease 1.18%</u>	<u>Current Discount Rate 2.18%</u>	<u>1% Increase 3.18%</u>
School's proportionate share of the net OPEB liability	\$ 9,315,884	\$ 8,117,534	\$ 7,130,514

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Notes to the Financial Statements

Fiscal Year Ended June 30, 2022

NOTE 10 - NET OPEB LIABILITY (continued)

Sensitivity of the School’s proportionate share of the net OPEB liability to changes in the healthcare cost trend rates

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2021, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2021, 93,392 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2021, 611 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on healthcare cost trends as depicted below.

The following presents the net OPEB liability, calculated using current healthcare cost trends as well as what the net OPEB liability would be if it were calculated using a health cost trends rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1.0% Decrease	Healthcare Cost Trend Rate	1.0% Increase
School's proportionate share of the net OPEB liability	\$ 8,116,613	\$ 8,117,534	\$ 8,118,260

OPEB plan fiduciary net position

Detailed information about PSERS’ fiduciary net position is available in PSERS Comprehensive Annual Financial Report, which can be found on the System’s website at www.psers.pa.gov.

The School’s OPEB

General Information about the OPEB Plan

Plan description – The School’s defined benefit OPEB plan, The Pennsylvania Cyber Charter School – OPEB (PAC-OPEB), provides OPEB for all School employees retiring from the Pennsylvania Employees’ Retirement System. PAC-OPEB is a single-employer defined benefit OPEB plan administered by the School. The School’s board of trustees has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided – The retiree has the option to continue on the School’s health care plan available to active employees at his/her own expense until the retiree reaches age 65. The retiree may also obtain coverage for his/her spouse at the retiree’s expense.

Employees covered by benefit terms – At June 30, 2022, the following employees were covered by the benefit terms:

- Inactive employees or beneficiaries currently receiving benefit payments – None
- Inactive employees entitled to but not yet receiving benefit payments – None
- Active employees – 681

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2022

NOTE 10 - NET OPEB LIABILITY (continued)

Total OPEB Liability

The School's total OPEB liability of \$1,384,212 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2020.

Actuarial assumptions and other inputs – The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

A. Economic

Annual Trend Rates – 5.00%

Inflation – 2.75%

Discount rate – 2.30%

The discount rate was based on the index rate for 20-years, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

B. Demographic Assumptions

Death – RP-2014 Mortality Table

Mortality Improvement – Rates derived from the Long-Range Demographic Assumptions for the 2015 Social Security Administration's Trustee Report

Withdrawal – 175% of the rates of withdrawal used in the PSERS actuarial valuation as of June 30, 2018

Disablement – None Assumed

Retirement Age – If hired prior to July 1, 2011, earlier of age 60 with 25 years of PSERS service or age 62 with 5 years of PSERS service

If hired after June 30, 2011, the earlier of the date on which age plus services equals 92 (with a minimum of 35 years of service) or age 65

Participation – 15% of future retirees will elect to continue participating in the School's health plan upon retirement

Coverage Election Future retirees – 80% individual; 20% husband/wife

Current retiree (if any) – Continue at current coverage level until end of eligibility period

Spouse Age – Female spouse assumed to be 3 years younger than male spouse

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2022

NOTE 10 - NET OPEB LIABILITY (continued)

C. Annual Premium Costs and Other Assumptions

- Methodology: Funding rates for medical coverage for the 2020/2021 Fiscal Year were provided by the School with a separate rate calculated for each type of coverage as shown below.

Coverage Type	Annual Rate
Single	\$ 7,541.40
Two Adult	\$ 17,617.08
Parent/Child	\$ 17,617.08
Parent/Children	\$ 19,564.56
Family	\$ 20,386.08

Benefits are self-insured. The funding rates recognize recent claims history, reinsurance premiums, administrative changes and trend adjustments to the 2020/2021 Fiscal Year. Equivalent age-adjusted costs were then developed using standard aging factors.

- Age-Adjusted Costs: The following table shows the resulting assumed annual age-adjusted costs for sample ages:

Age	Per Person Cost
45	\$ 7,499.00
50	\$ 9,142.00
55	\$ 11,428.00
60	\$ 13,927.00
64	\$ 15,785.00

Changes in the Total OPEB liability

Total OPEB Liability - Beginning of Period	\$ 1,309,583
Changes for the year:	
Service cost	53,332
Estimated benefit payments	(9,936)
Interest	31,233
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	-
Net Change in Total OPEB Liability	<u>74,629</u>
Total OPEB Liability - End of Period	<u>\$ 1,384,212</u>

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2022

NOTE 10 - NET OPEB LIABILITY (continued)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the School, as well as what the School's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.30%) or 1-percentage point higher (3.30%) than the current discount rate:

	1% Decrease 1.30%	Current Discount Rate 2.30%	1% Increase 3.30%
Total of the School's OPEB Liability	\$ 1,598,304	\$ 1,384,212	\$ 1,195,667

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the School, as well as what the School's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (-1.0% from the rates disclosed above) or 1-percentage point higher (+1.0% from the rates disclosed above) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total of the School's OPEB Liability	\$ 1,126,972	\$ 1,384,212	\$ 1,704,769

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the School recognized OPEB expense of \$69,242. At June 30, 2022, the School reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 20,001	\$ 112,879
Changes in assumptions	147,165	82,405
Total	167,166	195,284
PSERS OPEB	2,470,072	108,000
Total OPEB	\$ 2,637,238	\$ 303,284

Total OPEB expense for both OPEB plans was \$816,741 for the year ended June 30, 2022.

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Notes to the Financial Statements

Fiscal Year Ended June 30, 2022

NOTE 10 - NET OPEB LIABILITY (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Fiscal Year Ended June 30:		
2023	\$	(5,387)
2024		(5,387)
2025		(5,387)
2026		(5,387)
2027		(5,387)
Thereafter		<u>(1,183)</u>
	\$	<u><u>(28,118)</u></u>

NOTE 11 - LEASES

The School has various leases for office and warehouse space that expire at various dates through July 2032, with optional renewable terms. The leases generally require the School to pay real estate taxes, insurance, repairs, and various operating costs. During the fiscal year ended June 30, 2022, the School recognized \$532,446 of expenditures for variable payments that were not previously included in the lease liability measurement.

The discount rates for leases is derived from the rate implicit in the lease or the School's incremental borrowing rate.

The future principal and interest obligations under these leases as of June 30, 2022 are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2023	\$ 802,179	\$ 261,943
2024	759,248	222,074
2025	769,368	184,733
2026	704,871	147,610
2027	764,380	111,049
2028-2032	<u>1,802,841</u>	<u>129,144</u>
Total	\$ <u><u>5,602,887</u></u>	\$ <u><u>1,056,553</u></u>

The School has two leases for building space that have not reached the commencement date as of June 30, 2022. The terms and monthly minimum rent for one of the leases is September 2022 through December 2032 with monthly payments between \$18,702 and \$20,578 per month. The second lease has a term of July 2022 through July 2032 with monthly payments between \$23,999 and \$26,398. Both leases contain option to renew provisions at various terms and require the School to pay real estate taxes, insurance, repairs, and various operating costs.

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Notes to the Financial Statements

Fiscal Year Ended June 30, 2022

NOTE 12 - CONTINGENCIES

Litigation - The School is involved in various legal proceedings, claims and litigation arising from the ordinary course of business. Management intends to vigorously defend the asserted claims. While the outcome of these matters is currently not determinable, management does not expect the ultimate costs to resolve these matters will have a materially adverse effect on the School's financial position at June 30, 2022, beyond the aforementioned assignment of fund balance and recorded liability for claims and judgements.

The School received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School at June 30, 2022.

NOTE 13 - RISK MANAGEMENT

As of July 1, 2008, the School has elected to self-fund the health and drug benefit program for its employees. Under the program, the School employs a third-party administrator and pays all medical claims through them. In addition, the School purchases individual and aggregate stop-loss insurance from a commercial carrier to protect it from catastrophic claims. The School retains the risk of liability for all claims under the aggregate stop-loss insurance. Settled claims have not exceeded the aggregate stop-loss insurance coverage for the past 3 years.

Changes in the estimate of the claims' liability are as follows:

Liability balance - July 1, 2021	\$	1,095,666
Incurred claims and estimates		12,876,167
Less:		
Claims paid during the period		<u>(12,959,289)</u>
Liability balance - June 30, 2022	\$	<u>1,012,544</u>

NOTE 14 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Claims and Judgments Payable	\$ 252,185	\$ 22,013	\$ (170,697)	\$ 103,501
Net OPEB Liability	8,178,439	1,732,064	(408,757)	9,501,746
Net Pension Liability	<u>156,678,549</u>	<u>-</u>	<u>(15,853,965)</u>	<u>140,824,584</u>
	<u>\$ 165,109,173</u>	<u>\$ 1,754,077</u>	<u>\$ (16,433,419)</u>	<u>\$ 150,429,831</u>

Required Supplementary Information

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual – General Fund
Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES				
Local Revenues	\$ 191,785,449	\$ 191,785,449	\$ 189,093,165	\$ (2,692,284)
State Program Revenues	1,127,803	1,127,803	1,070,343	(57,460)
Federal Program Revenues	11,618,294	11,618,294	6,108,690	(5,509,604)
TOTAL REVENUES	204,531,546	204,531,546	196,272,198	(8,259,348)
EXPENDITURES				
Regular Programs	69,558,855	69,558,855	69,541,477	17,378
Special Programs	36,928,051	36,928,051	36,736,945	191,106
Other Instructional Programs	2,724,559	2,724,559	1,738,200	986,359
Community/Junior College Ed Programs	-	-	24,147	(24,147)
Pupil Personnel Services	14,464,470	14,464,470	13,272,907	1,191,563
Instructional Staff Services	6,176,424	6,176,424	3,660,202	2,516,222
Administrative Services	9,070,717	9,070,717	7,995,192	1,075,525
Pupil Health	889,218	889,218	843,417	45,801
Business Services	8,268,623	8,268,623	7,176,441	1,092,182
Operation & Maintenance of Plant Services	14,306,973	14,306,973	8,229,090	6,077,883
Central & Other Support Services	9,390,734	9,390,734	6,824,860	2,565,874
Student Activities	496,500	496,500	269,927	226,573
Community Services	32,910	32,910	42,244	(9,334)
Facilities Acquisition and Construction	3,330,000	3,330,000	1,794,777	1,535,223
Debt Service	50,000	50,000	1,108,303	(1,058,303)
TOTAL EXPENDITURES	175,688,034	175,688,034	159,258,129	16,429,905
Excess (Deficiency) of Revenues Over Expenditures	28,843,512	28,843,512	37,014,069	8,170,557
OTHER FINANCING SOURCES				
Proceeds From Extended Term Financing	-	-	1,432,167	1,432,167
Proceeds From Disposal of Capital Assets	50,000	50,000	65,795	15,795
TOTAL OTHER FINANCING SOURCES	50,000	50,000	1,497,962	1,447,962
Net Change in Fund Balance	\$ 28,893,512	\$ 28,893,512	\$ 38,512,031	\$ 9,618,519

See independent auditor's report.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Schedule of Revenues, Expenditures, and Changes in Fund Balance,
Budget and Actual – General Fund
Fiscal Year Ended June 30, 2022

Notes to the Required Supplementary Information

NOTE 1 - BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at year-end.

See independent auditor's report.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
Last Ten Fiscal Years *

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School's proportion of the net pension liability	0.3430%	0.3182%	0.3082%	0.2877%	0.2619%
School's proportionate share of the net pension liability	\$ 140,824,584	\$ 156,678,549	\$ 144,183,998	\$ 138,110,284	\$ 129,359,826
School's covered payroll for the measurement date	\$ 48,548,069	\$ 44,622,963	\$ 42,510,044	\$ 38,737,124	\$ 34,872,228
School's proportionate share of the net pension liability as a percentage of its covered payroll	290.07%	351.12%	339.18%	356.53%	370.95%
Plan fiduciary net position as a percentage of the total net pension liability	63.67%	54.32%	55.66%	54.00%	51.84%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
School's proportion of the net pension liability	0.2563%	0.2495%	0.2099%	0.1876%	
School's proportionate share of the net pension liability	\$ 127,107,450	\$ 108,064,229	\$ 83,076,691	\$ 76,796,414	
School's covered payroll for the measurement date	\$ 33,199,764	\$ 32,099,631	\$ 26,783,846	\$ 24,079,261	
School's proportionate share of the net pension liability as a percentage of its covered payroll	382.86%	336.65%	310.17%	318.93%	
Plan fiduciary net position as a percentage of the total net pension liability	50.14%	54.36%	57.24%	54.49%	

This information is based off the measurement date of the Net Pension Liability of June 30, 2021 for 2022; June 30, 2020 for 2021; June 30, 2019 for 2020; June 30, 2018 for 2019; June 30, 2017 for 2018; June 30, 2016 for 2017; June 30, 2015 for 2016, June 30, 2014 for 2015; and June 30, 2013 for 2014.

*GASB 68 was implemented during the fiscal year ended June 30, 2015. Information will continue to be gathered until ten fiscal years are presented.

See independent auditor's report.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Required Pension Contributions
Last Ten Fiscal Years *

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 17,337,940	\$ 16,385,689	\$ 14,876,151	\$ 13,834,470	\$ 12,295,163
Contributions in relation to the contractually required contribution	<u>(17,337,940)</u>	<u>(16,385,689)</u>	<u>(14,876,151)</u>	<u>(13,834,470)</u>	<u>(12,295,163)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered payroll	\$ 51,008,944	\$ 48,548,069	\$ 44,622,963	\$ 42,510,044	\$ 38,737,124
Contributions as a percentage of covered payroll	33.99%	33.51%	33.36%	32.60%	31.74%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Contractually required contribution	\$ 10,448,648	\$ 8,578,819	\$ 6,637,835	\$ 4,534,505	
Contributions in relation to the contractually required contribution	<u>(10,448,648)</u>	<u>(8,578,819)</u>	<u>(6,637,835)</u>	<u>(4,534,505)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
School's covered payroll	\$ 34,872,228	\$ 33,199,764	\$ 32,099,631	\$ 26,783,846	
Contributions as a percentage of covered payroll	29.20%	25.00%	20.50%	16.00%	

*GASB 68 was implemented during fiscal year ended June 30, 2015. Information will continue to be gathered until ten fiscal years are presented.

See independent auditor's report.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Proportionate Share of the Net OPEB Liability and Related Ratios - PSERS
Last Ten Fiscal Years *

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School's proportion of the net OPEB liability	0.3425%	0.3179%	0.3082%	0.2877%	0.2619%
School's proportionate share of the net OPEB liability	\$ 8,117,534	\$ 6,868,856	\$ 6,554,927	\$ 5,998,398	\$ 5,336,460
School's covered payroll for the measurement date	\$ 48,548,069	\$ 44,622,963	\$ 42,510,044	\$ 38,737,124	\$ 34,872,228
School's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.72%	15.39%	15.42%	15.48%	15.30%
Plan fiduciary net position as a percentage of the total net OPEB liability	5.30%	5.69%	5.56%	5.56%	5.73%
	<u>2017</u>				
School's proportion of the net OPEB liability	0.2563%				
School's proportionate share of the net OPEB liability	\$ 5,521,000				
School's covered payroll for the measurement date	\$ 33,199,764				
School's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.63%				
Plan fiduciary net position as a percentage of the total net OPEB liability	5.47%				

This information is based off the measurement date of the Net Pension Liability of June 30, 2021 for 2022; June 30, 2020 for 2021; June 30, 2019 for 2020; June 30, 2018 for 2019; June 30, 2017 for 2018; and June 30, 2016 for 2017.

*GASB 75 was implemented during the fiscal year ended June 30, 2018. Information will continue to be gathered until ten fiscal years are presented.

See independent auditor's report.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Required OPEB Contributions - PSERS
Last Ten Fiscal Years *

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 408,072	\$ 398,821	\$ 373,571	\$ 361,771	\$ 322,054
Contributions in relation to the contractually required contribution	<u>(408,072)</u>	<u>(398,821)</u>	<u>(373,571)</u>	<u>(361,771)</u>	<u>(322,054)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered payroll	\$ 51,008,944	\$ 48,548,069	\$ 44,622,963	\$ 42,510,044	\$ 38,737,124
Contributions as a percentage of covered payroll	0.80%	0.82%	0.84%	0.83%	0.83%
	<u>2017</u>				
Contractually required contribution	\$ 289,439				
Contributions in relation to the contractually required contribution	<u>(289,439)</u>				
Contribution deficiency (excess)	<u>\$ -</u>				
School's covered payroll	\$ 34,872,228				
Contributions as a percentage of covered payroll	0.83%				

*GASB 75 was implemented during the fiscal year ended June 30, 2018. Information will continue to be gathered until ten fiscal years are presented.

See independent auditor's report.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Changes in the School's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years *

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability - Beginning of Period	\$ 1,309,583	\$ 1,038,564	\$ 969,345	\$ 1,226,711	\$ 1,108,560	\$ 995,518
Changes for the year:						
Service cost	53,332	51,905	47,235	45,971	83,228	81,000
Estimated benefit payments	(9,936)	(9,751)	(13,364)	(16,797)	-	-
Interest	31,233	29,553	35,348	33,066	34,923	32,042
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	23,847	-	(162,495)	-	-
Changes in assumptions or other inputs	-	175,465	-	(157,111)	-	-
Net Change in Total OPEB Liability	<u>74,629</u>	<u>271,019</u>	<u>69,219</u>	<u>(257,366)</u>	<u>118,151</u>	<u>113,042</u>
Total OPEB Liability - End of Period	<u>\$ 1,384,212</u>	<u>\$ 1,309,583</u>	<u>\$ 1,038,564</u>	<u>\$ 969,345</u>	<u>\$ 1,226,711</u>	<u>\$ 1,108,560</u>
School's covered-employee payroll for the measurement date	\$ 51,008,944	\$ 48,548,069	\$ 44,622,963	\$ 42,510,044	\$ 38,737,124	\$ 34,872,228
Percentage of the OPEB liability to covered-employee payroll	2.71%	2.68%	2.33%	2.28%	3.17%	3.18%

An actuarially determined contribution is not calculated. The School's current funding policy is to pay plan benefits when they become due. This is referred to as a pay-as-you-go plan. There are no assets accumulated in a trust that meet the criteria in paragraph 5 of GASB Statement 75.

* GASB 75 was implemented during the fiscal year ended June 30, 2018. Information will continue to be gathered until ten fiscal years are presented.

See independent auditor's report.

STATISTICAL SECTION

STATISTICAL SECTION OVERVIEW
(Unaudited)

The Statistical Section of the School's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the School's overall financial outlook.

Sections

Financial Trends

These schedules contain trend information to help the reader understand how the School's financial performance and operations have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the School's most significant revenue source, local educational agencies.

Debt Capacity

These schedules present information to help the reader assess the affordability of the School's current levels of outstanding debt and the School's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place.

Operating Information

These schedules contain service data to help the reader understand how the information in the School's financial report relates to the services the School provides and the activities it performs.

Financial Trends

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Net Position by Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

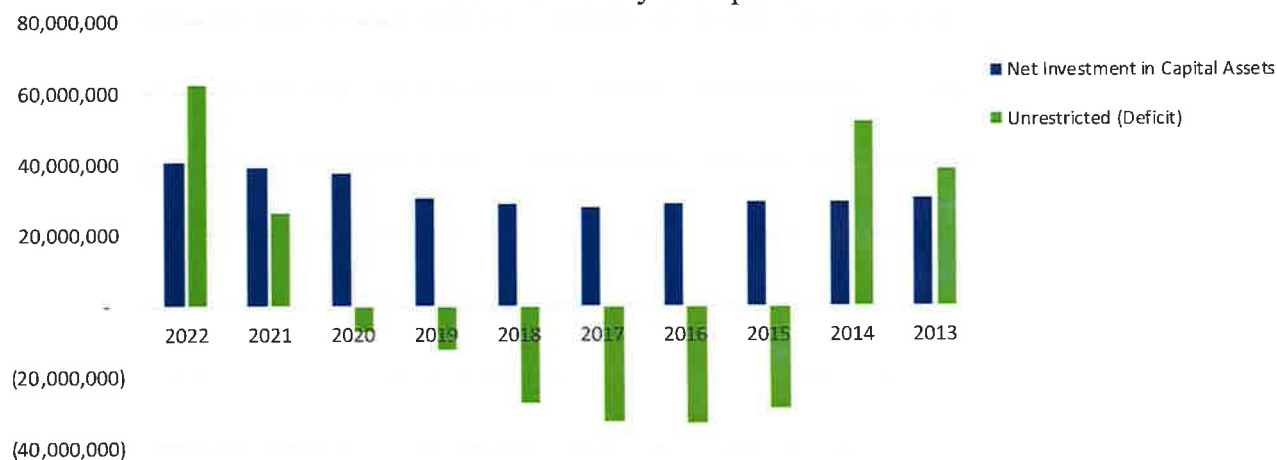
	Fiscal Year				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Governmental Activities					
Net Investment in Capital Assets	\$ 40,800,597	\$ 39,134,687	\$ 37,263,451	\$ 30,087,921	\$ 28,516,362
Unrestricted (Deficit)	62,449,972	26,281,473	(7,279,774)	(12,282,332)	(27,183,179)
Total Governmental Activities Net Position	\$ 103,250,569	\$ 65,416,160	\$ 29,983,677	\$ 17,805,589	\$ 1,333,183
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental Activities					
Net Investment in Capital Assets	\$ 27,710,828	\$ 28,556,543	\$ 29,323,790	\$ 29,049,581	\$ 30,015,368
Unrestricted (Deficit)	(32,770,103)	(33,228,542)	(29,053,361)	51,861,624	38,770,692
Total Governmental Activities Net Position	\$ (5,059,275)	\$ (4,671,999)	\$ 270,429	\$ 80,911,205	\$ 68,786,060

Notes:

(1) Includes all funds (GAAP Basis)

(2) Beginning with fiscal year 2015 the School implemented GASB 68 and in fiscal 2018 GASB 75.

Net Position by Component



THE PENNSYLVANIA CYBER CHARTER SCHOOL

Changes in Net PositionLast Ten Fiscal Years*(Accrual Basis of Accounting)*

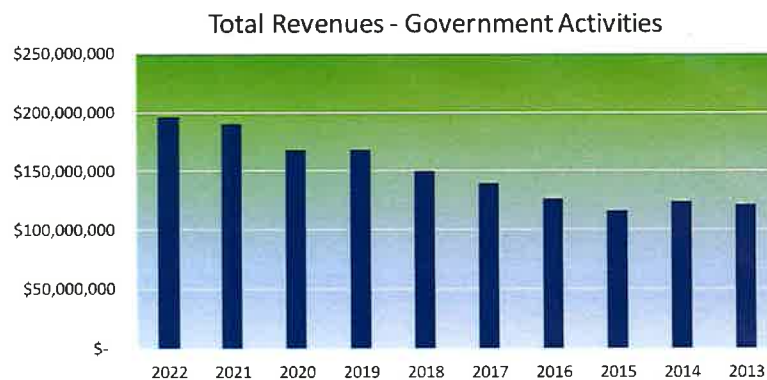
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues					
Program Revenues:					
Operating grants and contributions	\$ 9,820,218	\$ 8,021,669	\$ 6,798,052	\$ 6,396,567	\$ 5,950,452
General Revenues:					
Payments from local educational agencies	187,028,447	180,537,690	159,685,518	160,727,395	144,183,471
Grants, subsidies & contributions not restricted	-	-	-	-	-
Investment (loss) earnings	(1,069,331)	298,740	1,576,363	1,021,210	322,249
Gain/(loss) on disposal/sale of capital assets	(6,981)	23,368	22,402	13,539	(68,118)
Miscellaneous Income	152,864	667,460	168,343	137,870	66,748
Total Revenue - Governmental Activities	<u>195,925,217</u>	<u>189,548,927</u>	<u>168,250,678</u>	<u>168,296,581</u>	<u>150,454,802</u>
Expenses					
Instructional Services	104,897,386	101,414,282	103,358,698	101,140,809	92,165,915
Support Services	47,241,723	47,245,806	46,734,285	45,427,340	41,203,436
Non-Instructional Services	5,951,699	5,456,356	5,979,607	5,256,026	5,461,432
Total Expenses - Governmental Activities	<u>158,090,808</u>	<u>154,116,444</u>	<u>156,072,590</u>	<u>151,824,175</u>	<u>138,830,783</u>
Change in Net Position	<u>\$ 37,834,409</u>	<u>\$ 35,432,483</u>	<u>\$ 12,178,088</u>	<u>\$ 16,472,406</u>	<u>\$ 11,624,019</u>

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Changes in Net Position**Last Ten Fiscal Years***(Accrual Basis of Accounting)*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues					
Program Revenues:					
Operating grants and contributions	\$ 5,285,176	\$ 4,721,542	\$ 4,773,044	\$ 7,200,696	\$ 6,237,629
General Revenues:					
Payments from local educational agencies	134,280,454	122,058,569	111,244,689	116,662,399	113,404,383
Grants, subsidies & contributions not restricted	-	-	-	280,717	2,267,129
Investment earnings	114,756	4,770	2,385	2,003	1,481
Gain/(loss) on disposal/sale of capital assets	(38,820)	(427,617)	(135,049)	(342,119)	(8,754)
Miscellaneous Income	338,807	107,224	89,894	86,886	78,828
Total Revenue - Governmental Activities	<u>139,980,373</u>	<u>126,464,488</u>	<u>115,974,963</u>	<u>123,890,582</u>	<u>121,980,696</u>
Expenses					
Instructional Services	87,770,403	83,306,111	76,714,190	71,132,686	69,154,302
Support Services	46,984,348	43,097,018	42,568,031	34,912,231	35,065,503
Non-Instructional Services	5,258,196	5,003,787	5,053,723	5,720,520	6,343,018
Total Expenses - Governmental Activities	<u>140,012,947</u>	<u>131,406,916</u>	<u>124,335,944</u>	<u>111,765,437</u>	<u>110,562,823</u>
Change in Net Position	<u>\$ (32,574)</u>	<u>\$ (4,942,428)</u>	<u>\$ (8,360,981)</u>	<u>\$ 12,125,145</u>	<u>\$ 11,417,873</u>



THE PENNSYLVANIA CYBER CHARTER SCHOOL
Fund Balances - Governmental Fund
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

General Fund						
Fiscal Year	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2022	\$ 862,457	\$ -	\$ 80,857,942	\$ 1,487,713	\$ 105,080,713	\$ 188,288,825
2021	308,200	-	84,598,030	1,562,169	63,308,395	149,776,794
2020	796,240	-	70,917,787	3,362,824	32,483,919	107,560,770
2019	1,037,653	-	71,412,727	5,556,505	13,768,846	91,775,731
2018	1,575,751	-	37,825,382	6,528,300	21,282,733	67,212,166
2017	669,096	-	36,108,829	1,455,045	10,875,350	49,108,320
2016	447,786	-	34,088,700	100,172	4,802,058	39,438,716
2015	746,256	-	26,751,649	2,771,402	6,935,949	37,205,256
2014	5,005,282	-	19,465,002	10,609,017	7,992,510	43,071,811
2013	92,356	-	13,837,259	8,580,348	7,362,611	29,872,574

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Changes in Fund Balance - Governmental Fund
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues					
Local Sources	\$ 189,096,165	\$ 183,722,556	\$ 163,185,634	\$ 163,983,924	\$ 146,565,449
State Sources	1,070,343	1,112,383	1,124,740	1,119,188	1,116,783
Federal Sources	6,108,690	5,030,619	3,917,902	3,519,929	3,180,689
Total Revenues	<u>196,275,198</u>	<u>189,865,558</u>	<u>168,228,276</u>	<u>168,623,041</u>	<u>150,862,921</u>
Expenditures					
Instruction	108,040,769	100,219,806	98,853,481	98,906,157	92,128,042
Support Services	48,002,109	45,827,175	45,468,195	42,154,068	40,165,289
Non-Instructional Services	312,171	188,525	413,609	402,080	347,677
Miscellaneous	-	-	-	-	-
Capital Outlay	1,794,777	1,438,479	7,730,877	2,620,561	141,922
Debt Service	1,108,303	-	-	-	-
Total Expenditures	<u>159,258,129</u>	<u>147,673,985</u>	<u>152,466,162</u>	<u>144,082,866</u>	<u>132,782,930</u>
Other Financing Sources					
Proceeds from Financing Leases	1,432,167	-	-	-	-
Sale of Capital Assets	65,795	24,451	22,925	23,390	23,855
Total Other Financing Sources	<u>1,497,962</u>	<u>24,451</u>	<u>22,925</u>	<u>23,390</u>	<u>23,855</u>
Net Change in Fund Balance	<u>\$ 38,515,031</u>	<u>\$ 42,216,024</u>	<u>\$ 15,785,039</u>	<u>\$ 24,563,565</u>	<u>\$ 18,103,846</u>

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Changes in Fund Balance - Governmental Fund
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

(continued)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues					
Local Sources	\$ 136,627,075	\$ 123,950,552	\$ 113,150,202	\$ 118,623,519	\$ 117,352,869
State Sources	1,108,168	1,107,131	1,164,081	3,812,352	2,542,145
Federal Sources	2,623,951	2,174,421	2,135,730	2,136,830	2,434,436
Total Revenues	<u>140,359,194</u>	<u>127,232,104</u>	<u>116,450,013</u>	<u>124,572,701</u>	<u>122,329,450</u>
Expenditures					
Instruction	86,591,799	82,739,667	78,615,465	74,914,906	71,838,049
Support Services	44,695,099	41,165,031	42,531,721	36,246,568	34,609,161
Non-Instructional Services	278,137	195,943	175,919	130,395	132,870
Miscellaneous	-	-	-	40,991	20,540
Capital Outlay	53,928	8,728	1,015,710	228,127	7,804
Debt Service	-	-	-	8,461	2,052,670
Total Expenditures	<u>131,618,963</u>	<u>124,109,369</u>	<u>122,338,815</u>	<u>111,569,448</u>	<u>108,661,094</u>
Other Financing Sources					
Proceeds from Extended Term Financing	-	-	-	-	2,000,000
Sale of Capital Assets	29,373	10,469	22,503	195,984	20,434
Total Other Financing Sources	<u>29,373</u>	<u>10,469</u>	<u>22,503</u>	<u>195,984</u>	<u>2,020,434</u>
Net Change in Fund Balance	<u>\$ 8,769,604</u>	<u>\$ 3,133,204</u>	<u>\$ (5,866,299)</u>	<u>\$ 13,199,237</u>	<u>\$ 15,688,790</u>

Demographic and Economic Information

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income		Per Capita		Unemployment Rate
		(Expressed in Thousands)	Income	Employed	Unemployed	
2021	12,964,056	\$ 833,314,500	\$ 64,279	5,999,000	407,000	6.4%
2020	12,783,254	788,725,185	61,700	5,894,000	589,000	9.1%
2019	12,801,989	742,924,296	58,032	6,267,000	294,000	4.5%
2018	12,800,922	717,255,286	56,032	6,210,000	290,000	4.5%
2017	12,787,641	681,658,520	53,306	6,162,000	323,000	5.0%
2016	12,782,275	662,352,876	51,818	6,115,000	344,000	5.3%
2015	12,784,826	644,445,802	50,407	6,076,000	347,000	5.4%
2014	12,788,313	619,387,125	48,434	6,010,000	379,000	5.9%
2013	12,776,309	592,972,739	46,412	5,962,000	458,000	7.1%
2012	12,767,118	587,521,891	46,018	5,955,000	494,000	7.7%

Sources: Personal income is provided by the Bureau of Economic Analysis, U.S. Department of Commerce (www.bea.gov/index.htm) through estimates released September 2021.

Population data is obtained from the Bureau of Economic Analysis, U.S. Department of Commerce website at <http://www.bea.gov/index.htm>, whose source is the U.S. Bureau of Census' mid-year population estimate.

Employment data was obtained from the Pennsylvania Department of Labor and Industry at: <https://paworkstats.geosolinc.com/vosnet/analyzer/results.aspx?enc=HofuwY22SoLTS/uC+bpmi7ntbB42L7XyypLjx+HEeK0=>

Notes:

(1) Population data is presented as of July 1 of the calendar year. The U.S. Bureau of Census' mid-year population estimate include revisions to the annual population estimate back to the calendar year of the most recent Census (2010 calendar year). Therefore, the totals shown may differ from year to year.

(2) Personal income data is provided as of the mid-year.

(3) Information is for the Commonwealth of Pennsylvania.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Employment by Industry
Current Calendar Year and Nine Years Prior

Industry	2021			2012		
	Establishments	Average Employment	Total Wage	Establishments	Average Employment	Total Wage
Accommodation and Food Services	2,478	26,292	\$ 1,062,168,658	1,928	22,786	686,289,961
Administrative and Waste Services	1,199	21,083	1,966,247,761	1,382	36,094	2,740,582,431
Agriculture, Forestry, Fishing & Hunting	1,407	33,683	3,535,036,050	1,303	32,587	2,794,774,672
Arts, Entertainment, and Recreation	29,957	262,685	19,138,702,967	28,152	234,339	13,035,000,881
Construction	14,335	544,312	37,764,755,921	14,628	567,551	32,014,127,568
Educational Services	22,802	204,784	18,751,052,040	24,711	228,135	16,165,247,918
Finance and Insurance	40,226	596,672	20,975,946,215	42,496	638,214	16,402,378,352
Health Care and Social Assistance	12,336	325,671	17,803,928,327	10,567	256,753	11,130,727,551
Information	7,014	89,145	10,062,738,917	4,809	93,595	6,236,957,405
Management of Companies and Enterprises	19,257	266,579	29,407,178,822	18,386	254,935	20,054,520,060
Manufacturing	11,633	64,092	4,466,633,187	9,360	58,663	2,998,187,133
Mining, Quarrying, and Oil and Gas Extraction	46,580	375,288	40,826,204,061	36,082	322,540	26,437,242,482
Other Services, Ex. Public Admin	5,871	137,768	20,276,861,959	3,157	129,513	14,827,268,238
Professional and Technical Services	18,743	298,207	13,676,070,931	16,904	289,348	9,279,858,924
Public Administration	9,388	462,285	29,509,451,399	8,783	492,164	24,220,680,142
Real Estate and Rental and Leasing	53,583	1,044,836	61,240,817,210	57,770	961,973	42,924,886,026
Retail Trade	5,454	82,902	3,271,528,515	4,710	96,236	2,857,517,273
Transportation and Warehousing	27,924	397,999	8,788,215,512	27,102	431,002	6,839,558,147
Utilities	34,156	184,995	7,494,567,311	31,561	189,337	5,460,946,616
Wholesale Trade	5,090	230,917	15,573,895,065	4,915	242,623	12,868,102,486
Total - All Industries	369,433	5,650,195	\$ 365,592,000,828	348,706	5,578,388	\$ 269,974,854,266

Sources: Information was obtained from the Center for Workforce Information & Analysis, Pennsylvania Department of Labor and Industry. website at www.paworkstats.geosolinc.com.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Principal Employers
Current Calendar Year and Nine Years Prior

Employer	2022 Rank	2013 Rank
Wal-Mart Associates Inc.	1	1
Trustees of the University of PA	2	3
City of Philadelphia	3	2
Giant Food Stores LLC	4	4
Pennsylvania State University	6	5
United Parcel Services Inc.	7	10
School District of Philadelphia	8	6
UPMC Presbyterian Shadyside	9	7
Amazon.com Services Inc.	5	-
PNC Bank NA	10	9
University of Pittsburgh	N/A	8

Source: Pennsylvania Department of Labor and Industry.

The Department is not able to provide the number of employees due to confidentiality restrictions.

Operating Information

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Full-Time Equivalent Employees by Function/Category
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Function					
Teacher/Instructor	486	483	476	469	437
Student Support	136	132	129	126	124
Academic Staff Support	51	52	47	54	55
Academic Leadership	16	17	19	19	20
Non-Academic Staff Support	49	46	41	37	38
Executive	6	6	6	6	6
Total	<u>744</u>	<u>736</u>	<u>718</u>	<u>711</u>	<u>680</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Function					
Teacher/Instructor	416	386	409	338	338
Student Support	123	125	134	131	131
Academic Staff Support	54	54	67	60	60
Academic Leadership	21	21	21	20	20
Non-Academic Staff Support	32	29	29	24	24
Executive	6	6	7	6	6
Total	<u>652</u>	<u>621</u>	<u>667</u>	<u>579</u>	<u>579</u>

Source: PA Cyber Charter School records.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Teacher Salaries
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>Average Salary</u>
2022	\$ 46,500	\$ 88,423	\$ 66,415
2021	45,500	86,870	63,674
2020	44,500	84,800	60,339
2019	44,000	82,730	57,016
2018	42,000	83,522	56,150
2017	40,000	79,584	54,125
2016	40,300	75,501	52,525
2015	34,000	73,349	47,442
2014	37,286	73,349	49,442
2013	24,750	68,310	42,447

Source: PA Cyber Charter School records.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Operating Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>FTE Enrollment</u>	<u>Governmental Activities Expenses</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>
2022	11,349	\$ 158,090,808	\$ 13,929.93	3.64%	486	23:1
2021	11,466	154,116,444	13,441.17	-9.40%	483	24:1
2020	10,520	156,072,590	14,835.80	3.55%	476	22:1
2019	10,597	151,824,175	14,327.09	7.46%	469	23:1
2018	10,413	138,830,783	13,332.45	-2.16%	437	24:1
2017	10,275	140,012,947	13,626.56	2.71%	416	25:1
2016	9,905	131,406,916	13,266.73	2.50%	386	26:1
2015	9,606	124,335,944	12,943.57	24.80%	409	23:1
2014	10,776	111,765,437	10,371.70	2.58%	338	32:1
2013	10,935	110,562,823	10,110.91	0.00%	338	32:1

Source: PA Cyber Charter School records.

Notes:

(1) Includes all funds. (GAAP Basis)

(2) Beginning with fiscal year 2015, the School implemented GASB 68 and in fiscal year 2018 GASB 75 which impacted Governmental Activities Expenses.

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Enrollment by County

Last Ten Fiscal Years

County	2022		2021		2020		2019		2018	
	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment
Adams	93	0.64%	106	0.75%	105	0.77%	115	0.78%	123	0.84%
Allegheny	1,707	11.81%	1,652	11.76%	1,611	11.75%	1,691	11.49%	1,892	12.89%
Armstrong	122	0.84%	163	1.16%	119	0.87%	110	0.75%	105	0.72%
Beaver	567	3.92%	640	4.56%	541	3.95%	613	4.17%	597	4.07%
Bedford	34	0.24%	32	0.23%	25	0.18%	38	0.26%	27	0.18%
Berks	256	1.77%	239	1.70%	226	1.65%	279	1.90%	278	1.89%
Blair	130	0.90%	140	1.00%	123	0.90%	130	0.88%	143	0.97%
Bradford	67	0.46%	39	0.28%	52	0.38%	56	0.38%	56	0.38%
Bucks	222	1.54%	196	1.40%	210	1.53%	260	1.77%	260	1.77%
Butler	391	2.71%	511	3.64%	472	3.44%	482	3.28%	453	3.09%
Cambria	164	1.14%	151	1.07%	114	0.83%	146	0.99%	143	0.97%
Cameron	3	0.02%	4	0.03%	3	0.02%	5	0.03%	8	0.05%
Carbon	67	0.46%	71	0.51%	61	0.45%	67	0.46%	61	0.42%
Centre	104	0.72%	102	0.73%	112	0.82%	120	0.82%	106	0.72%
Chester	108	0.75%	90	0.64%	56	0.41%	73	0.50%	83	0.57%
Clarion	91	0.63%	88	0.63%	84	0.61%	105	0.71%	100	0.68%
Clearfield	100	0.69%	123	0.88%	111	0.81%	107	0.73%	100	0.68%
Clinton	68	0.47%	58	0.41%	61	0.45%	63	0.43%	54	0.37%
Columbia	58	0.40%	56	0.40%	65	0.47%	63	0.43%	62	0.42%
Crawford	232	1.61%	242	1.72%	251	1.83%	271	1.84%	294	2.00%
Cumberland	197	1.36%	259	1.84%	236	1.72%	244	1.66%	291	1.98%
Dauphin	441	3.05%	495	3.52%	489	3.57%	524	3.56%	476	3.24%
Delaware	385	2.66%	358	2.55%	395	2.88%	452	3.07%	422	2.88%
Elk	37	0.26%	12	0.09%	23	0.17%	8	0.05%	6	0.04%
Erie	853	5.90%	792	5.64%	781	5.70%	869	5.91%	919	6.26%
Fayette	447	3.09%	461	3.28%	429	3.13%	447	3.04%	444	3.03%
Forest	6	0.04%	5	0.04%	4	0.03%	9	0.06%	5	0.03%
Franklin	100	0.69%	124	0.88%	109	0.80%	133	0.90%	146	0.99%
Fulton	6	0.04%	8	0.06%	10	0.07%	16	0.11%	13	0.09%
Greene	77	0.53%	88	0.63%	101	0.74%	101	0.69%	86	0.59%
Subtotal	7,133	49.37%	7,305	52.00%	6,979	50.92%	7,597	51.62%	7,753	52.83%

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Enrollment by County
Last Ten Fiscal Years

(continued)

County	2022		2021		2020		2019		2018	
	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment
Huntingdon	31	0.21%	35	0.25%	39	0.28%	39	0.27%	43	0.29%
Indiana	124	0.86%	142	1.01%	144	1.05%	135	0.92%	141	0.96%
Jefferson	79	0.55%	97	0.69%	66	0.48%	88	0.60%	76	0.52%
Juniata	11	0.08%	13	0.09%	16	0.12%	30	0.20%	29	0.20%
Lackawanna	93	0.64%	92	0.65%	73	0.53%	72	0.49%	67	0.46%
Lancaster	323	2.24%	367	2.61%	390	2.85%	383	2.60%	382	2.60%
Lawrence	226	1.56%	204	1.45%	190	1.39%	185	1.26%	171	1.17%
Lebanon	131	0.91%	143	1.02%	145	1.06%	163	1.11%	124	0.85%
Lehigh	300	2.08%	325	2.31%	358	2.61%	374	2.54%	353	2.41%
Luzerne	489	3.38%	474	3.37%	416	3.04%	354	2.41%	299	2.04%
Lycoming	164	1.14%	161	1.15%	139	1.01%	185	1.26%	205	1.40%
McKean	35	0.24%	37	0.26%	33	0.24%	35	0.24%	30	0.20%
Mercer	188	1.30%	153	1.09%	185	1.35%	188	1.28%	183	1.25%
Mifflin	24	0.17%	37	0.26%	20	0.15%	34	0.23%	27	0.18%
Monroe	204	1.41%	221	1.57%	208	1.52%	233	1.58%	248	1.69%
Montgomery	203	1.40%	194	1.38%	191	1.39%	200	1.36%	236	1.61%
Montour	8	0.06%	11	0.08%	10	0.07%	14	0.10%	15	0.10%
Northampton	328	2.27%	315	2.24%	330	2.41%	359	2.44%	323	2.20%
Northumberland	151	1.05%	128	0.91%	152	1.11%	155	1.05%	153	1.04%
Perry	67	0.46%	73	0.52%	78	0.57%	104	0.71%	93	0.63%
Philadelphia	1,386	9.59%	859	6.11%	871	6.36%	876	5.95%	826	5.63%
Pike	47	0.33%	43	0.31%	37	0.27%	46	0.31%	43	0.29%
Potter	3	0.02%	3	0.02%	4	0.03%	5	0.03%	9	0.06%
Schuylkill	154	1.07%	122	0.87%	105	0.77%	121	0.82%	106	0.72%
Snyder	47	0.33%	57	0.41%	60	0.44%	55	0.37%	57	0.39%
Somerset	108	0.75%	117	0.83%	125	0.91%	129	0.88%	144	0.98%
Sullivan	11	0.08%	8	0.06%	11	0.08%	9	0.06%	13	0.09%
Susquehanna	37	0.26%	38	0.27%	37	0.27%	57	0.39%	45	0.31%
Tioga	40	0.28%	42	0.30%	31	0.23%	28	0.19%	26	0.18%
Subtotal	5,012	34.69%	4,511	32.11%	4,464	32.57%	4,656	31.64%	4,467	30.44%

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Enrollment by County
Last Ten Fiscal Years

(continued)

County	2022		2021		2020		2019		2018	
	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment
Union	34	0.24%	38	0.27%	25	0.18%	28	0.19%	38	0.26%
Venango	121	0.84%	131	0.93%	120	0.88%	137	0.93%	126	0.86%
Warren	83	0.57%	75	0.53%	70	0.51%	66	0.45%	55	0.37%
Washington	523	3.62%	480	3.42%	466	3.40%	492	3.34%	521	3.55%
Wayne	26	0.18%	19	0.14%	20	0.15%	27	0.18%	20	0.14%
Westmoreland	953	6.60%	919	6.54%	971	7.09%	1,014	6.89%	997	6.79%
Wyoming	40	0.28%	28	0.20%	19	0.14%	29	0.20%	23	0.16%
York	524	3.63%	543	3.87%	571	4.17%	670	4.55%	674	4.59%
Total	14,449	100.00%	14,049	100.00%	13,705	100.00%	14,716	100.00%	14,674	100.00%

(continued)

Source: PA Cyber Charter School records.

Notes:

(1) Total Student enrollment, not FTEs.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Enrollment by County
Last Ten Fiscal Years

(continued)

County	2017		2016		2015		2014		2013	
	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment
Adams	122	0.85%	114	0.83%	115	0.85%	132	0.93%	113	0.80%
Allegheny	1,910	13.29%	1,786	12.97%	1,747	12.93%	1,854	13.02%	1,786	12.71%
Armstrong	106	0.74%	94	0.68%	103	0.76%	120	0.84%	125	0.89%
Beaver	565	3.93%	544	3.95%	548	4.06%	548	3.85%	630	4.48%
Bedford	35	0.24%	40	0.29%	46	0.34%	51	0.36%	48	0.34%
Berks	287	2.00%	256	1.86%	218	1.61%	247	1.74%	282	2.01%
Blair	129	0.90%	121	0.88%	145	1.07%	165	1.16%	142	1.01%
Bradford	64	0.45%	64	0.46%	74	0.55%	83	0.58%	89	0.63%
Bucks	252	1.75%	216	1.57%	209	1.55%	215	1.51%	229	1.63%
Butler	453	3.15%	451	3.28%	445	3.29%	492	3.46%	528	3.76%
Cambria	117	0.81%	146	1.06%	117	0.87%	133	0.93%	140	1.00%
Cameron	12	0.08%	10	0.07%	3	0.02%	3	0.02%	9	0.06%
Carbon	60	0.42%	45	0.33%	55	0.41%	63	0.44%	63	0.45%
Centre	91	0.63%	113	0.82%	126	0.93%	111	0.78%	119	0.85%
Chester	101	0.70%	118	0.86%	136	1.01%	155	1.09%	160	1.14%
Clarion	90	0.63%	93	0.68%	102	0.76%	86	0.60%	92	0.65%
Clearfield	91	0.63%	121	0.88%	142	1.05%	160	1.12%	156	1.11%
Clinton	40	0.28%	71	0.52%	68	0.50%	61	0.43%	64	0.46%
Columbia	56	0.39%	52	0.38%	80	0.59%	80	0.56%	73	0.52%
Crawford	299	2.08%	292	2.12%	284	2.10%	267	1.88%	268	1.91%
Cumberland	295	2.05%	282	2.05%	287	2.12%	287	2.02%	243	1.73%
Dauphin	474	3.30%	459	3.33%	438	3.24%	439	3.08%	459	3.27%
Delaware	412	2.87%	382	2.77%	369	2.73%	373	2.62%	467	3.32%
Elk	9	0.06%	12	0.09%	20	0.15%	27	0.19%	32	0.23%
Erie	838	5.83%	790	5.74%	699	5.18%	617	4.33%	527	3.75%
Fayette	448	3.12%	424	3.08%	396	2.93%	385	2.70%	318	2.26%
Forest	5	0.03%	5	0.04%	3	0.02%	7	0.05%	5	0.04%
Franklin	132	0.92%	110	0.80%	104	0.77%	115	0.81%	110	0.78%
Fulton	10	0.07%	9	0.07%	15	0.11%	17	0.12%	17	0.12%
Greene	74	0.51%	52	0.38%	52	0.38%	66	0.46%	80	0.57%
Subtotal	7,577	52.71%	7,272	52.82%	7,146	52.91%	7,359	51.69%	7,374	52.48%

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Enrollment by County
Last Ten Fiscal Years

(continued)

County	2017		2016		2015		2014		2013	
	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment
Huntingdon	52	0.36%	30	0.22%	18	0.13%	18	0.13%	13	0.09%
Indiana	152	1.06%	153	1.11%	132	0.98%	140	0.98%	149	1.06%
Jefferson	79	0.55%	63	0.46%	32	0.24%	38	0.27%	33	0.23%
Juniata	18	0.13%	12	0.09%	14	0.10%	16	0.11%	17	0.12%
Lackawanna	71	0.49%	86	0.62%	93	0.69%	124	0.87%	153	1.09%
Lancaster	443	3.08%	430	3.12%	454	3.36%	443	3.11%	448	3.19%
Lawrence	174	1.21%	175	1.27%	177	1.31%	192	1.35%	187	1.33%
Lebanon	120	0.83%	129	0.94%	152	1.13%	169	1.19%	155	1.10%
Lehigh	337	2.34%	309	2.24%	312	2.31%	328	2.30%	261	1.86%
Luzerne	282	1.96%	199	1.45%	225	1.67%	261	1.83%	244	1.74%
Lycoming	196	1.36%	153	1.11%	146	1.08%	186	1.31%	203	1.44%
McKean	16	0.11%	25	0.18%	32	0.24%	51	0.36%	34	0.24%
Mercer	172	1.20%	180	1.31%	171	1.27%	182	1.28%	148	1.05%
Mifflin	33	0.23%	21	0.15%	17	0.13%	29	0.20%	33	0.23%
Monroe	266	1.85%	248	1.80%	284	2.10%	325	2.28%	311	2.21%
Montgomery	206	1.43%	207	1.50%	222	1.64%	250	1.76%	271	1.93%
Montour	10	0.07%	4	0.03%	8	0.06%	10	0.07%	12	0.09%
Northampton	287	2.00%	289	2.10%	272	2.01%	328	2.30%	287	2.04%
Northumberland	167	1.16%	124	0.90%	156	1.15%	141	0.99%	147	1.05%
Perry	118	0.82%	102	0.74%	118	0.87%	108	0.76%	105	0.75%
Philadelphia	774	5.38%	699	5.08%	551	4.08%	591	4.15%	550	3.91%
Pike	39	0.27%	44	0.32%	50	0.37%	53	0.37%	60	0.43%
Potter	11	0.08%	8	0.06%	10	0.07%	4	0.03%	5	0.04%
Schuylkill	89	0.62%	91	0.66%	97	0.72%	124	0.87%	109	0.78%
Snyder	47	0.33%	44	0.32%	45	0.33%	55	0.39%	44	0.31%
Somerset	181	1.26%	160	1.16%	185	1.37%	154	1.08%	160	1.14%
Sullivan	10	0.07%	11	0.08%	17	0.13%	26	0.18%	31	0.22%
Susquehanna	56	0.39%	64	0.46%	84	0.62%	102	0.72%	100	0.71%
Tioga	32	0.22%	45	0.33%	55	0.41%	66	0.46%	65	0.46%
Subtotal	4,438	30.87%	4,105	29.82%	4,129	30.57%	4,514	31.71%	4,335	30.85%

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Enrollment by County
Last Ten Fiscal Years

(continued)

County	2017		2016		2015		2014		2013	
	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment
Union	53	0.37%	46	0.33%	58	0.43%	53	0.37%	61	0.43%
Venango	141	0.98%	121	0.88%	131	0.97%	150	1.05%	134	0.95%
Warren	55	0.38%	67	0.49%	47	0.35%	43	0.30%	46	0.33%
Washington	487	3.39%	541	3.93%	474	3.51%	483	3.39%	530	3.77%
Wayne	24	0.17%	27	0.20%	28	0.21%	35	0.25%	47	0.33%
Westmoreland	933	6.49%	972	7.06%	898	6.65%	936	6.57%	914	6.50%
Wyoming	30	0.21%	28	0.20%	28	0.21%	33	0.23%	27	0.19%
York	637	4.43%	588	4.27%	568	4.21%	630	4.43%	584	4.16%
Total	14,375	100.00%	13,767	100.00%	13,507	100.00%	14,236	100.00%	14,052	100.00%

Source: PA Cyber Charter School records.

Notes: Total Student enrollment, not FTEs.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
School Building Information
June 30, 2022

<u>Property Name</u>	<u>Purchase Date</u>	<u>Building Square Footage</u>	<u>Enrollment</u>
652 Midland Avenue Building	3/10/2008	30,500	N/A
900 Midland Avenue Building	4/18/2005	12,400	N/A
617 Midland Avenue Building	8/8/2005	16,500	N/A
735 Midland Avenue Building	6/1/2010	27,860	N/A
1200 Midland Avenue Building	6/16/2010	33,200	N/A
520 Railroad Avenue Building	6/30/2011	3,000	N/A

Source: PA Cyber Charter School records.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Insurance in Force
June 30, 2022

General Liability Coverage	Philadelphia Indemnity Insurance Company
Policy Number	PHPK2292719
Policy Period	6/30/22-6/30/23
General Aggregate	\$3,000,000
Products/Completed Operations	\$3,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage Liability	\$1,000,000
Medical Payments	\$15,000
 Employee Benefits Liability:	
-Each Employee	\$1,000,000
-Aggregate	\$3,000,000
-Deductible	\$1,000
-Retroactive Date	2/20/2015
 Sexual Misconduct & Molestation:	
-Occurrence	\$1,000,000
-Aggregate	\$3,000,000
 Commercial Auto Liability:	
Auto Liability	\$1,000,000
Uninsured Motorists	\$1,000,000
Underinsured Motorists	\$1,000,000
Personal Injury Protection	
-Comprehensive Deductible	\$500
-Collision Deductible	\$500
Electronic Equipment Coverage	Included
 <u>Educators Legal Liability</u>	ASCOT Insurance Company
(Includes Directors & Officers and Employment Practices Liability)	
Policy Number	MLNP2210001016-01
Policy Period	6/30/22-6/30/23
Pending and Prior Date	2/20/2002
-Occurrence	\$1,000,000/Separate Limit
-Aggregate	\$1,000,000/Separate Limit
Directors & Officers Deductible	\$50,000
Employment Practices Liability Deductible	\$100,000
School Leaders Deductible	\$50,000

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Insurance in Force
June 30, 2022

(continued)

Property Coverage

Policy Number	Hartford Fire Insurance Company
Policy Period	13 UUN BM5820K1
Blanket Building & Personal Property	6/30/22-6/30/23
-Coinsurance	\$38,292,648
-Cause of Loss	No Penalty
-Valuation	Special
-Deductible	RC-Agreed Value
Business Income Limit	\$5,000
Extra Expense	\$2,509,680
Equipment Breakdown	Included in Business Interruption Limit
Fine Arts	Included
Computer Equipment	\$50,000
-Laptop/Portable Computers	Included
-While in Transit	Included
Computer Equipment Disturbance	\$100,000
Back-up of Sewers or Drains	\$0
Off Premises Power Interruption	Included
Accounts Receivable	\$25,000
Valuable Papers & Records	\$250,000
Unnamed Premises	\$250,000
Personal Effects & Property of Others	\$100,000
Data Comprise (\$2,500 Deductible)	Included in Blanket Limit
	Included

Inland Marine Coverage:

Computer Hardware-Mobile and Stationary	
Computer Software	
Extra Expense	Included in Property Limits
In Transit Coverage	
Unnamed Location	
-Deductible	

Crime Coverage

Policy Number	Hiscox Insurance Company, Inc.
Policy Period	UC21423440.20
Employee Theft	6/30/22-6/30/23
Premises	\$1,000,000
In Transit	\$1,000,000
Forgery	\$1,000,000
Computer Fraud	\$1,000,000
Fund Transfer Fraud	\$1,000,000
Cyber Deception	\$100,000
Money Order and Counterfeit Currency Fraud	\$1,000,000
Credit Card Fraud	\$250,000
Client Coverage	\$1,000,000
Expense Coverage	\$50,000
Deductible	\$10,000

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Insurance in Force
June 30, 2022

(continued)

<u>Privacy & Information Security (Cyber Liability)</u>	Beazley Insurance Company, Inc.
Policy Number	V14F02210801
Policy Period	6/30/22-6/30/23
Breach Response - Notified Individuals (In Addition to Policy Aggregate Limit of Liability)	\$100,000
Breach Response - Legal Forensic & Public Relations (In Addition to Policy Aggregate Limit of Liability)	\$100,000
First Party Loss - Business Interruption Loss - Security Breach	\$100,000
System Failure	\$100,000
First Party Loss - Dependent Business Loss - Security Breach	\$100,000
System Failure	\$100,000
First Party Loss - Cyber Extortion Loss	\$100,000
First Party Loss - Data Recovery Loss	\$100,000
Liability - Data & Network Liability	\$1,000,000
Liability - Regulatory Defense & Penalties	\$1,000,000
Liability - Payments Cards Liabilities & Costs	\$1,000,000
Policy Aggregate Limit of Liability	\$1,000,000
-Retention Legal, Forensic & Public Relations/Crisis Mgmt.	\$200,000 (\$150,000 Legal)
-Retention Cyber Extortion Loss	\$250,000

<u>Workers Compensation Coverage</u>	Twin City Fire Insurance Company of Hartford
Policy Number	13 WE BU2378
Policy Period	6/30/22-6/30/23
Employer's Liability Limits	\$1,000,000
	\$1,000,000
	\$1,000,000
<u>Classification:</u>	<u>Payroll</u>
School: Professional Employees	On file with Company

3A STATES: CA, CT, DE, FL, GA, KY, MA, MD, ME, MI,
MN, NJ, NV, NC, PA, TN, VA

<u>Workers Compensation Coverage</u>	Ohio State Fund
Policy Number	1590207
Policy Period	6/30/22-6/30/23
Employer's Liability Limits	Statutory
<u>Classification:</u>	
School: Professional Employees	

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Insurance in Force
June 30, 2022

(continued)

<u>Umbrella/Excess Coverage</u>	United Educators Insurance Company
Policy Number	Y72-25U
Policy Period	6/30/22-6/30/23
Limits of Liability - Each Occurrence	\$10,000,000
Limits of Liability - Aggregate	\$10,000,000
Product, Completed Operations, and Employee Occupational Disease Aggregate Limit	\$10,000,000
Athletic Traumatic Brain Injury Annual Aggregate	\$10,000,000
Self Insured Retention	\$0
General Liability	Included
Employee Benefits	Sublimit \$1,000,000
Sexual Abuse & Molestation	Annual Aggregate \$10,000,000
Educators Legal Liability	Included
Directors & Officers Liability	Included
Employment Practices Liability	Included
Uninsured/Underinsured Motorist	Excluded
Auto Liability	Included
Employer's Liability	Included
 <u>Pollution Liability Coverage</u>	 Beazley
Policy Number	W32CCD220101
Policy Period	6/30/22-6/30/23
New Pollution Conditions - (BI/PD and Cleanup)	\$1,000,000
New Pollution Conditions - 1st Party Discovery	\$1,000,000
Existing Pollution Conditions - (BI/PD and Cleanup)	\$1,000,000
Existing Pollution Conditions - 1st Party Discovery	Not Covered
Transportation	\$1,000,000
Non-Owned Locations	\$1,000,000
Business Interruption	\$1,000,000
Policy Aggregate	\$2,000,000
 <u>Business Travel Accident</u>	 Federal Insurance Company
Policy Number	9907-58-43
Policy Period	6/30/22-6/30/23
24 Hour Business Travel - (Employees)	\$250,000
Business Travel Family - (Spouse/Domestic Partner of Insured Person)	\$75,000
Business Travel Family - Dependent Children of Primary Insured Person	\$50,000

SINGLE AUDIT REPORTS SECTION

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2022

Federal Grantor/Project Title	Source Code	Federal CFDA Number	Pass Through Grantor's Number	Grant Period From-To	Program or Award Amount	Total Received (Paid) For Year	Accrued (Deferred) Revenue July 1, 2021	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2022
U.S. Department of Education										
Passed through the Pennsylvania Department of Education:										
Title I - Improving Basic Programs	I	84.010	013-21-0996	07/01/20 - 09/30/21	\$ 3,225,568	\$ 269,071	\$ 269,071	\$ -	\$ -	\$ -
Title I - Improving Basic Programs	I	84.010	013-22-0996	07/01/21 - 09/30/22	3,570,429	3,569,532	-	3,570,429	3,570,429 *	897
Title I SIG - Program Improv-Set Aside	I	84.010	042-20-0996	09/30/20 - 09/30/21	360,545	27,735	23,380	4,355	4,355 *	-
Title I SIG - Program Improv-Set Aside	I	84.010	042-21-0996	09/30/21 - 09/30/22	379,687	321,274	-	357,107	357,107 *	35,833
Total CFDA Number 84.010						4,187,612	292,451	3,931,891	3,931,891	36,730
Title II - Improving Teacher Quality	I	84.367	020-21-0996	07/01/20 - 09/30/21	388,597	42,369	42,369	-	-	-
Title II - Improving Teacher Quality	I	84.367	020-22-0996	07/01/21 - 09/30/22	386,002	396,126	-	386,002	386,002	(10,124)
Total CFDA Number 84.367						438,495	42,369	386,002	386,002	(10,124)
Title IV - Student Support and Academic Enrichment	I	84.424	144-22-0996	07/01/21 - 09/30/22	236,736	236,596	-	236,736	236,736	140
COVID-19 Elementary & Secondary School Emergency Relief (ESSER I) Fund (Education Stabilization Fund)	I	84.425D	200-20-0996	03/13/20 - 09/30/22	2,316,518	1,584,986	40,271	1,544,715	1,544,715 *	-
COVID-19 Special Education Covid-19 Impact Mitigation	I	84.027 **	252-20-0996	07/01/20 - 09/30/21	40,237	5,365	5,365	-	-	-
Passed through the Beaver Valley Intermediate Unit:										
IDEA	I	84.027 **	27	07/01/20 - 06/30/21	1,816,437	363,287	363,287	-	-	-
IDEA	I	84.027 **	27	07/01/21 - 06/30/22	2,445,815	-	-	2,445,815	2,445,815	2,445,815
IDEA - ARP	I	84.027 **	27	07/01/21 - 06/30/22	104,771	-	-	104,771	104,771	104,771
IDEA - ESY	I	84.027 **	27	07/01/20 - 06/30/21	83,079	83,079	-	83,079	83,079	-
Total CFDA Number 84.027						451,731	368,652	2,633,665	2,633,665	2,550,586
IDEA 619 B Pass Through	I	84.173 **	27	07/01/20 - 06/30/21	1,920	1,920	1,920	-	-	-
IDEA 619 B Pass Through	I	84.173 **	27	07/01/21 - 06/30/22	7,518	-	-	7,518	7,518	7,518
Total CFDA Number 84.173						1,920	1,920	7,518	7,518	7,518
** Total Special Education Cluster (IDEA) 84.027 and 84.173									\$ 2,641,183	
U.S. Department of Health and Human Services										
Passed through the Pennsylvania Department of Human Services:										
Medical Assistance Reimbursement for Administrative Claiming - (Medicaid Cluster)	I	93.778	044-00-7657	07/01/21 - 06/30/22	9,347	9,347	-	9,347	9,347	-
Total Federal Assistance						\$ 6,910,687	\$ 745,663	\$ 8,749,874	\$ 8,749,874	\$ 2,584,850

Source Codes:
I=Indirect Funding; F=Federal Share; S=State Share

Footnotes:
* Major Program selected for testing

See independent auditor's report and accompanying notes to the schedule of expenditures of federal awards.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Pennsylvania Cyber Charter School (the School) and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in fund balance or cash flows of the School. The Schedule of Expenditures of Federal Awards is based upon information provided by the various funding sources to the School and other information available at the time this Schedule was prepared.

NOTE 2 - RECONCILIATION OF FEDERAL AWARDS

Federal Awards revenue per Schedule of Expenditures of Federal Awards	\$ 8,749,874
Pass-through Awards Recorded in Local Revenue	<u>(2,641,183)</u>
Per Financial Statements - Federal Revenue	<u>\$ 6,108,691</u>

NOTE 3 - INDIRECT COST RATE

The School has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

See independent auditor's report.



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**Report on Internal Control over Financial Reporting and on Compliance and Other Matters
 Based on an Audit of Financial Statements Performed in Accordance
 with Government Auditing Standards**

Independent Auditor's Report

To the Board of Trustees
 Pennsylvania Cyber Charter School

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of Pennsylvania Cyber Charter School as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Pennsylvania Cyber Charter School's basic financial statements, and have issued our report thereon dated December 14, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pennsylvania Cyber Charter School's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pennsylvania Cyber Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Pennsylvania Cyber Charter School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

(continued)

Report on Internal Control over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
with Government Auditing Standards

Independent Auditor's Report

(continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pennsylvania Cyber Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Deluzio & Company, LLP

Greensburg, Pennsylvania
December 14, 2022



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Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance

Independent Auditor's Report

To the Board of Trustees
 Pennsylvania Cyber Charter School

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pennsylvania Cyber Charter School's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Pennsylvania Cyber Charter School's major federal programs for the fiscal year ended June 30, 2022. Pennsylvania Cyber Charter School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Pennsylvania Cyber Charter School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Pennsylvania Cyber Charter School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Pennsylvania Cyber Charter School's compliance with the compliance requirements referred to above.

(continued)

**Report on Compliance for Each Major Federal Program and Report on Internal Control Over
Compliance in Accordance with the Uniform Guidance**

Independent Auditor's Report

(continued)

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Pennsylvania Cyber Charter School's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Pennsylvania Cyber Charter School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Pennsylvania Cyber Charter School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Pennsylvania Cyber Charter School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Pennsylvania Cyber Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Pennsylvania Cyber Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

(continued)

**Report on Compliance for Each Major Federal Program and Report on Internal Control Over
Compliance in Accordance with the Uniform Guidance**

Independent Auditor's Report

(continued)

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Deluzio & Company, LLP

Greensburg, Pennsylvania
December 14, 2022

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:
 Material weaknesses identified? Yes No
 Significant deficiencies identified not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:
 Material weaknesses identified? Yes No
 Significant deficiencies identified not considered to be material weaknesses? Yes None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Numbers</u>
Title I	84.010
COVID-19 Elementary & Secondary School Emergency Relief (ESSER I) Fund	84.425D

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

None

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2022

(continued)

Section III – Federal Award Findings and Questioned Costs

This section identifies the audit findings to be reported in 2 CFR 200 Section 516(a) of the Uniform Guidance (e.g., report significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program.

None

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Schedule of Prior Audit Findings

Fiscal Year Ended June 30, 2022

Prior Year Findings

This section identifies the audit findings to be reported in the prior year by 2 CFR 200 Section 516(a) of the Uniform Guidance (e.g., report significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program.

None

THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2023



The Pennsylvania Cyber Charter School

Midland, Pennsylvania

**THE PENNSYLVANIA CYBER CHARTER SCHOOL
MIDLAND, PENNSYLVANIA**



The Pennsylvania Cyber Charter School

**THE ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2023

Brian Hayden
Chief Executive Officer

Prepared by:

Business Administrator's Office

Matthew Schulte
Chief Financial Officer

Ryan Frueh
Director of Business Services

THE PENNSYLVANIA CYBER CHARTER SCHOOL

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THE PENNSYLVANIA CYBER CHARTER SCHOOL

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INTRODUCTORY SECTION



The Pennsylvania Cyber Charter School

Our Mission

Empower all students and families to become active participants in their own learning and equip them with skills for the future.

We achieve this through engaging content, delivered by innovative teaching in a culture of caring.



The Pennsylvania Cyber Charter School

Vision, Mission and Core Values

Our Vision

Inspire today's learners to be tomorrow's thinkers.

Our Mission

Empower all students and families to become active participants in their own learning and equip them with skills for the future. We achieve this through engaging content, delivered by innovative teaching in a culture of caring.

Our Core Values

An organization's core values shape its culture, identify its priorities, and provide the framework and criteria by which decisions are made. As these are the essential principles that guide PA Cyber, they must be known, understood, and shared by all stakeholders.

Integrity

We act with transparency, honesty, and accountability, and we are dedicated to exemplary work.

Innovation

We encourage new ideas and practices that foster student success.

Service

We are dedicated to ensuring positive family experiences with passion and enthusiasm by being responsive to our families' needs.

Excellence

We challenge our students and ourselves to meet or exceed the highest expectations.

Professionalism

We place value on all stakeholders, evidenced by how we treat others - with dignity, courtesy, professionalism, and, above all, respect. We believe in collaborative work among teachers, staff, and administrators and use the expertise and support of the families we serve.



The Pennsylvania Cyber Charter School

January 10, 2024

To the Parents/Guardians of Pennsylvania Cyber Charter School students and the Board of Trustees
The Pennsylvania Cyber Charter School
Midland, PA 15059

The Annual Comprehensive Financial Report of the Pennsylvania Cyber Charter School (School) for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with management and the Board of Trustees (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, in all material respects, the respective financial position and results of operations of the various funds of the School. All disclosures necessary to enable the reader to gain an understanding of the School's financial activities have been included.

Generally accepted accounting principles requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Pennsylvania Cyber Charter School for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the fifth consecutive year that the School has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a School must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

About PA Cyber

Serving students in kindergarten through 12th grade, the School is one of the largest, most experienced, and most successful online public schools in the nation. The School's online learning environments, personalized instructional methods, and choices of curricula connect Pennsylvania students and their families with state-certified and highly-qualified teachers, and rich academic content that is aligned to state standards. Founded in 2000, the School is headquartered in Midland, PA (Beaver County) and maintains a network of support offices throughout the state. As a public school, PA Cyber is open for enrollment by any school-age child residing in the Commonwealth of Pennsylvania and does not charge tuition to students or families.



The Pennsylvania Cyber Charter School

A Continuum of Learning

At the School, our student-centered instructional model recognizes the different developmental stages students typically follow, while respecting the innate differences and unique abilities of each individual child. This flexible-but-focused learning model allows our teachers to use a variety of teaching strategies and curriculum choices to create an education program that is deeply personal. It all works to inspire students – supported by the caring adult mentors in their lives – to become self-motivated, lifelong learners.

Innovative Curriculum and Instruction

The School is a tuition-free public school chartered by the Pennsylvania Department of Education, which approves our curriculum. All of our teachers are Pennsylvania-certified, highly qualified educators. We are one of only three cyber charter schools accredited by the prestigious Middle States Association. Additionally, the National Collegiate Athletic Association accredits our curriculum and AdvancED accredits two of our three curriculum providers. The School's graduates can be found attending highly regarded universities, colleges, professional academies, and vocational schools.

A Real Community

Using the power of the internet to overcome the traditional boundaries of time and space, the School makes it possible to deeply personalize the learning experience, connecting students and families with skilled and caring teachers anytime, from anyplace. Our offices are conveniently located throughout Pennsylvania and serve as a hub for enrollment, orientation, and enrichment. Our students belong to a real community where they grow academically, emotionally, socially and physically.

Choices and Opportunities

The School offers abundant choices for both live and self-paced instruction, along with a variety of opportunities for meaningful interaction with teachers and peers. Our extensive courses and program offerings include the creative and performing arts, STEM and Gifted programs, Advanced Placement classes, and a variety of clubs and other activities. And our certified faculty and experienced staff are available to engage with students and families at their convenience.

The Right Technology

The School provides a tuition-free, accredited quality curriculum with access to all the technology and personal guidance that students need for success. Our technology platforms are not only on the leading edge, they are user-friendly and truly enhance the educational experiences of our students. Each student receives a laptop, printer, textbooks, and online connectivity, as well as an expert technical support team that is responsive, skilled, and dependable.



The Pennsylvania Cyber Charter School

REPORTING ENTITY AND ITS SERVICES

The School is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the School are included in this report. The School has no component units.

The School is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) of the Internal Revenue Code. As such, they are exempt from federal and state corporate income taxes. As a 501(c)(3), income from certain activities not directly related to the School’s tax-exempt purpose is subject to taxation as unrelated business income.

The School was formed under the laws of the state of Pennsylvania to provide elementary and secondary education to students through a computer managed learning system designed to meet individual students’ needs and styles. These services include general education and special education for students with disabilities, as well as basic skills instruction for students in need of intervention. The following details the changes in the full-time equivalent (FTE) student enrollment for the current and past four fiscal years.

<u>Fiscal Year</u>	<u>FTE Student Enrollment</u>	<u>Percent Change</u>
2022-2023	10,738	-5.38%
2021-2022	11,349	-1.02%
2020-2021	11,466	8.99%
2019-2020	10,520	-0.73%
2018-2019	10,597	1.77%

ECONOMIC CONDITION AND OUTLOOK

Though the cyber charter school concept is now widely-accepted as a viable and indeed necessary education model, the issue concerning how cyber charter schools are funded will likely remain contentious in the foreseeable future. Nevertheless, the demand for the type and quality of services provided by the School continues to grow.

MAJOR INITIATIVES

The School continues to focus and serve its students in accordance with its vision and mission statements. The School provides student-centered service that empower each student to succeed and grow beyond the normal curriculum. To fulfill this mission, the School diligently works to improve instruction and student outcomes by growing and developing the staff, providing new resources and programs for the students and providing remedial instruction when needed.



The Pennsylvania Cyber Charter School

INTERNAL ACCOUNTING CONTROLS

The School's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the charter school are protected from loss, theft, or misuse and to ensure that adequate accounting data are completed to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable assurance, recognizing that: (1) the costs of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the School is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluations by the School's management.

As part of the School's Single Audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the School has complied with applicable laws and regulations.

BUDGETARY CONTROLS

In addition to internal accounting controls, the School maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Trustees. Annual appropriated budgets are adopted for the general fund. The final budget for the fiscal year is reflected in the financial section.

ACCOUNTING SYSTEM AND REPORTS

The School's accounting records reflect generally accepted accounting principles, as promulgated by GASB. The accounting system of the School is organized based on funds. The funds are explained in Notes to the Financial Statements, Note 2.

FINANCIAL POLICIES

The intent of the Board is to ensure that the School manages its budget and finances in a fiscally prudent and responsible way by establishing financial policies for the budget, fund balance, and maintenance of adequate reserves. The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.



The Pennsylvania Cyber Charter School

OTHER INFORMATION

Independent Audit

The Commonwealth of Pennsylvania statutes require an annual audit by independent certified public accountants. The accounting firm of Deluzio & Company, LLP was appointed by the Board of Trustees. In addition to meeting the requirements set forth in the Commonwealth statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The auditor's report on the basic financial statements is included in the Financial Section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit Section of this report.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Business Administration Office. We wish to thank all the departments involved for their assistance in providing the data necessary to prepare this report.

Respectfully submitted,

Matthew Schulte
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Pennsylvania Cyber Charter School

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

**THE PENNSYLVANIA CYBER CHARTER SCHOOL
MIDLAND, PENNSYLVANIA**

**Roster of Officials
June 30, 2023**

Members of the Board of Trustees

Officers:

Edward Elder	President
Steve Robinson	Vice President

Board Members:

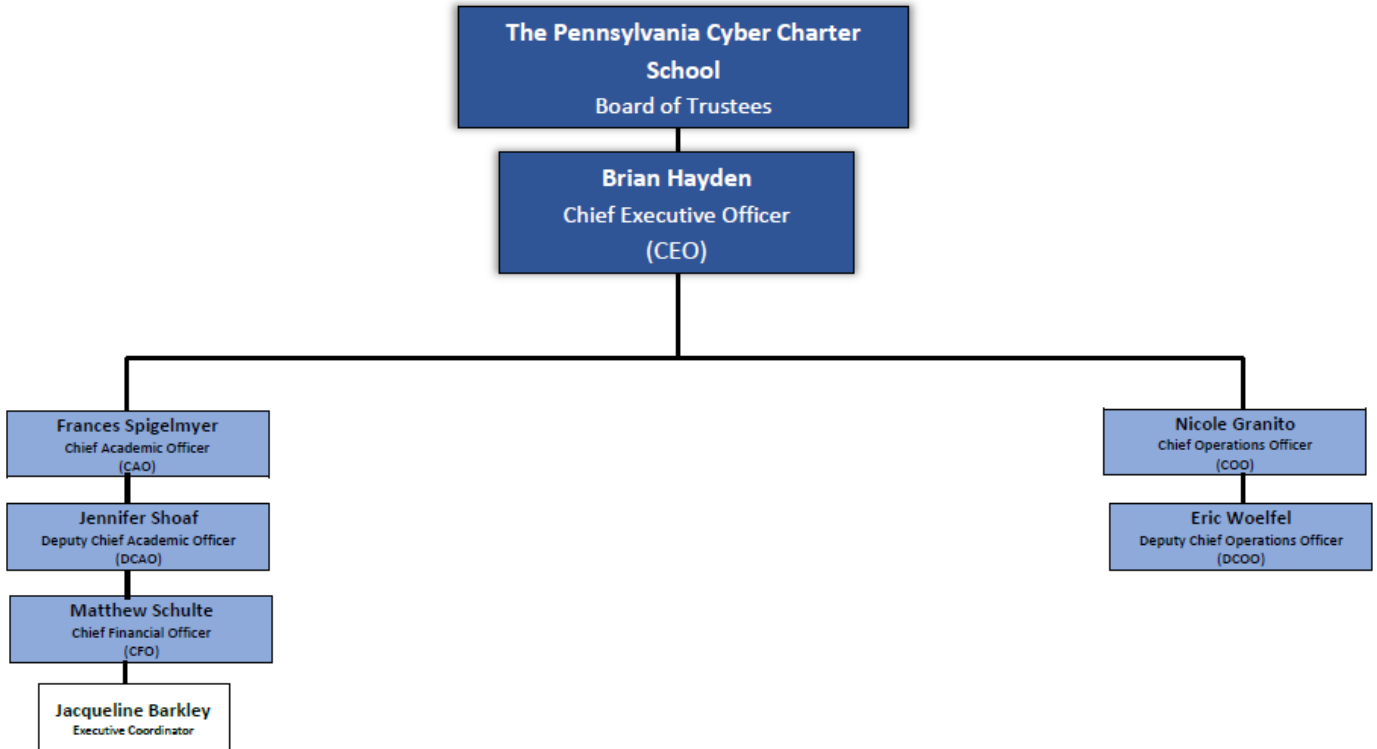
Tom Dorsey
Marc Stawderman
Melissa DiSanto Castellanno
Logan Clark
Dan LeRoy
Mark Noll (resigned December 2022)

Non-Voting Members:

Brian Hayden	Chief Executive Officer
Matthew Schulte	Chief Financial Officer/Treasurer
Cassandra Kirkland	Board Secretary
Cheryl Leydig	Assistant Board Secretary
Joseph Askar	Solicitor

**THE PENNSYLVANIA CYBER CHARTER SCHOOL
MIDLAND, PENNSYLVANIA**

Organizational Chart - Administration
June 30, 2023



FINANCIAL SECTION

Independent Auditor's Report

To the Board of Trustees
The Pennsylvania Cyber Charter School

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of Pennsylvania Cyber Charter School, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Pennsylvania Cyber Charter School's basic financial statements as listed in the financial section of the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of Pennsylvania Cyber Charter School, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pennsylvania Cyber Charter School, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Pennsylvania Cyber Charter School's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

(continued)

Independent Auditor's Report

(continued)

Responsibilities of Management for the Financial Statements (continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pennsylvania Cyber Charter School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pennsylvania Cyber Charter School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pennsylvania Cyber Charter School's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

(continued)

Independent Auditor's Report

(continued)

Emphasis of Matter

Implementation of GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITA).

Pennsylvania Cyber Charter School implemented the provisions of GASB Statement No. 96, SBITA, in the current fiscal year. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, other post-employment benefits information, and the pension information on pages 15 through 25 and 62 through 68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pennsylvania Cyber Charter School's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(continued)

Independent Auditor's Report

(continued)

Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the Annual Comprehensive Financial Report (ACFR). The other information comprises the information included in the introductory section and statistical section of the ACFR but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2024, on our consideration of Pennsylvania Cyber Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Pennsylvania Cyber Charter School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pennsylvania Cyber Charter School's internal control over financial reporting and compliance.

Greensburg, Pennsylvania
January 10, 2024

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Management’s Discussion and Analysis
Required Supplementary Information
June 30, 2023

Our discussion and analysis of the Pennsylvania Cyber Charter School’s (School) financial performance provides an overview of the School’s financial activities for the fiscal year ended June 30, 2023. Please review this information in conjunction with the School’s financial statements that begin on page 26.

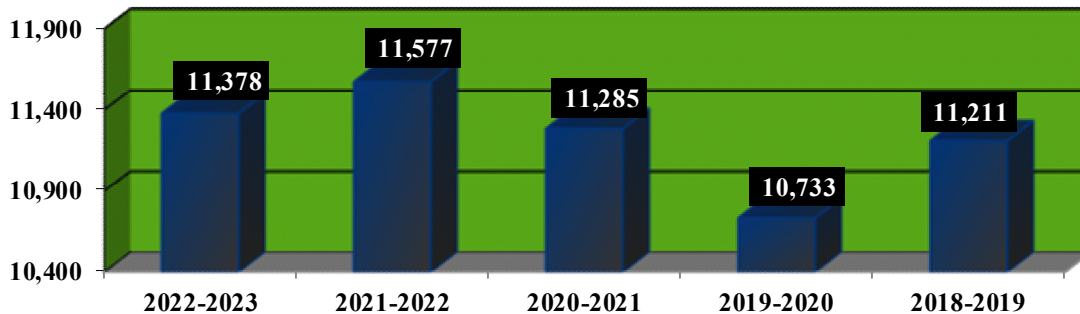
The Management’s Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments issued June 1999.

FINANCIAL HIGHLIGHTS

The School continues to serve its students in accordance with its vision and mission statements whereby the School is dedicated to providing student-centered service that empower each student to succeed and grow beyond the normal curriculum.

Pennsylvania Cyber Charter School
Student Enrollment

Source: Local Education Agencies (LEA) May Enrollment Summaries



The School’s total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources as of June 30, 2023 by \$139,251,423. As of June 30, 2023, the School reported an unassigned ending fund balance of \$100,898,386 that may be used at the School’s discretion. This amount equates to 57.62% of total General Fund Expenditures. The \$100,898,386 balance represents a \$4,182,327 decrease from the June 30, 2022 balance of \$105,080,713.

The School’s governmental fund balance was \$218,547,670 as of June 30, 2023 and consisted of the following:

Nonspendable	
Prepays and deposits	\$ 1,020,298
Spendable	
Committed to:	
Future PSERS retirement rate increases	28,641,168
Future healthcare cost increases	8,954,379
Lease and subscription obligations	10,569,536
Stabilization fund	36,972,000

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Management's Discussion and Analysis
Required Supplementary Information
June 30, 2023

FINANCIAL HIGHLIGHTS (continued)

Governmental fund balance (continued)

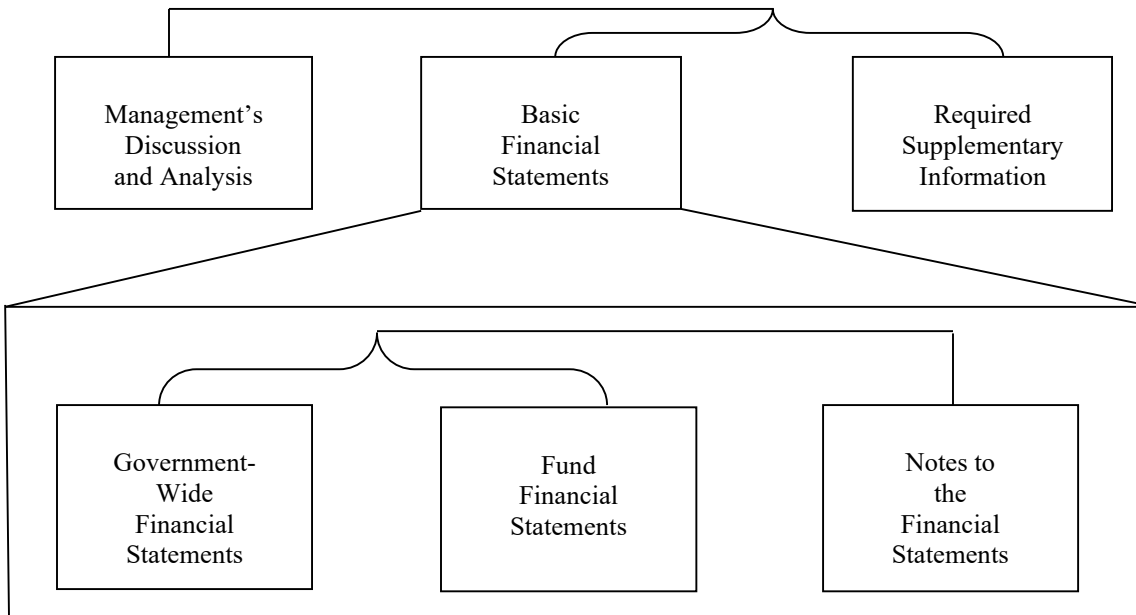
Assigned to:	
Future OPEB liability	1,117,488
Construction/renovation projects	30,161,396
Lease and subscription obligations	128,089
Future legal obligations	84,930
Unassigned	<u>100,898,386</u>
Total Fund Balance	<u><u>\$ 218,547,670</u></u>

USING THE BASIC FINANCIAL STATEMENTS

This Basic Financial Statements consist of the Management's Discussion and Analysis and a series of financial statements and notes to those statements. The Statement of Net Position and Statement of Activities, on pages 26 and 27, provide information about the activities of the School as a whole and present a longer-term view of the School's financial position. Fund Financial Statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. There are two parts to the Fund Financial Statements: 1) the governmental fund statements; and 2) the proprietary fund statements. Lastly, the financial statements include notes that explain some of the information in the financial statements and provide more detailed data.

Table A-1 shows how the required parts of the Financial Section are arranged and relate to one another.

Table A-1
 Required Components of Pennsylvania Cyber Charter School's
 Financial Report



THE PENNSYLVANIA CYBER CHARTER SCHOOL
Management's Discussion and Analysis
Required Supplementary Information
June 30, 2023

REPORTING THE SCHOOL AS A WHOLE

Statement of Net Position and the Statement of Activities

While this document contains the funds used by the School to provide programs and activities, the view of the School as a whole looks at all financial transactions and asks the question, "How did we do financially during Fiscal Year Ended June 30, 2023?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School's net position and changes in net position. This change in net position is important because it tells the reader, for the School as a whole, whether the financial position of the School has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the current charter school laws in Pennsylvania concerning funding, availability of facilities, required educational programs, mandated services and other factors.

OVERVIEW OF FINANCIAL STATEMENTS

Government-Wide Statements

The government-wide statements report information about the School as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all the School's assets and liabilities. All the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the School's net position and how it has changed. Net position, the difference between the School's assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the School's financial health or position.

Over time, increases or decreases in the School's net position is an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the School, you need to consider additional non-financial factors, such as changes in the School's enrollment (growth) and the academic achievement of the students.

In the Statement of Net Position and the Statement of Activities, the School shows the following kinds of activities:

- Governmental activities – Most of the School's basic services are included here, such as instruction, support services, operation and maintenance of plant, and administrative services. Tuition, state and federal subsidies and grants finance most of these activities.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Management’s Discussion and Analysis
Required Supplementary Information
June 30, 2023

REPORTING THE CHARTER SCHOOL’S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Fund financial statements provide detailed information about the most significant funds - not the School as a whole. Some funds are required by state law.

Governmental fund – Most of the School’s activities are reported in the general fund, which focuses on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The general fund statements provide a detailed short-term view of the School’s operations and the services it provides. General fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the School’s programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental fund is reflected in reconciliations on pages 29 and 31.

Proprietary fund – The School maintains one proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the School’s various functions. The School uses the internal service fund to account for its self-funded health insurance. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE

The School’s total net position was \$139,251,423 at June 30, 2023 and \$103,250,569 at June 30, 2022.

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Current assets	\$ 236,724,406	\$ 203,689,638
Capital assets	56,111,966	46,403,484
Other noncurrent assets	<u>3,919,836</u>	<u>4,336,121</u>
Total Assets	296,756,208	254,429,243
Deferred Outflows of Resources	34,058,455	40,669,178
Current liabilities	14,356,750	12,151,530
Noncurrent liabilities	<u>170,973,776</u>	<u>155,127,038</u>
Total Liabilities	185,330,526	167,278,568
Deferred Inflows of Resources	<u>6,232,714</u>	<u>24,569,284</u>
Net investment in capital assets	45,415,169	40,800,597
Unrestricted	<u>93,836,254</u>	<u>62,449,972</u>
Total Net Position	<u>\$ 139,251,423</u>	<u>\$ 103,250,569</u>

Total current assets increased by \$33,034,768 leading to an overall increase in total assets of \$42,326,965 from the prior year. In addition, total liabilities increased by \$18,051,958 while total net position increased by \$36,000,854. The increase in net position was higher than budgeted. Overall, the School’s financial position has improved.

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FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE (continued)

The majority of the increase in total liabilities relates to the School's proportionate share of the PSERS net pension liability. The deferred outflows of resources and deferred inflows of resources are a result of recording the net pension liability and net OPEB liability in accordance with GASB 68 and 75, respectively. For more information on this, see the notes to the financial statements.

The results of this year's operations as a whole are reported in the Statement of Activities on page 27. All operating expenses are reported in the first column. Specific charges, grants, revenues, and subsidies that directly relate to specific expense categories are presented to determine the final amount of the School's activities that are supported by other general revenues. The largest general revenue is tuition charged to local educational agencies for enrolled students residing in those educational agencies.

Total revenue increased \$1,381,342 (0.71%) while total expenses increased by \$3,214,897 (2.03%) leading to a positive increase in net position. The increase in revenue was due to an increase in the average reimbursement rate per student of \$691 (4.19%). The School has consistently had an increase in net position since the year ended June 30, 2018 due primarily to increased enrollment and increasing reimbursement rates.

Table A-2 takes the information from the Statement of Activities, rearranges it slightly, so you can see total revenues for the year. Prior year information is also provided for a comparative analysis of government-wide data.

Table A-2
Changes in Net Position
Fiscal Years Ended June 30, 2023 and June 30, 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Revenues		
<u>Program revenues:</u>		
Operating grants and contributions	\$ 7,688,089	\$ 9,820,218
<u>General revenues:</u>		
Payments from local educational agencies	184,393,557	187,028,447
Investment (loss) earnings	4,845,668	(1,069,331)
Other income (expenses), net	<u>507,014</u>	<u>145,883</u>
Total Revenues	<u>197,434,328</u>	<u>195,925,217</u>
Expenses		
Instructional services	105,753,596	104,897,386
Support services	48,526,103	47,241,723
Non-instructional services	1,020,078	607,610
Unallocated depreciation	<u>6,133,697</u>	<u>5,344,089</u>
Total Expenses	<u>161,433,474</u>	<u>158,090,808</u>
Increase in Net Position	36,000,854	37,834,409
Net Position, Beginning	<u>103,250,569</u>	<u>65,416,160</u>
Net Position, Ending	<u><u>\$ 139,251,423</u></u>	<u><u>\$ 103,250,569</u></u>

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FINANCIAL ANALYSIS OF THE SCHOOL AS A WHOLE (continued)

The tables below present the expenses of the Governmental Activities of the School.

Tables A-3 and A-4 show the School's four largest functions - instructional services, support services, non-instructional services and unallocated depreciation as well as each program's net cost (total cost less revenues generated by or restricted for the activities). These tables also show the remaining financial needs supported by local and other miscellaneous revenues. Prior year information is again provided to allow for a comparative analysis.

Table A-3
Fiscal Year Ended June 30, 2023
Governmental Activities

<u>Function/Programs</u>	<u>Total Cost of Service</u>	<u>Net Cost of Services</u>
Instructional services	\$ 105,753,596	\$ 100,471,676
Support services	48,526,103	46,158,072
Non-instructional services	1,020,078	981,940
Unallocated depreciation	<u>6,133,697</u>	<u>6,133,697</u>
Total Governmental Activities	<u><u>\$ 161,433,474</u></u>	<u>153,745,385</u>
 Total Needs from Local and Other Revenues		 <u><u>\$ 153,745,385</u></u>

Table A-4
Fiscal Year Ended June 30, 2022
Governmental Activities

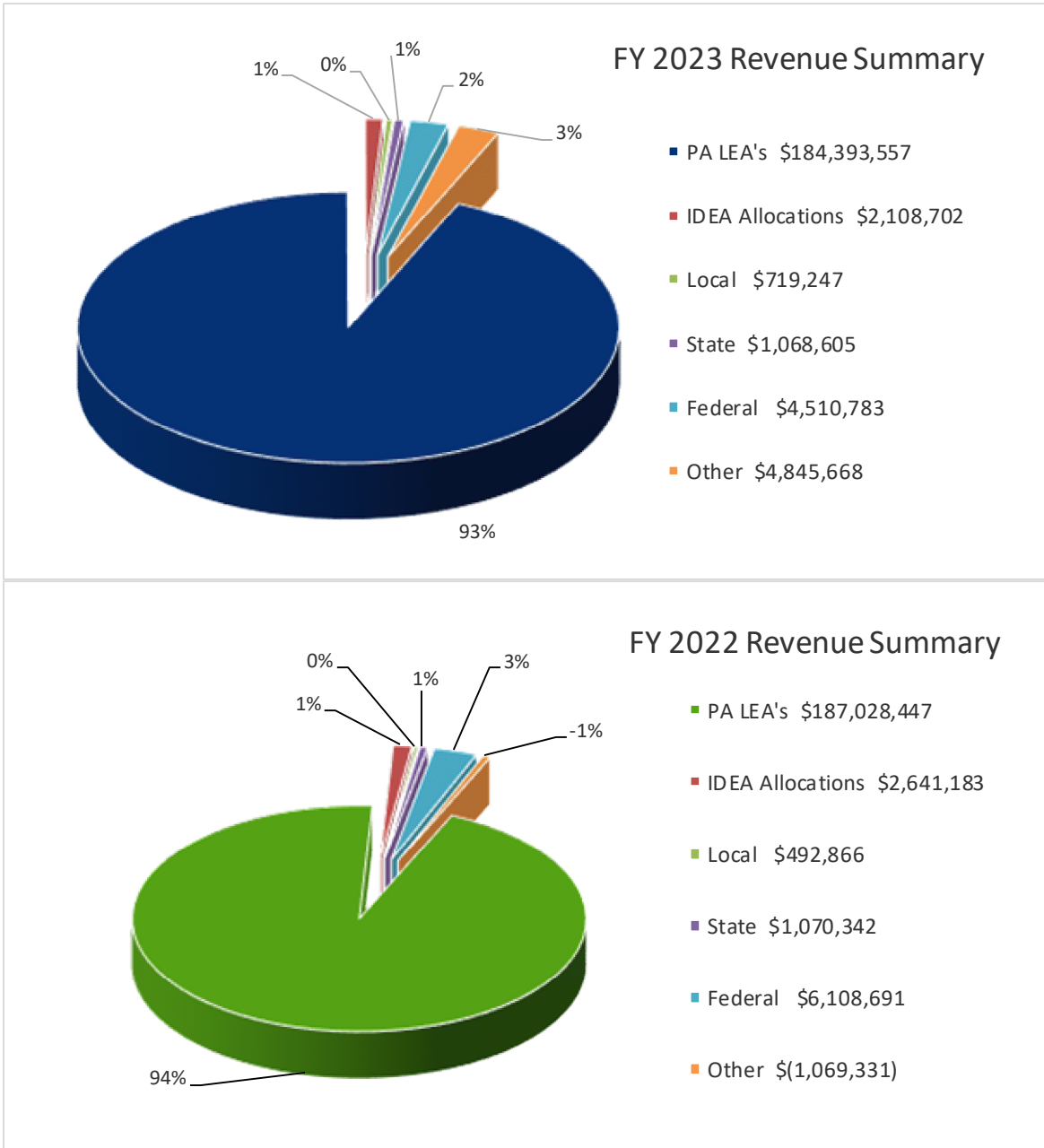
<u>Function/Programs</u>	<u>Total Cost of Service</u>	<u>Net Cost of Services</u>
Instructional services	\$ 104,897,386	\$ 98,067,534
Support services	47,241,723	44,292,101
Non-instructional services	607,610	566,866
Unallocated depreciation	<u>5,344,089</u>	<u>5,344,089</u>
Total Governmental Activities	<u><u>\$ 158,090,808</u></u>	<u>148,270,590</u>
 Total Needs from Local and Other Revenues		 <u><u>\$ 148,270,590</u></u>

THE PENNSYLVANIA CYBER CHARTER SCHOOL
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THE SCHOOL'S FUNDS

General Fund

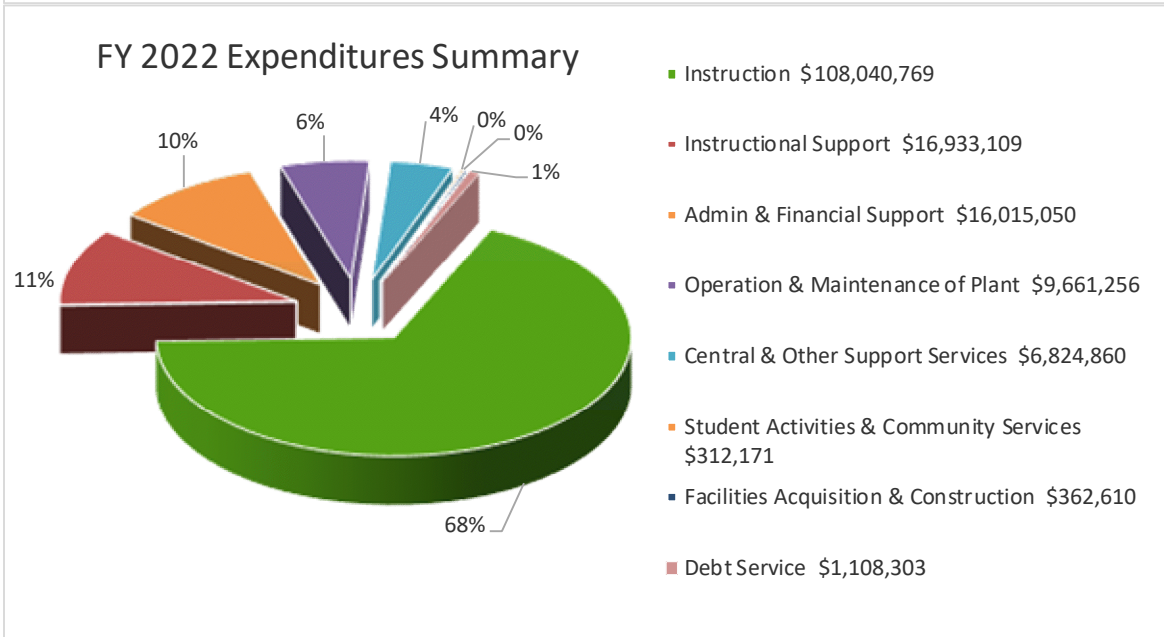
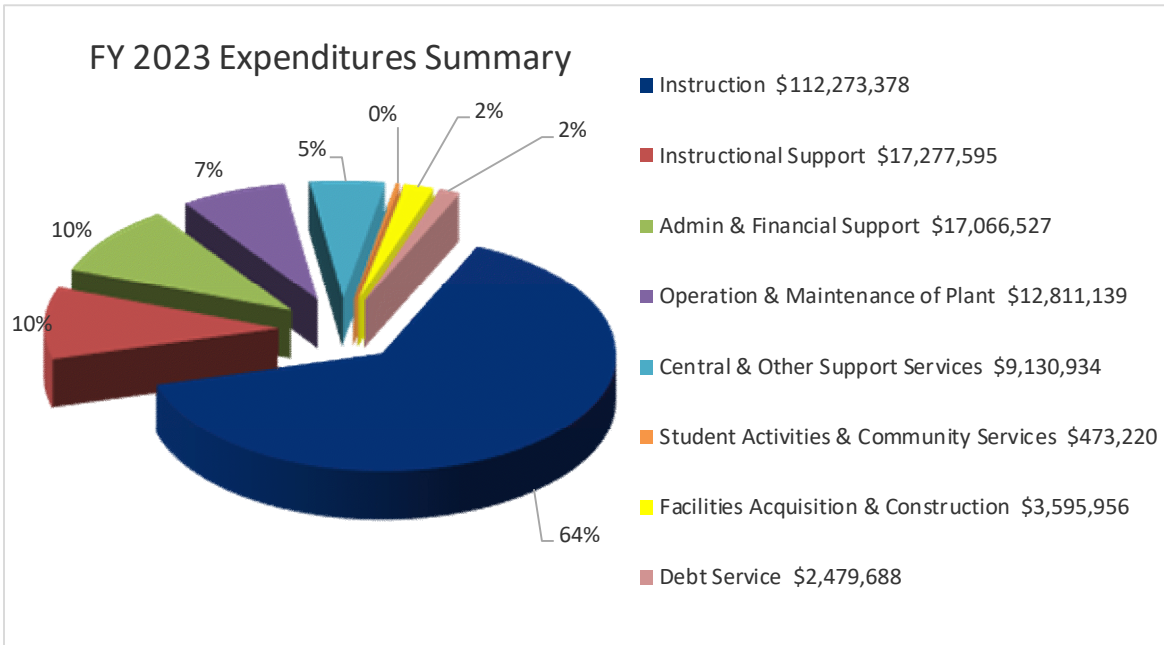
The General Fund, which accounts for the School's operations, had an unassigned fund balance of \$100,898,386, as noted on page 28. This represents a decrease of \$4,182,327 from 2021-2022 operations. This decrease occurred despite an increase in the Net Change in Fund Balance of \$30,258,845.



THE PENNSYLVANIA CYBER CHARTER SCHOOL
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THE SCHOOL'S FUNDS (continued)

General Fund (continued)



As noted in the revenue and expenditures summaries above the makeup of revenues and expenditures have remained consistent. Revenues increased \$1,374,364 (0.70%) while expenditures increased \$15,850,308 (9.95%). The increase in revenues was due to investment gains. The average reimbursement rate was \$17,171 per student compared to \$16,480 in the prior year. Although expenditures increased more than revenues the School had a Net Change in Fund Balance of \$30,258,845 as compared to \$38,512,031 for the fiscal year ended June 30, 2022. The School has consistently had a positive change in fund balance since the fiscal year ended June 30, 2016.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
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THE SCHOOL'S FUNDS (continued)

Budgeting Highlights

The School's budget is prepared according to Pennsylvania law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The only budgeted fund is the General Fund.

For the General Operating Fund, budgeted revenue and other financing sources were in the amount of \$170,606,623. Actual revenues and other financing sources were more than this budget amount by \$34,760,659. The expenditures were budgeted at \$194,506,953. Actual expenditures were less than budgeted expenditures by approximately \$19,398,516. A schedule showing the School's original and final budget amounts compared to actual amounts is provided on page 62.

With respect to revenues, the school experienced an unexpected positive variance associated with payments from the local education agencies (LEA's). During the 2022-2023 school year, the school budgeted for a 10% decrease in the per-student rate calculation for the LEA's throughout Pennsylvania. To explain, charter schools in Pennsylvania are funded by a formula (coded into law) wherein the LEA's forward to charter schools a per-student rate. This per-student rate, which is used to determine the per-student payment is calculated by each LEA on an annual basis for nonspecial education students and special education students. The LEA's forward this calculation to the charter schools throughout the school's entire fiscal year and beyond. Thus, the charter schools must wait for this information from the LEA's in order to invoice for the proper per-student payment.

The reason the school budgeted for a decrease in the per-student rate was associated with the receipt of monies by the LEA's for COVID-19 Pandemic relief funding through the Coronavirus Response and Relief Supplemental Appropriations Act which included the Elementary and Secondary School Emergency Relief Fund (ESSER II and ESSER III) monies received by the LEA's.

According to the charter school law, LEA's may deduct receipt of federal monies from the formula to calculate the per-student rate. Given that LEA's throughout Pennsylvania received extraordinary amounts of ESSER II and ESSER III monies, the school anticipated that the LEA's would take these monies into consideration when calculating the per-student rate, and thus, the rates, would decrease. Again, the school anticipated a 10% decrease in the per-student rate from LEA's due to receipt of ESSER II and ESSER III monies by the LEA's.

While some LEA's did apply the ESSER II and ESSER III monies when the LEA calculated its per-student rate, many unexpectedly did not. From review of the per-student rates received, the average regular education per-student rate increase was 1.8%. The average special education per-student rate increase was 3.4%. This resulted in an unanticipated increase in the per-student rate received from those LEA's, and thus, the net result was an increase in the per-student payment.

In terms of expenditures, there were several main areas which explain why actual expenses were less than budgeted expenses. These areas are salaries/benefits, facilities construction, and professional services. With respect to salaries/benefits, PA Cyber budgeted for additional positions that were anticipated to be filled during the 2022/2023 school year. To be succinct, several hires were delayed while other open positions were not filled during the 2022/2023 school year. These open positions will be filled during the 2023/2024 school year.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
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THE SCHOOL'S FUNDS (continued)

Budgeting Highlights (continued)

Further, with respect to salaries, the school was engaged in contract negotiations with two separate unions representing approximately 200 staff members. The school budgeted for normal salary and benefit increases for these staff members. However, the school and the two unions were unable to reach agreement during the 2022-2023 school year. In fact, contract negotiations continued through the entirety of the 2022-2023 school year and then into the 2023-2024 school year. This was unexpected and led to the variance in expenditures associated with salaries and benefits costs.

PA Cyber budgeted monies for two multimillion-dollar construction projects. One was the construction of a new facility. The amount budgeted for this project was \$17.5 million. The amount expended for this project during the 2022-2023 school year was \$3.6 million, which led to a variance of almost \$14 million. The start date for this project was delayed.

The school identified and targeted an ideal property site for this facility that was available for sale. Soon later, the school entered into negotiations with the property owner. However, the negotiations to acquire the site took much longer than expected. At one point, the school walked away from the negotiations and sought to purchase another property. However, several months later, the school and property owner re-entered negotiations for the original intended site and eventually came to an agreement. Another factor that delayed the project was once the site was acquired, the school was required to obtain a NPDES permit rather than a general permit from the Pennsylvania Department of Environmental Protection. In addition, the school was advised by the PA DEP that an existing permit on the site needed to be closed out before the PA DEP would review the school's new permit application. Lastly, the school made a schedule change on the project. To elucidate, this schedule change was to accommodate existing supply chain issues for electric switch gear and generators.

Another construction/renovation project was scheduled during the 2022-2023 school year for a newly leased location in Allentown, Pennsylvania. However, the project was delayed. The reason for the delay is that it unexpectedly took much longer to secure a lease agreement for this new location, and as a result the retrofit of the new location to meet the school's requirements was delayed. The amount budgeted for this project was \$1.45 million. No expenditures were made for this project during the 2022-2023 school year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the School's Governmental Activities had \$45,414,341 invested in a broad range of capital assets, including land, buildings and improvements, furniture and equipment, right-to-use assets and construction in progress. This amount represents a net increase of \$4,613,744 from last year. The increase in capital assets is primarily due to the addition of right-to-use assets recorded due to GASB No. 87 and the addition of subscription assets due to the implementation of GASB No. 96. More detailed information regarding the School's capital assets is included in the Notes to the Financial Statements (Note 6).

THE PENNSYLVANIA CYBER CHARTER SCHOOL
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CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Subscription-Based Information Technology Arrangements

During the fiscal year ended June 30, 2023, the School implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* and on July 1, 2022, recognized subscription assets totaling \$2,806,161 and subscription liability totaling \$2,806,161. As of June 30, 2023, subscription assets totaling \$2,806,161 and subscription liability totaling \$1,611,017. The current portion of subscription liability is \$710,635. More detailed information regarding the School's subscription-based information technology arrangements is included in the Notes to the Financial Statements (Note 12).

Debt Administration

As of June 30, 2023, the only outstanding debt the School had was from lease liability obligations and subscription-based information technology arrangements as described in the preceding section. More detailed information regarding the School's long-term debt is included in the Notes to the Financial Statements (Notes 11 and 12).

ECONOMIC FACTORS AND BUDGETS

Though the cyber charter school concept is now widely-accepted as a viable and indeed necessary educational model, the issue concerning how cyber charter schools are funded will likely remain contentious in the foreseeable future. Nevertheless, the demand for the type and quality of services provided by the School continues to grow. The success of the School has created hundreds of new jobs in and around the community of Midland, PA as more professional and support staff are needed to serve the growing roster of students. As a state-wide school, the School is also establishing a physical presence in key areas across Pennsylvania. Furthermore, the innovations – technological and educational – pioneered by the School, are helping to establish Pennsylvania as a leader in the development of 21st century learning strategies for public education.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT DEPARTMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students and creditors with a general overview of the School's finances and to show the Board of Trustees accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Matthew Schulte, Chief Financial Officer, at Pennsylvania Cyber Charter School, 652 Midland Avenue, Midland, Pennsylvania 15059.

Basic Financial Statements

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Statement of Net Position
June 30, 2023

<u>ASSETS</u>	<u>Governmental Activities</u>
Current Assets	
Cash and cash equivalents	\$ 141,592,796
Investments	76,422,389
Intergovernmental receivables, net	16,806,675
Other receivables	935,568
Current portion of note receivable	340,000
Deposits	21,248
Prepays	605,730
Total Current Assets	236,724,406
Noncurrent Assets	
Land	4,600,993
Buildings and improvements (net of depreciation)	27,111,756
Furniture and equipment (net of depreciation)	2,706,525
Computer equipment (net of depreciation)	10,912,521
Lease and other right-to-use assets (net of amortization)	10,549,419
Construction in progress	230,752
Deposits	179,836
Note receivable, net of current portion	3,740,000
Total Noncurrent Assets	60,031,802
Total Assets	296,756,208
Deferred Outflows of Resources	34,058,455
<u>LIABILITIES</u>	
Current Liabilities	
Intergovernmental payables	434,029
Accounts payable	3,241,625
Claims and judgments payable	84,930
Accrued salaries and benefits	2,240,764
Retirement payable	5,199,715
Other payables	3,405
Accrued healthcare costs	1,248,722
Current portion of lease and subscription obligations	1,903,560
Total Current Liabilities	14,356,750
Noncurrent Liabilities	
Net pension liability	154,671,894
Net OPEB liability	7,508,645
Lease and subscription obligations net of current portion	8,793,237
Total Noncurrent Liabilities	170,973,776
Total Liabilities	185,330,526
Deferred Inflows of Resources	6,232,714
<u>NET POSITION</u>	
Net investment in capital assets	45,415,169
Unrestricted net position	93,836,254
Total Net Position	\$ 139,251,423

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Statement of Activities
Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Changes in Net
			Contributions	Contributions	Position
					Governmental
					Activities
Governmental Activities					
Instructional Services					
Regular instruction	\$ 66,990,810	\$ -	\$ 3,165,383	\$ -	\$ (63,825,427)
Special instruction	37,364,703	-	2,116,537	-	(35,248,166)
Other instructional programs	1,379,995	-	-	-	(1,379,995)
Higher education programs	18,088	-	-	-	(18,088)
Total Instructional Services	105,753,596	-	5,281,920	-	(100,471,676)
Support Services					
Pupil personnel	13,303,081	-	416,297	-	(12,886,784)
Instructional staff	3,763,439	-	1,144,606	-	(2,618,833)
Administration	8,395,275	-	500,217	-	(7,895,058)
Pupil health	1,023,342	-	132,094	-	(891,248)
Business services	7,398,701	-	-	-	(7,398,701)
Operation of plant and maintenance services	7,071,433	-	-	-	(7,071,433)
Support services - central	7,570,832	-	174,817	-	(7,396,015)
Total Support Services	48,526,103	-	2,368,031	-	(46,158,072)
Non-Instructional Services					
Student activities	435,030	-	-	-	(435,030)
Community services	38,190	-	38,138	-	(52)
Interest on long-term debt	546,858	-	-	-	(546,858)
Unallocated depreciation expense	6,133,697	-	-	-	(6,133,697)
Total Non-Instructional Services	7,153,775	-	38,138	-	(7,115,637)
Total Governmental Activities	\$ 161,433,474	\$ -	\$ 7,688,089	\$ -	(153,745,385)
General Revenues:					
Payments from local educational agencies					184,393,557
Investment gain					4,845,668
Gain on disposal of capital assets					127,769
Miscellaneous income					379,245
Total General Revenues					189,746,239
Change in Net Position					36,000,854
Net Position - July 1, 2022					103,250,569
Net Position - June 30, 2023					\$ 139,251,423

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Balance Sheet – Governmental Fund
June 30, 2023

	General Fund
<u>ASSETS</u>	
Cash and cash equivalents	\$ 134,770,845
Investments	76,422,389
Intergovernmental receivables, net	16,806,675
Other receivables	643,198
Interfund receivable	3,803
Deposits	201,084
Prepays	819,214
Total Assets	\$ 229,667,208
<u>LIABILITIES</u>	
Accounts payable	\$ 3,241,625
Accrued salaries and benefits	2,240,764
Intergovernmental payable	434,029
Retirement payable	5,199,715
Other payables	3,405
Total Liabilities	11,119,538
<u>FUND BALANCE</u>	
Nonspendable	
Prepays and deposits	1,020,298
Spendable	
Committed to:	
Future PSERS retirement rate increases	28,641,168
Future healthcare cost increases	8,954,379
Lease and subscription obligations	10,569,536
Stabilization fund	36,972,000
Assigned to:	
Future OPEB liability	1,117,488
Construction/renovation projects	30,161,396
Lease and subscription obligations	128,089
Future legal obligations	84,930
Unassigned	100,898,386
Total Fund Balance	218,547,670
Total Liabilities and Fund Balance	\$ 229,667,208

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
June 30, 2023

TOTAL FUND BALANCE - GOVERNMENTAL FUND \$ 218,547,670

Amounts reported for *governmental activities* in the statement of net position are different because:

Prepaid expense included in the governmental fund that is a right-of-use asset in governmental activities (224,156)

Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental fund.

Cost of all capital assets	\$ 91,958,945	
Less: accumulated depreciation	<u>(35,846,979)</u>	56,111,966

Note receivable is utilized in the governmental activities as a financial resource and is not reported as an asset in the governmental fund.

Current portion	340,000
Long-term portion	3,740,000

Certain liabilities are not due and payable in the current period and therefore are not reported on the government fund.

Net OPEB liability	(7,508,645)
Claims and judgments payable	(84,930)
Net pension liability	(154,671,894)
Lease and other right-to-use obligations	(10,696,797)

Deferred outflows of resources related to the School's net pension and OPEB liabilities. 34,058,455

Deferred inflows of resources related to the School's net pension and OPEB liabilities. (6,232,714)

The internal service fund is used by management to account for medical benefits of the School's employees. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position. 5,872,468

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 139,251,423**

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund
Fiscal Year Ended June 30, 2023

	General Fund
<u>REVENUES</u>	
Local sources	\$ 192,067,174
State sources	1,068,605
Federal sources	4,510,783
Total Revenues	197,646,562
<u>EXPENDITURES</u>	
Instructional services	112,273,378
Support services	56,286,195
Non-instructional services	473,220
Capital outlay	3,595,956
Debt service:	
Principal	1,932,830
Interest	546,858
Total Expenditures	175,108,437
Excess of Revenues Over Expenditures	22,538,125
<u>OTHER FINANCING SOURCES</u>	
Proceeds from leases and subscription arrangements	7,250,895
Proceeds from disposal of capital assets	469,825
Total Other Financing Sources	7,720,720
Net Change in Fund Balance	30,258,845
Fund Balance - July 1, 2022	188,288,825
Fund Balance - June 30, 2023	\$ 218,547,670

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Reconciliation of the Governmental Fund –
Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
Fiscal Year Ended June 30, 2023

NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND \$ 30,258,845

Amounts reported for *governmental activities* in the statement of activities are different because:

Capital outlays including right to use assets, are reported in the governmental fund as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Add: capital outlays	\$ 18,331,345	
Less: depreciation and amortization expense	<u>(8,280,807)</u>	10,050,538

The governmental fund reports proceeds from the sale of property and equipment as revenue. However, in the statement of activities, only the gain or loss (proceeds less depreciated cost) is recognized from the sale of capital assets. This is the amount by which the net book value exceeded sales proceeds. (342,056)

The issuance of leases and other right-to-use arrangements provide current financial resources to the governmental fund, while repayment of the principal consumes the current financial resources of the governmental fund. Neither transaction, however, has any effect on the change in net position. This amount is the net effect of these differences in the treatment of lease and other right-to-use arrangements and related items:

Proceeds from leases and other right to use arrangements	\$ (7,250,895)	
Principal payments on lease and other right to use arrangements	<u>1,932,830</u>	(5,318,065)

The portion of the notes receivable which was received in the current year is treated as revenue on the fund statements, while, on the government-wide statements, it is treated as a reduction to notes receivable. (340,000)

Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund.

Other postemployment benefits expense		(118,565)
Pension expense		(9,798)

Difference in amount expensed on the statement of activities for claims and judgments due to the timing of when the liability is recognized. 18,571

The internal service fund is used by management to account for medical benefits of the School's employees. The change in net position of the internal service is reported with governmental activities. 1,801,384

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 36,000,854**

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Statement of Net Position – Proprietary Fund
June 30, 2023

		Governmental Activities - Internal Service Fund
		Health Insurance Fund
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$	6,821,951
Other receivables		292,370
Prepaid expenses		<u>10,672</u>
Total Assets		7,124,993
<u>LIABILITIES</u>		
Current Liabilities		
Accrued healthcare costs		1,248,722
Interfund payable		<u>3,803</u>
Total Liabilities		<u>1,252,525</u>
<u>NET POSITION</u>		
Unrestricted	\$	<u><u>5,872,468</u></u>

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund
Fiscal Year Ended June 30, 2023

	Governmental Activities - Internal Service Fund	Health Insurance Fund
<u>OPERATING REVENUES</u>		
Charges for services - Interfund	\$ <u>15,747,797</u>	
Total Operating Revenues	15,747,797	
<u>OPERATING EXPENSES</u>		
Cost of services	12,055,089	
Administrative	<u>1,891,324</u>	
Total Operating Expenses	<u>13,946,413</u>	
Operating Income	1,801,384	
<u>OPERATING TRANSFERS</u>		
Transfers from general fund	<u>-</u>	
Change in Net Position	1,801,384	
Net Position - July 1, 2022	<u>4,071,084</u>	
Net Position - June 30, 2023	<u>\$ 5,872,468</u>	

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Statement of Cash Flows – Proprietary Fund
Fiscal Year Ended June 30, 2023

	Governmental Activities - Internal Service Fund
	Health Insurance Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from interfund services provided	\$ 15,747,797
Payments to suppliers, net	<u>(13,759,995)</u>
Net Cash Provided by Operating Activities	<u>1,987,802</u>
Net Increase in Cash and Cash Equivalents	1,987,802
Cash and Cash Equivalents - July 1, 2022	<u>4,834,149</u>
Cash and Cash Equivalents - June 30, 2023	<u>\$ 6,821,951</u>
 <u>Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities:</u>	
Operating Income	\$ 1,801,384
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in operating assets and liabilities	
Increase in other receivables	(53,563)
Increase in accrued healthcare costs	236,178
Increase in interfund payable	<u>3,803</u>
Net Cash Provided by Operating Activities	<u>\$ 1,987,802</u>

See accompanying notes to the financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 1 - REPORTING ENTITY

The Pennsylvania Cyber Charter School (School) was formed under the laws of the state of Pennsylvania to provide elementary and secondary education to students through a computer managed learning system designed to meet individual students' needs and styles.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the School are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School. For the School, this includes general operations.

Component units are legally separate organizations for which the School is financially accountable. The School is financially accountable for an organization if the School appoints a voting majority of the organization's governing board and (1) the School is able to significantly influence the programs or services performed or provided by the organization; or (2) the School is legally entitled to or can otherwise access the organization's resources; the School is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School in that the School approves the budget or the issuance of debt. The School does not have any component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School have been prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP and used by the School are described below.

A. Basis of Presentation

The School's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide financial statements – The statement of net position and the statement of activities display information about the School. These statements include the financial activities of the overall government.

The statement of net position presents the financial condition of the governmental and business-type activities of the School at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School's governmental and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation (continued)

Revenues which are not classified as program revenues are presented as general revenues of the School, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business activity or governmental function is self-financing or draws from the general revenues of the School.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Fund financial statements – During the year, the School segregates transactions related to certain School functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds, if any, are aggregated and presented in a single column. The fiduciary funds, if any, are reported by type.

Proprietary fund financial statements – The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private-sector. The School reports the internal service fund as a proprietary fund. An internal service fund accounts for operations that provide services to other departments of the School on a cost reimbursement basis. The Health Insurance Fund accounts for the employees' self-insured medical, dental and vision benefits. Because the principal users of the internal services are the School's governmental activities, the financial statements of the internal service fund are consolidated into the governmental column when presented in the government-wide financial statements.

B. Measurement Focus/Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The School uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, post-employment healthcare benefits and pensions, are recorded only when payment is due.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus/Basis of Accounting (continued)

The School reports the following major governmental fund:

General Fund - The General Fund is the operating fund of the School and is used to account for all financial resources except those required to be accounted for in another fund.

Additionally, the School reports the following proprietary fund type:

Internal Service Fund - Accounts for risk management and health insurance costs provided to departments of the School.

C. Budgetary Process

The School passed an appropriated budget for the fiscal year ending June 30, 2023 with revenues totaling \$170,606,623 and expenditures totaling \$194,506,953.

The School is required by state law to adopt an annual budget for the General Fund. The budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. The School prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. The School adopts a proposed budget, after ten days' public notice of the meeting has been given.
3. Prior to July 1, the budget is legally enacted via resolution of the School.
4. The Budget for the general fund must be filed with the Office of Public Instruction within fifteen (15) days after the adoption of the budget.

Final Budget: The final budget for each year must be adopted (via Board vote) by June 30 of the preceding school fiscal year.

Once the budget is approved, it can be amended at the Function and Fund level only by approval of a majority of the members of the Board.

D. Cash and Cash Equivalents

The School's cash and cash equivalents consist of cash-on-hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, not included in investments.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Investments and Fair Value Measurement

Investments are recorded at fair value, net asset value or amortized cost in accordance with GASB. Investments consist of certificates of deposit, bonds, U.S. Treasury notes, or other short-term investments. The School complies with the investment guidelines set forth by the Pennsylvania School Code.

The School categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School has the following recurring fair value measurements as of June 30, 2023:

- Direct obligations of the U.S. Government, Government Sponsored Enterprise Securities, U.S. Treasury Securities, and Municipal Bonds are valued using quoted market prices (Level 1 inputs).
- Certificates of deposit are valued based on the cost of the investment plus interest receivable at the stated interest rate (Level 2 inputs).

Below is a summary of investments measured at fair value as of June 30, 2023:

U.S. Treasury Securities	\$ 35,386,690
Government Sponsored Enterprise Securities	2,361,527
Direct Obligations of the U.S. Government	681,668
Municipal Bonds	3,957,641
Certificate of Deposits	<u>34,034,863</u>
 Total Investments Measured at Fair Value	 \$ <u><u>76,422,389</u></u>

Money market funds totaling \$119,042,821 at June 30, 2023 included in cash and cash equivalents, are valued at net asset value per share as provided by GASB Statement No.72. There are no restrictions on withdrawals and no deposit requirements.

F. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are offset against each other in the governmental activities column of the statement of net position, except for amounts due to/from other funds which are not presented in the statement of net position. There were no interfund transfers during the fiscal year ending June 30, 2023.

G. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities’ column of the government-wide statement of net position but are not reported in the fund financial statements.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets (continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art and similar items, and capital assets received in service concession arrangements are reported at acquisition value rather than fair value. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Buildings and Improvements	10 - 40 years
Furniture and Equipment	3 - 15 years
Computer Equipment	3 years

The School has recorded right-to-use assets in accordance with GASB 87 and 96. The right-to-use assets are amortized on a straight-line basis over the life of the related lease or subscription contract.

H. Compensated Absences

The School has no compensated absences as of June 30, 2023.

I. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year.

J. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms and investments are reported at fair value.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Pension (continued)

General Information about the Pension Plan

Plan description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania (System). The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Benefits provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally between 1% to 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Pension (continued)

Contributions

The contribution rates based on qualified member compensation for virtually all members are presented below:

Member Contribution Rates				
Membership Class	Continuous Employments Since	Defined Benefit (DB) Contribution	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
				6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.80%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

Membership Class	Defined Benefit (DB) Base Rate	Shared Risk Increment	Minimum	Maximum
T-E	7.50%	+/- 0.50%	5.50%	9.50%
T-F	10.30%	+/- 0.50%	8.30%	12.30%
T-G	5.50%	+/- 0.75%	2.50%	8.50%
T-H	4.50%	+/- 0.75%	1.50%	7.50%

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Pension (continued)

Employer Contributions:

The School's contractually required contribution rate for fiscal year ended June 30, 2023 was 34.31% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions payable to the pension plan from the School were \$18,020,454 for the fiscal year ended June 30, 2023.

K. Other Postemployment Benefits (OPEB)

PSERS OPEB Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the PSERS and additions to/deductions from PSERS' fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Health Insurance Premium Assistance Program

PSERS provides Premium Assistance, which is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program (HOP). As of June 30, 2022, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

Retirees of the System can participate in the Premium Assistance program if they have 24 ½ or more years of service, are a disability retiree, or have 15 or more years of service and retired after reaching superannuation age and participate in the HOP or employer-sponsored health insurance program. Class DC members may participate if they attain Medicare eligibility with 24 ½ or more eligibility points, or have 15 or more eligibility points, terminated after the age of 67, and have received all or part of their distributions.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Other Postemployment Benefits (OPEB) (continued)

PSERS OPEB Plan

Employer Contributions

The School's contractually required contribution rate for fiscal year ended June 30, 2023 was 0.75% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School were \$393,918 for the fiscal year ended June 30, 2023.

L. Fund Balance Classifications

GASB Code Section 1800 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, deposits, and inventories.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

Restricted – Fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed – Fund balances that contain self-imposed constraints of the government from its highest level of decision making authority (Board of Trustees). The board of trustees may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as a majority vote or resolution. These committed amounts cannot be used for any other purpose unless the board of trustees removes or changes the specific use through the same type of formal action taken to establish the commitment. The board's action to commit fund balance needs to occur within the fiscal reporting period, no later than June 30th; however, the amount can be determined subsequent to the release of the financial statements.

Assigned – Fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The Board has delegated the Board Treasurer the authority to assign fund balance for specific purposes.

Unassigned – Fund balance of the general fund that is not constrained for any purpose.

Prioritization of Fund Balance Use

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the School to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the School that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Change in Accounting Principle

Effective July 1, 2022, the School adopted the new lease accounting guidance in GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). As a result of the adoption of the new SBITA accounting guidance, the School recognized on July 1, 2022 (a) a subscription liability of \$2,806,161, which represents the present value of subscription payments expected to be made during the subscription term using the interest rate the SBITA vendor charges or using the School's incremental borrowing rate of 4.45%, and (b) subscription assets totaling \$2,806,161.

NOTE 3 - CASH AND CASH EQUIVALENTS

Under Section 440.1 of the Public School Code for 1949, as amended, the School is permitted to invest funds consistent with sound business practices in the following types of investments:

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Deposits in savings accounts, time deposits, or share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 3 - CASH AND CASH EQUIVALENTS (continued)

The deposit and investment policy of the School adheres to state statutes and prudent business practices. Deposits of the governmental funds are either maintained in demand deposits or savings accounts, certificates of deposit, or cash equivalents. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the School.

The following is a description of the School's deposit and investment risks:

Custodial Credit Risk – The risk that in the event of a bank failure, the School's deposits may not be returned to it. The School does not have a formal deposit policy for custodial credit risk. As of June 30, 2023, \$143,303,973 of the School's bank balance of \$143,602,790 was exposed to custodial credit risk, however this balance is collateralized in accordance with Act 72 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits have a carrying amount of \$141,592,796 as of June 30, 2023.

Concentration of Credit Risk – School deposits greater than five percent of total School deposits were with First National Bank as follows, at June 30, 2023:

First National Bank	\$ 141,543,979	99.97%
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NOTE 4 - INVESTMENTS

Interest Rate Risk – Interest rate risk arises from investments and is defined as "the risk that changes in interest rates will adversely affect the fair value of the investment." According to the School's investment policy, the highest priority is safety of principal. Preservation of capital in the portfolio of investments are insured through the mitigation of credit risk and interest rate risk. Investments are to be made with the objective of attaining a market average rate of return through the budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

Concentration of Credit Risk – The School places no limit on the amount the School can invest in any one issuer. More than five percent of the School's investments are in the following investments:

U.S. Treasury Securities	\$ 35,386,690
Government Sponsored Enterprise Securities	\$ 2,361,527
Certificate of deposit	\$ 23,665,323

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the School. The School is authorized by the Pennsylvania School Code 440.1(c) to invest in:

- United States Treasury bills.
- Short-term obligations of the United States Government or its agencies or instrumentalities. Short-term obligations usually refer to investments of less than 12 months.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 4 - INVESTMENTS (continued)

Credit Risk (continued)

- Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC), or The Federal Savings and Loan Insurance Corporation, or The National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and for any amounts above maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.
- Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities. Full faith and credit means the obligation is backed by the government's ability to levy taxes to repay debt. These investments include any bonds issued by the Commonwealth of Pennsylvania or any municipality or school district carrying the backing of the taxation powers of the governmental unit issuing the debt. Some investments of the federal government do not have full faith and credit backing. Fannie-Mae (FNMA) and Freddy-Mach (FNMC) bonds do not. Ginnie-Mae (GNMA) bonds do have full faith and credit backing.
- Shares of an investment company registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933 provided that the following are met:
 - * Only investments of that company are in the authorized investments for school funds listed in the categories above, and repurchase agreements fully collateralized by such investments.
 - * The investment company is managed so as to maintain its shares as a constant net asset value in accordance with 17 CFR 270 2a-7 (relating to money market funds).
 - * The investment company is rated in the highest category by a nationally recognized rating agency.

Custodial Credit Risk – is the risk that in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, the School will not be able to recover the value of its investments in collateral securities that are held in the possession of another party.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 4 - INVESTMENTS (continued)

The School's balances of these investments at June 30, 2023, were not subject to custodial credit risk. These investments are collateralized, insured, or held by the counterparty's trust department or agent in the School's name.

	<u>Fair Value</u>	<u>Rating</u>	<u>No Maturity Date</u>	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>Greater Than 60 Months</u>
Investments:							
U.S. Treasury securities	\$ 1,995,702	AAA	\$ -	\$ 998,514	\$ -	\$ 997,188	\$ -
U.S. Treasury securities	33,390,988	N/A	-	33,163,508	-	227,480	-
Direct obligation of the U.S. Government	681,668	AAA	-	-	-	681,668	-
Government sponsored enterprise securities	2,361,527	N/A	-	-	1,035,719	997,164	328,644
Municipal bonds	3,957,641	AAA	-	48,909	-	1,632,319	2,276,413
Certificates of deposit	<u>34,034,863</u>	N/A	<u>-</u>	<u>23,665,323</u>	<u>3,124,168</u>	<u>6,068,155</u>	<u>1,177,217</u>
Total Investments	76,422,389		-	57,876,254	4,159,887	10,603,974	3,782,274
Cash and Cash Equivalents:							
Money market funds	<u>119,042,821</u>	N/A	<u>119,042,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Included in Cash and Cash Equivalents	<u>119,042,821</u>		<u>119,042,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets Considered Investments	<u>\$ 195,465,210</u>		<u>\$ 119,042,821</u>	<u>\$ 57,876,254</u>	<u>\$ 4,159,887</u>	<u>\$ 10,603,974</u>	<u>\$ 3,782,274</u>

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 5 - INTERGOVERNMENTAL RECEIVABLES

Amounts due from other governments represent receivables earned by the School. At June 30, 2023, the following amounts were receivable from other governmental units.

Governmental Units:	
Federal - Grant Programs	\$ 2,397,886
Local Educational Agencies, net of allowance	<u>14,408,789</u>
Totals	<u><u>\$ 16,806,675</u></u>

Allowance for Doubtful Accounts

Receivables are stated at the amount the School expects to collect. The School maintains allowances for doubtful accounts for estimated losses resulting from the inability of local education agencies (LEAs) to make required payments and PDE-363 rate disputes. Based on management's assessment, the School provides for estimated uncollectible amounts through a charge to earnings and a credit to a valuation allowance. The allowance account was approximately \$3,623,000 as of June 30, 2023.

NOTE 6 - CAPITAL ASSETS

A summary of capital assets recorded as of June 30, 2023 is as follows:

	Beginning Balance	Increases	Disposals/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,101,631	\$ 3,554,362	\$ (55,000)	\$ 4,600,993
Construction in progress	<u>1,831,596</u>	<u>1,661,605</u>	<u>(3,262,449)</u>	<u>230,752</u>
Total capital assets, not being depreciated	<u>2,933,227</u>	<u>5,215,967</u>	<u>(3,317,449)</u>	<u>4,831,745</u>
Capital assets, being depreciated:				
Buildings and improvements	33,674,444	22,348	2,075,630	35,772,422
Buildings right-to-use assets	6,415,752	4,444,733	-	10,860,485
Furniture and equipment	6,306,616	943,708	206,644	7,456,968
Computer equipment	27,828,145	4,898,428	(2,495,409)	30,231,164
Subscription assets	-	2,806,161	-	2,806,161
Total capital assets, being depreciated	<u>74,224,957</u>	<u>13,115,378</u>	<u>(213,135)</u>	<u>87,127,200</u>
Accumulated depreciation for:				
Buildings and improvements	(7,208,794)	(1,664,194)	212,322	(8,660,666)
Buildings right-to-use assets	(970,117)	(1,280,271)	-	(2,250,388)
Furniture and equipment	(4,711,757)	(525,066)	486,380	(4,750,443)
Computer equipment	(17,864,032)	(3,944,437)	2,489,826	(19,318,643)
Subscription assets	-	(866,839)	-	(866,839)
Total accumulated depreciation	<u>(30,754,700)</u>	<u>(8,280,807)</u>	<u>3,188,528</u>	<u>(35,846,979)</u>
Total capital assets, being depreciated, net:	<u>43,470,257</u>	<u>4,834,571</u>	<u>2,975,393</u>	<u>51,280,221</u>
Governmental activities capital assets, net:	<u><u>\$ 46,403,484</u></u>	<u><u>\$ 10,050,538</u></u>	<u><u>\$ (342,056)</u></u>	<u><u>\$ 56,111,966</u></u>

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 6 - CAPITAL ASSETS (continued)

Depreciation expense of \$6,133,697 for the fiscal year ended June 30, 2023 was not allocated to the various functions because the property, plant and equipment serve all functions of the School. Amortization expense of \$1,280,271 was allocated to operation of plant and maintenance services for building lease right-to-use assets. Amortization expense of \$866,839 was allocated to various instructional and support services for subscription right-to-use assets.

NOTE 7 - NOTE RECEIVABLE

On June 30, 2009, the School and the Lincoln Park Performing Arts Center (LPPAC) agreed to cancel a prepaid lease originally signed in May 2005. Additionally, LPPAC signed a promissory note agreeing to repay the School the remaining balance of \$8,500,000 in equal installments over a period of twenty-four years through June 30, 2034. As of June 30, 2023, the balance of this note receivable is \$4,080,000.

NOTE 8 - LINE OF CREDIT

Effective June 30, 2020, the School has a \$20,000,000 revolving line of credit with First National Bank of Pennsylvania, which the School can borrow and repay funds on a secured basis at the 1-month SOFR rate plus 1.60%. The agreement required that the School adhere to certain covenants and meet or exceed certain financial ratios. Management believes the School was in compliance with these covenants as of June 30, 2023. There was no balance outstanding as of June 30, 2023.

NOTE 9 - NET PENSION LIABILITY

At June 30, 2023, the School reported a liability of \$154,671,894 for its proportionate share of the net pension liability. The total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2021 to June 30, 2022. The School's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2023, the School's proportion was 0.3479%, which was an increase of 0.0049% from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2023, the School recognized pension expense of approximately \$18,079,000. At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ 2,624,000
Difference between expected and actual experience	70,000	1,338,000
Changes in proportions	8,856,000	-
Changes in assumptions	4,619,000	-
Contributions subsequent to the measurement date	18,020,454	-
Total	<u>\$ 31,565,454</u>	<u>\$ 3,962,000</u>

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 9 - NET PENSION LIABILITY (continued)

The School reported \$18,020,454 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended June 30,	
2024	\$ 5,285,000
2025	4,100,000
2026	(3,465,000)
2027	3,663,000
Thereafter	-
	<u>\$ 9,583,000</u>

Actuarial assumptions

The total pension liability as of the June 30, 2022, measurement date, was determined by rolling forward the System's total pension liability as of June 30, 2021 to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

- The actuarial cost method is Entry Age Normal, Level Percent of Pay.
- The Investment Rate of Return is 7.00%, including inflation of 2.75%.
- Salary growth is an effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure Total Pension Liability was 7.00% as of June 30, 2021 and as of June 30, 2022.

Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:

- Salary growth rate – decreased from 5.00% to 4.50%.
- Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
- Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2022 valuation was based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 9 - NET PENSION LIABILITY (continued)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	28.0%	5.3%
Private equity	12.0%	8.0%
Fixed income	33.0%	2.3%
Commodities	9.0%	2.3%
Absolute return	6.0%	3.5%
MLPs/Infrastructure	9.0%	5.4%
Real estate	11.0%	4.6%
Cash	3.0%	0.5%
Leverage	-11.0%	0.5%
	<u>100.0%</u>	

The above was PSERS' Board adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2022.

Discount rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 9 - NET PENSION LIABILITY (continued)

Sensitivity of the School's proportionate share of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%		Current Discount Rate 7.00%		1% Increase 8.00%
School's proportionate share of the net pension liability	\$ 200,057,515	\$	154,671,894	\$	116,406,321

Pension plan fiduciary net position

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at www.psers.pa.gov.

NOTE 10 - NET OPEB LIABILITY

PSERS OPEB Plan

At June 30, 2023, the School reported a liability of \$6,391,157 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2021 to June 30, 2022. The School's proportion of the net OPEB liability was calculated using the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2023, the School's proportion was 0.3472%, which was an increase of 0.0047% from its proportionate share measured as of June 30, 2022.

For the fiscal year ended June 30, 2023, the School recognized OPEB expense of approximately \$463,000. At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 17,000	\$	-
Difference between expected and actual experience	59,000		34,000
Changes in proportions	928,000		-
Changes in assumptions	710,000		1,509,000
Contributions subsequent to the measurement date	393,918		-
Total	\$ 2,107,918	\$	1,543,000

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 10 - NET OPEB LIABILITY (continued)

The School reported \$393,918 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability during the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30,		
2024	\$	115,000
2025		152,000
2026		46,000
2027		(44,000)
2028		(98,000)
Thereafter		-
	\$	<u>171,000</u>

Actuarial assumptions

The total OPEB liability as of the June 30, 2022, measurement date, was determined by rolling forward the System's total OPEB liability as of June 30, 2021 to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

- The actuarial cost method is Entry Age Normal, Level percent of pay.
- The investment return is 4.09%, the S&P 20 Year Municipal Bond Rate.
- Salary growth is expected to be 4.50%, 2.00% for real wage growth, merit and seniority increases, and 2.50% expected inflation.
- Premium assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rates are assumed to be 50% for eligible retirees pre-age 65, and 70% for eligible retirees post age 65.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2020 determined the employer contribution rate for fiscal year 2022.
- The cost method was determined based on the amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- The asset valuation method is Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality rates were based on the Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 10 - NET OPEB LIABILITY (continued)

Investments consist primarily of short-term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

The OPEB plan’s policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS. Under the program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	100.0%	0.5%
	100.0%	

The above was PSERS’ Board adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2022.

Discount rate

The discount rate used to measure the total OPEB liability was 4.09%. Under the plan’s funding policy, contributions are structured for short-term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan’s fiduciary net position was not projected to be sufficient to meet projected future benefit payments; therefore, the plan is considered a “pay-as-you-go” plan. A discount rate of 4.09% which represents the S&P 20-year Municipal Bond Rate at June 30, 2022, was applied to all projected benefit payments to measure the total OPEB liability.

Sensitivity of the School’s proportionate share of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability, calculated using the discount rate of 4.09%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	1% Decrease 3.09%	Current Discount Rate 4.09%	1% Increase 5.09%
School's proportionate share of the net OPEB liability	\$ 7,227,631	\$ 6,391,157	\$ 5,691,205

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 10 - NET OPEB LIABILITY (continued)

Sensitivity of the School’s proportionate share of the net OPEB liability to changes in the healthcare cost trend rates

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2022, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2022, 93,392 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2022, 582 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on healthcare cost trends as depicted below.

The following presents the net OPEB liability, calculated using current healthcare cost trends as well as what the net OPEB liability would be if it were calculated using a health cost trends rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Healthcare Cost		
	1.0% Decrease	Trend Rate	1.0% Increase
School's proportionate share of the net OPEB liability	\$ 6,390,508	\$ 6,391,157	\$ 6,391,678

OPEB plan fiduciary net position

Detailed information about PSERS’ fiduciary net position is available in PSERS Comprehensive Annual Financial Report, which can be found on the System’s website at www.psers.pa.gov.

The School’s OPEB

General Information about the OPEB Plan

Plan description – The School’s defined benefit OPEB plan, The Pennsylvania Cyber Charter School – OPEB (PAC-OPEB), provides OPEB for all School employees retiring from the Pennsylvania Employees’ Retirement System. PAC-OPEB is a single-employer defined benefit OPEB plan administered by the School. The School’s board of trustees has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided – The retiree has the option to continue on the School’s health care plan available to active employees at his/her own expense until the retiree reaches age 65. The retiree may also obtain coverage for his/her spouse at the retiree’s expense.

Employees covered by benefit terms – At June 30, 2023, the following employees were covered by the benefit terms:

- Inactive employees or beneficiaries currently receiving benefit payments – None
- Inactive employees entitled to but not yet receiving benefit payments – None
- Active employees – 699

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 10 - NET OPEB LIABILITY (continued)

Total OPEB Liability

The School's total OPEB liability of \$1,117,488 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022.

Actuarial assumptions and other inputs – The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

A. Economic

Annual Trend Rates

Year	Medical / Rx
2022	7.50%
2023	7.50%
2024	7.00%
2025	6.50%
2026	6.00%
2027	5.50%
2028	5.00%
2029 and later	4.75%

Inflation – 2.75%

Discount rate – 3.75%

The discount rate was based on a survey of 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

B. Demographic Assumptions

Death – Rates used in the PSERS actuarial valuation as of June 30, 2022

Withdrawal – Based upon rates of withdrawal used in the PSERS actuarial valuation as of June 30, 2022

Disablement – Based upon rates of disability used in the PSERS actuarial valuation as of June 30, 2022

Retirement Age – If hired prior to July 1, 2011, earlier of age 60 with 25 years of PSERS service or age 62 with 5 years of PSERS service

If hired after June 30, 2011 but before July 1, 2019, the earlier of the date on which age plus service equals 92 (with a minimum of 35 years of service) or age 65

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
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NOTE 10 - NET OPEB LIABILITY (continued)

If hired on or after July 1, 2019: age 67 with 3 years of service or a combination of age and service with a minimum of 35 years of service which sums to at least 97 (the latter only an option for those in Class T-G)

Participation – 10% of future retirees will elect to continue participating in the School’s health plan upon retirement

Coverage Election Future retirees – 80% individual; 20% husband/wife

Current retiree (if any) – Continue at current coverage level until end of eligibility period

Spouse Age – Female spouse assumed to be 3 years younger than male spouse

C. Annual Premium Costs and Other Assumptions

1. Methodology: Funding rates for medical coverage for the 2022/2023 Fiscal Year were provided by the School with a separate rate for each coverage level as shown below.

Coverage Type	Annual Rate
Single	\$ 9,745.68
Two Adult	\$ 22,766.28
Parent/Child	\$ 22,766.28
Parent/Children	\$ 25,282.80
Family	\$ 26,344.56

Benefits are self-insured. The funding rates recognize recent claims history, reinsurance premiums, administrative changes and trend adjustments to the 2022/2023 Fiscal Year. Equivalent age-adjusted costs were then developed using standard aging factors.

2. Age-Adjusted Costs: The following table shows the resulting assumed annual age-adjusted costs for sample ages:

Age	Per Person Cost
45	\$ 9,541
50	\$ 11,631
55	\$ 14,539
60	\$ 17,719
64	\$ 20,082

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 10 - NET OPEB LIABILITY (continued)

Changes in the Total OPEB liability

Total OPEB Liability - Beginning of Period	\$ 1,384,212
Changes for the year:	
Service cost	44,696
Estimated benefit payments	(7,048)
Interest	40,520
Changes in benefit terms	-
Differences between expected and actual experience	252,271
Changes in assumptions or other inputs	<u>(597,163)</u>
Net Change in Total OPEB Liability	<u>(266,724)</u>
Total OPEB Liability - End of Period	<u>\$ 1,117,488</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the School, as well as what the School's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (3.75%) than the current discount rate:

	1% Decrease <u>2.75%</u>	Current Discount Rate <u>3.75%</u>	1% Increase <u>4.75%</u>
Total of the School's OPEB Liability	\$ 1,278,042	\$ 1,117,488	\$ 974,939

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the School, as well as what the School's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (-1.0% from the rates disclosed above) or 1-percentage-point higher (+1.0% from the rates disclosed above) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total of the School's OPEB Liability	\$ 925,088	\$ 1,117,488	\$ 1,354,276

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 10 - NET OPEB LIABILITY (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the School recognized OPEB expense of \$47,789. At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 252,068	\$ 100,475
Changes in assumptions	133,015	627,239
Total	385,083	727,714
 PSERS OPEB	 2,107,918	 1,543,000
Total OPEB	\$ 2,493,001	\$ 2,270,714

Total OPEB expense for both OPEB plans was \$512,484 for the year ended June 30, 2023.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Fiscal Year Ended June 30,	
2024	\$ (30,379)
2025	(30,379)
2026	(30,379)
2027	(30,379)
2028	(30,379)
Thereafter	(190,736)
	\$ (342,631)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 11 - LEASES

The School has various leases for office and warehouse space that expire at various dates through December 2032, with optional renewable terms. The leases generally require the School to pay real estate taxes, insurance, repairs, and various operating costs. During the fiscal year ended June 30, 2023, the School recognized \$218,777 of expenditures for variable payments that were not previously included in the lease liability measurement.

The discount rates for leases is derived from the rate implicit in the lease or the School's incremental borrowing rate.

The future principal and interest obligations under these leases as of June 30, 2023 are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,192,925	\$ 415,905
2025	1,192,814	357,294
2026	1,131,976	299,378
2027	1,145,351	243,735
2028	1,250,579	185,557
2029-2033	3,172,963	284,005
Total	<u>\$ 9,086,608</u>	<u>\$ 1,785,874</u>

NOTE 12 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The School has various subscription-based information technology arrangements (SBITAs) for use of IT software that expire at various dates through June 2026. The SBITAs generally require the School to pay annual or monthly fees for the use of software. There were no variable payments or commitments under SBITAs before the commencement date of the subscription term that were not previously included in the subscription liability measurement.

The discount rate for SBITAs are derived from the rate implicit in the SBITA or the School's incremental borrowing rate.

The future principal and interest obligations under these SBITAs as of June 30, 2023 are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>
2024	\$ 710,635	\$ 73,171
2025	584,791	40,894
2026	315,591	14,334
Total	<u>\$ 1,611,017</u>	<u>\$ 128,399</u>

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Financial Statements
Fiscal Year Ended June 30, 2023

NOTE 13 - CONTINGENCIES

Litigation - The School is involved in various legal proceedings, claims and litigation arising from the ordinary course of business. Management intends to vigorously defend the asserted claims. While the outcome of these matters is currently not determinable, management does not expect the ultimate costs to resolve these matters will have a materially adverse effect on the School's financial position at June 30, 2023, beyond the aforementioned assignment of fund balance and recorded liability for claims and judgements.

The School received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School at June 30, 2023.

NOTE 14 - RISK MANAGEMENT

As of July 1, 2008, the School has elected to self-fund the health and drug benefit program for its employees. Under the program, the School employs a third-party administrator and pays all medical claims through them. In addition, the School purchases individual and aggregate stop-loss insurance from a commercial carrier to protect it from catastrophic claims. The School retains the risk of liability for all claims under the aggregate stop-loss insurance. Settled claims have not exceeded the aggregate stop-loss insurance coverage for the past 3 years.

Changes in the estimate of the claims' liability are as follows:

Liability balance - July 1, 2022	\$	1,012,544
Incurred claims and estimates		13,946,413
Less:		
Claims paid during the period		<u>(13,710,235)</u>
Liability balance - June 30, 2023	\$	<u><u>1,248,722</u></u>

NOTE 15 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Claims and Judgments Payable	\$ 103,501	\$ 272,387	\$ (290,958)	\$ 84,930
Net OPEB Liability	9,501,746	-	(1,993,101)	7,508,645
Net Pension Liability	140,824,584	31,185,250	(17,337,940)	154,671,894
Lease and Subscription Liability	<u>5,602,887</u>	<u>7,250,895</u>	<u>(2,156,985)</u>	<u>10,696,797</u>
	<u>\$ 156,032,718</u>	<u>\$ 38,708,532</u>	<u>\$ (21,778,984)</u>	<u>\$ 172,962,266</u>

Required Supplementary Information

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual – General Fund
Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES				
Local Revenues	\$ 164,878,344	\$ 164,878,344	\$ 192,067,174	\$ 27,188,830
State Program Revenues	1,075,243	1,075,243	1,068,605	(6,638)
Federal Program Revenues	4,603,036	4,603,036	4,510,783	(92,253)
TOTAL REVENUES	170,556,623	170,556,623	197,646,562	27,089,939
EXPENDITURES				
Regular Programs	73,617,642	73,617,642	71,885,775	1,731,867
Special Programs	40,380,151	40,380,151	38,989,520	1,390,631
Other Instructional Programs	2,663,970	2,663,970	1,379,995	1,283,975
Community/Junior College Ed Programs	-	-	18,088	(18,088)
Pupil Personnel Services	14,789,628	14,789,628	13,445,091	1,344,537
Instructional Staff Services	4,814,085	4,814,085	3,832,505	981,580
Administrative Services	9,162,209	9,162,209	8,432,825	729,384
Pupil Health	1,167,211	1,167,211	1,104,555	62,656
Business Services	8,370,222	8,370,222	7,529,146	841,076
Operation & Maintenance of Plant Services	11,285,158	11,285,158	12,811,139	(1,525,981)
Central & Other Support Services	9,384,477	9,384,477	9,130,934	253,543
Student Activities	511,000	511,000	435,030	75,970
Community Services	36,200	36,200	38,190	(1,990)
Facilities Acquisition and Construction	18,300,000	18,300,000	3,595,956	14,704,044
Debt Service	25,000	25,000	2,479,688	(2,454,688)
TOTAL EXPENDITURES	194,506,953	194,506,953	175,108,437	19,398,516
Excess (Deficiency) of Revenues Over Expenditures	(23,950,330)	(23,950,330)	22,538,125	46,488,455
OTHER FINANCING SOURCES				
Proceeds from Extended Term Financing	-	-	7,250,895	7,250,895
Proceeds from Disposal of Capital Assets	50,000	50,000	469,825	419,825
TOTAL OTHER FINANCING SOURCES	50,000	50,000	7,720,720	7,670,720
Net Change in Fund Balance	\$ (23,900,330)	\$ (23,900,330)	\$ 30,258,845	\$ 54,159,175

See independent auditor's report.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Schedule of Revenues, Expenditures, and Changes in Fund Balance,
Budget and Actual – General Fund
Fiscal Year Ended June 30, 2023

Notes to the Required Supplementary Information

NOTE 1 - BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at year-end.

See independent auditor's report.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
School's proportion of the net pension liability	0.3479%	0.3430%	0.3182%	0.3082%	0.2877%
School's proportionate share of the net pension liability	\$ 154,671,894	\$ 140,824,584	\$ 156,678,549	\$ 144,183,998	\$ 138,110,284
School's covered payroll for the measurement date	\$ 51,053,112	\$ 48,548,069	\$ 44,622,963	\$ 42,510,044	\$ 38,737,124
School's proportionate share of the net pension liability as a percentage of its covered payroll	302.96%	290.07%	351.12%	339.18%	356.53%
Plan fiduciary net position as a percentage of the total net pension liability	61.34%	63.67%	54.32%	55.66%	54.00%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School's proportion of the net pension liability	0.2619%	0.2563%	0.2495%	0.2099%	0.1876%
School's proportionate share of the net pension liability	\$ 129,359,826	\$ 127,107,450	\$ 108,064,229	\$ 83,076,691	\$ 76,796,414
School's covered payroll for the measurement date	\$ 34,872,228	\$ 33,199,764	\$ 32,099,631	\$ 26,783,846	\$ 24,079,261
School's proportionate share of the net pension liability as a percentage of its covered payroll	370.95%	382.86%	336.65%	310.17%	318.93%
Plan fiduciary net position as a percentage of the total net pension liability	51.84%	50.14%	54.36%	57.24%	54.49%

This information is based off the measurement date of the Net Pension Liability of June 30, 2022 for 2023; June 30, 2021 for 2022; June 30, 2020 for 2021; June 30, 2019 for 2020; June 30, 2018 for 2019; June 30, 2017 for 2018; June 30, 2016 for 2017; June 30, 2015 for 2016; June 30, 2014 for 2015; and June 30, 2013 for 2014.

See independent auditor's report.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Required Pension Contributions
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 18,020,454	\$ 17,352,953	\$ 16,385,689	\$ 14,876,151	\$ 13,834,470
Contributions in relation to the contractually required contribution	<u>(18,020,454)</u>	<u>(17,352,953)</u>	<u>(16,385,689)</u>	<u>(14,876,151)</u>	<u>(13,834,470)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered payroll	\$ 52,522,454	\$ 51,053,112	\$ 48,548,069	\$ 44,622,963	\$ 42,510,044
Contributions as a percentage of covered payroll	34.31%	33.99%	33.51%	33.36%	32.60%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 12,295,163	\$ 10,448,648	\$ 8,578,819	\$ 6,637,835	\$ 4,534,505
Contributions in relation to the contractually required contribution	<u>(12,295,163)</u>	<u>(10,448,648)</u>	<u>(8,578,819)</u>	<u>(6,637,835)</u>	<u>(4,534,505)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered payroll	\$ 38,737,124	\$ 34,872,228	\$ 33,199,764	\$ 32,099,631	\$ 26,783,846
Contributions as a percentage of covered payroll	31.74%	29.20%	25.00%	20.50%	16.00%

See independent auditor's report.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Proportionate Share of the Net OPEB Liability and Related Ratios - PSERS
Last Ten Fiscal Years *

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
School's proportion of the net OPEB liability	0.3472%	0.3425%	0.3179%	0.3082%	0.2877%
School's proportionate share of the net OPEB liability	\$ 6,391,157	\$ 8,117,534	\$ 6,868,856	\$ 6,554,927	\$ 5,998,398
School's covered payroll for the measurement date	\$ 51,053,112	\$ 48,548,069	\$ 44,622,963	\$ 42,510,044	\$ 38,737,124
School's proportionate share of the net OPEB liability as a percentage of its covered payroll	12.52%	16.72%	15.39%	15.42%	15.48%
Plan fiduciary net position as a percentage of the total net OPEB liability	6.86%	5.30%	5.69%	5.56%	5.56%
	<u>2018</u>	<u>2017</u>			
School's proportion of the net OPEB liability	0.2619%	0.2563%			
School's proportionate share of the net OPEB liability	\$ 5,336,460	\$ 5,521,000			
School's covered payroll for the measurement date	\$ 34,872,228	\$ 33,199,764			
School's proportionate share of the net OPEB liability as a percentage of its covered payroll	15.30%	16.63%			
Plan fiduciary net position as a percentage of the total net OPEB liability	5.73%	5.47%			

This information is based off the measurement date of the Net Pension Liability of June 30, 2022 for 2023; June 30, 2021 for 2022; June 30, 2020 for 2021; June 30, 2019 for 2020; June 30, 2018 for 2019; June 30, 2017 for 2018; and June 30, 2016 for 2017.

*GASB 75 was implemented during the fiscal year ended June 30, 2018. Information will continue to be gathered until ten fiscal years are presented.

See independent auditor's report.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Required OPEB Contributions - PSERS
Last Ten Fiscal Years *

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 393,918	\$ 408,072	\$ 398,821	\$ 373,571	\$ 361,771
Contributions in relation to the contractually required contribution	<u>(393,918)</u>	<u>(408,072)</u>	<u>(398,821)</u>	<u>(373,571)</u>	<u>(361,771)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered payroll	\$ 52,522,454	\$ 51,053,112	\$ 48,548,069	\$ 44,622,963	\$ 42,510,044
Contributions as a percentage of covered payroll	0.75%	0.80%	0.82%	0.84%	0.83%
	<u>2018</u>	<u>2017</u>			
Contractually required contribution	\$ 322,054	\$ 289,439			
Contributions in relation to the contractually required contribution	<u>(322,054)</u>	<u>(289,439)</u>			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>			
School's covered payroll	\$ 38,737,124	\$ 34,872,228			
Contributions as a percentage of covered payroll	0.83%	0.83%			

*GASB 75 was implemented during the fiscal year ended June 30, 2018. Information will continue to be gathered until ten fiscal years are presented.

See independent auditor's report.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Changes in the School's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years *

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability - Beginning of Period	\$ 1,384,212	\$ 1,309,583	\$ 1,038,564	\$ 969,345	\$ 1,226,711	\$ 1,108,560	\$ 995,518
Changes for the year:							
Service cost	44,696	53,332	51,905	47,235	45,971	83,228	81,000
Estimated benefit payments	(7,048)	(9,936)	(9,751)	(13,364)	(16,797)	-	-
Interest	40,520	31,233	29,553	35,348	33,066	34,923	32,042
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	252,271	-	23,847	-	(162,495)	-	-
Changes in assumptions or other inputs	(597,163)	-	175,465	-	(157,111)	-	-
Net Change in Total OPEB Liability	<u>(266,724)</u>	<u>74,629</u>	<u>271,019</u>	<u>69,219</u>	<u>(257,366)</u>	<u>118,151</u>	<u>113,042</u>
Total OPEB Liability - End of Period	<u>\$ 1,117,488</u>	<u>\$ 1,384,212</u>	<u>\$ 1,309,583</u>	<u>\$ 1,038,564</u>	<u>\$ 969,345</u>	<u>\$ 1,226,711</u>	<u>\$ 1,108,560</u>
School's covered-employee payroll for the measurement date	\$ 52,522,454	\$ 51,053,112	\$ 48,548,069	\$ 44,622,963	\$ 42,510,044	\$ 38,737,124	\$ 34,872,228
Percentage of the OPEB liability to covered-employee payroll	2.13%	2.71%	2.68%	2.33%	2.28%	3.17%	3.18%

An actuarially determined contribution is not calculated. The School's current funding policy is to pay plan benefits when they become due. This is referred to as a pay-as-you-go plan. There are no assets accumulated in a trust that meet the criteria in paragraph 5 of GASB Statement 75.

* GASB 75 was implemented during the fiscal year ended June 30, 2018. Information will continue to be gathered until ten fiscal years are presented.

See independent auditor's report.

STATISTICAL SECTION

STATISTICAL SECTION OVERVIEW **(Unaudited)**

The Statistical Section of the School's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the School's overall financial outlook.

Sections

Financial Trends

These schedules contain trend information to help the reader understand how the School's financial performance and operations have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the School's most significant revenue source, local educational agencies.

Debt Capacity

These schedules present information to help the reader assess the affordability of the School's current levels of outstanding debt and the School's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place.

Operating Information

These schedules contain service data to help the reader understand how the information in the School's financial report relates to the services the School provides and the activities it performs.

Financial Trends

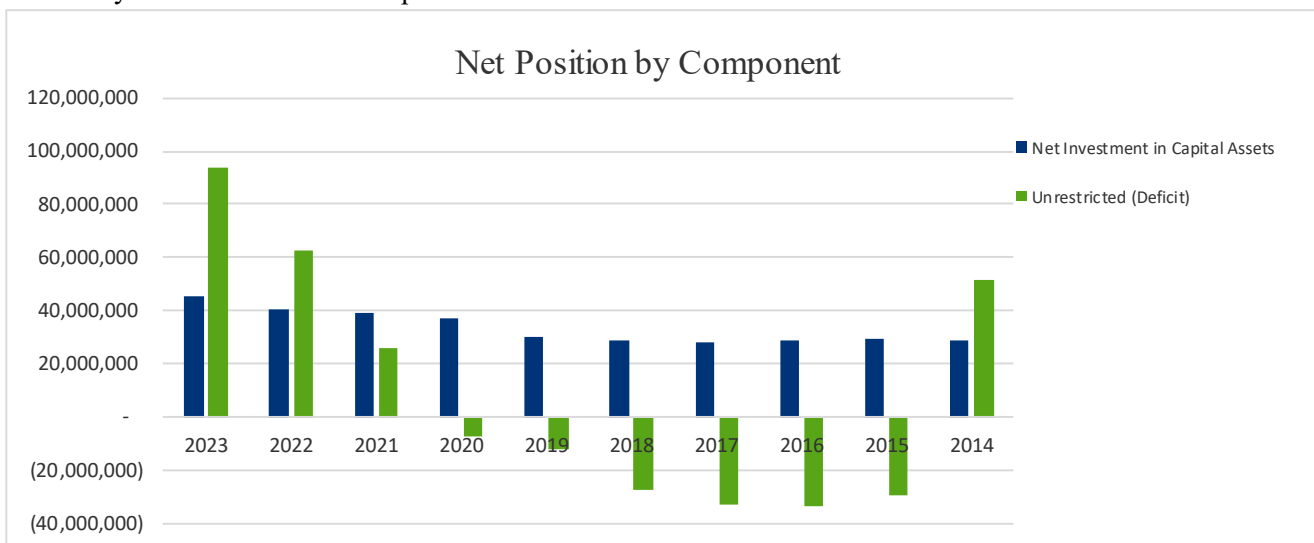
THE PENNSYLVANIA CYBER CHARTER SCHOOL
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Governmental Activities					
Net Investment in Capital Assets	\$ 45,414,341	\$ 40,800,597	\$ 39,134,687	\$ 37,263,451	\$ 30,087,921
Unrestricted (Deficit)	93,837,082	62,449,972	26,281,473	(7,279,774)	(12,282,332)
Total Governmental Activities Net Position	<u>\$ 139,251,423</u>	<u>\$ 103,250,569</u>	<u>\$ 65,416,160</u>	<u>\$ 29,983,677</u>	<u>\$ 17,805,589</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities					
Net Investment in Capital Assets	\$ 28,516,362	\$ 27,710,828	\$ 28,556,543	\$ 29,323,790	\$ 29,049,581
Unrestricted (Deficit)	(27,183,179)	(32,770,103)	(33,228,542)	(29,053,361)	51,861,624
Total Governmental Activities Net Position	<u>\$ 1,333,183</u>	<u>\$ (5,059,275)</u>	<u>\$ (4,671,999)</u>	<u>\$ 270,429</u>	<u>\$ 80,911,205</u>

Notes:

(1) Includes all funds (GAAP Basis)

(2) Beginning with fiscal year 2015 the School implemented GASB 68 and in fiscal 2018 GASB 75.



THE PENNSYLVANIA CYBER CHARTER SCHOOL

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues					
Program Revenues:					
Operating grants and contributions	\$ 7,688,089	\$ 9,820,218	\$ 8,021,669	\$ 6,798,052	\$ 6,396,567
General Revenues:					
Payments from local educational agencies	184,393,557	187,028,447	180,537,690	159,685,518	160,727,395
Grants, subsidies & contributions not restricted	-	-	-	-	-
Investment (loss) earnings	4,845,668	(1,069,331)	298,740	1,576,363	1,021,210
Gain/(loss) on disposal/sale of capital assets	127,769	(6,981)	23,368	22,402	13,539
Miscellaneous Income	379,245	152,864	667,460	168,343	137,870
Total Revenue - Governmental Activities	<u>197,434,328</u>	<u>195,925,217</u>	<u>189,548,927</u>	<u>168,250,678</u>	<u>168,296,581</u>
Expenses					
Instructional Services	105,753,596	104,897,386	101,414,282	103,358,698	101,140,809
Support Services	48,526,103	47,241,723	47,245,806	46,734,285	45,427,340
Non-Instructional Services	7,153,775	5,951,699	5,456,356	5,979,607	5,256,026
Total Expenses - Governmental Activities	<u>161,433,474</u>	<u>158,090,808</u>	<u>154,116,444</u>	<u>156,072,590</u>	<u>151,824,175</u>
Change in Net Position	<u>\$ 36,000,854</u>	<u>\$ 37,834,409</u>	<u>\$ 35,432,483</u>	<u>\$ 12,178,088</u>	<u>\$ 16,472,406</u>

(continued)

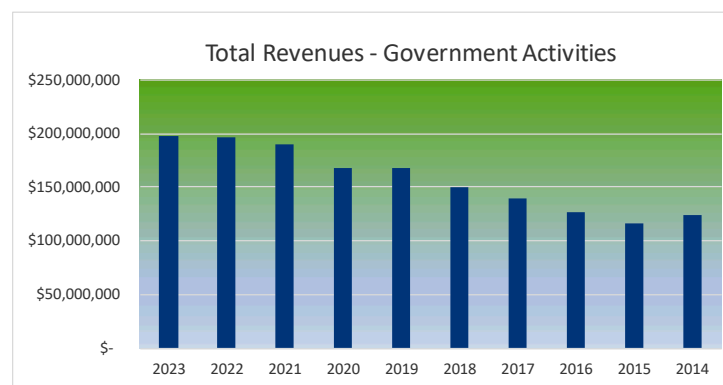
THE PENNSYLVANIA CYBER CHARTER SCHOOL

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	<i>(continued)</i>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues					
Program Revenues:					
Operating grants and contributions	\$ 5,950,452	\$ 5,285,176	\$ 4,721,542	\$ 4,773,044	\$ 7,200,696
General Revenues:					
Payments from local educational agencies	144,183,471	134,280,454	122,058,569	111,244,689	116,662,399
Grants, subsidies & contributions not restricted	-	-	-	-	280,717
Investment earnings	322,249	114,756	4,770	2,385	2,003
Gain/(loss) on disposal/sale of capital assets	(68,118)	(38,820)	(427,617)	(135,049)	(342,119)
Miscellaneous Income	66,748	338,807	107,224	89,894	86,886
Total Revenue - Governmental Activities	<u>150,454,802</u>	<u>139,980,373</u>	<u>126,464,488</u>	<u>115,974,963</u>	<u>123,890,582</u>
Expenses					
Instructional Services	92,165,915	87,770,403	83,306,111	76,714,190	71,132,686
Support Services	41,203,436	46,984,348	43,097,018	42,568,031	34,912,231
Non-Instructional Services	5,461,432	5,258,196	5,003,787	5,053,723	5,720,520
Total Expenses - Governmental Activities	<u>138,830,783</u>	<u>140,012,947</u>	<u>131,406,916</u>	<u>124,335,944</u>	<u>111,765,437</u>
Change in Net Position	<u>\$ 11,624,019</u>	<u>\$ (32,574)</u>	<u>\$ (4,942,428)</u>	<u>\$ (8,360,981)</u>	<u>\$ 12,125,145</u>



THE PENNSYLVANIA CYBER CHARTER SCHOOL
Fund Balances - Governmental Fund
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

General Fund						
Fiscal Year	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2023	\$ 1,020,298	\$ -	\$ 85,137,083	\$ 31,491,903	\$ 100,898,386	\$ 218,547,670
2022	862,457	-	80,857,942	1,487,713	105,080,713	188,288,825
2021	308,200	-	84,598,030	1,562,169	63,308,395	149,776,794
2020	796,240	-	70,917,787	3,362,824	32,483,919	107,560,770
2019	1,037,653	-	71,412,727	5,556,505	13,768,846	91,775,731
2018	1,575,751	-	37,825,382	6,528,300	21,282,733	67,212,166
2017	669,096	-	36,108,829	1,455,045	10,875,350	49,108,320
2016	447,786	-	34,088,700	100,172	4,802,058	39,438,716
2015	746,256	-	26,751,649	2,771,402	6,935,949	37,205,256
2014	5,005,282	-	19,465,002	10,609,017	7,992,510	43,071,811

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Changes in Fund Balance - Governmental Fund
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues					
Local Sources	\$ 192,067,174	\$ 189,096,165	\$ 183,722,556	\$ 163,185,634	\$ 163,983,924
State Sources	1,068,605	1,070,343	1,112,383	1,124,740	1,119,188
Federal Sources	4,510,783	6,108,690	5,030,619	3,917,902	3,519,929
Total Revenues	<u>197,646,562</u>	<u>196,275,198</u>	<u>189,865,558</u>	<u>168,228,276</u>	<u>168,623,041</u>
Expenditures					
Instruction	112,273,377	108,040,769	100,219,806	98,853,481	98,906,157
Support Services	56,286,195	49,434,276	45,827,175	45,468,195	42,154,068
Non-Instructional Services	473,220	312,171	188,525	413,609	402,080
Miscellaneous	-	-	-	-	-
Capital Outlay	3,595,956	362,610	1,438,479	7,730,877	2,620,561
Debt Service - Principal	1,932,830	812,864	-	-	-
Debt Service - Interest	546,858	295,439	-	-	-
Total Expenditures	<u>175,108,436</u>	<u>159,258,129</u>	<u>147,673,985</u>	<u>152,466,162</u>	<u>144,082,866</u>
Other Financing Sources					
Proceeds from Financing Leases	7,250,895	1,432,167	-	-	-
Sale of Capital Assets	469,825	65,795	24,451	22,925	23,390
Total Other Financing Sources	<u>7,720,720</u>	<u>1,497,962</u>	<u>24,451</u>	<u>22,925</u>	<u>23,390</u>
Net Change in Fund Balance	<u>\$ 30,258,846</u>	<u>\$ 38,515,031</u>	<u>\$ 42,216,024</u>	<u>\$ 15,785,039</u>	<u>\$ 24,563,565</u>
Debt Service as % of Non Capital Expenditures Ratio	1.4%	0.7%	0.0%	0.0%	0.0%

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Changes in Fund Balance - Governmental Fund
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<i>(continued)</i>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues					
Local Sources	\$ 146,565,449	\$ 136,627,075	\$ 123,950,552	\$ 113,150,202	\$ 118,623,519
State Sources	1,116,783	1,108,168	1,107,131	1,164,081	3,812,352
Federal Sources	3,180,689	2,623,951	2,174,421	2,135,730	2,136,830
Total Revenues	<u>150,862,921</u>	<u>140,359,194</u>	<u>127,232,104</u>	<u>116,450,013</u>	<u>124,572,701</u>
Expenditures					
Instruction	92,128,042	86,591,799	82,739,667	78,615,465	74,914,906
Support Services	40,165,289	44,695,099	41,165,031	42,531,721	36,246,568
Non-Instructional Services	347,677	278,137	195,943	175,919	130,395
Miscellaneous	-	-	-	-	40,991
Capital Outlay	141,922	53,928	8,728	1,015,710	228,127
Debt Service - Principal	-	-	-	-	8,461
Debt Service - Interest	-	-	-	-	-
Total Expenditures	<u>132,782,930</u>	<u>131,618,963</u>	<u>124,109,369</u>	<u>122,338,815</u>	<u>111,569,448</u>
Other Financing Sources					
Proceeds from Extended Term Financing	-	-	-	-	-
Sale of Capital Assets	23,855	29,373	10,469	22,503	195,984
Total Other Financing Sources	<u>23,855</u>	<u>29,373</u>	<u>10,469</u>	<u>22,503</u>	<u>195,984</u>
Net Change in Fund Balance	<u>\$ 18,103,846</u>	<u>\$ 8,769,604</u>	<u>\$ 3,133,204</u>	<u>\$ (5,866,299)</u>	<u>\$ 13,199,237</u>
Debt Service as % of Non Capital Expenditures Ratio	0.0%	0.0%	0.0%	0.0%	0.0%

Demographic and Economic Information

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income (Expressed in Thousands)		Per Capita Income		Unemployment Rate	
				Employed	Unemployed		
2022	12,972,008	\$ 836,778,300	\$ 64,506	6,196,000	283,000	4.4%	
2021	12,964,056	833,314,500	64,279	6,059,000	386,000	6.0%	
2020	12,783,254	788,725,185	61,700	5,933,000	581,000	8.9%	
2019	12,801,989	742,924,296	58,032	6,288,000	286,000	4.4%	
2018	12,800,922	717,255,286	56,032	6,222,000	288,000	4.4%	
2017	12,787,641	681,658,520	53,306	6,162,000	323,000	5.0%	
2016	12,782,275	662,352,876	51,818	6,115,000	344,000	5.3%	
2015	12,784,826	644,445,802	50,407	6,076,000	347,000	5.4%	
2014	12,788,313	619,387,125	48,434	6,010,000	379,000	5.9%	
2013	12,776,309	592,972,739	46,412	5,962,000	458,000	7.1%	

Sources: Personal income is provided by the Bureau of Economic Analysis, U.S. Department of Commerce (www.bea.gov/index.htm) through estimates released September 2023.

Population data is obtained from the Bureau of Economic Analysis, U.S. Department of Commerce website at <http://www.bea.gov/index.htm>, whose source is the U.S. Bureau of Census' mid-year population estimate.

Employment data was obtained from the Pennsylvania Department of Labor and Industry at:
<https://paworkstats.geosolinc.com/vosnet/analyzer/results.aspx?enc=HofuwY22SoLTS/uC+bpmi7ntbB42L7XyypLjx+HEeK0=>

Notes:

(1) Population data is presented as of July 1 of the calendar year. The U.S. Bureau of Census' mid-year population estimate include revisions to the annual population estimate back to the calendar year of the most recent Census (2020 calendar year). Therefore, the totals shown may differ from year to year.

(2) Personal income data is provided as of the mid-year.

(3) Information is for the Commonwealth of Pennsylvania.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Employment by Industry
Current Calendar Year and Nine Years Prior

Industry	2022			2013		
	Establishments	Average Employment	Total Wage	Establishments	Average Employment	Total Wage
Accommodation and Food Services	2,577	27,150	\$ 1,155,032,439	1,943	23,511	724,652,627
Administrative and Waste Services	1,186	21,631	2,227,496,615	1,407	35,184	2,751,179,506
Agriculture, Forestry, Fishing & Hunting	1,431	33,477	3,581,449,482	1,287	32,451	2,822,254,666
Arts, Entertainment, and Recreation	30,789	267,291	20,071,621,627	27,683	234,115	13,210,216,179
Construction	14,537	564,391	40,733,088,983	14,448	564,165	31,997,209,793
Educational Services	23,243	213,153	20,357,246,485	23,889	225,569	16,360,037,528
Finance and Insurance	40,237	603,195	21,909,811,847	41,923	636,856	16,437,056,229
Health Care and Social Assistance	13,156	344,384	19,587,754,055	10,393	259,063	11,433,097,564
Information	8,554	96,291	11,038,905,452	4,410	91,629	6,246,865,591
Management of Companies and Enterprises	20,070	269,171	30,898,552,124	17,934	256,911	20,625,004,518
Manufacturing	12,245	67,208	4,935,097,374	9,338	59,048	3,023,040,511
Mining, Quarrying, and Oil and Gas Extraction	51,420	395,104	44,834,544,069	36,221	330,315	27,229,161,208
Other Services, Ex. Public Admin	6,697	145,205	21,193,349,008	3,326	133,213	15,331,794,290
Professional and Technical Services	19,553	311,279	15,552,668,705	16,707	296,072	9,599,227,188
Public Administration	9,843	474,147	30,993,055,638	8,586	486,124	24,578,337,432
Real Estate and Rental and Leasing	54,049	1,063,096	66,142,446,375	53,044	967,695	43,872,551,552
Retail Trade	5,831	96,469	4,050,315,160	4,721	94,341	2,836,970,906
Transportation and Warehousing	28,466	443,283	10,467,698,884	27,012	441,431	7,174,131,380
Utilities	35,275	197,858	8,457,608,537	31,347	190,543	5,593,530,310
Wholesale Trade	5,047	229,515	16,287,404,399	4,930	238,613	12,831,600,161
Total - All Industries	384,206	5,863,298	\$ 394,475,147,258	340,549	5,596,849	\$ 274,677,919,139

Sources: Information was obtained from the Center for Workforce Information & Analysis, Pennsylvania Department of Labor and Industry. website at www.paworkstats.geosolinc.com.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Principal Employers
Current Calendar Year and Nine Years Prior

<u>Employer</u>	<u>2023 Rank</u>	<u>2014 Rank</u>
Wal-Mart Associates Inc.	1	1
Trustees of the University of PA	2	3
City of Philadelphia	4	2
Giant Food Stores LLC	3	4
Pennsylvania State University	5	5
United Parcel Services Inc.	6	10
School District of Philadelphia	8	6
UPMC Presbyterian Shadyside	9	7
Amazon.com Services Inc.	7	N/A
PNC Bank NA	N/A	9
University of Pittsburgh	N/A	8
The Children's Hospital of Philadelphia	10	N/A

Source: Pennsylvania Department of Labor and Industry.

The Department is not able to provide the number of employees due to confidentiality restrictions.

Operating Information

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Full-Time Equivalent Employees by Function/Category
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Function					
Teacher/Instructor	494	486	483	476	469
Student Support	120	136	132	129	126
Academic Staff Support	62	51	52	47	54
Academic Leadership	16	16	17	19	19
Non-Academic Staff Support	48	49	46	41	37
Executive	6	6	6	6	6
Total	<u>746</u>	<u>744</u>	<u>736</u>	<u>718</u>	<u>711</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Function					
Teacher/Instructor	437	416	386	409	338
Student Support	124	123	125	134	131
Academic Staff Support	55	54	54	67	60
Academic Leadership	20	21	21	21	20
Non-Academic Staff Support	38	32	29	29	24
Executive	6	6	6	7	6
Total	<u>680</u>	<u>652</u>	<u>621</u>	<u>667</u>	<u>579</u>

Source: PA Cyber Charter School records.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Teacher Salaries
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>Average Salary</u>
2023	\$ 48,000	\$ 88,423	\$ 68,582
2022	46,500	88,423	66,415
2021	45,500	86,870	63,674
2020	44,500	84,800	60,339
2019	44,000	82,730	57,016
2018	42,000	83,522	56,150
2017	40,000	79,584	54,125
2016	40,300	75,501	52,525
2015	34,000	73,349	47,442
2014	37,286	73,349	49,442

Source: PA Cyber Charter School records.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	FTE Enrollment	Governmental Activities Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio
2023	10,738	\$ 161,433,474	\$ 15,033.85	7.92%	494	22:1
2022	11,349	158,090,808	13,929.93	3.64%	486	23:1
2021	11,466	154,116,444	13,441.17	-9.40%	483	24:1
2020	10,520	156,072,590	14,835.80	3.55%	476	22:1
2019	10,597	151,824,175	14,327.09	7.46%	469	23:1
2018	10,413	138,830,783	13,332.45	-2.16%	437	24:1
2017	10,275	140,012,947	13,626.56	2.71%	416	25:1
2016	9,905	131,406,916	13,266.73	2.50%	386	26:1
2015	9,606	124,335,944	12,943.57	24.80%	409	23:1
2014	10,776	111,765,437	10,371.70	2.58%	338	32:1

Source: PA Cyber Charter School records.

Notes:

(1) Includes all funds. (GAAP Basis)

(2) Beginning with fiscal year 2015, the School implemented GASB 68 and in fiscal year 2018 GASB 75 which impacted Governmental Activities Expenses.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Enrollment by County
Last Ten Fiscal Years

County	2023		2022		2021		2020		2019	
	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment
Adams	98	0.69%	93	0.64%	106	0.75%	105	0.77%	115	0.78%
Allegheny	1,702	11.96%	1,707	11.81%	1,652	11.76%	1,611	11.75%	1,691	11.49%
Armstrong	144	1.01%	122	0.84%	163	1.16%	119	0.87%	110	0.75%
Beaver	581	4.08%	567	3.92%	640	4.56%	541	3.95%	613	4.17%
Bedford	37	0.26%	34	0.24%	32	0.23%	25	0.18%	38	0.26%
Berks	256	1.80%	256	1.77%	239	1.70%	226	1.65%	279	1.90%
Blair	131	0.92%	130	0.90%	140	1.00%	123	0.90%	130	0.88%
Bradford	59	0.41%	67	0.46%	39	0.28%	52	0.38%	56	0.38%
Bucks	234	1.64%	222	1.54%	196	1.40%	210	1.53%	260	1.77%
Butler	348	2.45%	391	2.71%	511	3.64%	472	3.44%	482	3.28%
Cambria	152	1.07%	164	1.14%	151	1.07%	114	0.83%	146	0.99%
Cameron	3	0.02%	3	0.02%	4	0.03%	3	0.02%	5	0.03%
Carbon	64	0.45%	67	0.46%	71	0.51%	61	0.45%	67	0.46%
Centre	112	0.79%	104	0.72%	102	0.73%	112	0.82%	120	0.82%
Chester	70	0.49%	108	0.75%	90	0.64%	56	0.41%	73	0.50%
Clarion	96	0.67%	91	0.63%	88	0.63%	84	0.61%	105	0.71%
Clearfield	100	0.70%	100	0.69%	123	0.88%	111	0.81%	107	0.73%
Clinton	58	0.41%	68	0.47%	58	0.41%	61	0.45%	63	0.43%
Columbia	43	0.30%	58	0.40%	56	0.40%	65	0.47%	63	0.43%
Crawford	207	1.45%	232	1.61%	242	1.72%	251	1.83%	271	1.84%
Cumberland	185	1.30%	197	1.36%	259	1.84%	236	1.72%	244	1.66%
Dauphin	392	2.75%	441	3.05%	495	3.52%	489	3.57%	524	3.56%
Delaware	421	2.96%	385	2.66%	358	2.55%	395	2.88%	452	3.07%
Elk	21	0.15%	37	0.26%	12	0.09%	23	0.17%	8	0.05%
Erie	933	6.56%	853	5.90%	792	5.64%	781	5.70%	869	5.91%
Fayette	430	3.02%	447	3.09%	461	3.28%	429	3.13%	447	3.04%
Forest	11	0.08%	6	0.04%	5	0.04%	4	0.03%	9	0.06%
Franklin	105	0.74%	100	0.69%	124	0.88%	109	0.80%	133	0.90%
Fulton	4	0.03%	6	0.04%	8	0.06%	10	0.07%	16	0.11%
Greene	80	0.56%	77	0.53%	88	0.63%	101	0.74%	101	0.69%
Subtotal	7,077	49.73%	7,133	49.37%	7,305	52.00%	6,979	50.92%	7,597	51.62%

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Enrollment by County
Last Ten Fiscal Years

(continued)

County	2023		2022		2021		2020		2019	
	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment
Huntingdon	23	0.16%	31	0.21%	35	0.25%	39	0.28%	39	0.27%
Indiana	142	1.00%	124	0.86%	142	1.01%	144	1.05%	135	0.92%
Jefferson	68	0.48%	79	0.55%	97	0.69%	66	0.48%	88	0.60%
Juniata	9	0.06%	11	0.08%	13	0.09%	16	0.12%	30	0.20%
Lackawanna	97	0.68%	93	0.64%	92	0.65%	73	0.53%	72	0.49%
Lancaster	326	2.29%	323	2.24%	367	2.61%	390	2.85%	383	2.60%
Lawrence	222	1.56%	226	1.56%	204	1.45%	190	1.39%	185	1.26%
Lebanon	124	0.87%	131	0.91%	143	1.02%	145	1.06%	163	1.11%
Lehigh	312	2.19%	300	2.08%	325	2.31%	358	2.61%	374	2.54%
Luzerne	505	3.55%	489	3.38%	474	3.37%	416	3.04%	354	2.41%
Lycoming	177	1.24%	164	1.14%	161	1.15%	139	1.01%	185	1.26%
McKean	27	0.19%	35	0.24%	37	0.26%	33	0.24%	35	0.24%
Mercer	173	1.22%	188	1.30%	153	1.09%	185	1.35%	188	1.28%
Mifflin	25	0.18%	24	0.17%	37	0.26%	20	0.15%	34	0.23%
Monroe	179	1.26%	204	1.41%	221	1.57%	208	1.52%	233	1.58%
Montgomery	232	1.63%	203	1.40%	194	1.38%	191	1.39%	200	1.36%
Montour	5	0.04%	8	0.06%	11	0.08%	10	0.07%	14	0.10%
Northampton	286	2.01%	328	2.27%	315	2.24%	330	2.41%	359	2.44%
Northumberland	129	0.91%	151	1.05%	128	0.91%	152	1.11%	155	1.05%
Perry	55	0.39%	67	0.46%	73	0.52%	78	0.57%	104	0.71%
Philadelphia	1,410	9.91%	1,386	9.59%	859	6.11%	871	6.36%	876	5.95%
Pike	39	0.27%	47	0.33%	43	0.31%	37	0.27%	46	0.31%
Potter	6	0.04%	3	0.02%	3	0.02%	4	0.03%	5	0.03%
Schuylkill	128	0.90%	154	1.07%	122	0.87%	105	0.77%	121	0.82%
Snyder	39	0.27%	47	0.33%	57	0.41%	60	0.44%	55	0.37%
Somerset	116	0.82%	108	0.75%	117	0.83%	125	0.91%	129	0.88%
Sullivan	13	0.09%	11	0.08%	8	0.06%	11	0.08%	9	0.06%
Susquehanna	46	0.32%	37	0.26%	38	0.27%	37	0.27%	57	0.39%
Tioga	33	0.23%	40	0.28%	42	0.30%	31	0.23%	28	0.19%
Subtotal	4,946	34.76%	5,012	34.69%	4,511	32.11%	4,464	32.57%	4,656	31.64%

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Enrollment by County
Last Ten Fiscal Years

(continued)

County	2023		2022		2021		2020		2019	
	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment
Union	33	0.23%	34	0.24%	38	0.27%	25	0.18%	28	0.19%
Venango	113	0.79%	121	0.84%	131	0.93%	120	0.88%	137	0.93%
Warren	83	0.58%	83	0.57%	75	0.53%	70	0.51%	66	0.45%
Washington	521	3.66%	523	3.62%	480	3.42%	466	3.40%	492	3.34%
Wayne	24	0.17%	26	0.18%	19	0.14%	20	0.15%	27	0.18%
Westmoreland	914	6.42%	953	6.60%	919	6.54%	971	7.09%	1,014	6.89%
Wyoming	29	0.20%	40	0.28%	28	0.20%	19	0.14%	29	0.20%
York	491	3.45%	524	3.63%	543	3.87%	571	4.17%	670	4.55%
Total	14,231	100.00%	14,449	100.00%	14,049	100.00%	13,705	100.00%	14,716	100.00%

(continued)

Source: PA Cyber Charter School records.

Notes:

(1) Total Student enrollment, not FTEs.

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Enrollment by CountyLast Ten Fiscal Years*(continued)*

County	2018		2017		2016		2015		2014	
	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment
Adams	123	0.84%	122	0.85%	114	0.83%	115	0.85%	132	0.93%
Allegheny	1,892	12.89%	1,910	13.29%	1,786	12.97%	1,747	12.93%	1,854	13.02%
Armstrong	105	0.72%	106	0.74%	94	0.68%	103	0.76%	120	0.84%
Beaver	597	4.07%	565	3.93%	544	3.95%	548	4.06%	548	3.85%
Bedford	27	0.18%	35	0.24%	40	0.29%	46	0.34%	51	0.36%
Berks	278	1.89%	287	2.00%	256	1.86%	218	1.61%	247	1.74%
Blair	143	0.97%	129	0.90%	121	0.88%	145	1.07%	165	1.16%
Bradford	56	0.38%	64	0.45%	64	0.46%	74	0.55%	83	0.58%
Bucks	260	1.77%	252	1.75%	216	1.57%	209	1.55%	215	1.51%
Butler	453	3.09%	453	3.15%	451	3.28%	445	3.29%	492	3.46%
Cambria	143	0.97%	117	0.81%	146	1.06%	117	0.87%	133	0.93%
Cameron	8	0.05%	12	0.08%	10	0.07%	3	0.02%	3	0.02%
Carbon	61	0.42%	60	0.42%	45	0.33%	55	0.41%	63	0.44%
Centre	106	0.72%	91	0.63%	113	0.82%	126	0.93%	111	0.78%
Chester	83	0.57%	101	0.70%	118	0.86%	136	1.01%	155	1.09%
Clarion	100	0.68%	90	0.63%	93	0.68%	102	0.76%	86	0.60%
Clearfield	100	0.68%	91	0.63%	121	0.88%	142	1.05%	160	1.12%
Clinton	54	0.37%	40	0.28%	71	0.52%	68	0.50%	61	0.43%
Columbia	62	0.42%	56	0.39%	52	0.38%	80	0.59%	80	0.56%
Crawford	294	2.00%	299	2.08%	292	2.12%	284	2.10%	267	1.88%
Cumberland	291	1.98%	295	2.05%	282	2.05%	287	2.12%	287	2.02%
Dauphin	476	3.24%	474	3.30%	459	3.33%	438	3.24%	439	3.08%
Delaware	422	2.88%	412	2.87%	382	2.77%	369	2.73%	373	2.62%
Elk	6	0.04%	9	0.06%	12	0.09%	20	0.15%	27	0.19%
Erie	919	6.26%	838	5.83%	790	5.74%	699	5.18%	617	4.33%
Fayette	444	3.03%	448	3.12%	424	3.08%	396	2.93%	385	2.70%
Forest	5	0.03%	5	0.03%	5	0.04%	3	0.02%	7	0.05%
Franklin	146	0.99%	132	0.92%	110	0.80%	104	0.77%	115	0.81%
Fulton	13	0.09%	10	0.07%	9	0.07%	15	0.11%	17	0.12%
Greene	86	0.59%	74	0.51%	52	0.38%	52	0.38%	66	0.46%
Subtotal	7,753	52.83%	7,577	52.71%	7,272	52.82%	7,146	52.91%	7,359	51.69%

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Enrollment by County
Last Ten Fiscal Years

(continued)

County	2018		2017		2016		2015		2014	
	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment
Huntingdon	43	0.29%	52	0.36%	30	0.22%	18	0.13%	18	0.13%
Indiana	141	0.96%	152	1.06%	153	1.11%	132	0.98%	140	0.98%
Jefferson	76	0.52%	79	0.55%	63	0.46%	32	0.24%	38	0.27%
Juniata	29	0.20%	18	0.13%	12	0.09%	14	0.10%	16	0.11%
Lackawanna	67	0.46%	71	0.49%	86	0.62%	93	0.69%	124	0.87%
Lancaster	382	2.60%	443	3.08%	430	3.12%	454	3.36%	443	3.11%
Lawrence	171	1.17%	174	1.21%	175	1.27%	177	1.31%	192	1.35%
Lebanon	124	0.85%	120	0.83%	129	0.94%	152	1.13%	169	1.19%
Lehigh	353	2.41%	337	2.34%	309	2.24%	312	2.31%	328	2.30%
Luzerne	299	2.04%	282	1.96%	199	1.45%	225	1.67%	261	1.83%
Lycoming	205	1.40%	196	1.36%	153	1.11%	146	1.08%	186	1.31%
McKean	30	0.20%	16	0.11%	25	0.18%	32	0.24%	51	0.36%
Mercer	183	1.25%	172	1.20%	180	1.31%	171	1.27%	182	1.28%
Mifflin	27	0.18%	33	0.23%	21	0.15%	17	0.13%	29	0.20%
Monroe	248	1.69%	266	1.85%	248	1.80%	284	2.10%	325	2.28%
Montgomery	236	1.61%	206	1.43%	207	1.50%	222	1.64%	250	1.76%
Montour	15	0.10%	10	0.07%	4	0.03%	8	0.06%	10	0.07%
Northampton	323	2.20%	287	2.00%	289	2.10%	272	2.01%	328	2.30%
Northumberland	153	1.04%	167	1.16%	124	0.90%	156	1.15%	141	0.99%
Perry	93	0.63%	118	0.82%	102	0.74%	118	0.87%	108	0.76%
Philadelphia	826	5.63%	774	5.38%	699	5.08%	551	4.08%	591	4.15%
Pike	43	0.29%	39	0.27%	44	0.32%	50	0.37%	53	0.37%
Potter	9	0.06%	11	0.08%	8	0.06%	10	0.07%	4	0.03%
Schuylkill	106	0.72%	89	0.62%	91	0.66%	97	0.72%	124	0.87%
Snyder	57	0.39%	47	0.33%	44	0.32%	45	0.33%	55	0.39%
Somerset	144	0.98%	181	1.26%	160	1.16%	185	1.37%	154	1.08%
Sullivan	13	0.09%	10	0.07%	11	0.08%	17	0.13%	26	0.18%
Susquehanna	45	0.31%	56	0.39%	64	0.46%	84	0.62%	102	0.72%
Tioga	26	0.18%	32	0.22%	45	0.33%	55	0.41%	66	0.46%
Subtotal	4,467	30.44%	4,438	30.87%	4,105	29.82%	4,129	30.57%	4,514	31.71%

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Enrollment by County
Last Ten Fiscal Years

(continued)

County	2018		2017		2016		2015		2014	
	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment	Enrollment	Percent of Enrollment
Union	38	0.26%	53	0.37%	46	0.33%	58	0.43%	53	0.37%
Venango	126	0.86%	141	0.98%	121	0.88%	131	0.97%	150	1.05%
Warren	55	0.37%	55	0.38%	67	0.49%	47	0.35%	43	0.30%
Washington	521	3.55%	487	3.39%	541	3.93%	474	3.51%	483	3.39%
Wayne	20	0.14%	24	0.17%	27	0.20%	28	0.21%	35	0.25%
Westmoreland	997	6.79%	933	6.49%	972	7.06%	898	6.65%	936	6.57%
Wyoming	23	0.16%	30	0.21%	28	0.20%	28	0.21%	33	0.23%
York	674	4.59%	637	4.43%	588	4.27%	568	4.21%	630	4.43%
Total	14,674	100.00%	14,375	100.00%	13,767	100.00%	13,507	100.00%	14,236	100.00%

Source: PA Cyber Charter School records.

Notes: Total Student enrollment, not FTEs.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
School Building Information
June 30, 2023

<u>Property Name</u>	<u>Purchase Date</u>	<u>Building Square Footage</u>	<u>Enrollment</u>
652 Midland Avenue Building	3/10/2008	30,500	N/A
900 Midland Avenue Building	4/18/2005	12,400	N/A
617 Midland Avenue Building	8/8/2005	16,500	N/A
735 Midland Avenue Building	6/1/2010	27,860	N/A
1200 Midland Avenue Building	6/16/2010	33,200	N/A
520 Railroad Avenue Building	6/30/2011	3,000	N/A

Source: PA Cyber Charter School records.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Insurance in Force
June 30, 2023

General Liability Coverage	American Family Home Insurance Company
Policy Number	7NA5CP0001607-00
Policy Period	6/30/23-6/30/24
General Aggregate	\$3,000,000
Products/Completed Operations	\$3,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage Liability	\$1,000,000
Medical Payments	\$10,000
Employee Benefits Liability:	
-Each Employee	\$1,000,000
-Aggregate	\$2,000,000
-Deductible	\$1,000
-Retroactive Date	2/20/2015
Sexual Misconduct & Molestation:	
-Occurrence	\$1,000,000
-Aggregate	\$3,000,000
Commercial Auto Liability:	American Family Home Insurance Company
Policy Number	7NA5CA0001097-00
Policy Period	6/30/23-6/30/24
Auto Liability	\$1,000,000
Uninsured Motorists	\$1,000,000
Underinsured Motorists	\$1,000,000
Personal Injury Protection	
-Comprehensive Deductible	\$500
-Collision Deductible	\$500
Electronic Equipment Coverage	Included
Educators Legal Liability	ASCOT Specialty Insurance Company
(Includes Directors & Officers and Employment Practices Liability)	
Policy Number	MLNP2210001016-02
Policy Period	6/30/23-6/30/24
-Occurrence	\$1,000,000/Separate Limit
-Aggregate	\$2,000,000
Directors & Officers Deductible	\$50,000
Employment Practices Liability Deductible	\$100,000
School Leaders Deductible	\$50,000

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Insurance in Force
June 30, 2023

(continued)

<u>Property Coverage</u>	American Family Home Insurance Company
Policy Number	7NA5CP0001607-00
Policy Period	6/30/23-6/30/24
Blanket Building & Personal Property	\$36,954,704
-Coinsurance	No Penalty
-Cause of Loss	Special
-Valuation	\$5,000
-Deductible	\$5,000
Business Income Limit	\$2,509,680 (included in Above Limit)
Extra Expense	Included in Business Interruption Limit
Equipment Breakdown	Included
Fine Arts	\$100,000
Computer Equipment	Included
-Laptop/Portable Computers	Included
-While in Transit	\$100,000
Computer Equipment Disturbance	\$0
Back-up of Sewers or Drains	Included
Off Premises Power Interruption	\$0
Accounts Receivable	\$250,000
Valuable Papers & Records	\$250,000
Unnamed Premises	\$100,000
Personal Effects & Property of Others	Included in Blanket Limit
 Inland Marine Coverage:	
Computer Hardware-Mobile and Stationary	
Computer Software	
Extra Expense	
In Transit Coverage	Included in Property Limits
Unnamed Location	
-Deductible	
 Crime Coverage	
Policy Number	Hiscox Insurance Company, Inc.
Policy Period	UC21423440.23
Policy Period	6/30/23-6/30/24
Employee Theft	\$1,000,000
Premises	\$1,000,000
In Transit	\$1,000,000
Forgery	\$1,000,000
Computer Fraud	\$1,000,000
Fund Transfer Fraud	\$1,000,000
Cyber Deception	\$100,000
Money Order and Counterfeit Currency Fraud	\$1,000,000
Credit Card Fraud	\$250,000
Client Coverage	\$1,000,000
Expense Coverage	\$50,000
Deductible	\$10,000

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Insurance in Force
June 30, 2023

(continued)

<u>Privacy & Information Security (Cyber Liability)</u>		Corvus Insurance
Policy Number		2-CIA-PA-17-S0118421-00
Policy Period		6/30/23-6/30/24
Breach Response - Notified Individuals (In Addition to Aggregate)		\$2,000,000
Breach Response - Legal Forensic & Public Relations (In Addition to Aggregate)		\$2,000,000
First Party Loss - Business Interruption Loss - Security Breach System Failure		\$2,000,000
First Party Loss - Dependent Business Loss - Security Breach System Failure		\$2,000,000 \$2,000,000
First Party Loss - Cyber Extortion Loss		\$2,000,000
First Party Loss - Data Recovery Loss		\$2,000,000
Liability - Data & Network Liability		\$2,000,000
Liability - Regulatory Defense & Penalties		\$2,000,000
Liability - Payments Cards Liabilities & Costs		\$2,000,000
Policy Aggregate Limit of Liability		
-Retention Legal, Forensic & Public Relations/Crisis Mgmt.		\$50,000
-Retention Cyber Extortion Loss		\$50,000
<u>Workers Compensation Coverage</u>		Security National Insurance Company, Inc.
Policy Number		SWC1451453
Policy Period		6/30/23-6/30/24
Employer's Liability Limits		\$1,000,000
		\$1,000,000
		\$1,000,000
Classification:		
School: Professional Employees		On file with Company
2023 States		PA and All Other States
Payroll		\$57,100,204
<u>Workers Compensation Coverage</u>		Technology Insurance Company, inc.
Policy Number		TWC4293454
Policy Period		6/30/23-6/30/24
Employer's Liability Limits		\$100,000
		\$500,000
		\$100,000
Classification:		
School: Professional Employees		
2023 States		PA and All Other States
Payroll		\$426,775

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Insurance in Force
June 30, 2023

(continued)

Umbrella/Excess Coverage	United Educators Insurance Company
Policy Number	Y72-25U
Policy Period	6/30/23-6/30/24
Limits of Liability - Each Occurrence	\$10,000,000
Limits of Liability - Aggregate	\$10,000,000
Product, Completed Operations, and Employee Occupational Disease Aggregate Limit	\$10,000,000
Occupational Disease Aggregate Limit Athletic Traumatic Brain Injury Annual Aggregate	\$10,000,000
Self Insured Retention	\$0
General Liability	Included
Employee Benefits	Sublimit \$1,000,000
Sexual Abuse & Molestation	Annual Aggregate \$10,000,000
Educators Legal Liability	Included
Directors & Officers Liability	Included
Employment Practices Liability	Included
Uninsured/Underinsured Motorist	Excluded
Auto Liability	Included
Employer's Liability	Included
Pollution Liability Coverage	Lloyds Syndicates
Policy Number	W329C6220101-1009
Policy Period	6/30/23-6/30/24
Each Pollution Condition	\$1,000,000
Policy Aggregate	\$1,000,000
New Pollution Conditions - (BI/PD and Cleanup)	Yes
New Pollution Conditions - 1st Party Discovery	Yes
Existing Pollution Conditions - (BI/PD and Cleanup)	Yes
Existing Pollution Conditions - 1st Party Discovery	Yes
Transportation	Yes
Non-Owned Locations	Yes
Business Interruption	Yes
Business Travel Accident	Chubb
Policy Number	9907-58-43
Policy Period	6/30/23-6/30/24
24 Hour Business Travel - (Employees)	
Business Travel Family - (Spouse/Domestic Partner of Insured Person)	\$1,000,000
Business Travel Family - (Dependent Children of Primary Insured Person)	

SINGLE AUDIT REPORTS SECTION

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2023

Federal Grantor/Project Title	Source Code	Federal CFDA Number	Pass Through Grantor's Number	Grant Period From-To	Program or Award Amount	Total Received (Paid) For Year	Accrued (Deferred) Revenue July 1, 2022	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2023
U.S. Department of Education										
Passed through the Pennsylvania Department of Education:										
Title I - Improving Basic Programs	I	84.010	013-22-0996	07/01/21 - 09/30/22	\$ 3,570,429	\$ 897	\$ 897	\$ -	\$ -	\$ -
Title I - Improving Basic Programs	I	84.010	013-23-0996	07/01/22 - 09/30/23	3,445,503	3,215,877	-	3,445,503	3,445,503	229,626
Title I SIG - Program Improv-Set Aside	I	84.010	042-21-0996	09/30/21 - 09/30/22	379,687	58,413	35,833	22,580	22,580	-
Title I SIG - Program Improv-Set Aside	I	84.010	042-22-0996	08/30/22 - 09/30/23	410,152	410,152	-	410,152	410,152	-
Total CFDA Number 84.010						<u>3,685,339</u>	<u>36,730</u>	<u>3,878,235</u>	<u>3,878,235</u>	<u>229,626</u>
Title II - Improving Teacher Quality	I	84.367	020-22-0996	07/01/21 - 09/30/22	386,002	(10,124)	(10,124)	-	-	-
Title II - Improving Teacher Quality	I	84.367	020-23-0996	07/01/22 - 09/30/23	350,643	356,109	-	350,643	350,643	(5,466)
Total CFDA Number 84.367						<u>345,985</u>	<u>(10,124)</u>	<u>350,643</u>	<u>350,643</u>	<u>(5,466)</u>
Title IV - Student Support and Academic Enrichment	I	84.424	144-22-0996	07/01/21 - 09/30/22	236,736	140	140	-	-	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-23-0996	07/01/22 - 09/30/23	274,069	261,081	-	274,069	274,069	12,988
Total CFDA Number 84.424						<u>261,221</u>	<u>140</u>	<u>274,069</u>	<u>274,069</u>	<u>12,988</u>
Passed through the Beaver Valley Intermediate Unit:										
IDEA	I	84.027 **	27	07/01/21 - 06/30/22	1,291,192	1,291,192	1,292,192	-	-	1,000
IDEA	I	84.027 **	27	07/01/22 - 06/30/23	2,063,462	-	-	2,063,462	2,063,462 *	2,063,462
IDEA - ARP	I	84.027X **	27	07/01/21 - 06/30/22	1,259,394	1,259,394	1,259,394	-	-	-
IDEA - ESY	I	84.027 **	27	07/01/21 - 06/30/22	39,542	39,542	-	39,542	39,542 *	-
Total CFDA Number 84.027						<u>2,590,128</u>	<u>2,551,586</u>	<u>2,103,004</u>	<u>2,103,004</u>	<u>2,064,462</u>
IDEA 619 B Pass Through	I	84.173 **	27	07/01/21 - 06/30/22	7,518	7,518	7,518	-	-	-
IDEA 619 B Pass Through	I	84.173 **	27	07/01/22 - 06/30/23	5,698	-	-	5,698	5,698 *	5,698
Total CFDA Number 84.173						<u>7,518</u>	<u>7,518</u>	<u>5,698</u>	<u>5,698</u>	<u>5,698</u>
** Total Special Education Cluster (IDEA) 84.027, 84.027X and 84.173									<u>\$ 2,108,702</u>	
U.S. Department of Health and Human Services										
Passed through the Pennsylvania Department of Human Services:										
Medical Assistance Reimbursement for Administrative Claiming - (Medicaid Cluster)	I	93.778	044-00-7657	07/01/22 - 06/30/23	7,836	7,836	-	7,836	7,836	-
Total Federal Assistance						<u>\$ 6,898,027</u>	<u>\$ 2,585,850</u>	<u>\$ 6,619,485</u>	<u>\$ 6,619,485</u>	<u>\$ 2,307,308</u>

Source Codes:
I=Indirect Funding; F=Federal Share; S=State Share

Footnotes:
* Major Program selected for testing

See independent auditor's report and accompanying notes to the schedule of expenditures of federal awards.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Notes to the Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2023

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Pennsylvania Cyber Charter School (School) and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School, it is not intended to and does not present the financial position, changes in fund balance or cash flows of the School. The Schedule of Expenditures of Federal Awards is based upon information provided by the various funding sources to the School and other information available at the time this Schedule was prepared.

NOTE 2 - RECONCILIATION OF FEDERAL AWARDS

Federal Awards revenue per Schedule of Expenditures of Federal Awards	\$ 6,619,485
Pass-through Awards Recorded in Local Revenue	<u>(2,108,702)</u>
Per Financial Statements - Federal Revenue	<u>\$ 4,510,783</u>

NOTE 3 - INDIRECT COST RATE

The School has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

See independent auditor's report.

Report on Internal Control over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
with Government Auditing Standards

Independent Auditor's Report

To the Board of Trustees
Pennsylvania Cyber Charter School

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities and each major fund of Pennsylvania Cyber Charter School as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Pennsylvania Cyber Charter School's basic financial statements, and have issued our report thereon dated January 10, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pennsylvania Cyber Charter School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pennsylvania Cyber Charter School's internal control. Accordingly, we do not express an opinion on the effectiveness of Pennsylvania Cyber Charter School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Pennsylvania Cyber Charter School's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

(continued)

Report on Internal Control over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
with Government Auditing Standards

Independent Auditor's Report

(continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pennsylvania Cyber Charter School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Pennsylvania Cyber Charter School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pennsylvania Cyber Charter School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Greensburg, Pennsylvania
January 10, 2024

**Report on Compliance for Each Major Federal Program and Report on Internal Control Over
Compliance in Accordance with the Uniform Guidance**

Independent Auditor's Report

To the Board of Trustees
Pennsylvania Cyber Charter School

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pennsylvania Cyber Charter School's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Pennsylvania Cyber Charter School's major federal programs for the fiscal year ended June 30, 2023. Pennsylvania Cyber Charter School's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Pennsylvania Cyber Charter School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Pennsylvania Cyber Charter School and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Pennsylvania Cyber Charter School's compliance with the compliance requirements referred to above.

(continued)

**Report on Compliance for Each Major Federal Program and Report on Internal Control Over
Compliance in Accordance with the Uniform Guidance**

Independent Auditor's Report

(continued)

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Pennsylvania Cyber Charter School's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Pennsylvania Cyber Charter School's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Pennsylvania Cyber Charter School's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Pennsylvania Cyber Charter School's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Pennsylvania Cyber Charter School's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Pennsylvania Cyber Charter School's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

(continued)

**Report on Compliance for Each Major Federal Program and Report on Internal Control Over
Compliance in Accordance with the Uniform Guidance**

Independent Auditor's Report

(continued)

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Greensburg, Pennsylvania
January 10, 2024

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:
 Material weaknesses identified? Yes No
 Significant deficiencies identified not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:
 Material weaknesses identified? Yes No
 Significant deficiencies identified not considered to be material weaknesses? Yes None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Numbers</u>
Special Education Cluster (IDEA)	84.027, 84.027X & 84.173

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

None

(continued)

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Findings and Questioned Costs
Fiscal Year Ended June 30, 2023

(continued)

Section III – Federal Award Findings and Questioned Costs

This section identifies the audit findings to be reported in 2 CFR 200 Section 516(a) of the Uniform Guidance (e.g., report significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program.

None

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Schedule of Prior Audit Findings
Fiscal Year Ended June 30, 2023

Prior Year Findings

This section identifies the audit findings to be reported in the prior year by 2 CFR 200 Section 516(a) of the Uniform Guidance (e.g., report significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program.

None

**PENNSYLVANIA CYBER CHARTER SCHOOL
GENERAL FUND**

PRELIMINARY BALANCE SHEET

AS OF AUGUST 31, 2024

	Governmental Funds August 31, 2024	Governmental Funds August 31, 2023
ASSETS		
<i>CURRENT ASSETS</i>		
CASH	\$ 249,017,645	\$ 194,278,522
ACCOUNTS RECEIVABLES (NET)	\$ 38,092,348	\$ 35,606,506
DUE FROM OTHERS	\$ 1,572,514	\$ 1,133,962
INVENTORY FOR CONSUMPTION	\$ -	\$ -
PREPAID EXPENSES	\$ 1,030,756	\$ 1,797,193
DEPOSITS	\$ 179,816	\$ 201,084
TOTAL CURRENT ASSETS	\$ 289,893,078	\$ 233,017,267
TOTAL ASSETS	\$ 289,893,078	\$ 233,017,267
LIABILITIES & EQUITY		
<i>CURRENT LIABILITIES</i>		
ACCOUNTS PAYABLE	\$ 580,813	\$ (434,253)
CLAIMS/JUDGEMENT PAYABLE	\$ -	\$ -
DEFERRED REVENUE	\$ -	\$ -
DUE TO OTHERS	\$ -	\$ -
LINE OF CREDIT	\$ -	\$ -
PAYROLL PAYABLE	\$ 8,636,765	\$ 10,421,884
STUDENT ACTIVITIES PAYABLE	\$ 3,405	\$ 2,200
TOTAL CURRENT LIABILITIES	\$ 9,220,983	\$ 9,989,831
<i>EQUITY</i>		
FUND BALANCE - BEGINNING	\$ 272,561,760	\$ 218,879,651
NET INCOME	\$ 8,110,335	\$ 4,147,785
TOTAL EQUITY	\$ 280,672,095	\$ 223,027,436
TOTAL LIAB & EQUITY	\$ 289,893,078	\$ 233,017,267

PENNSYLVANIA CYBER CHARTER SCHOOL

GENERAL FUND

PRELIMINARY PROFIT & LOSS STATEMENT

AS OF AUGUST 31, 2024

	2024-2025	2023-2024	Variance
	Governmental	Governmental	Favorable(Unfavorable)
	Funds	Funds	
REVENUES			
LOCAL			
Pennsylvania LEA's	\$ 30,560,000	\$ 27,720,000	\$ 2,840,000
Other	\$ 1,401,101	\$ 944,757	\$ 456,344
TOTAL LOCAL	\$ 31,961,101	\$ 28,664,757	\$ 3,296,344
State	\$ -	\$ -	\$ -
Federal	\$ 687	\$ 3,238	\$ (2,551)
Proceeds of Extended Term Financing	\$ -	\$ -	\$ -
Sale of Fixed Assets	\$ 778	\$ 125	\$ 653
TOTAL REVENUE	\$ 31,962,566	\$ 28,668,121	\$ 3,294,445
EXPENDITURES			
Instruction	\$ 14,412,018	\$ 13,287,573	\$ (1,124,445)
Administration	\$ 9,226,735	\$ 9,143,739	\$ (82,996)
Student Activities	\$ 61,674	\$ 73,158	\$ 11,484
Facility Improvement	\$ 151,804	\$ -	\$ (151,804)
Debt Service	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	\$ 23,852,231	\$ 22,504,470	\$ (1,347,762)
REVENUE IN EXCESS			
(DEFICIT) OF EXPENDITURES	\$ 8,110,335	\$ 6,163,651	\$ 1,946,683

PENNSYLVANIA CYBER CHARTER SCHOOL

GENERAL FUND

PRELIMINARY COMPARATIVE ANALYSIS

JULY 1, 2024 - AUGUST 31, 2024

	<u>Budget</u>	<u>Governmental Funds</u>	<u>Variance Favorable(Unfavorable)</u>
REVENUES			
LOCAL			
Pennsylvania LEA's	203,800,400	\$ 30,560,000	\$ (173,240,400)
Other	9,537,392	1,401,101	(8,136,291)
TOTAL LOCAL	\$ 213,337,792	\$ 31,961,101	\$ (181,376,691)
State	1,100,267	-	(1,100,267)
Federal	5,396,107	687	(5,395,420)
Proceeds of Extended Term Financing	2,500,000	-	(2,500,000)
Sale of Fixed Assets	15,000	778	(14,222)
TOTAL REVENUE	\$ 222,349,166	\$ 31,962,566	\$ (190,386,600)
EXPENDITURES			
Instruction	122,497,675	\$ 14,412,018	\$ 108,085,657
Administration	62,194,024	9,226,735	52,967,289
Student Activities	1,006,667	61,674	944,993
Facility Improvement	16,388,361	151,804	16,236,557
Debt Service	4,686,375	-	4,686,375
TOTAL EXPENDITURES	\$ 206,773,102	\$ 23,852,231	\$ 182,920,871
REVENUE IN EXCESS (DEFICIT) OF EXPENDITURES	\$ 15,576,064	\$ 8,110,335	

FINAL GENERAL FUND BUDGET

Fiscal Year 2023-2024

General Fund Budget Approval

Date of Adoption of the General Fund Budget: 06/14/2023



President of the Board - Original Signature Required

06/14/2023


Date



Secretary of the Board - Original Signature Required

6-14-2023

Date



Chief School Administrator - Original Signature Required

6.14.2023

Date

Matthew M Schulte

Contact Person

(724)643-1180 Extn :7775

Telephone Extension

matthew.schulte@pacyber.org

Email Address

<u>Val Number</u>	<u>Description</u>	<u>Justification</u>
8060	Ending Fund Balance Entry and Budgetary Reserve: If 5900 Budgetary Reserve is not equal to 0, a justification must be entered below.	Unanticipated Expenditures
8080	Ending Fund Balance Entry and Budgetary Reserve: If 0850 Estimated Ending Unassigned Fund Balance is not equal to 0, a justification must be entered below.	Unassigned Fund Balance
8150	Ending Fund Balance Entry and Budgetary Reserve: If 0830 Committed Fund Balance is not equal to 0, a justification must be entered below.	Healthcare Premiums, Retirement Employer Contributions, Lease Obligations, and Stabilization Fund
8160	Ending Fund Balance Entry and Budgetary Reserve: If 0840 Assigned Fund Balance is not equal to 0, a justification must be entered below.	OPEB Obligations, Legal Obligations, and Construction/Renovation Projects

<u>ITEM</u>	<u>AMOUNTS</u>	
Estimated Beginning Unreserved Fund Balance Available for Appropriation and Reserves Scheduled For Liquidation During The Fiscal Year		
0810 Nonspendable Fund Balance	1,168,756	
0820 Restricted Fund Balance		
0830 Committed Fund Balance	87,055,794	
0840 Assigned Fund Balance	31,699,108	
0850 Unassigned Fund Balance	88,365,167	
Total Estimated Beginning Unreserved Fund Balance Available for Appropriation and Reserves Scheduled For Liquidation During The Fiscal Year		<u>\$207,120,069</u>
Estimated Revenues And Other Financing Sources		
6000 Revenue from Local Sources	191,883,090	
7000 Revenue from State Sources	1,067,848	
8000 Revenue from Federal Sources	4,882,200	
9000 Other Financing Sources	1,462,000	
Total Estimated Revenues And Other Financing Sources		<u>\$199,295,138</u>
Total Estimated Fund Balance, Revenues, and Other Financing Sources Available for Appropriation		<u>\$406,415,207</u>

	<u>Amount</u>
REVENUE FROM LOCAL SOURCES	
6500 Earnings on Investments	4,620,200
6800 Revenues from Intermediary Sources / Pass-Through Funds	1,977,542
6940 Tuition from Patrons	184,861,900
6990 Refunds and Other Miscellaneous Revenue	423,448
REVENUE FROM LOCAL SOURCES	\$191,883,090
REVENUE FROM STATE SOURCES	
7330 Health Services (Medical, Dental, Nurse, Act 25)	131,337
7505 Ready to Learn Block Grant	936,511
REVENUE FROM STATE SOURCES	\$1,067,848
REVENUE FROM FEDERAL SOURCES	
8514 Title I - Improving the Academic Achievement of the Disadvantaged	4,101,095
8515 Title II - Preparing, Training, and Recruiting High Quality Teachers and Principals	341,603
8517 Title IV - 21st Century Schools	269,734
8810 School-Based Access Medicaid Reimbursement Program (SBAP) Reimbursements (Access)	163,888
8820 Medical Assistance Reimbursement for Administrative Claiming (Quarterly) Program	5,880
REVENUE FROM FEDERAL SOURCES	\$4,882,200
OTHER FINANCING SOURCES	
9200 Proceeds from Extended Term Financing, Leases, and Other Right to Use Arrangements	1,432,000
9400 Sale of or Compensation for Loss of Fixed Assets	30,000
OTHER FINANCING SOURCES	\$1,462,000
TOTAL ESTIMATED REVENUES AND OTHER SOURCES	199,295,138

<u>Description</u>	<u>Amount</u>
1000 Instruction	
1100 Regular Programs - Elementary / Secondary	71,527,278
1200 Special Programs - Elementary / Secondary	42,115,360
1400 Other Instructional Programs - Elementary / Secondary	2,695,900
Total Instruction	\$116,338,538
2000 Support Services	
2100 Support Services - Students	15,089,612
2200 Support Services - Instructional Staff	4,695,888
2300 Support Services - Administration	9,462,153
2400 Support Services - Pupil Health	1,378,145
2500 Support Services - Business	7,652,276
2600 Operation and Maintenance of Plant Services	11,777,033
2800 Support Services - Central	10,300,312
Total Support Services	\$60,355,419
3000 Operation of Non-Instructional Services	
3200 Student Activities	506,000
3300 Community Services	36,200
Total Operation of Non-Instructional Services	\$542,200
4000 Facilities Acquisition, Construction and Improvement Services	
4000 Facilities Acquisition, Construction and Improvement Services	4,570,000
Total Facilities Acquisition, Construction and Improvement Services	\$4,570,000
5000 Other Expenditures and Financing Uses	
5100 Debt Service / Other Expenditures and Financing Uses	1,188,300
5900 Budgetary Reserve	1,829,000
Total Other Expenditures and Financing Uses	\$3,017,300
Total Estimated Expenditures and Other Financing Uses	\$184,823,457

<u>Description</u>	<u>Amount</u>
1000 Instruction	
1100 Regular Programs - Elementary / Secondary	
100 Personnel Services - Salaries	26,074,416
200 Personnel Services - Employee Benefits	18,205,960
300 Purchased Professional and Technical Services	4,964,802
400 Purchased Property Services	1,000
500 Other Purchased Services	1,350,783
600 Supplies	17,775,122
700 Property	3,151,595
800 Other Objects	3,600
Total Regular Programs - Elementary / Secondary	\$71,527,278
1200 Special Programs - Elementary / Secondary	
100 Personnel Services - Salaries	12,985,281
200 Personnel Services - Employee Benefits	9,373,012
300 Purchased Professional and Technical Services	11,587,649
400 Purchased Property Services	8,500
500 Other Purchased Services	663,787
600 Supplies	6,499,391
700 Property	995,240
800 Other Objects	2,500
Total Special Programs - Elementary / Secondary	\$42,115,360
1400 Other Instructional Programs - Elementary / Secondary	
300 Purchased Professional and Technical Services	56,650
400 Purchased Property Services	1,180,000
500 Other Purchased Services	1,209,000
600 Supplies	205,250
700 Property	45,000
Total Other Instructional Programs - Elementary / Secondary	\$2,695,900
Total Instruction	\$116,338,538
2000 Support Services	
2100 Support Services - Students	
100 Personnel Services - Salaries	8,156,592
200 Personnel Services - Employee Benefits	5,956,520
300 Purchased Professional and Technical Services	134,000
400 Purchased Property Services	67,000
500 Other Purchased Services	213,753
600 Supplies	540,497
800 Other Objects	21,250
Total Support Services - Students	\$15,089,612
2200 Support Services - Instructional Staff	
100 Personnel Services - Salaries	2,317,503
200 Personnel Services - Employee Benefits	1,685,212
300 Purchased Professional and Technical Services	468,730
500 Other Purchased Services	47,145

<u>Description</u>	<u>Amount</u>
600 Supplies	125,070
700 Property	20,000
800 Other Objects	32,228
Total Support Services - Instructional Staff	\$4,695,888
2300 Support Services - Administration	
100 Personnel Services - Salaries	4,478,621
200 Personnel Services - Employee Benefits	2,790,148
300 Purchased Professional and Technical Services	1,180,650
500 Other Purchased Services	316,384
600 Supplies	401,500
800 Other Objects	294,850
Total Support Services - Administration	\$9,462,153
2400 Support Services - Pupil Health	
100 Personnel Services - Salaries	759,199
200 Personnel Services - Employee Benefits	546,646
300 Purchased Professional and Technical Services	3,000
500 Other Purchased Services	14,400
600 Supplies	51,900
700 Property	2,000
800 Other Objects	1,000
Total Support Services - Pupil Health	\$1,378,145
2500 Support Services - Business	
100 Personnel Services - Salaries	843,806
200 Personnel Services - Employee Benefits	587,200
300 Purchased Professional and Technical Services	2,740,000
500 Other Purchased Services	3,285,220
600 Supplies	12,750
700 Property	150,000
800 Other Objects	33,300
Total Support Services - Business	\$7,652,276
2600 Operation and Maintenance of Plant Services	
300 Purchased Professional and Technical Services	4,555,541
400 Purchased Property Services	3,748,789
500 Other Purchased Services	457,063
600 Supplies	683,600
700 Property	2,332,000
800 Other Objects	40
Total Operation and Maintenance of Plant Services	\$11,777,033
2800 Support Services - Central	
100 Personnel Services - Salaries	3,251,786
200 Personnel Services - Employee Benefits	2,266,245
300 Purchased Professional and Technical Services	1,708,800
500 Other Purchased Services	114,581
600 Supplies	1,462,900
700 Property	1,210,000

<u>Description</u>	<u>Amount</u>
800 Other Objects	286,000
Total Support Services - Central	\$10,300,312
Total Support Services	\$60,355,419
3000 Operation of Non-Instructional Services	
3200 Student Activities	
300 Purchased Professional and Technical Services	50,000
400 Purchased Property Services	10,000
500 Other Purchased Services	370,000
600 Supplies	65,000
800 Other Objects	11,000
Total Student Activities	\$506,000
3300 Community Services	
600 Supplies	36,200
Total Community Services	\$36,200
Total Operation of Non-Instructional Services	\$542,200
4000 Facilities Acquisition, Construction and Improvement Services	
4000 Facilities Acquisition, Construction and Improvement Services	
300 Purchased Professional and Technical Services	1,070,000
400 Purchased Property Services	3,500,000
Total Facilities Acquisition, Construction and Improvement Services	\$4,570,000
Total Facilities Acquisition, Construction and Improvement Services	\$4,570,000
5000 Other Expenditures and Financing Uses	
5100 Debt Service / Other Expenditures and Financing Uses	
800 Other Objects	375,400
900 Other Uses of Funds	812,900
Total Debt Service / Other Expenditures and Financing Uses	\$1,188,300
5900 Budgetary Reserve	
800 Other Objects	1,829,000
Total Budgetary Reserve	\$1,829,000
Total Other Expenditures and Financing Uses	\$3,017,300
TOTAL EXPENDITURES	\$184,823,457

<u>Cash and Short-Term Investments</u>	<u>06/30/2023 Estimate</u>	<u>06/30/2024 Projection</u>
General Fund	152,252,500	156,820,100
Public Purpose (Expendable) Trust Fund		
Other Comptroller-Approved Special Revenue Funds		
Athletic / School-Sponsored Extra Curricular Activities Fund		
Other Capital Projects Fund		
Debt Service Fund		
Food Service / Cafeteria Operations Fund		
Child Care Operations Fund		
Other Enterprise Funds		
Internal Service Fund	6,107,000	5,801,700
Private Purpose Trust Fund		
Investment Trust Fund		
Pension Trust Fund		
Activity Fund		
Other Agency Fund		
Permanent Fund		
Total Cash and Short-Term Investments	\$158,359,500	\$162,621,800
<u>Long-Term Investments</u>	<u>06/30/2023 Estimate</u>	<u>06/30/2024 Projection</u>
General Fund	58,974,800	59,564,500
Public Purpose (Expendable) Trust Fund		
Other Comptroller-Approved Special Revenue Funds		
Athletic / School-Sponsored Extra Curricular Activities Fund		
Other Capital Projects Fund		
Debt Service Fund		
Food Service / Cafeteria Operations Fund		
Child Care Operations Fund		
Other Enterprise Funds		
Internal Service Fund		
Private Purpose Trust Fund		
Investment Trust Fund		
Pension Trust Fund		
Activity Fund		
Other Agency Fund		
Permanent Fund		
Total Long-Term Investments	\$58,974,800	\$59,564,500
TOTAL CASH AND INVESTMENTS	\$217,334,300	\$222,186,300

Long-Term Indebtedness

06/30/2023 Estimate

06/30/2024 Projection

General Fund

0510 Bonds Payable

0520 Extended-Term Financing Agreements Payable

0530 Lease and Other Right To Use Obligations

10,569,536

8,724,740

0540 Accumulated Compensated Absences

0550 Authority Lease Obligations

0560 Other Post-Employment Benefits (OPEB)

0599 Other Noncurrent Liabilities

Total General Fund

\$10,569,536

\$8,724,740

Public Purpose (Expendable) Trust Fund

0510 Bonds Payable

0520 Extended-Term Financing Agreements Payable

0530 Lease and Other Right To Use Obligations

0540 Accumulated Compensated Absences

0550 Authority Lease Obligations

0560 Other Post-Employment Benefits (OPEB)

0599 Other Noncurrent Liabilities

Total Public Purpose (Expendable) Trust Fund

Other Comptroller-Approved Special Revenue Funds

0510 Bonds Payable

0520 Extended-Term Financing Agreements Payable

0530 Lease and Other Right To Use Obligations

0540 Accumulated Compensated Absences

0550 Authority Lease Obligations

0560 Other Post-Employment Benefits (OPEB)

0599 Other Noncurrent Liabilities

Total Other Comptroller-Approved Special Revenue Funds

Athletic / School-Sponsored Extra Curricular Activities Fund

0510 Bonds Payable

0520 Extended-Term Financing Agreements Payable

0530 Lease and Other Right To Use Obligations

0540 Accumulated Compensated Absences

0550 Authority Lease Obligations

0560 Other Post-Employment Benefits (OPEB)

0599 Other Noncurrent Liabilities

Total Athletic / School-Sponsored Extra Curricular Activities Fund

Long-Term Indebtedness

06/30/2023 Estimate

06/30/2024 Projection

Other Capital Projects Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right To Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Other Capital Projects Fund

Debt Service Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right To Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Debt Service Fund

Food Service / Cafeteria Operations Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right To Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Food Service / Cafeteria Operations Fund

Child Care Operations Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right To Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Child Care Operations Fund

Long-Term Indebtedness

06/30/2023 Estimate

06/30/2024 Projection

Other Enterprise Funds

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right To Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Other Enterprise Funds

Internal Service Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right To Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Internal Service Fund

1,434,212

1,484,212

\$1,434,212

\$1,484,212

Private Purpose Trust Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right To Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Private Purpose Trust Fund

Investment Trust Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right To Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Investment Trust Fund

Long-Term Indebtedness

06/30/2023 Estimate

06/30/2024 Projection

Pension Trust Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right To Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Pension Trust Fund

Activity Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right To Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Activity Fund

Other Agency Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right To Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Other Agency Fund

Permanent Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right To Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)

Long-Term Indebtedness

06/30/2023 Estimate

06/30/2024 Projection

0599 Other Noncurrent Liabilities

Total Permanent Fund

Total Long-Term Indebtedness

\$12,003,748

\$10,208,952

<u>Short-Term Payables</u>	<u>06/30/2023 Estimate</u>	<u>06/30/2024 Projection</u>
General Fund	10,367,550	11,099,240
Public Purpose (Expendable) Trust Fund		
Other Comptroller-Approved Special Revenue Funds		
Athletic / School-Sponsored Extra Curricular Activities Fund		
Other Capital Projects Fund		
Debt Service Fund		
Food Service / Cafeteria Operations Fund		
Child Care Operations Fund		
Other Enterprise Funds		
Internal Service Fund	950,520	998,050
Private Purpose Trust Fund		
Investment Trust Fund		
Pension Trust Fund		
Activity Fund		
Other Agency Fund		
Permanent Fund		
Total Short-Term Payables	\$11,318,070	\$12,097,290
TOTAL INDEBTEDNESS	\$23,321,818	\$22,306,242

Account Description	Amounts
0810 Nonspendable Fund Balance	1,168,756
0820 Restricted Fund Balance	
0830 Committed Fund Balance	89,847,929
0840 Assigned Fund Balance	9,153,061
0850 Unassigned Fund Balance	122,590,760
Total Ending Fund Balance - Committed, Assigned, and Unassigned	\$221,591,750
5900 Budgetary Reserve	1,829,000
Total Estimated Ending Committed, Assigned, and Unassigned Fund Balance and Budgetary Reserve	\$224,589,506

FINAL GENERAL FUND BUDGET

Fiscal Year 2024-2025

General Fund Budget Approval

Date of Adoption of the General Fund Budget: 06/12/2024


President of the Board - Original Signature Required

6-12-2024
Date


Secretary of the Board - Original Signature Required

6-12-2024
Date


Chief School Administrator - Original Signature Required

6-12-2024
Date

Matthew M Schulte

(724)643-1180 Extn :7775

Contact Person

Telephone Extension

matthew.schulte@pacyber.org

Email Address

2024-2025 Final General Fund Budget

LEA : 127043430 Pennsylvania Cyber CS

Printed 6/12/2024 2:08:21 PM

Validations

Page - 1 of 1

<u>Val Number</u>	<u>Description</u>	<u>Justification</u>
8060	Ending Fund Balance Entry and Budgetary Reserve: If 5900 Budgetary Reserve is not equal to 0, a justification must be entered below.	Unanticipated Expenditures
8080	Ending Fund Balance Entry and Budgetary Reserve: If 0850 Estimated Ending Unassigned Fund Balance is not equal to 0, a justification must be entered below.	Unassigned Fund Balance
8150	Ending Fund Balance Entry and Budgetary Reserve: If 0830 Committed Fund Balance is not equal to 0, a justification must be entered below.	Healthcare Premiums, Retirement Employer Contributions, Lease/RTU Obligations, and Stabilization Fund
8160	Ending Fund Balance Entry and Budgetary Reserve: If 0840 Assigned Fund Balance is not equal to 0, a justification must be entered below.	OPEB Obligations, Legal Obligations, and Construction/Renovation Projects

<u>ITEM</u>	<u>AMOUNTS</u>
Estimated Beginning Unreserved Fund Balance Available for Appropriation and Reserves Scheduled For Liquidation During The Fiscal Year	
0810 Nonspendable Fund Balance	799,196
0820 Restricted Fund Balance	
0830 Committed Fund Balance	91,347,488
0840 Assigned Fund Balance	42,519,763
0850 Unassigned Fund Balance	103,881,223
Total Estimated Beginning Unreserved Fund Balance Available for Appropriation and Reserves Scheduled For Liquidation During The Fiscal Year	<u>\$237,748,474</u>
Estimated Revenues And Other Financing Sources	
6000 Revenue from Local Sources	213,337,792
7000 Revenue from State Sources	1,100,267
8000 Revenue from Federal Sources	5,396,107
9000 Other Financing Sources	2,515,000
Total Estimated Revenues And Other Financing Sources	<u>\$222,349,166</u>
Total Estimated Fund Balance, Revenues, and Other Financing Sources Available for Appropriation	<u>\$460,097,640</u>

	<u>Amount</u>
REVENUE FROM LOCAL SOURCES	
6500 Earnings on Investments	6,923,850
6800 Revenues from Intermediary Sources / Pass-Through Funds	2,194,402
6920 Contributions and Donations from Private Sources	3,500
6940 Tuition from Patrons	203,800,400
6990 Refunds and Other Miscellaneous Revenue	415,640
REVENUE FROM LOCAL SOURCES	\$213,337,792
REVENUE FROM STATE SOURCES	
7330 Health Services (Medical, Dental, Nurse, Act 25)	163,756
7505 Ready to Learn Block Grant	936,511
REVENUE FROM STATE SOURCES	\$1,100,267
REVENUE FROM FEDERAL SOURCES	
8514 Title I - Improving the Academic Achievement of the Disadvantaged	4,542,354
8515 Title II - Preparing, Training, and Recruiting High Quality Teachers and Principals	381,082
8517 Title IV - 21st Century Schools	305,961
8810 School-Based Access Medicaid Reimbursement Program (SBAP) Reimbursements (Access)	163,888
8820 Medical Assistance Reimbursement for Administrative Claiming (Quarterly) Program	2,822
REVENUE FROM FEDERAL SOURCES	\$5,396,107
OTHER FINANCING SOURCES	
9200 Proceeds from Extended Term Financing, Leases, and Other Right-to-Use Arrangements	2,500,000
9400 Sale of or Compensation for Loss of Fixed Assets	15,000
OTHER FINANCING SOURCES	\$2,515,000
TOTAL ESTIMATED REVENUES AND OTHER SOURCES	222,349,166

<u>Description</u>	<u>Amount</u>
1000 Instruction	
1100 Regular Programs - Elementary / Secondary	72,776,502
1200 Special Programs - Elementary / Secondary	47,568,964
1400 Other Instructional Programs - Elementary / Secondary	2,152,209
Total Instruction	\$122,497,675
2000 Support Services	
2100 Support Services - Students	14,514,963
2200 Support Services - Instructional Staff	4,967,621
2300 Support Services - Administration	9,880,531
2400 Support Services - Pupil Health	1,348,368
2500 Support Services - Business	8,093,483
2600 Operation and Maintenance of Plant Services	12,910,893
2800 Support Services - Central	10,478,165
Total Support Services	\$62,194,024
3000 Operation of Non-Instructional Services	
3200 Student Activities	975,477
3300 Community Services	31,190
Total Operation of Non-Instructional Services	\$1,006,667
4000 Facilities Acquisition, Construction and Improvement Services	
4000 Facilities Acquisition, Construction and Improvement Services	16,388,361
Total Facilities Acquisition, Construction and Improvement Services	\$16,388,361
5000 Other Expenditures and Financing Uses	
5100 Debt Service / Other Expenditures and Financing Uses	2,639,375
5900 Budgetary Reserve	2,047,000
Total Other Expenditures and Financing Uses	\$4,686,375
Total Estimated Expenditures and Other Financing Uses	\$206,773,102

<u>Description</u>	<u>Amount</u>
1000 Instruction	
1100 Regular Programs - Elementary / Secondary	
100 Personnel Services - Salaries	27,843,498
200 Personnel Services - Employee Benefits	18,698,863
300 Purchased Professional and Technical Services	4,579,235
500 Other Purchased Services	1,211,242
600 Supplies	19,613,935
700 Property	826,729
800 Other Objects	3,000
Total Regular Programs - Elementary / Secondary	\$72,776,502
1200 Special Programs - Elementary / Secondary	
100 Personnel Services - Salaries	13,752,805
200 Personnel Services - Employee Benefits	9,973,083
300 Purchased Professional and Technical Services	13,704,185
400 Purchased Property Services	5,000
500 Other Purchased Services	2,366,824
600 Supplies	7,451,788
700 Property	300,279
800 Other Objects	15,000
Total Special Programs - Elementary / Secondary	\$47,568,964
1400 Other Instructional Programs - Elementary / Secondary	
300 Purchased Professional and Technical Services	84,909
400 Purchased Property Services	885,000
500 Other Purchased Services	984,300
600 Supplies	198,000
Total Other Instructional Programs - Elementary / Secondary	\$2,152,209
Total Instruction	\$122,497,675
2000 Support Services	
2100 Support Services - Students	
100 Personnel Services - Salaries	7,982,082
200 Personnel Services - Employee Benefits	5,761,277
300 Purchased Professional and Technical Services	74,000
400 Purchased Property Services	110,003
500 Other Purchased Services	194,481
600 Supplies	361,620
700 Property	12,000
800 Other Objects	19,500
Total Support Services - Students	\$14,514,963
2200 Support Services - Instructional Staff	
100 Personnel Services - Salaries	2,466,095
200 Personnel Services - Employee Benefits	1,731,583
300 Purchased Professional and Technical Services	598,680
500 Other Purchased Services	60,214
600 Supplies	80,401

<u>Description</u>	<u>Amount</u>
800 Other Objects	30,648
Total Support Services - Instructional Staff	\$4,967,621
2300 Support Services - Administration	
100 Personnel Services - Salaries	4,628,749
200 Personnel Services - Employee Benefits	2,801,836
300 Purchased Professional and Technical Services	1,294,291
500 Other Purchased Services	300,764
600 Supplies	390,500
800 Other Objects	464,391
Total Support Services - Administration	\$9,880,531
2400 Support Services - Pupil Health	
100 Personnel Services - Salaries	748,882
200 Personnel Services - Employee Benefits	552,886
500 Other Purchased Services	6,900
600 Supplies	36,700
800 Other Objects	3,000
Total Support Services - Pupil Health	\$1,348,368
2500 Support Services - Business	
100 Personnel Services - Salaries	873,142
200 Personnel Services - Employee Benefits	620,802
300 Purchased Professional and Technical Services	2,850,000
500 Other Purchased Services	3,410,919
600 Supplies	950
700 Property	210,000
800 Other Objects	127,670
Total Support Services - Business	\$8,093,483
2600 Operation and Maintenance of Plant Services	
300 Purchased Professional and Technical Services	5,730,869
400 Purchased Property Services	5,272,017
500 Other Purchased Services	459,391
600 Supplies	552,116
700 Property	845,000
800 Other Objects	51,500
Total Operation and Maintenance of Plant Services	\$12,910,893
2800 Support Services - Central	
100 Personnel Services - Salaries	3,365,114
200 Personnel Services - Employee Benefits	2,311,711
300 Purchased Professional and Technical Services	1,809,790
500 Other Purchased Services	120,400
600 Supplies	1,676,100
700 Property	1,091,000
800 Other Objects	104,050
Total Support Services - Central	\$10,478,165
Total Support Services	\$62,194,024

<u>Description</u>	<u>Amount</u>
3000 Operation of Non-Instructional Services	
3200 Student Activities	
300 Purchased Professional and Technical Services	33,217
400 Purchased Property Services	19,188
500 Other Purchased Services	416,000
600 Supplies	496,302
800 Other Objects	10,770
Total Student Activities	\$975,477
3300 Community Services	
600 Supplies	31,190
Total Community Services	\$31,190
Total Operation of Non-Instructional Services	\$1,006,667
4000 Facilities Acquisition, Construction and Improvement Services	
4000 Facilities Acquisition, Construction and Improvement Services	
300 Purchased Professional and Technical Services	1,270,566
400 Purchased Property Services	15,117,795
Total Facilities Acquisition, Construction and Improvement Services	\$16,388,361
Total Facilities Acquisition, Construction and Improvement Services	\$16,388,361
5000 Other Expenditures and Financing Uses	
5100 Debt Service / Other Expenditures and Financing Uses	
800 Other Objects	706,545
900 Other Uses of Funds	1,932,830
Total Debt Service / Other Expenditures and Financing Uses	\$2,639,375
5900 Budgetary Reserve	
800 Other Objects	2,047,000
Total Budgetary Reserve	\$2,047,000
Total Other Expenditures and Financing Uses	\$4,686,375
TOTAL EXPENDITURES	\$206,773,102

<u>Cash and Short-Term Investments</u>	<u>06/30/2024 Estimate</u>	<u>06/30/2025 Projection</u>
General Fund	159,997,900	164,797,800
Public Purpose (Expendable) Trust Fund		
Other Comptroller-Approved Special Revenue Funds		
Athletic / School-Sponsored Extra Curricular Activities Fund		
Other Capital Projects Fund		
Debt Service Fund		
Food Service / Cafeteria Operations Fund		
Child Care Operations Fund		
Other Enterprise Funds		
Internal Service Fund	6,180,500	5,871,500
Private Purpose Trust Fund		
Investment Trust Fund		
Pension Trust Fund		
Activity Fund		
Other Agency Fund		
Permanent Fund		
Total Cash and Short-Term Investments	\$166,178,400	\$170,669,300
<u>Long-Term Investments</u>	<u>06/30/2024 Estimate</u>	<u>06/30/2025 Projection</u>
General Fund	74,386,700	75,130,600
Public Purpose (Expendable) Trust Fund		
Other Comptroller-Approved Special Revenue Funds		
Athletic / School-Sponsored Extra Curricular Activities Fund		
Other Capital Projects Fund		
Debt Service Fund		
Food Service / Cafeteria Operations Fund		
Child Care Operations Fund		
Other Enterprise Funds		
Internal Service Fund		
Private Purpose Trust Fund		
Investment Trust Fund		
Pension Trust Fund		
Activity Fund		
Other Agency Fund		
Permanent Fund		
Total Long-Term Investments	\$74,386,700	\$75,130,600
TOTAL CASH AND INVESTMENTS	\$240,565,100	\$245,799,900

Long-Term Indebtedness

06/30/2024 Estimate

06/30/2025 Projection

General Fund

0510 Bonds Payable		
0520 Extended-Term Financing Agreements Payable		
0530 Lease and Other Right-To-Use Obligations	10,569,536	9,738,370
0540 Accumulated Compensated Absences		
0550 Authority Lease Obligations		
0560 Other Post-Employment Benefits (OPEB)		
0599 Other Noncurrent Liabilities		

Total General Fund	\$10,569,536	\$9,738,370
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Public Purpose (Expendable) Trust Fund

0510 Bonds Payable		
0520 Extended-Term Financing Agreements Payable		
0530 Lease and Other Right-To-Use Obligations		
0540 Accumulated Compensated Absences		
0550 Authority Lease Obligations		
0560 Other Post-Employment Benefits (OPEB)		
0599 Other Noncurrent Liabilities		

Total Public Purpose (Expendable) Trust Fund		
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Other Comptroller-Approved Special Revenue Funds

0510 Bonds Payable		
0520 Extended-Term Financing Agreements Payable		
0530 Lease and Other Right-To-Use Obligations		
0540 Accumulated Compensated Absences		
0550 Authority Lease Obligations		
0560 Other Post-Employment Benefits (OPEB)		
0599 Other Noncurrent Liabilities		

Total Other Comptroller-Approved Special Revenue Funds		
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Athletic / School-Sponsored Extra Curricular Activities Fund

0510 Bonds Payable		
0520 Extended-Term Financing Agreements Payable		
0530 Lease and Other Right-To-Use Obligations		
0540 Accumulated Compensated Absences		
0550 Authority Lease Obligations		
0560 Other Post-Employment Benefits (OPEB)		
0599 Other Noncurrent Liabilities		

Total Athletic / School-Sponsored Extra Curricular Activities Fund		
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Long-Term Indebtedness

06/30/2024 Estimate

06/30/2025 Projection

Other Capital Projects Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right-To-Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Other Capital Projects Fund

Debt Service Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right-To-Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Debt Service Fund

Food Service / Cafeteria Operations Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right-To-Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Food Service / Cafeteria Operations Fund

Child Care Operations Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right-To-Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Child Care Operations Fund

Long-Term Indebtedness

06/30/2024 Estimate

06/30/2025 Projection

Other Enterprise Funds

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right-To-Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Other Enterprise Funds

Internal Service Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right-To-Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

1,117,488

1,167,488

Total Internal Service Fund

\$1,117,488

\$1,167,488

Private Purpose Trust Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right-To-Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Private Purpose Trust Fund

Investment Trust Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right-To-Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Investment Trust Fund

Long-Term Indebtedness

06/30/2024 Estimate

06/30/2025 Projection

Pension Trust Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right-To-Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Pension Trust Fund

Activity Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right-To-Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Activity Fund

Other Agency Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right-To-Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)
- 0599 Other Noncurrent Liabilities

Total Other Agency Fund

Permanent Fund

- 0510 Bonds Payable
- 0520 Extended-Term Financing Agreements Payable
- 0530 Lease and Other Right-To-Use Obligations

- 0540 Accumulated Compensated Absences
- 0550 Authority Lease Obligations
- 0560 Other Post-Employment Benefits (OPEB)

<u>Long-Term Indebtedness</u>	<u>06/30/2024 Estimate</u>	<u>06/30/2025 Projection</u>
0599 Other Noncurrent Liabilities		
Total Permanent Fund		
Total Long-Term Indebtedness	\$11,687,024	\$10,985,858

<u>Short-Term Payables</u>	<u>06/30/2024 Estimate</u>	<u>06/30/2025 Projection</u>
General Fund	11,102,170	11,673,400
Public Purpose (Expendable) Trust Fund		
Other Comptroller-Approved Special Revenue Funds		
Athletic / School-Sponsored Extra Curricular Activities Fund		
Other Capital Projects Fund		
Debt Service Fund		
Food Service / Cafeteria Operations Fund		
Child Care Operations Fund		
Other Enterprise Funds		
Internal Service Fund	1,199,030	1,258,980
Private Purpose Trust Fund		
Investment Trust Fund		
Pension Trust Fund		
Activity Fund		
Other Agency Fund		
Permanent Fund		
Total Short-Term Payables	\$12,301,200	\$12,932,380
TOTAL INDEBTEDNESS	\$23,985,224	\$23,838,238

Account Description	Amounts
0810 Nonspendable Fund Balance	799,196
0820 Restricted Fund Balance	
0830 Committed Fund Balance	96,500,815
0840 Assigned Fund Balance	27,090,759
0850 Unassigned Fund Balance	129,732,964
Total Ending Fund Balance - Committed, Assigned, and Unassigned	\$253,324,538
5900 Budgetary Reserve	2,047,000
Total Estimated Ending Committed, Assigned, and Unassigned Fund Balance and Budgetary Reserve	\$256,170,734

AMERICAN FAMILY HOME INSURANCE COMPANY

Administration Office: 555 College Road East, Princeton, NJ 08543-5241
800.305.4954

Statutory Office: 1301 Riverplace Blvd., Suite 1300 - Jacksonville, FL 32207
(a stock insurance company)

This policy is nonparticipating with regard to paying dividends to policyholders.

COMMON POLICY DECLARATIONS

POLICY NUMBER: 7NA5CA0001097-02

PRIOR POLICY NUMBER: 7NA5CA0001097-00

COMPANY NAME	PRODUCER NAME
American Family Home Insurance Company 555 College Road East Princeton, NJ 08543-5241 (800) 305-4954	Wright Specialty Insurance 900 Stewart Avenue, Suite 600 Garden City, NY 11530-4869

NAMED INSURED: The Pennsylvania Cyber Charter School
As Per Named Insured Extension

MAILING ADDRESS: 652 Midland Ave, Suite A130
Midland, PA 15059

POLICY PERIOD: FROM 06/30/2024 **TO** 06/30/2025
AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

BUSINESS DESCRIPTION
Charter School

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
COMMERCIAL AUTOMOBILE COVERAGE PART	\$25,331.00
TOTAL:	\$25,331.00

POLICY NUMBER: 7NA5CA0001097-02

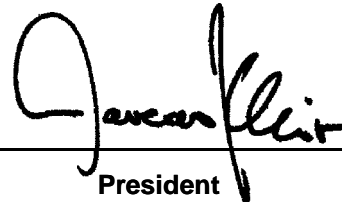
FORMS APPLICABLE TO ALL COVERAGE PARTS (SHOW NUMBERS):

See Schedule of Forms and Endorsements.

Countersigned	By:
(Date)	(Authorized Representative)



Secretary



President

SCHEDULE OF FORMS AND ENDORSEMENTS

POLICY NUMBER: 7NA5CA0001097-02	EFFECTIVE DATE: 06/30/2024
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<u>NUMBER</u>	<u>TITLE</u>
AM CL 100 (11-09)	Common Policy Declarations
IL 00 17 (11-98)	Common Policy Conditions
IL 00 21 (09-08)	Nuclear Energy Liability Exclusion Endorsement (Broad Form)
IL 01 20 (10-13)	Pennsylvania Changes - Defense Costs
IL 02 46 (09-07)	Pennsylvania Changes - Cancellation and Nonrenewal
IL 09 10 (07-02)	Pennsylvania Notice
CA DS 03 (11-20)	Business Auto Declarations
CA 00 01 (11-20)	Business Auto Coverage Form
VL 383 (07-06)	Named Insured Endorsement
CA 04 21 (11-20)	Full Safety Glass Coverage
CA 23 84 (10-13)	Exclusion of Terrorism
CA 99 33 (10-13)	Employees As Insureds
PE AU 1020 (07-20)	Amended Physical Damage Deductible - Loss To Multiple Autos From Single Event
PE AU 1022 (07-20)	Honor Roll Elite Commercial Auto Enhancement
PE AU 1023 (07-20)	Amended Exception - Who Is An Insured
CA 01 80 (03-21)	Pennsylvania Changes
CA 21 92 (09-22)	Pennsylvania Uninsured Motorists Coverage - Nonstacked
CA 21 93 (09-22)	Pennsylvania Underinsured Motorists Coverage - Nonstacked
CA 22 37 (10-13)	Pennsylvania Basic First Party Benefit
AU 500 (10-21)	Schedule of Covered Autos You Own
AFH VL 101 (11-09)	Signature Endorsement

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.

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
 MEDICAL PROFESSIONAL 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

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.

PENNSYLVANIA CHANGES – DEFENSE COSTS

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART – LEGAL LIABILITY COVERAGE FORM
 COMMERCIAL PROPERTY COVERAGE PART – MORTGAGEHOLDER'S ERRORS AND OMISSIONS
 COVERAGE FORM
 ELECTRONIC DATA LIABILITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCT WITHDRAWAL COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART
 UNDERGROUND STORAGE TANK COVERAGE PART

- A.** The provisions of Paragraph **B.** are added to all Insuring Agreements that set forth a duty to defend under:
1. Section **I** of the Commercial General Liability, Commercial Liability Umbrella, Electronic Data Liability, Employment-related Practices Liability, Farm, Liquor Liability, Medical Professional Liability, Owners And Contractors Protective Liability, Pollution Liability, Product Withdrawal, Products/Completed Operations Liability, Railroad Protective Liability and Underground Storage Tank Coverage Parts, Auto Dealers Coverage Form and the Farm Umbrella Liability Policy;
 2. Section **II** under the Auto Dealers, Business Auto and Motor Carrier Coverage Forms;
 3. Section **III** under the Auto Dealers and Motor Carrier Coverage Forms;
 4. Section **A.** Coverage under the Legal Liability Coverage Form; and
 5. Coverage **C** – Mortgageholder's Liability under the Mortgageholder's Errors And Omissions Coverage Form.
- Paragraph **B.** also applies to any other provision in the policy that sets forth a duty to defend.
- B.** If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that none of the claims ("claims"), for which we provided a defense or defense costs, are covered under this insurance, we have the right to reimbursement for the defense costs we have incurred.
- The right to reimbursement under this provision will only apply to the costs we have incurred after we notify you in writing that there may not be coverage and that we are reserving our rights to terminate the defense or the payment of defense costs and to seek reimbursement for defense costs.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS 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 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 are added and supersede any provisions to the contrary:

- 1. **Nonrenewal**

If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the specific reasons for nonrenewal, 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 nonrenewal 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.

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.

Instruction to Policy Writers

Attach the Pennsylvania Notice to all new and renewal certificates insuring risks located in Pennsylvania.

BUSINESS AUTO DECLARATIONS

POLICY NUMBER: 7NA5CA0001097-02

PRIOR POLICY NUMBER: 7NA5CA0001097-00

ITEM ONE

Company Name: American Family Home Insurance Company 555 College Road East Princeton, NJ 08543-5241
Producer Name: Wright Specialty Insurance 900 Stewart Avenue, Suite 600 Garden City, NY 11530-4869
Named Insured: The Pennsylvania Cyber Charter School As Per Named Insured Extension

Form Of Business: <input type="checkbox"/> Corporation <input type="checkbox"/> Limited Liability Company (LLC) <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Other: Education
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In return for the payment of the premium, and subject to all the terms of this Policy, we agree with you to provide the insurance as stated in this Policy.

Premium Shown Is Payable At Inception: \$25,331.00
Audit Period (if applicable): <input type="checkbox"/> Annually <input type="checkbox"/> Semiannually <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly

Endorsements Attached To This Policy
IL 00 17 – Common Policy Conditions (IL 01 46 in Washington)
IL 00 21 – Broad Form Nuclear Exclusion (not applicable in New York) (IL 01 98 in Washington)
See Schedule of Forms and Endorsements.

THIS POLICY COVERS COLLISION DAMAGE TO RENTAL VEHICLES, SUBJECT TO THE POLICY TERMS AND CONDITIONS FOR HIRED AUTO PHYSICAL DAMAGE COVERAGE.

ITEM ONE (Cont'd)

Countersignature Of Authorized Representative	
Name:	
Title:	
Signature:	
Date:	

Note

Officers' facsimile signatures may be inserted here, on the Policy cover or elsewhere at the company's option.

ITEM TWO

Schedule Of Coverages And Covered Autos

This Policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos". **"Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the Covered Autos section of the Business Auto Coverage Form next to the name of the coverage.**

Coverages	Covered Autos	Limit Or Deductible	Premium
Covered Autos Liability	1	\$1,000,000	\$16,622
Personal Injury Protection (Or Equivalent No-fault Coverage)	5	Separately Stated In Each Personal Injury Protection Endorsement Minus See Schedule Deductible	\$152
Added Personal Injury Protection (Or Equivalent Added No-fault Coverage)		Separately Stated In Each Added Personal Injury Protection Endorsement	
Property Protection Insurance (Michigan Only)		Separately Stated In The Property Protection Insurance Endorsement Minus Deductible For Each Accident	
Auto Medical Payments		Each Insured	
Medical Expense And Income Loss Benefits (Virginia Only)		Separately Stated In The Medical Expense And Income Loss Benefits Endorsement	
Uninsured Motorists	2	\$1,000,000	\$323
Underinsured Motorists (When Not Included In Uninsured Motorists Coverage)	2	\$1,000,000	\$1,444

ITEM TWO

Schedule Of Coverages And Covered Autos (Cont'd)

Coverages	Covered Autos	Limit Or Deductible	Premium
Physical Damage Comprehensive Coverage	2,8	<p style="text-align: right;">Deductible</p> <p>For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.)</p> <p style="text-align: center;">OR</p> <p style="text-align: center;">\$1,000</p> <p style="text-align: right;">Deductible</p> <p>For All Perils For Each Covered Auto (A maximum deductible may also apply. Refer to Coverage Form for details.)</p> <p>See Item Four for Hired or Borrowed Autos.</p>	\$3,677
Physical Damage Specified Causes Of Loss Coverage		<p style="text-align: right;">Deductible</p> <p>For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.)</p> <p style="text-align: center;">OR</p> <p style="text-align: right;">Deductible</p> <p>For All Perils For Each Covered Auto (A maximum deductible may also apply. Refer to Coverage Form for details.)</p> <p>See Item Four for Hired or Borrowed Autos.</p>	
Physical Damage Collision Coverage	2,8	<p style="text-align: center;">\$1,000</p> <p style="text-align: right;">Deductible</p> <p>For Each Covered Auto See Item Four for Hired or Borrowed Autos.</p>	\$6,175

ITEM TWO

Schedule Of Coverages And Covered Autos (Cont'd)

Physical Damage Towing And Labor		For Each Disablement Of A Private Passenger Auto, Light Or Medium Truck	
Premium For Endorsements			\$350
Estimated Total Premium*			\$25,331.00
*This Policy may be subject to final audit.			

ITEM THREE

Schedule Of Covered Autos You Own

Covered Auto Number: See AU 500 - Schedule of Covered Autos You Own						
Town And State Where The Covered Auto Will Be Principally Garaged:						
Covered Auto Description						
Year:	Model:			Trade Name:		
Body Type:				Serial Number(s):		
Vehicle Identification Number (VIN):						
Classification						
Original Cost New	Radius Of Operation	Business Use s=service r=retail c=commercial	Size GVWR, GCW Or Vehicle Seating Capacity	Age Group	Secondary Rating Classification	Code
Except For Towing And Labor, All Physical Damage Loss Is Payable To You And The Loss Payee Named Below According To Their Interests In The Auto At The Time Of The Loss:						

ITEM THREE

Schedule Of Covered Autos You Own (Cont'd)

Coverages – Premiums, Limits And Deductibles (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding Item Two column applies instead.)		
Coverages	Limit Or Deductible	Premium
Covered Autos Liability		
Personal Injury Protection	Stated In Each Personal Injury Protection Endorsement Minus <div style="text-align: right;">Deductible</div>	
Added Personal Injury Protection	Stated In Each Added Personal Injury Protection Endorsement	
Property Protection Insurance (Michigan Only)	Stated In The Property Protection Insurance Endorsement Minus <div style="text-align: right;">Deductible</div>	
Auto Medical Payments	<div style="text-align: right;">Each Insured</div>	
Medical Expense And Income Loss Benefits (Virginia Only)	Stated In The Medical Expense And Income Loss Benefits Endorsement For Each Person	
Uninsured Motorist		
Underinsured Motorist		
Comprehensive	<div style="text-align: center;"> Deductible For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.) OR Deductible For All Perils (A maximum deductible may also apply. Refer to Coverage Form for details.) </div>	
Specified Causes Of Loss	<div style="text-align: center;"> Deductible For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.) OR Deductible For All Perils (A maximum deductible may also apply. Refer to Coverage Form for details.) </div>	
Collision	<div style="text-align: right;">Deductible</div>	
Towing And Labor	<div style="text-align: right;">Per Disablement</div>	

ITEM THREE

Schedule Of Covered Autos You Own (Cont'd)

Total Premiums	
Covered Autos Liability	\$8,895
Personal Injury Protection	\$152
Added Personal Injury Protection	
Property Protection Insurance (Michigan Only)	
Auto Medical Payments	
Medical Expense And Income Loss Benefits (Virginia Only)	
Uninsured Motorist	\$323
Underinsured Motorist	\$1,444
Comprehensive	\$3,652
Specified Causes Of Loss	
Collision	\$6,150
Towing And Labor	

ITEM FOUR

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums

Covered Autos Liability Coverage – Cost Of Hire Rating Basis For Autos Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)		
Covered Autos Liability Coverage	Estimated Annual Cost Of Hire For All States	Premium
Primary Coverage		
Excess Coverage		
Total Hired Auto Premium		\$
<p>For "autos" used in your motor carrier operations, cost of hire means:</p> <ol style="list-style-type: none"> 1. The total dollar amount of costs you incurred for the hire of automobiles (includes "trailers" and semitrailers) and, if not included therein, 2. The total remunerations of all operators and drivers' helpers, of hired automobiles, whether hired with a driver by lessor or an "employee" of the lessee, or any other third party, and 3. The total dollar amount of any other costs (e.g., repair, maintenance, fuel, etc.) directly associated with operating the hired automobiles, whether such costs are absorbed by the "insured", paid to the lessor or owner, or paid to others. 		

ITEM FOUR

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums (Cont'd)

Covered Autos Liability Coverage – Cost Of Hire Rating Basis For Autos NOT Used In Your Motor Carrier Operations (Other Than Mobile Or Farm Equipment)

Covered Autos Liability Coverage	State	Estimated Annual Cost Of Hire For Each State	Premium
Primary Coverage	PA	If Any	\$50
Excess Coverage			
Total Hired Auto Premium			\$50

For "autos" **NOT** used in your motor carrier operations, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.

Physical Damage Coverages – Cost Of Hire Rating Basis For All Autos (Other Than Mobile Or Farm Equipment)

Coverage	State	Deductible	Estimated Annual Cost Of Hire For Each State (Excluding Autos Hired With A Driver)	Premium
Comprehensive	PA	\$100 Deductible For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.)	If Any	\$25
Specified Causes Of Loss		Deductible For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.)		
Collision	PA	\$500 Deductible For Each Covered Auto	If Any	\$25
Total Hired Auto Premium				\$50

For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any "auto" that is leased, hired, rented or borrowed with a driver.

ITEM FOUR

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums (Cont'd)

Cost Of Hire Rating Basis For Mobile Or Farm Equipment – Other Than Physical Damage Coverages					
Coverage	State	Estimated Annual Cost Of Hire For Each State		Premium	
		Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
Covered Autos Liability – Primary Coverage					
Covered Autos Liability – Excess Coverage					
Personal Injury Protection					
Medical Expense Benefits (Virginia Only)	VA				
Income Loss Benefits (Virginia Only)	VA				
Auto Medical Payments					
Total Hired Auto Premiums					
<p>Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers.</p>					

ITEM FOUR

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums (Cont'd)

Cost Of Hire Rating Basis For Mobile Or Farm Equipment – Physical Damage Coverages						
Coverage	State	Deductible	Estimated Annual Cost Of Hire For Each State (Excluding Autos Hired With A Driver)		Premium	
			Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
Comprehensive		Deductible For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.)				
Specified Causes Of Loss		Deductible For Each Covered Auto For Loss Caused By Theft Or Mischief Or Vandalism (A maximum deductible may also apply. Refer to Coverage Form for details.)				
Collision		Deductible For Each Covered Auto				
Total Hired Auto Premiums						
For Physical Damage Coverages, cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for any auto that is leased, hired, rented or borrowed with a driver.						

ITEM FOUR

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums (Cont'd)

Rental Period Rating Basis For Mobile Or Farm Equipment					
Coverage	Town And State Where The Job Site Is Located	Estimated Number Of Days Equipment Will Be Rented		Premium	
		Mobile Equipment	Farm Equipment	Mobile Equipment	Farm Equipment
Covered Autos Liability – Primary Coverage					
Covered Autos Liability – Excess Coverage					
Personal Injury Protection					
Medical Expense Benefits (Virginia Only)					
Income Loss Benefits (Virginia Only)					
Auto Medical Payments					
Total Hired Auto Premiums					

ITEM FIVE

Schedule For Non-ownership Covered Autos Liability

Named Insured's Business	Rating Basis	Number	Premium
Other Than Auto Service Operations, Partnerships Or LLCs	Number Of Employees	802	Included
	Number Of Volunteers	0	Included
Auto Service Operations	Number Of Employees Whose Principal Duty Involves The Operation Of Autos		
	Number Of Volunteers		
	Number Of Partners (Active And Inactive) Or LLC Members		
Partnerships Or LLCs	Number Of Employees		
	Number Of Volunteers		
	Number Of Partners (Active And Inactive) Or LLC Members		
Total Non-ownership Covered Autos Liability Premium			\$4,265

ITEM SIX

Schedule For Gross Receipts Or Mileage Basis

Address Of Business Headquarters Location:	
Type Of Risk (Check one):	<input type="checkbox"/> Public Autos <input type="checkbox"/> Leasing Or Rental Concerns
Rating Basis (Check one):	<input type="checkbox"/> Gross Receipts (Per \$100) <input type="checkbox"/> Mileage (Per Mile)
Estimated Yearly (Gross Receipts Or Mileage):	

Premiums	
Covered Autos Liability	
Personal Injury Protection	
Added Personal Injury Protection	
Property Protection Insurance (Michigan Only)	
Auto Medical Payments	
Medical Expense And Income Loss Benefits (Virginia Only)	
Comprehensive	
Specified Causes Of Loss	
Collision	
Towing And Labor	

When used as a premium basis:

FOR PUBLIC AUTOS

Gross receipts means the total amount earned by the named insured for transporting passengers, mail and merchandise.

Gross receipts does not include:

1. Amounts paid to air, sea or land carriers operating under their own permits.
2. Advertising revenue.
3. Taxes collected as a separate item and paid directly to the government.
4. C.O.D. collections for cost of mail or merchandise including collection fees.

Mileage means the total live and dead mileage of all revenue producing "autos" during the policy period.

FOR RENTAL OR LEASING CONCERNS

Gross receipts means the total amount earned by the named insured for the leasing or renting of "autos" to others without drivers.

Mileage means the total live and dead mileage of all "autos" you leased or rented to others without drivers.

BUSINESS AUTO 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 V – Definitions.

SECTION I – COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols	
1	Any "Auto"	
2	Owned "Autos" Only	Only those "autos" you own (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the Policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the Policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the Policy begins.
5	Owned "Autos" Subject To No-fault	Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the Policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the Policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Non-owned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.

19	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this Policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.
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B. Owned Autos

1. If Symbols **1, 2, 3, 4, 5, 6** or **19** are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire after the policy period begins of the type described for the remainder of the policy period.
2. But, if Symbol **7** is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire after the policy period begins will be a covered "auto" for that coverage only if:
 - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
 - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.
3. An "auto" that is leased or rented to you without a driver, under a written agreement for a continuous period of at least six months that requires you to provide primary insurance covering such "auto", will be considered a covered "auto" you own.

C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If Covered Autos Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Covered Autos Liability Coverage:

1. "Trailers" with a registered Gross Vehicle Weight Rating of 3,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - a. Breakdown;

- b. Repair;
- c. Servicing;
- d. "Loss"; or
- e. Destruction.

SECTION II – COVERED AUTOS LIABILITY COVERAGE

A. Coverage

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Covered Autos Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

1. Who Is An Insured

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
 - (1) The owner or anyone else from whom you hire or borrow a covered "auto".

This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

- (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
- (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
- (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
- (5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.

- c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

2. Coverage Extensions

a. Supplementary Payments

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".

- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

b. Out-of-state Coverage Extensions

While a covered "auto" is away from the state where it is licensed, we will:

- (1) Increase the Limit of Insurance for Covered Autos Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

B. Exclusions

This insurance does not apply to any of the following:

1. Expected Or Intended Injury

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

2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. 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; or

- b. That the "insured" would have in the absence of the contract or agreement.

3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. Employee Indemnification And Employer's Liability

"Bodily injury" to:

- a. An "employee" of the "insured" arising out of and in the course of:
 - (1) Employment by the "insured"; or
 - (2) Performing the duties related to the conduct of the "insured's" business; or
- b. 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 the injury.

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Fellow Employee

"Bodily injury" to:

- a. Any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business; or
- b. The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph a. above.

6. Care, Custody Or Control

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. Handling Of Property

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or
- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

8. Movement Of Property By Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

9. Operations

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

- a. Any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, attached to or part of a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

10. Completed Operations

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed;
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site; or

- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

11. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

12. War

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

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

14. Unmanned Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance or use of "unmanned aircraft".

C. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit Of Insurance for Covered Autos Liability Coverage shown in the Declarations.

All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

SECTION III – PHYSICAL DAMAGE COVERAGE

A. Coverage

1. We will pay for "loss" to a covered "auto" or its equipment under:

a. Comprehensive Coverage

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

b. Specified Causes Of Loss Coverage

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

c. Collision Coverage

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

2. Towing And Labor

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" that is a private passenger type, light truck or medium truck is disabled. However, the labor must be performed at the place of disablement.

3. Glass Breakage – Hitting A Bird Or Animal – Falling Objects Or Missiles

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

4. Coverage Extensions

a. Transportation Expenses

We will pay up to \$30 per day, to a maximum of \$900, for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes Of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the Policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

b. Loss Of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicates that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes of Loss only if the Declarations indicates that Specified Causes Of Loss Coverage is provided for any covered "auto"; or

- (3) Collision only if the Declarations indicates that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$30 per day, to a maximum of \$900.

B. Exclusions

1. We will not pay for "loss" caused by or resulting from 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. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

b. War Or 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 "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

3. We will not pay for "loss" due and confined to:
 - a. Wear and tear, freezing, mechanical or electrical breakdown.
 - b. Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto".

4. We will not pay for "loss" to any of the following:

- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.
- b. Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.
- c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.
- d. Any accessories used with the electronic equipment described in Paragraph c. above.

5. Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- a. Permanently installed in or upon the covered "auto";
- b. Removable from a housing unit which is permanently installed in or upon the covered "auto";
- c. An integral part of the same unit housing any electronic equipment described in Paragraphs a. and b. above; or
- d. Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

6. We will not pay for "loss" to a covered "auto" due to "diminution in value".

C. Limits Of Insurance

1. The most we will pay for:
 - a. "Loss" to any one covered "auto" is the lesser of:
 - (1) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
 - (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

b. All electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one "loss" is \$1,000, if, at the time of "loss", such electronic equipment is:

- (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
- (2) Removable from a permanently installed housing unit as described in Paragraph **b.(1)** above; or
- (3) An integral part of such equipment as described in Paragraphs **b.(1)** and **b.(2)** above.

2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

D. Deductible

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations prior to the application of the Limit Of Insurance, provided that:

1. The Comprehensive or Specified Causes Of Loss Coverage deductible applies only to "loss" caused by:
 - a. Theft or mischief or vandalism; or
 - b. All perils.
2. Regardless of the number of covered "autos" damaged or stolen, the maximum deductible applicable for all "loss" in any one event caused by:
 - a. Theft or mischief or vandalism; or
 - b. All perils,

will be equal to five times the highest deductible applicable to any one covered "auto" on the Policy for Comprehensive or Specified Causes Of Loss Coverage. The application of the highest deductible used to calculate the maximum deductible will be made regardless of which covered "autos" were damaged or stolen in the "loss".

SECTION IV – BUSINESS AUTO CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. Loss Conditions

1. Appraisal For Physical Damage Loss

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

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

2. Duties In The Event Of Accident, Claim, Suit Or Loss

We have no duty to provide coverage under this Policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:
 - (1) How, when and where the "accident" or "loss" occurred;
 - (2) The "insured's" name and address; and
 - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved "insured" must:
 - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
 - (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".

- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
 - (4) Authorize us to obtain medical records or other pertinent information.
 - (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.
- c. If there is "loss" to a covered "auto" or its equipment, you must also do the following:
- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
 - (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
 - (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
 - (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

3. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Covered Autos Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this Policy to bring us into an action to determine the "insured's" liability.

4. Loss Payment – Physical Damage Coverages

At our option, we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

5. Transfer Of Rights Of Recovery Against Others To Us

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

B. General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

2. Concealment, Misrepresentation Or Fraud

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

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

3. Liberalization

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

4. No Benefit To Bailee – Physical Damage Coverages

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

5. Other Insurance

a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Covered Autos Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own; or

- (2) Primary while it is connected to a covered "auto" you own.
- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".
- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Covered Autos Liability Coverage is primary for any liability assumed under an "insured contract".
- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

6. Premium Audit

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this Policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this Policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the Policy.

7. Policy Period, Coverage Territory

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and

- (5) Anywhere else in the world if a covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less,

provided that the "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada, or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

8. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us applies to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

SECTION V – DEFINITIONS

A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".

B. "Auto" means:

- 1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or
- 2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

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

C. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these.

D. "Covered pollution cost or expense" means any cost or expense arising out of:

- 1. Any request, demand, order or statutory or regulatory requirement that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

2. Any claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph 6.b. or 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
 - (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.
- E. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".
 - F. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
 - G. "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.
 - H. "Insured contract" means:
 - 1. A lease of premises;
 - 2. A sidetrack agreement;
 - 3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - 4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - 5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement; or

6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
- c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

I. "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".

J. "Loss" means direct and accidental loss or damage.

K. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- 1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- 2. Vehicles maintained for use solely on or next to premises you own or rent;
- 3. Vehicles that travel on crawler treads;
- 4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;

5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
- b. Cherry pickers and similar devices used to raise or lower workers; or

6. Vehicles not described in Paragraph 1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; or
 - (3) Street cleaning;
- b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

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

L. "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.

M. "Property damage" means damage to or loss of use of tangible property.

N. "Suit" means a civil proceeding in which:

- 1. Damages because of "bodily injury" or "property damage"; or
- 2. A "covered pollution cost or expense";

to which this insurance applies, are alleged.

"Suit" includes:

- a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the "insured" must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.

- O. "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.
- P. "Trailer" includes semitrailer.
- Q. "Unmanned aircraft" means an aircraft that is not:
 - 1. Designed;
 - 2. Manufactured; or
 - 3. Modified after manufacture;to be controlled directly by a person from within or on the aircraft.

NAMED INSURED ENDORSEMENT

This Endorsement Changes the Policy - Please Read it Carefully

It is agreed that Item 1. Named Insured of the Common Policy Declarations is as follows:

The Pennsylvania Cyber Charter School
Western Pennsylvania Cyber Charter School
PA Cyber

All other terms and conditions of this policy shall remain unchanged.

This endorsement forms a part of the policy to which attached, effective on the inception date of the policy unless otherwise stated herein.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FULL SAFETY GLASS COVERAGE

This endorsement modifies insurance provided under the following:

- AUTO DEALERS COVERAGE FORM
- BUSINESS AUTO COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the Policy effective on the inception date of the Policy unless another date is indicated below.

<p>Named Insured: The Pennsylvania Cyber Charter School</p> <p>Endorsement Effective Date: 06/30/2024</p>

SCHEDULE

Designation Or Description Of Covered "Autos" To Which This Insurance Applies Enter an "X" in only one of the following check boxes:	
<input type="checkbox"/>	All covered "autos"
<input type="checkbox"/>	All covered "autos" of the private passenger type
<input checked="" type="checkbox"/>	Each covered "auto" described below: See Schedule
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Physical Damage Coverage is modified as follows:
Paragraph **D. Deductible** in the Business Auto and Motor Carrier Coverage Forms and Paragraph **F.5. Deductible** in the Auto Dealers Coverage Form are amended by the addition of the following:

Additionally, if the Declarations indicates that Comprehensive Coverage applies, no Comprehensive Coverage deductible applies to the cost of repairing or replacing damaged safety glass on the covered "auto(s)" described in the Schedule.

Schedule

Location Number	Vehicle Number	Description
	1	2023 Chevrolet Suburban 4WD High Co 1GNSKGT5PR262550
	2	2023 Chevrolet Tahoe 4WD Premier 1GNSKSKDXPR225957
	3	2023 Toyota 4 Runner Limited JTEKU5JR9P6097130
	4	2023 Toyota Highlander Limited 8 5TDKDRBH5PS004489
	5	2023 Toyota Highlander Limited-L 5TDKDRBH1PS020608
	6	2023 Toyota Highlander Limited-L 5TDKDRBH6PS020149
	7	2022 Chrysler Pacifica L 2C4RC3GG8NR184765
	8	2023 Toyota Highlander Limited-L 5TDKDRBH2PS011061
	9	2023 Toyota Highlander Limited-L 5TDKDRBH7PS009080
	11	2023 Toyota Highlander Limited-L 5TDKDRBH4PS018979
	12	2023 Toyota Highlander Limited-L 5TDKDRBH3PS026815
	14	2023 Chrysler Pacifica T 2C4RC3BG3PR523667
	15	2022 Chrysler Pacifica 2C4RC3BG8NR228013
	17	2020 Dodge Ram 3C6TRVDG9LE125993
	18	2023 Dodge Ram 3C6LRVVG7PE500767
	19	2023 Dodge Ram 3C6LRVVGXPE529602
	20	2023 Toyota Highlander Limited-L 5TDKDRBH6PS032270
	21	2022 Chrysler Pacifica 2C4RC3BG7NR227984
	22	2024 Toyota Grand Highlander 5TDAAAB58RS044581

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF TERRORISM

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
SINGLE INTEREST AUTOMOBILE PHYSICAL DAMAGE INSURANCE POLICY

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury, damage, loss or expense, is enclosed in quotation marks:

1. "Terrorism" means activities against persons, organizations or property of any nature:

a. That involve the following or preparation for the following:

- (1)** Use or threat of force or violence; or
- (2)** Commission or threat of a dangerous act; or
- (3)** Commission or threat of an act that interferes with or disrupts an electronic, communication, information or mechanical system; and

b. When one or both of the following apply:

- (1)** The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- (2)** It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "Any injury, damage, loss or expense" means any injury, damage, loss or expense covered under any Coverage Form or Policy to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "loss", loss of use, rental reimbursement after "loss" or "covered pollution cost or expense", as may be defined under this Coverage Form, Policy or any applicable endorsement.

B. Except with respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage, Garagekeepers Coverage – Customers' Sound Receiving Equipment or the Single Interest Automobile Physical Damage Insurance Policy, the following exclusion is added:

Exclusion Of Terrorism

We will not pay for "any injury, damage, loss or expense" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury, damage, loss or expense" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury, damage, loss or expense. **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 **B.5.** and **B.6.** are exceeded.

With respect to this exclusion, Paragraphs **B.5.** and **B.6.** describe the thresholds 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 Form, Policy or any applicable endorsement.

- C. With respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage, Garagekeepers Coverage – Customers' Sound Receiving Equipment or the Single Interest Automobile Physical Damage Insurance Policy, the following exclusion is added:

Exclusion Of Terrorism

We will not pay for any "loss", loss of use or rental reimbursement after "loss" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". **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.

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 threshold in Paragraph **C.5.** is exceeded.

With respect to this exclusion, Paragraph **C.5.** describes 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 Form, Policy or any applicable endorsement.

D. In the event of any incident of "terrorism" that is not subject to the exclusion in Paragraph **B.** or **C.**, coverage does not apply to "any injury, damage, loss or expense" that is otherwise excluded under this Coverage Form, Policy or any applicable endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEES AS INSUREDS

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The following is added to the **Section II – Covered Autos Liability Coverage**, Paragraph **A.1. Who Is An Insured** provision:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDED PHYSICAL DAMAGE DEDUCTIBLE – LOSS TO MULTIPLE AUTOS
FROM SINGLE EVENT**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

The following is added to Paragraph **D**. Deductible under Section **III** – Physical Damage Coverage:

For covered “autos” insured for Comprehensive Coverage under this policy at the time of “loss”, a single Comprehensive coverage deductible will apply when more than one covered “auto” is damaged at the same garaging location within a 24-hour period. The only Comprehensive deductible that will apply to the “loss” will be the largest Comprehensive deductible applicable to any one “auto” that is damaged. Each “auto” must incur a “loss” in an amount in excess of its individual Comprehensive coverage deductible for the terms of this endorsement to apply.

In the event of a collision involving two or more covered “autos” insured for Collision Coverage under this policy at the time of “loss”, a single Collision coverage deductible will apply when more than one covered “auto” is damaged. The only Collision coverage deductible that will apply to the “loss” will be the largest Collision deductible applicable to any one “auto” that is damaged. Each “auto” must incur a “loss” in an amount in excess of its individual Collision Coverage deductible for the terms of this endorsement to apply.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HONOR ROLL ELITE COMMERCIAL AUTO ENHANCEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

The following coverages and extensions are added to this policy as detailed below. As respects any coverage provided by this endorsement, if higher limits are provided on any other schedule, declarations or endorsement attached to this policy, then the limits and coverage provided by this endorsement would not apply for that coverage.

SCHEDULE

COVERAGE	LIMIT OF INSURANCE
Automatic Additional Insured	Included
Broadened Who Is An Insured	Included
Supplementary Payments	
Bail Bonds	\$3,000
Loss Of Earnings	\$500 Each Day
Limited Fellow Employee Coverage	Included
Towing And Labor	
Autos With Gross Vehicle Weight Of 10,000 Lbs. Or Less	\$50 Each Disablement
Autos With Gross Vehicle Weight of 10,001 – 20,000 Lbs	\$150 Each Disablement
Transportation Expenses	\$50 Each Day / \$1,500 Maximum
Loss Of Use Expenses	\$50 Each Day / \$1,000 Maximum
Customized Furnishings Coverage Extension	\$500 Each Loss
Hired Auto Physical Damage Coverage Extension	\$75,000
Personal Effects Coverage	\$500 Each Loss
Rental Reimbursement Coverage	30 Days / \$100 Each Day / \$3,000 Maximum
Limited Accidental Airbag Discharge Coverage	Included
School Bus Replacement Cost Valuation	Included On Buses 5 Years Old Or Newer
Auto Loan Or Lease Gap Coverage	Included
Glass Breakage – Waiver Of Deductible	Included
Duties In The Event Of Accident, Claim, Suit Or Loss	Broadened
Unintentional Failure To Disclose All Hazards	Included
Mental Anguish Resulting From Bodily Injury	Included

A. AUTOMATIC ADDITIONAL INSURED

The following is added to Paragraph **A.1. Who Is An Insured** under Section **II – Covered Autos Liability Coverage**:

Any person or organization whom you are required in a written contract or written agreement to name as an additional insured on your commercial automobile liability policy, but only for “bodily injury” or “property damage” to which this insurance applies if the “accident” is caused by:

- (1) You, while using a covered “auto”; or
- (2) Any other person, while using a covered “auto” with your permission.

Under no circumstances is such person or organization an additional insured with respect to liability caused, in whole or in part, by their own negligence. The insurance provided to a person or organization qualifying as an “insured” under this section shall be subject to the following additional conditions:

- (1) The written contract or written agreement requiring such status must be fully executed prior to the date of loss.
- (2) A Certificate of Insurance indicating that such person or organization has been added as an additional insured must have been issued prior to the date of loss.
- (3) The limit of insurance provided for the additional insured shall not be greater than the limit required by contract and, in no event, shall the policy limits of insurance be increased by the contract.
- (4) The coverage afforded shall not be enlarged or expanded by reason of the contract.
- (5) Coverage for a person or organization qualifying as an “insured” under this section shall be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis unless:
 - (a) The written contract or written agreement specifically requires that this insurance be primary; or
 - (b) You have requested and we have agreed prior to the date of loss that it apply on a primary basis.
- (6) A person’s or organization’s status as an additional insured under this section ends when your operations for that additional “insured” are completed or when the service you have been providing has been completed.

B. BROADENED WHO IS AN INSURED

The following is added to Paragraph **A.1. Who Is An Insured** under Section **II – Covered Autos Liability Coverage**:

The following are also “insureds”:

- a. Anyone volunteering services to you, but only while using a covered “auto” you do not own, hire or borrow to transport your students or other persons in activities necessary or incidental to school operations, and anyone who furnishes that “auto”.
- b. Any legally incorporated entity of which you own at least 51% of the voting stock on the effective date of this endorsement. However, “insured” does not include any entity that is covered under any other collectible automobile liability policy provided by any company.
- c. Any newly acquired or formed organization of which you own at least 51% of voting stock. Coverage for your newly acquired or formed organization will be:
 - (1) Effective on the date of acquisition or formation; and
 - (2) Afforded until the end of the policy period, provided you notify us in writing before the end of the policy period of the newly acquired or formed organization.

However, “insured” does not include any newly acquired or formed organization that is already covered under any other collectible automobile liability policy provided by any company.

With respect to newly acquired or formed organizations, this insurance does not apply to damages arising out of “bodily injury” or “property damage” caused by an “accident” that occurred before the date of acquisition or formation.

C. COVERAGE EXTENSIONS - SUPPLEMENTARY PAYMENTS – BAIL BONDS AND LOSS OF EARNINGS

Paragraphs **A.2.a.(2)** and **A.2.a.(4)** under Section **II – Covered Autos Liability Coverage** are replaced by the following:

- (2) Up to the limit shown in the Schedule of this endorsement for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to the limit shown in the Schedule of this endorsement because of time off from work.

D. LIMITED FELLOW EMPLOYEE COVERAGE

Exclusion **B.5.** Fellow Employee under Section **II** – Covered Autos Liability Coverage is deleted in its entirety.

E. TOWING AND LABOR

Paragraph **A.2.** Towing under Section **III** – Physical Damage Coverage is replaced by the following:

2. Towing

We will pay up to the limit shown in the Schedule of this endorsement for towing and labor costs incurred each time a covered "auto" with the gross vehicle weight shown in the Schedule of this endorsement is disabled. However, the labor must be performed at the place of disablement.

F. TRANSPORTATION EXPENSES

The limits shown in Paragraph **A.4.a.** Transportation Expenses under Section **III** – Physical Damage Coverage are replaced with the Each Day and Maximum limits shown in the Schedule of this endorsement.

G. LOSS OF USE EXPENSES

The last sentence in Paragraph **A.4.b.** Loss Of Use Expenses under Section **III** – Physical Damage Coverage is replaced by the following:

However, the most we will pay for any expenses for loss of use is the lesser of the:

- (1) Necessary and actual expenses incurred; or
- (2) Each Day and Maximum limits shown in the Schedule of this endorsement.

H. CUSTOMIZED FURNISHINGS COVERAGE EXTENSION

The following is added to Paragraph **A.4.** Coverage Extensions under Section **III** – Physical Damage Coverage:

Customized Furnishings

(1) With respect to a covered "auto", we will pay for "loss" to custom furnishings including, but not limited to:

- (a) Special carpeting and insulation;
- (b) Height-extending roofs; and
- (c) Custom murals, paintings, or other decals or graphics.

(2) The most we will pay in any one "loss" for custom furnishings is the lesser of the:

- (a) Actual cash value of the stolen or damaged property;
- (b) Amount necessary to repair or replace the property; or
- (c) Limit shown in the Schedule of this endorsement.

This Coverage Extension does not apply to electronic equipment.

I. HIRED AUTO PHYSICAL DAMAGE COVERAGE EXTENSION

The following is added to Paragraph **A.4.** Coverage Extensions under Section **III** – Physical Damage Coverage:

Hired Auto Physical Damage

If Comprehensive, Specified Causes Of Loss or Collision coverage is provided under this policy for any "auto" that is not a hired "auto", then Hired Auto Physical Damage Coverage is provided for those same coverages.

The most we will pay for Hired Auto Physical Damage Coverage in any one "loss" is the lesser of the:

- (1) Actual cash value;
- (2) Cost of repair; or

(3) Limit shown in the Schedule of this endorsement.

Hired Auto Physical Damage coverage is excess over any other collectible insurance.

Subject to the above limit and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered "auto" shown in the Declarations.

For each hired "auto", the limit of insurance will be reduced by a deductible equal to the greatest deductible that applies to any owned covered "auto".

J. PERSONAL EFFECTS COVERAGE

The following is added to Paragraph **A.** Coverage under Section **III** – Physical Damage Coverage:

Personal Effects

In the event of a total theft of your covered "auto", we will pay up to the limit shown in the Schedule of this endorsement for "loss" to wearing apparel and other personal effects which are:

- a. Owned by an "insured"; and
- b. In or on your covered "auto".

No deductible applies to this coverage.

K. RENTAL REIMBURSEMENT COVERAGE

The following is added to Paragraph **A.** Coverage under Section **III** – Physical Damage Coverage:

Rental Reimbursement

We will pay for rental reimbursement expenses incurred by you for the rental of an "auto" because of "loss" to a covered "auto". Payment applies in addition to the otherwise applicable limit of each coverage you have on a covered "auto". No deductibles apply to this coverage. However:

- a. We will pay only for those expenses incurred during the period beginning 24 hours after the "loss" and ending, regardless of the policy's expiration, with the lesser of the following number of days:
 - (1) The number of days reasonably required to repair or replace the covered "auto". If "loss" is caused by theft, this number of days is added to the number of days it takes to locate the covered "auto" and return it to you; or
 - (2) The number of days shown in the Schedule of this endorsement.
- b. Our payment is limited to the lesser of the:
 - (1) Necessary and actual expenses incurred; or
 - (2) Each Day and Maximum limits shown in the Schedule of this endorsement.

This coverage does not apply if you have spare or reserve "autos" available to you for your operations.

If "loss" results from the total theft of a covered "auto" of the private passenger type, we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided for under Paragraph **I.** Transportation Expenses of this endorsement.

L. LIMITED ACCIDENTAL AIRBAG DISCHARGE COVERAGE

The following is added to Paragraph **B.3.** under Section **III** – Physical Damage Coverage:

Paragraph **a.** of this exclusion does not apply to the accidental discharge of an airbag. This coverage for airbags is excess over any other collectible insurance or warranty that may apply.

M. SCHOOL BUS REPLACEMENT COST VALUATION

With respect only to owned school buses that, at the time of "loss", are 5 years old or newer by model year and carry comprehensive and collision coverage, Paragraph **C.** Limits Of Insurance under Section **III** – Physical Damage Coverage is replaced by the following:

C. Limits Of Insurance

1. The most we will pay for:
 - a. "Loss" to any one covered "auto" you own that is a school bus is the lesser of:

- (1) The cost to replace the damaged or stolen property as of the time of the "loss"; or
- (2) The amount actually spent that is necessary to repair or replace the damaged or stolen property.
- b. All electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one "loss" is \$1,000, if, at the time of "loss", such electronic equipment is:
 - (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
 - (2) Removable from a permanently installed housing unit as described in Paragraph **b.(1)** above; or
 - (3) An integral part of such equipment as described in Paragraphs **b.(1)** and **b.(2)** above.
- 2. We will not pay on a replacement cost basis for any "loss":
 - a. Until the damaged or stolen property is actually repaired or replaced; and
 - b. Unless the repairs or replacement are made as soon as reasonably possible after "loss".
- 3. You may make a claim for "loss" on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have "loss" settled on an actual cash value basis, you may still make a claim for the additional coverage provided here if you notify us of your intent to do so within 180 days after the "loss".

For the purpose of this enhancement, school bus means a vehicle manufactured as a school bus and used for regular student transportation, and for which a school bus classification is shown in the Declarations.

N. AUTO LOAN OR LEASE GAP COVERAGE

The following is added to Paragraph **C. Limits Of Insurance** under Section **III – Physical Damage Coverage**:

In the event of a total "loss" to a covered "auto", we will pay any unpaid amount due on the lease or loan for a covered "auto", less:

- a. The amount paid under the Physical Damage Coverage Section of the policy; and
- b. Any:
 - (1) Overdue lease or loan payments, including financial penalties associated with those overdue payments at the time of the "loss";
 - (2) Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
 - (3) Nonrefundable security deposits;
 - (4) Refunds paid or payable to you as a result of the early termination of the lease agreement;
 - (5) Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease; and
 - (6) Carry-over balances from previous loans or leases.

With respect to covered leased "autos", this coverage will only apply when no provision for this or similar coverage is included in the original lease agreement written on the covered leased "auto".

O. GLASS BREAKAGE – WAIVER OF DEDUCTIBLE

The following is added to Paragraph **D. Deductible** under Section **III – Physical Damage Coverage**:

If the Declarations indicates that Comprehensive Coverage applies to a specific "auto" no Comprehensive Coverage deductible applies to that "auto" for the cost of repairing or replacing damaged safety glass. Safety glass includes the glass used in windshields, doors and windows and glass or plastic used in the lights of the covered auto.

P. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

Loss Condition **A.2. Duties In The Event Of Accident, Claim, Suit Or Loss** under Section **IV – Business Auto Conditions** is amended as follows:

- 1. The following is added to Paragraph **a.**:

Knowledge by your "employee" of an "accident" or "loss" will not constitute such knowledge by you, unless the "accident" or "loss" is known to you or any of your executive officers or partners or your insurance manager.

2. The following is added to Paragraph **b.(2)**:

Knowledge by your "employee" of documents received concerning a claim or "suit" will not be deemed to be knowledge by you, unless the documents are known to you or any of your executive officers or partners or your insurance manager.

Q. UNINTENTIONAL FAILURE TO DISCLOSE ALL HAZARDS

The following is added to General Condition **B.2. Concealment, Misrepresentation Or Fraud** under Section **IV – Business Auto Conditions**:

However, unintentional failure to disclose or misrepresentation of a material fact at any time by you or any other "insured" will not result in a denial of coverage under this policy.

R. MENTAL ANGUISH RESULTING FROM BODILY INJURY

Definition **C. "bodily injury"** under Section **V – Definitions** is replaced by the following:

C. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDED EXCEPTION – WHO IS AN INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Paragraph **b.(1)** under Section **II** – Covered Autos Liability Coverage, **A.1. Who Is An Insured** is replaced by the following:

b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:

(1) The owner or anyone else from whom you hire or borrow a covered "auto", directly or indirectly, including any employee, agent, or driver of either.

This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes In Covered Autos Liability Coverage

The following is added to Paragraph **2.a. Supplementary Payments**:

Prejudgment interest awarded against the "insured" on the part of the judgment we pay. Any prejudgment interest awarded against the "insured" is subject to the applicable Pennsylvania Rules of Civil Procedure.

B. Changes In Conditions

1. Paragraph **2.b.(5) of the Duties In The Event Of An Accident, Claim, Suit Or Loss Condition** is replaced by the following:

(5) Submit to an independent medical examination when required by a court order issued in accordance with PA. CONS. STAT. § 1796.

2. The following is added to Paragraph **5. Transfer Of Rights Of Recovery Against Others To Us Condition**:

If we make any payment due to an "accident" 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 attorneys' fees, costs and expenses incurred by the "insured" to the extent such payment duplicates any amount we have paid under this coverage.

3. The following paragraph is added to the **Other Insurance Condition**:

If you are a motor vehicle dealer as defined in the Pennsylvania Board of Vehicles Act, 63 Pa. Stat. Ann. § 818.2, then:

- a. For any "auto" you own, which is loaned to a customer as a temporary substitute for an "auto" insured under a "customer's private passenger automobile insurance policy" which is out of use because it is being transported, serviced, repaired or inspected, Covered Autos Liability, but only with respect to damages because of "bodily injury" and Physical Damage Coverage provided by this Coverage Form shall be excess in the event of an "accident" or "loss".
- b. For any "auto" insured under your "customer's private passenger automobile insurance policy", while it is being transported, serviced, repaired or inspected by you or your "employee":
 - (1) Covered Autos Liability, but only with respect to damages because of "bodily injury";
 - (2) Comprehensive Coverage;
 - (3) Specified Cause Of Loss Coverage; and/or

(4) Collision Coverage;

provided by this Coverage Form shall be primary in the event of an "accident" or "loss".

4. The following is added to Paragraph B. General Conditions:

a. Constitutionality Clause

The premium for, and the coverages of, this Coverage Form have been established in reliance upon the provisions of the Pennsylvania Motor Vehicle Financial Responsibility Law. In the event a court, from which there is no appeal, declares or enters a judgment, the effect of which is to render the provisions of such statute invalid or unenforceable in whole or in part, we shall have the right to recompute the premium payable for the Coverage Form and void or amend the provisions of the Coverage Form, subject to the approval of the Insurance Commissioner.

b. Conformity Clause

If you are a motor vehicle dealer as defined in the Pennsylvania Board of Vehicles Act, 63 Pa. Stat. Ann. § 818.2, then whenever an "auto" insured under your "customer's private passenger automobile insurance policy" is being transported, serviced, repaired or inspected by you or your "employee":

(1) The provisions of the:

- (a) Covered Autos Liability, but only with respect to damages because of "bodily injury";**

(b) Comprehensive Coverage;

(c) Specified Cause Of Loss Coverage; and/or

(d) Collision Coverage;

provided by this Coverage Form are hereby amended to conform to 40 Pa. Stat. Ann. § 991.2007a; and

(2) Pursuant to 40 Pa. Stat. Ann. § 991.2007a, the Limits Of Insurance provided in the Schedule or in the Declarations are hereby increased as needed to an amount equal to the:

(a) Applicable limit(s);

(b) Actual cash value; and/or

(c) Amount necessary to repair or replace the property with other property of like kind and quality;

set forth in the "customer's private passenger automobile insurance policy".

C. Changes In Definitions

For motor vehicle dealers as defined in the Pennsylvania Board of Vehicles Act, 63 Pa. Stat. Ann. § 818.2, the following definition is added:

"Customer's private passenger automobile insurance policy" means a private passenger automobile insurance policy that:

- 1. Is currently in effect; and**
- 2. Lists an "auto" owned by your customer or a "customer's auto" in the Declarations.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA UNINSURED MOTORISTS COVERAGE – NONSTACKED

For a covered "motor vehicle" licensed or principally garaged in, or "auto dealer operations" conducted in, Pennsylvania, this endorsement modifies insurance provided under the following:

- AUTO DEALERS COVERAGE FORM
- BUSINESS AUTO COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured:	The Pennsylvania Cyber Charter School
Endorsement Effective Date:	06/30/2024

SCHEDULE

Limit Of Insurance:	\$1,000,000	Each "Accident"
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "uninsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of an "uninsured motor vehicle".
2. No judgment for damages arising out of a "suit" brought against the owner or operator of an "uninsured motor vehicle" is binding on us unless we:
 - a. Received reasonable notice of the pendency of the "suit" resulting in the judgment; and
 - b. Had a reasonable opportunity to protect our interests in the "suit".

B. Who Is An Insured

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":
 - a. The Named Insured and any "family members".
 - b. Anyone else "occupying" a covered "motor vehicle" or a temporary substitute for a covered "motor vehicle". The covered "motor vehicle" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
 - c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":

- a. Anyone "occupying" a covered "motor vehicle" or a temporary substitute for a covered "motor vehicle". The covered "motor vehicle" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
- b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

C. Exclusions

This insurance does not apply to any of the following:

- 1. Any claim settled without our consent. However, this exclusion does not apply if such settlement does not adversely affect our rights of recovery under this coverage.
- 2. The direct or indirect benefit of any insurer or self-insurer under any disability benefits or similar law, except workers' compensation law.
- 3. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
- 4. Punitive or exemplary damages.
- 5. If this Policy insures one covered "motor vehicle" or five or more covered "motor vehicles", "bodily injury" sustained by:
 - a. An individual Named Insured while "occupying" or when struck by any vehicle owned by that Named Insured that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form;
 - b. Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form; or
 - c. Any "family member" while "occupying" or when struck by any vehicle owned by the Named Insured that is insured for Uninsured Motorists Coverage on a primary basis under any other Coverage Form or policy.
- 6. If this Policy insures two, three or four covered "motor vehicles", "bodily injury" sustained by:
 - a. An individual Named Insured while "occupying" or when struck by any vehicle owned by that Named Insured that is not a covered "auto" for Uninsured Motorists Coverage under any Coverage Form or policy; or

- b. Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a covered "auto" for Uninsured Motorists Coverage under any Coverage Form or policy.

7. "Bodily injury" arising directly or indirectly out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. Limit Of Insurance

- 1. Regardless of the number of covered "motor vehicles", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the Limit Of Insurance for Uninsured Motorists Coverage shown in the Schedule or Declarations.
- 2. Any amount payable for damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible. This includes all sums paid for the same damages under this Coverage Form's Covered Autos Liability Coverage. This also includes all sums paid for an "insured's" attorney either directly or as part of the amount paid to the "insured".
- 3. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Liability Coverage form, Medical Payments Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

We will not make a duplicate payment under this coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.

We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any disability benefits or similar law, except workers' compensation law.

E. Changes In Conditions

The Conditions are changed for Pennsylvania Uninsured Motorists Coverage – Nonstacked as follows:

1. Duties In The Event Of Accident, Claim, Suit Or Loss in the Business Auto and Motor Carrier Coverage Forms and **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** in the Auto Dealers Coverage Form are changed by adding the following:

- a. Promptly notify the police if a hit-and-run driver is involved; and
- b. Promptly send us copies of the legal papers if a "suit" is brought.

2. Legal Action Against Us is replaced by the following:

Legal Action Against Us

- a. No one may bring a legal action against us under this Coverage Form until there has been full compliance with all the terms of this Coverage Form.
- b. Any legal action against us under this Coverage Form must be brought within four years after the date on which the "insured" knows of the uninsured status of the owner or driver of the "uninsured motor vehicle". However, this Paragraph b. does not apply to an "insured" if, within four years after the date on which the "insured" knows of the uninsured status of the owner or driver of the "uninsured motor vehicle", we or the "insured" has made a written demand for arbitration in accordance with the provisions of this endorsement.

3. Transfer Of Rights Of Recovery Against Others To Us is changed by adding the following:

If we make any payment due to an "accident" involving an "uninsured motor vehicle" 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 attorneys' fees, costs and expenses incurred by the "insured" to the extent such payment duplicates any amount we have paid under this coverage.

4. If this Policy insures one covered "motor vehicle" or five or more covered "motor vehicles", **Other Insurance** in the Auto Dealers and Business Auto Coverage Forms and **Other Insurance – Primary And Excess Insurance Provisions** in the Motor Carrier Coverage Form are replaced by the following:

- a. If there is other applicable similar insurance available under more than one Coverage Form or policy, the following priorities of recovery apply:

First	The Uninsured Motorists Coverage applicable to the vehicle the "insured" was "occupying" at the time of the "accident".
Second	The Coverage Form or Policy affording Uninsured Motorists Coverage to the "insured" as an individual Named Insured or "family member".

- b. Where there is no applicable insurance available under the first priority, the maximum recovery under all Coverage Forms or policies in the second priority may equal but not exceed the highest applicable limit for any one vehicle under any one Coverage Form or policy affording coverage to an individual Named Insured or "family member".

- c. Where there is applicable insurance available under the first priority:

- (1) The Limit of Insurance applicable to the vehicle the "insured" was "occupying" under the Coverage Form or policy in the first priority shall first be exhausted; and
- (2) The maximum recovery under all Coverage Forms or policies in the second priority may equal but not exceed the highest applicable limit for any one vehicle under any one Coverage Form or policy affording coverage to an individual Named Insured or "family member".

d. If two or more Coverage Forms or policies have equal priority:

- (1) The insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority;
- (2) The insurer thereafter is entitled to recover pro rata contribution from any other insurer on the same level of priority for the benefits paid and the costs of processing the claim.

5. If this Policy insures two, three or four covered "motor vehicles", **Other Insurance** in the Auto Dealers and Business Auto Coverage Forms and **Other Insurance – Primary And Excess Insurance Provisions** in the Motor Carrier Coverage Form are replaced by the following:

- a. If there is other applicable similar insurance available under more than one Coverage Form or policy, the following priorities of recovery apply:

First	The Uninsured Motorists Coverage applicable to the vehicle the "insured" was "occupying" at the time of the "accident".
Second	The Coverage Form or Policy affording Uninsured Motorists Coverage to the "insured" as an individual Named Insured or "family member".

b. If two or more Coverage Forms or policies have equal priority:

- (1) The insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority;
- (2) The insurer thereafter is entitled to recover pro rata contribution from any other insurer on the same level of priority for the benefits paid and the costs of processing the claim.

6. If this Policy insures two, three or four covered "motor vehicles", **Two Or More Coverage Forms Or Policies Issued By Us** does not apply.

7. The following condition is added:

Arbitration

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.
- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

F. Additional Definitions

As used in this endorsement:

- 1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption, who is a resident of such Named Insured's household, including a ward or foster child.
- 2. "Occupying" means in, upon, getting in, on, out or off.
- 3. "Uninsured motor vehicle" means a land motor vehicle or "trailer":
 - a. For which no liability bond or policy applies at the time of an "accident".
 - b. For which an insuring or bonding company:
 - (1) Denies coverage;
 - (2) Is or becomes insolvent; or
 - (3) Is or becomes involved in insolvency proceedings.

c. For which neither the driver nor owner can be identified. The vehicle or "trailer" must:

- (1)** Hit an "insured", a covered "motor vehicle" or a vehicle an "insured" is "occupying"; or
- (2)** Cause an "accident" resulting in "bodily injury" to an "insured" without hitting an "insured", a covered "motor vehicle" or a vehicle an "insured" is "occupying".

If there is no physical contact with the hit-and-run vehicle, the facts of the "accident" must be proved.

However, an "uninsured motor vehicle" does not include any vehicle:

- a.** Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or who becomes insolvent and cannot provide the amounts required by that motor vehicle law; or

b. Designed for use mainly off public roads while not on public roads.

- 4.** "Motor vehicle" means a vehicle which is self-propelled, except one which is propelled solely by human power or by electric power obtained from overhead trolley wires, but does not mean a vehicle operated upon rails.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA UNDERINSURED MOTORISTS COVERAGE – NONSTACKED

For a covered "motor vehicle" licensed or principally garaged in, or "auto dealer operations" conducted in, Pennsylvania, this endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: The Pennsylvania Cyber Charter School
Endorsement Effective Date: 06/30/2024

SCHEDULE

Limit Of Insurance: \$1,000,000 Each "Accident"
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as compensatory damages from the owner or driver of an "underinsured motor vehicle". The damages must result from "bodily injury" sustained by the "insured" caused by an "accident". The owner's or driver's liability for these damages must result from the ownership, maintenance or use of an "underinsured motor vehicle".
2. We will pay under this coverage only if Paragraph **a.** or **b.** below applies:
 - a.** The limits of any applicable liability bonds or policies have been exhausted by payment of judgments or settlements; or
 - b.** A tentative settlement has been made between an "insured" and the insurer of the "underinsured motor vehicle" and we:
 - (1) Have been given prompt written notice of such tentative settlement; and

- (2) Advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

3. No judgment for damages arising out of a "suit" brought against the owner or operator of an "underinsured motor vehicle" is binding on us unless we:
 - a.** Received reasonable notice of the pendency of the "suit" resulting in the judgment; and
 - b.** Had a reasonable opportunity to protect our interests in the "suit".

B. Who Is An Insured

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":
 - a.** The Named Insured and any "family members".

- b. Anyone else "occupying" a covered "motor vehicle" or a temporary substitute for a covered "motor vehicle". The covered "motor vehicle" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
 - c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".
2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":
- a. Anyone "occupying" a covered "motor vehicle" or a temporary substitute for a covered "motor vehicle". The covered "motor vehicle" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
 - b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".

C. Exclusions

This insurance does not apply to any of the following:

- 1. The direct or indirect benefit of any insurer or self-insurer under any disability benefits or similar law, except workers' compensation law.
- 2. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
- 3. Punitive or exemplary damages.
- 4. If this Policy insures one covered "motor vehicle" or five or more covered "motor vehicles", "bodily injury" sustained by:
 - a. An individual Named Insured while "occupying" or when struck by any vehicle owned by that Named Insured that is not a covered "auto" for Underinsured Motorists Coverage under this Coverage Form;
 - b. Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a covered "auto" for Underinsured Motorists Coverage under this Coverage Form; or
 - c. Any "family member" while "occupying" or when struck by any vehicle owned by the Named Insured that is insured for Underinsured Motorists Coverage on a primary basis under any other Coverage Form or policy.

- 5. If this Policy insures two, three or four covered "motor vehicles", "bodily injury" sustained by:
 - a. An individual Named Insured while "occupying" or when struck by any vehicle owned by that Named Insured that is not a covered "auto" for Underinsured Motorists Coverage under any Coverage Form or policy; or
 - b. Any "family member" while "occupying" or when struck by any vehicle owned by that "family member" that is not a covered "auto" for Underinsured Motorists Coverage under any Coverage Form or policy.
- 6. "Bodily injury" arising directly or indirectly out of:
 - a. War, including undeclared or civil war;
 - b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

D. Limit Of Insurance

- 1. Regardless of the number of covered "motor vehicles", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the Limit Of Insurance for Underinsured Motorists Coverage shown in the Schedule or Declarations.
- 2. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Liability Coverage form, Medical Payments Coverage endorsement or Uninsured Motorists Coverage endorsement attached to this Coverage Part.

We will not make a duplicate payment under this coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.

We will not pay for any element of "loss" if a person is entitled to receive payment for the same element of "loss" under any disability benefits or similar law, except workers' compensation law.

E. Changes In Conditions

The Conditions are changed for Pennsylvania Underinsured Motorists Coverage – Nonstacked as follows:

1. Duties In The Event Of Accident, Claim, Suit Or Loss in the Business Auto and Motor Carrier Coverage Forms and **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** in the Auto Dealers Coverage Form are changed by adding the following:

- a. Promptly send us copies of the legal papers if a "suit" is brought.
- b. A person seeking Underinsured Motorists Coverage must also promptly notify us, in writing, of a tentative settlement between the "insured" and the insurer of the "underinsured motor vehicle" and allow us 30 days to advance payment to the "insured" in an amount equal to the tentative settlement to preserve our rights against the insurer, owner or operator of such "underinsured motor vehicle".

2. Legal Action Against Us is replaced by the following:

Legal Action Against Us

- a. No one may bring a legal action against us under this Coverage Form until there has been full compliance with all the terms of this Coverage Form.
- b. Any legal action against us under this Coverage Form must be brought within four years after the date on which the "insured" either settles with, or receives a judgment against, the owner or driver of the "underinsured motor vehicle".
- c. Paragraph **2.b.** above of this condition does not apply if, within four years after the date on which the "insured" either settles with, or receives a judgment against, the owner or driver of the "underinsured motor vehicle":

- (1) We or the "insured" has made a written demand for arbitration in accordance with the provisions of this endorsement; or

(2) The "insured" has filed an action for "bodily injury" against the owner or operator of the "underinsured motor vehicle" and such action is:

- (a) Filed in a court of competent jurisdiction; and
- (b) Not barred by the applicable state statute of limitations.

In the event that the four-year time limitation identified in this condition does not apply, the applicable state statute of limitations will govern legal action against us under this Coverage Form.

3. Transfer Of Rights Of Recovery Against Others To Us is changed by adding the following:

If we make any payment due to an "accident" involving an "underinsured motor vehicle" 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 attorneys' fees, costs and expenses incurred by the "insured" to the extent such payment duplicates any amount we have paid under this coverage.

Our rights do not apply under this provision with respect to Underinsured Motorists Coverage if we:

- a. Have been given prompt written notice of a tentative settlement between an "insured" and the insurer of an "underinsured motor vehicle"; and
- b. Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification:

- a. That payment will be separate from any amount the "insured" is entitled to recover under the provisions of Underinsured Motorists Coverage; and
- b. We also have a right to recover the advanced payment.

4. If this Policy insures one covered "motor vehicle" or five or more covered "motor vehicles", **Other Insurance** in the Auto Dealers and Business Auto Coverage Forms and **Other Insurance – Primary And Excess Insurance Provisions** in the Motor Carrier Coverage Form are replaced by the following:

- a. If there is other applicable similar insurance available under more than one Coverage Form or policy, the following priorities of recovery apply:

First	The Underinsured Motorists Coverage applicable to the vehicle the "insured" was "occupying" at the time of the "accident".
Second	The Coverage Form or Policy affording Underinsured Motorists Coverage to the "insured" as an individual Named Insured or "family member".

- b. Where there is no applicable insurance available under the first priority, the maximum recovery under all Coverage Forms or policies in the second priority may equal but not exceed the highest applicable limit for any one vehicle under any one Coverage Form or policy affording coverage to an individual Named Insured or "family member".

- c. Where there is applicable insurance available under the first priority:

- (1) The Limit of Insurance applicable to the vehicle the "insured" was "occupying" under the Coverage Form or policy in the first priority shall first be exhausted; and
- (2) The maximum recovery under all Coverage Forms or policies in the second priority may equal but not exceed the highest applicable limit for any one vehicle under any one Coverage Form or policy affording coverage to an individual Named Insured or "family member".

- d. If two or more Coverage Forms or policies have equal priority:

- (1) The insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority;
- (2) The insurer thereafter is entitled to recover pro rata contribution from any other insurer for the benefits paid and the costs of processing the claim.

5. If this Policy insures two, three or four covered "motor vehicles", **Other Insurance** in the Auto Dealers and Business Auto Coverage Forms and **Other Insurance – Primary And Excess Insurance Provisions** in the Motor Carrier Coverage Form are replaced by the following:

- a. If there is other applicable similar insurance available under more than one Coverage Form or policy, the following priorities of recovery apply:

First	The Underinsured Motorists Coverage applicable to the vehicle the "insured" was "occupying" at the time of the "accident".
Second	The Coverage Form or Policy affording Underinsured Motorists Coverage to the "insured" as an individual Named Insured or "family member".

- b. If two or more Coverage Forms or policies have equal priority:

- (1) The insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority;
- (2) The insurer thereafter is entitled to recover pro rata contribution from any other insurer on the same level of priority for the benefits paid and the costs of processing the claim.

6. If this Policy insures two, three or four covered "motor vehicles", **Two Or More Coverage Forms Or Policies Issued By Us** does not apply.

7. The following condition is added:

Arbitration

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "underinsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally.

- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption, who is a resident of such Named Insured's household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.

3. "Underinsured motor vehicle" means a vehicle for which the sum of all liability bonds or policies that apply at the time of an "accident" does not provide at least the amount an "insured" is legally entitled to recover as damages.

However, an "underinsured motor vehicle" does not include any vehicle designed for use mainly off public roads while not on public roads.

4. "Motor vehicle" means a vehicle which is self-propelled, except one which is propelled solely by human power or by electric power obtained from overhead trolley wires, but does not mean a vehicle operated upon rails.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA BASIC FIRST-PARTY BENEFIT

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, Pennsylvania, this endorsement modifies insurance provided under the following:

- AUTO DEALERS COVERAGE FORM
- BUSINESS AUTO COVERAGE FORM
- MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

<p>Named Insured: The Pennsylvania Cyber Charter School</p> <p>Endorsement Effective Date: 06/30/2024</p>

SCHEDULE

Benefits	Limit Of Insurance
Medical Expense Benefits	Up to \$5,000 per insured
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Coverage

We will pay the Basic First-party Benefit in accordance with the "Act" to or for an "insured" who sustains "bodily injury" caused by an "accident" arising out of the maintenance or use of an "auto".

BENEFITS

Subject to the limit shown in the Schedule or Declarations, the Basic First-party Benefit consists of Medical Expense Benefits. These benefits consist of reasonable and necessary medical expenses incurred for an "insured's":

1. Care;
2. Recovery; or
3. Rehabilitation.

This includes remedial care and treatment rendered in accordance with a recognized religious method of healing.

Medical expenses will be paid if incurred within 18 months from the date of the "accident" causing "bodily injury". If within 18 months from the date of the "accident" causing "bodily injury" it is ascertainable with reasonable medical probability that further expenses may be incurred as a result of the "bodily injury", medical expenses will be paid without limitation as to the time such further expenses are incurred.

B. Who Is An Insured

1. You.
2. If you are an individual, any "family member".
3. Any person while "occupying" a covered "auto".
4. Any person while not "occupying" an "auto" if injured as a result of an "accident" in Pennsylvania involving a covered "auto".

If a covered "auto" is parked and unoccupied, it is not an "auto" involved in an "accident" unless it was parked in a manner as to create an unreasonable risk of injury.

C. Exclusions

We will not pay First-party Benefits for "bodily injury":

1. Sustained by any person injured while intentionally causing or attempting to cause injury to himself or herself or any other person.
2. Sustained by any person while committing a felony.
3. Sustained by any person while seeking to elude lawful apprehension or arrest by a law enforcement official.
4. Sustained by any person while maintaining or using an "auto" knowingly converted by that person. However, this exclusion does not apply to:
 - a. You; or
 - b. Any "family member".
5. Sustained by any person who, at the time of the "accident":
 - a. Is the owner of one or more currently registered "autos" and none of those "autos" is covered by the financial responsibility required by the "Act"; or
 - b. Is "occupying" an "auto" owned by that person for which the financial responsibility required by the "Act" is not in effect.
6. Sustained by any person maintaining or using an "auto" while located for use as a residence or premises.
7. Sustained by a pedestrian if the "accident" occurs outside of Pennsylvania. This exclusion does not apply to:
 - a. You; or
 - b. Any "family member".
8. Sustained by any person while "occupying":
 - a. A recreational vehicle designed for use off public roads; or
 - b. A motorcycle, moped or similar type vehicle.

9. Arising directly or indirectly out of:

- a. A discharge of a nuclear weapon (even if accidental);
- b. War, including undeclared or civil war;
- c. 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
- d. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

10. From or as a consequence of the following whether controlled or uncontrolled or however caused:

- a. Nuclear reaction;
- b. Radiation; or
- c. Radioactive contamination.

D. Limit Of Insurance

1. Regardless of the number of covered "autos", premiums paid, claims made, "autos" involved in the "accident" or insurers providing First-party Benefits, the most we will pay to or for an "insured" as the result of any one "accident" is the limit shown in the Schedule or in the Declarations.
2. Any amount payable under First-party Benefits shall be excess over any sums paid, payable or required to be provided under any workers' compensation law or similar law.

E. Changes In Conditions

The Conditions are changed for First-party Benefits as follows:

1. **Transfer Of Rights Of Recovery Against Others To Us** does not apply.
2. The following conditions are added:

Nonduplication Of Benefits

No person may recover duplicate benefits for the same expenses or loss under this or any other similar automobile coverage including self-insurance.

Priorities Of Policies

We will pay First-party Benefits in accordance with the order of priority set forth by the "Act". We will not pay if there is another insurer at a higher level of priority. The "First" category listed below is the highest level of priority and the "Fourth" category listed below is the lowest level of priority. The priority order is:

First	The insurer providing benefits to the "insured" as a named insured.
Second	The insurer providing benefits to the "insured" as a "family member" who is not a named insured under another policy providing coverage under the "Act".
Third	The insurer of the "auto" which the "insured" is "occupying" at the time of the "accident".
Fourth	The insurer providing benefits on any "auto" involved in the "accident" if the "insured" is:

- a. Not "occupying" an "auto"; and
- b. Not provided First-party Benefits under any other policy.

If two or more policies have equal priority within the highest applicable number in the priority order:

1. The insurer against whom the claim is first made shall process and pay the claim as if wholly responsible;
2. If we are the insurer against whom the claim is first made, our payment to or for an "insured" will not exceed the applicable limit shown in the Schedule or Declarations;

3. The insurer thereafter is entitled to recover pro rata contribution from any other insurer for the benefits paid and the costs of processing the claim. If contribution is sought among insurers under the Fourth priority, proration shall be based on the number of involved motor vehicles; and
4. The maximum recovery under all policies shall not exceed the amount payable under the policy with the highest dollar limit of benefits.

F. Additional Definitions

As used in this endorsement:

1. "Auto" means a self-propelled motor vehicle or trailer required to be registered, operated or designed for use on public roads. However, "auto" does not include a vehicle operated:
 - a. By muscular power; or
 - b. On rails or tracks.
2. The "Act" means the Pennsylvania Motor Vehicle Financial Responsibility Law.
3. "Family member" means a resident of your household who is:
 - a. Related to you by blood, marriage or adoption; or
 - b. A minor in your custody or in the custody of any other "family member".
4. "Occupying" means in, upon, getting in, on, out or off.

SCHEDULE OF COVERED AUTOS YOU OWN

POLICY NUMBER: 7NA5CA0001097-02

Named Insured: The Pennsylvania Cyber Charter School

Policy Period: 06/30/2024 to 06/30/2025

Covered Auto No.	DESCRIPTION				PURCHASED			TERRITORY	
	Year, Model, Trade Name, Body Type Serial Number (S) Vehicle Identification Number (VIN)				Original Cost New	Actual Cost & NEW (N) USED (U)	Town & State Where The Covered Auto Will Be Principally Garaged		
1	2023 Chevrolet Suburban 4WD Hi 1GNSKGKT5PR262550				\$79,110		Midland, PA		
2	2023 Chevrolet Tahoe 4WD Premi 1GNSKSKDXPR225957				\$71,325		Midland, PA		
3	2023 Toyota 4 Runner Limite JTEKU5JR9P6097130				\$52,322		Midland, PA		
4	2023 Toyota Highlander Limi 5TDKDRBH5PS004489				\$51,048		Midland, PA		
5	2023 Toyota Highlander Limi 5TDKDRBH1PS020608				\$49,983		Midland, PA		
Covered Auto No.	CLASSIFICATION								
	Radius Of Operation	Business Use s=service r=retail c=commercial	Size GVW, GCW Or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	EXCEPT For Towing, All Physical Damage Loss Is Payable To You And The Loss Payee Named Below As Interests May Appear At the Time Of The Loss.
				Liab.	Phy. Dam.				
1	L	S		2	1.000	1.000		01499	
2	L	S		2	1.000	1.000		01499	
3	L	S		2	1.000	1.000		01499	
4	L	S		2	1.000	1.000		01499	
5	L	S		2	1.000	1.000		01499	
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)								
	COVERED AUTOS LIABILITY		PERSONAL INJURY PROTECTION		ADDED P.I.P.	PROPERTY PROTECTION (Michigan Only)			
	Limit	Premium	Limit Stated In Each P.I.P. End. Minus Deductible Shown Below	Premium	Limit Stated In Each Added P.I.P. End. Premium	Limit Stated In P.P.I. End. Minus Deductible Shown Below	Premium		
1	\$1,000,000	\$497		\$8					
2	\$1,000,000	\$489		\$8					
3	\$1,000,000	\$468		\$8					
4	\$1,000,000	\$468		\$8					
5	\$1,000,000	\$463		\$8					
Total Premium		Included		Included					

SCHEDULE OF COVERED AUTOS YOU OWN

POLICY NUMBER: 7NA5CA0001097-02

Named Insured: The Pennsylvania Cyber Charter School

Policy Period: 06/30/2024 to 06/30/2025

Covered Auto No.	DESCRIPTION				PURCHASED			TERRITORY	
	Year, Model, Trade Name, Body Type Serial Number (S) Vehicle Identification Number (VIN)				Original Cost New	Actual Cost & NEW (N) USED (U)	Town & State Where The Covered Auto Will Be Principally Garaged		
6	2023 Toyota Highlander Limi 5TDKDRBH6PS020149				\$50,408		Midland, PA		
7	2022 Chrysler Pacifica L 2C4RC3GG8NR184765				\$53,562		Midland, PA		
8	2023 Toyota Highlander Limi 5TDKDRBH2PS011061				\$50,623		Midland, PA		
9	2023 Toyota Highlander Limi 5TDKDRBH7PS009080				\$50,198		Midland, PA		
11	2023 Toyota Highlander Limi 5TDKDRBH4PS018979				\$50,278		Midland, PA		
Covered Auto No.	CLASSIFICATION								
	Radius Of Operation	Business Use s=service r=retail c=commercial	Size GVW, GCW Or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	EXCEPT For Towing, All Physical Damage Loss Is Payable To You And The Loss Payee Named Below As Interests May Appear At the Time Of The Loss.
				Liab.	Phy. Dam.				
6	L	S		2	1.000	1.000		01499	
7	L	S		3	1.000	1.000		01499	
8	L	S		2	1.000	1.000		01499	
9	L	S		2	1.000	1.000		01499	
11	L	S		2	1.000	1.000		01499	
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)								
	COVERED AUTOS LIABILITY		PERSONAL INJURY PROTECTION		ADDED P.I.P.	PROPERTY PROTECTION (Michigan Only)			
	Limit	Premium	Limit Stated In Each P.I.P. End. Minus Deductible Shown Below	Premium	Limit Stated In Each Added P.I.P. End. Premium	Limit Stated In P.P.I. End. Minus Deductible Shown Below	Premium		
6	\$1,000,000	\$468		\$8					
7	\$1,000,000	\$476		\$8					
8	\$1,000,000	\$468		\$8					
9	\$1,000,000	\$468		\$8					
11	\$1,000,000	\$468		\$8					
Total Premium		Included		Included					

SCHEDULE OF COVERED AUTOS YOU OWN

POLICY NUMBER: 7NA5CA0001097-02

Named Insured: The Pennsylvania Cyber Charter School

Policy Period: 06/30/2024 to 06/30/2025

Covered Auto No.	DESCRIPTION				PURCHASED			TERRITORY	
	Year, Model, Trade Name, Body Type Serial Number (S) Vehicle Identification Number (VIN)				Original Cost New	Actual Cost & NEW (N) USED (U)	Town & State Where The Covered Auto Will Be Principally Garaged		
12	2023 Toyota Highlander Limi 5TDKDRBH3PS026815				\$50,586		Midland, PA		
14	2023 Chrysler Pacifica T 2C4RC3BG3PR523667				\$53,562		Midland, PA		
15	2022 Chrysler Pacifica 2C4RC3BG8NR228013				\$49,716		Midland, PA		
17	2020 Dodge Ram 3C6TRVDG9LE125993				\$31,162		Midland, PA		
18	2023 Dodge Ram 3C6LRVVG7PE500767				\$49,335		Midland, PA		
Covered Auto No.	CLASSIFICATION								
	Radius Of Operation	Business Use s=service r=retail c=commercial	Size GVW, GCW Or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	EXCEPT For Towing, All Physical Damage Loss Is Payable To You And The Loss Payee Named Below As Interests May Appear At the Time Of The Loss.
				Liab.	Phy. Dam.				
12	L	S		2	1.000	1.000		01499	
14	L	S		2	1.000	1.000		01499	
15	L	S		3	1.000	1.000		01499	
17	L	S		5	1.000	1.000		01499	
18	L	S		2	1.000	1.000		01499	
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)								
	COVERED AUTOS LIABILITY		PERSONAL INJURY PROTECTION		ADDED P.I.P.	PROPERTY PROTECTION (Michigan Only)			
	Limit	Premium	Limit Stated In Each P.I.P. End. Minus Deductible Shown Below	Premium	Limit Stated In Each Added P.I.P. End. Premium	Limit Stated In P.P.I. End. Minus Deductible Shown Below	Premium		
12	\$1,000,000	\$468		\$8					
14	\$1,000,000	\$468		\$8					
15	\$1,000,000	\$472		\$8					
17	\$1,000,000	\$458		\$8					
18	\$1,000,000	\$463		\$8					
Total Premium		Included		Included					

SCHEDULE OF COVERED AUTOS YOU OWN

POLICY NUMBER: 7NA5CA0001097-02

Named Insured: The Pennsylvania Cyber Charter School

Policy Period: 06/30/2024 to 06/30/2025

Covered Auto No.	DESCRIPTION				PURCHASED			TERRITORY	
	Year, Model, Trade Name, Body Type Serial Number (S) Vehicle Identification Number (VIN)				Original Cost New	Actual Cost & NEW (N) USED (U)	Town & State Where The Covered Auto Will Be Principally Garaged		
19	2023 Dodge Ram 3C6LRVVGXPE529602				\$48,640		Midland, PA		
20	2023 Toyota Highlander Limi 5TDKDRBH6PS032270				\$51,073		Midland, PA		
21	2022 Chrysler Pacifica 2C4RC3BG7NR227984				\$48,160		Midland, PA		
22	2024 Toyota Grand Highlande 5TDAAB58RS044581				\$35,302		Midland, PA		
Covered Auto No.	CLASSIFICATION								
	Radius Of Operation	Business Use s=service r=retail c=commercial	Size GVW, GCW Or Vehicle Seating Capacity	Age Group	Primary Rating Factor		Secondary Rating Factor	Code	EXCEPT For Towing, All Physical Damage Loss Is Payable To You And The Loss Payee Named Below As Interests May Appear At the Time Of The Loss.
					Liab.	Phy. Dam.			
19	L	S		2	1.000	1.000		01499	
20	L	S		2	1.000	1.000		01499	
21	L	S		3	1.000	1.000		01499	
22	L	S		1	1.000	1.000		01499	
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)								
	COVERED AUTOS LIABILITY		PERSONAL INJURY PROTECTION		ADDED P.I.P.	PROPERTY PROTECTION (Michigan Only)			
	Limit	Premium	Limit Stated In Each P.I.P. End. Minus Deductible Shown Below	Premium	Limit Stated In Each Added P.I.P. End. Premium	Limit Stated In P.P.I. End. Minus Deductible Shown Below	Premium		
19	\$1,000,000	\$463		\$8					
20	\$1,000,000	\$468		\$8					
21	\$1,000,000	\$472		\$8					
22	\$1,000,000	\$430		\$8					
Total Premium		Included		Included					

SCHEDULE OF COVERED AUTOS YOU OWN (Cont'd)

Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	AUTO MEDICAL PAYMENTS		MEDICAL EXPENSE AND INCOME LOSS BENEFITS (Virginia Only)	
	Limit	Premium	Limit Stated In Each Medical Expense and Income Loss Endorsement For Each Person	Premium
1				
2				
3				
4				
5				
Total Premium				
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	UNINSURED MOTORISTS		SUPPLEMENTAL UNINSURED/ UNDERINSURED MOTORISTS	
	Limit	Premium	Limit	Premium
1	\$1,000,000	\$17	\$1,000,000	\$76
2	\$1,000,000	\$17	\$1,000,000	\$76
3	\$1,000,000	\$17	\$1,000,000	\$76
4	\$1,000,000	\$17	\$1,000,000	\$76
5	\$1,000,000	\$17	\$1,000,000	\$76
Total Premium		Included		Included
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	COMPREHENSIVE Theft Or Mischief Or Vandalism		COMPREHENSIVE All Perils For Each Covered Auto	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
1			\$1,000	\$232
2			\$1,000	\$219
3			\$1,000	\$195
4			\$1,000	\$195
5			\$1,000	\$188
Total Premium				

SCHEDULE OF COVERED AUTOS YOU OWN (Cont'd)

Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	AUTO MEDICAL PAYMENTS		MEDICAL EXPENSE AND INCOME LOSS BENEFITS (Virginia Only)	
	Limit	Premium	Limit Stated In Each Medical Expense and Income Loss Endorsement For Each Person	Premium
6				
7				
8				
9				
11				
Total Premium				
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	UNINSURED MOTORISTS		SUPPLEMENTAL UNINSURED/ UNDERINSURED MOTORISTS	
	Limit	Premium	Limit	Premium
6	\$1,000,000	\$17	\$1,000,000	\$76
7	\$1,000,000	\$17	\$1,000,000	\$76
8	\$1,000,000	\$17	\$1,000,000	\$76
9	\$1,000,000	\$17	\$1,000,000	\$76
11	\$1,000,000	\$17	\$1,000,000	\$76
Total Premium		Included		Included
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	COMPREHENSIVE Theft Or Mischief Or Vandalism		COMPREHENSIVE All Perils For Each Covered Auto	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
6			\$1,000	\$195
7			\$1,000	\$195
8			\$1,000	\$195
9			\$1,000	\$195
11			\$1,000	\$195
Total Premium				

SCHEDULE OF COVERED AUTOS YOU OWN (Cont'd)

Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	AUTO MEDICAL PAYMENTS		MEDICAL EXPENSE AND INCOME LOSS BENEFITS (Virginia Only)	
	Limit	Premium	Limit Stated In Each Medical Expense and Income Loss Endorsement For Each Person	Premium
12				
14				
15				
17				
18				
Total Premium				
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	UNINSURED MOTORISTS		SUPPLEMENTAL UNINSURED/ UNDERINSURED MOTORISTS	
	Limit	Premium	Limit	Premium
12	\$1,000,000	\$17	\$1,000,000	\$76
14	\$1,000,000	\$17	\$1,000,000	\$76
15	\$1,000,000	\$17	\$1,000,000	\$76
17	\$1,000,000	\$17	\$1,000,000	\$76
18	\$1,000,000	\$17	\$1,000,000	\$76
Total Premium		Included		Included
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	COMPREHENSIVE Theft Or Mischief Or Vandalism		COMPREHENSIVE All Perils For Each Covered Auto	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
12			\$1,000	\$195
14			\$1,000	\$195
15			\$1,000	\$188
17			\$1,000	\$141
18			\$1,000	\$188
Total Premium				

SCHEDULE OF COVERED AUTOS YOU OWN (Cont'd)

Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	AUTO MEDICAL PAYMENTS		MEDICAL EXPENSE AND INCOME LOSS BENEFITS (Virginia Only)	
	Limit	Premium	Limit Stated In Each Medical Expense and Income Loss Endorsement For Each Person	Premium
19				
20				
21				
22				
Total Premium				
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	UNINSURED MOTORISTS		SUPPLEMENTAL UNINSURED/ UNDERINSURED MOTORISTS	
	Limit	Premium	Limit	Premium
19	\$1,000,000	\$17	\$1,000,000	\$76
20	\$1,000,000	\$17	\$1,000,000	\$76
21	\$1,000,000	\$17	\$1,000,000	\$76
22	\$1,000,000	\$17	\$1,000,000	\$76
Total Premium		Included		Included
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	COMPREHENSIVE Theft Or Mischief Or Vandalism		COMPREHENSIVE All Perils For Each Covered Auto	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
19			\$1,000	\$188
20			\$1,000	\$195
21			\$1,000	\$188
22			\$1,000	\$170
Total Premium				

SCHEDULE OF COVERED AUTOS YOU OWN (Cont'd)

Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	SPECIFIED CAUSES OF LOSS Theft Or Mischief Or Vandalism		SPECIFIED CAUSES OF LOSS All Perils For Each Covered Auto	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
1				
2				
3				
4				
5				
Total Premium				
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	COLLISION		TOWING & LABOR	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
1	\$1,000	\$378		
2	\$1,000	\$363		
3	\$1,000	\$334		
4	\$1,000	\$334		
5	\$1,000	\$326		
Total Premium		Included		

SCHEDULE OF COVERED AUTOS YOU OWN (Cont'd)

Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	SPECIFIED CAUSES OF LOSS Theft Or Mischief Or Vandalism		SPECIFIED CAUSES OF LOSS All Perils For Each Covered Auto	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
6				
7				
8				
9				
11				
Total Premium				
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	COLLISION		TOWING & LABOR	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
6	\$1,000	\$334		
7	\$1,000	\$306		
8	\$1,000	\$334		
9	\$1,000	\$334		
11	\$1,000	\$334		
Total Premium		Included		

SCHEDULE OF COVERED AUTOS YOU OWN (Cont'd)

Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	SPECIFIED CAUSES OF LOSS Theft Or Mischief Or Vandalism		SPECIFIED CAUSES OF LOSS All Perils For Each Covered Auto	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
12				
14				
15				
17				
18				
Total Premium				
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	COLLISION		TOWING & LABOR	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
12	\$1,000	\$334		
14	\$1,000	\$334		
15	\$1,000	\$297		
17	\$1,000	\$222		
18	\$1,000	\$326		
Total Premium		Included		

SCHEDULE OF COVERED AUTOS YOU OWN (Cont'd)

Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	SPECIFIED CAUSES OF LOSS Theft Or Mischief Or Vandalism		SPECIFIED CAUSES OF LOSS All Perils For Each Covered Auto	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
19				
20				
21				
22				
Total Premium				
Covered Auto No.	COVERAGES – PREMIUMS, LIMITS AND DEDUCTIBLES (Absence of a deductible or limit entry in any column below means that the limit or deductible entry in the corresponding ITEM TWO column applies instead.)			
	COLLISION		TOWING & LABOR	
	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium	Limit Stated In ITEM TWO Minus Deductible Shown Below	Premium
19	\$1,000	\$326		
20	\$1,000	\$334		
21	\$1,000	\$297		
22	\$1,000	\$303		
Total Premium		Included		

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

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

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


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

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

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

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

SIGNATURE ENDORSEMENT

Named Insured	Endorsement Number
Policy Number	Endorsement Effective
Countersigned by  (Authorized Representative)	

The above is required to be completed only when this endorsement is issued subsequent to the preparation of the policy.

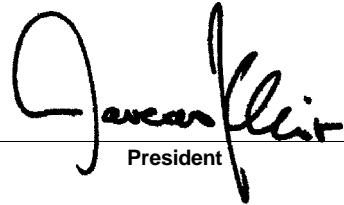
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

The Company has caused this policy to be signed by its President and Secretary, but this policy shall not be valid unless countersigned by an authorized representative of the Company, where required.

American Family Home Insurance Company



Secretary



President



HISCOX INSURANCE COMPANY INC. (A Stock Company)

30 North LaSalle Street, Suite 1760, Chicago, IL 60602
(646) 452-2353

Commercial Crime Insurance Policy

DECLARATIONS

Broker no.:	US 0001738	Hull & Company (Pittsburgh)
Policy no.:	UC21423440.24	1 Forestwood Dr Ste 203
Renewal of:	UC21423440.23	Pittsburgh, PA 15237-1279

1. Named insured: The Pennsylvania Cyber Charter School
Address: 652 Midland Ave Suite A130
 Midland, PA 15059-1433

2. Policy period: **Inception date: 06/30/2024** **Expiration date: 06/30/2025**
 Inception date shown shall be at 12:01 A.M. (Standard Time) to expiration date shown above at 12:01 A.M. (Standard Time) at the address of the named insured.

3. General terms and conditions wording: CSU P0001A CW (12-22)
 The General Terms and Conditions applies to this policy in conjunction with the specific wording detailed in each section below.

4. Endorsements: E1456.2 - Named Insured Added
 E1403.1 - Add Agents as Employees Endorsement (with Sublimit)
 E1411.1 - Crime Elite Endorsement
 E1106.1 - Pennsylvania Amendatory Endorsement
 E1761.1 - Amend Definition of Extortion Endorsement (Ransomware; Virus)
 E1779.1 - Amend War or Military Action Exclusion (Cyberwarfare and NCBR)
 E1469.1 - ERISA Bond Coverage Endorsement - Pennsylvania

5. Notification of claims to: Hiscox Claims
 5 Concourse Parkway, Suite 2150
 Atlanta GA, 30328
 Fax: 678-731-9501
 Email: C-SuiteClaims@Hiscox.com

6. Total premium: \$ 8,918
State surcharge: N/A

HISCOX INSURANCE COMPANY INC. (A Stock Company)

30 North LaSalle Street, Suite 1760, Chicago, IL 60602
(646) 452-2353



Commercial Crime Insurance Policy

DECLARATIONS

Crime Coverage Part: CSUCRI P0001A CW (12-22)

	<u>Limit</u>	<u>Deductible</u>
Insuring Agreement A: Fidelity		
(1) Employee Theft	\$ 1,000,000 Per Occurrence	\$ 10,000 Per Occurrence
(2) Third Parties' Property	\$ 1,000,000 Per Occurrence	\$ 10,000 Per Occurrence
(3) Vendor Theft	Not Covered	N/A
(4) Executives' Property	Not Covered	N/A
(5) ERISA (Limit Applies Per Plan)	\$ 1,000,000	N/A
Insuring Agreement B: Forgery		
(1) Checks	\$ 1,000,000 Per Occurrence	\$ 10,000 Per Occurrence
(2) Payment Cards	\$ 1,000,000 Per Occurrence	\$ 10,000 Per Occurrence
(3) Executives' Accounts	Not Covered	N/A
(4) Counterfeit	\$ 1,000,000 Per Occurrence	\$ 10,000 Per Occurrence
Insuring Agreement C: Inside and Outside Loss		
(1) Inside Premises	\$ 1,000,000 Per Occurrence	\$ 10,000 Per Occurrence
(2) Outside Transit	\$ 1,000,000 Per Occurrence	\$ 10,000 Per Occurrence
(3) Extortion	Not Covered	N/A
Insuring Agreement D: Tech Fraud		
(1) Computer	\$ 1,000,000 Per Occurrence	\$ 10,000 Per Occurrence
(2) Funds Transfer	\$ 1,000,000 Per Occurrence	\$ 10,000 Per Occurrence
(3) Cyber Deception	\$ 100,000 Per Occurrence	\$ 10,000 Per Occurrence
(4) Customers' Accounts	Not Covered	N/A
(5) Erroneous Transfer	Not Covered	N/A
(6) Telephone Toll	Not Covered	N/A
(7) Virus Restoration	Not Covered	N/A
(8) Licensing Violation	Not Covered	N/A
Claim Expenses	\$ 50,000 Per Occurrence (Shared with limit applicable to loss)	
Identity Fraud Expenses	Not Covered	N/A
Crime Premium:	\$ 8,918	

IN WITNESS WHEREOF, the Insurer indicated above has caused this Policy to be signed by its President and Secretary, but this Policy shall not be effective unless also signed by the Insurer's duly authorized representative.

HISCOX INSURANCE COMPANY INC. (A Stock Company)

30 North LaSalle Street, Suite 1760, Chicago, IL 60602
(646) 452-2353



Commercial Crime Insurance Policy

DECLARATIONS

NO FLAT CANCELLATIONS
NON-PAYMENT—REQUEST OF BROKER
OR PREMIUM FINANCE—COMPUTED SHORT RATE

A handwritten signature in black ink, appearing to read "Kevin Kerridge".

President

A handwritten signature in black ink, appearing to read "Jeff Metzger".

Secretary

A handwritten signature in black ink, appearing to read "Kevin Kerridge".

Authorized Representative
Kevin Kerridge
June 17, 2024
Hiscox Inc.



CORVUS

Smart Cyber Insurance TM

Policy

for The Pennsylvania Cyber Charter School

Produced June 13, 2024

Effective 06/30/2024 to 06/30/2025

Corvus Insurance

100 Summer Street, Suite 1175, Boston, MA 02110

www.corvusinsurance.com

CORVUS SMART CYBER INSURANCE POLICY DECLARATIONS

POLICY NUMBER **CYB-108012351-00**

ITEM 1

INSURED

Named Insured:
The Pennsylvania Cyber Charter School

Principal Address:
**65 Midland Ave
Midland, PA 15059**

ITEM 2

POLICY PERIOD

Inception Date: **06/30/2024**
Expiration Date: **06/30/2025**

12:01 a.m. standard time both dates at the Principal Address stated in ITEM 1.

ITEM 3

INSURER

Travelers Excess and Surplus Lines Company (Non-Admitted, AM Best "A++" Superior)

ITEM 4

NOTICE OF CLAIM

Claims submitted by Corvus policyholders are managed and administered by Corvus Insurance Agency, LLC as the authorized claims administrator for Travelers Excess and Surplus Lines Company. To provide notice of Claim, Loss incidents or circumstances to the insurance company, notice must be sent by email to this address: cyberclaimreport@corvusinsurance.com

If you have, or suspect you have, experienced a security breach and need assistance from computer response experts or legal advice in connection with matters such as notice to persons, business partners or regulators, you may call the 24/7 Breach Response Hotline below. A call to the hotline is not notice of a claim to the insurance company. If you call the firm at the Hotline for assistance and if you decide to provide notice to the insurance company (Travelers Excess and Surplus Lines Company), you must send an email providing details to cyberclaimreport@corvusinsurance.com in order to provide notice.

The **24/7 Breach Response Hotline** number is **(855) 248-2150**.

ITEM 5

INSURING AGREEMENTS, LIMITS & RETENTION

Coverage included as of the inception date in ITEM 2.

Third Party Insuring Agreements	Limit of Liability	Retention
<input checked="" type="checkbox"/> A. Network Security and Privacy Liability	\$2,000,000 Each Claim / Aggregate	\$50,000 Each Claim
<input checked="" type="checkbox"/> B. Regulatory Investigations, Fines and Penalties	\$2,000,000 Each Claim / Aggregate	\$50,000 Each Claim
<input checked="" type="checkbox"/> C. Media Liability	\$2,000,000 Each Claim / Aggregate	\$50,000 Each Claim
<input checked="" type="checkbox"/> D. PCI DSS Assessment Expenses	\$2,000,000 Each Claim / Aggregate	\$50,000 Each Claim
<input checked="" type="checkbox"/> E. Breach Management Expenses	\$2,000,000 Each Claim / Aggregate	\$50,000 Each Claim

First Party Insuring Agreements	Limit of Liability	Retention, Waiting Period, & Period of Indemnity
<input checked="" type="checkbox"/> A. Business Interruption	\$2,000,000 Each Loss / Aggregate	Waiting Period: 8 Hours Period of Indemnity: 6 Months
<input checked="" type="checkbox"/> B. Contingent Business Interruption	\$2,000,000 Each Loss / Aggregate	Waiting Period: 8 Hours Period of Indemnity: 6 Months
<input checked="" type="checkbox"/> C. Digital Asset Destruction, Data Retrieval and System Restoration	\$2,000,000 Each Loss / Aggregate	\$50,000 Each Loss
<input checked="" type="checkbox"/> D. System Failure Coverage	\$2,000,000 Each Loss / Aggregate	Waiting Period: 8 Hours Period of Indemnity: 6 Months
<input checked="" type="checkbox"/> E. Social Engineering & Cyber Crime Coverage	\$250,000 Each Loss / Aggregate	\$50,000 Each Loss

First Party Insuring Agreements	Limit of Liability	Retention, Waiting Period, & Period of Indemnity
<input checked="" type="checkbox"/> F. Reputational Loss Coverage	\$2,000,000 Each Loss / Aggregate	Waiting Period: 2 Weeks Period of Indemnity: 6 Months
<input checked="" type="checkbox"/> G. Cyber Extortion and Ransomware Coverage	\$2,000,000 Each Loss / Aggregate	\$50,000 Each Loss
<input checked="" type="checkbox"/> H. Breach Response and Remediation Expenses	\$2,000,000 Each Loss / Aggregate	\$50,000 Each Loss
<input checked="" type="checkbox"/> I. Court Attendance Costs	\$250,000 Each Loss / Aggregate	\$50,000 Each Loss
Policy Aggregate Limit: \$2,000,000		

ITEM 6

PREMIUM

\$68,899
+ \$195 PROVIDER FEE
\$2,066.97 SL TAX
\$20.00 STAMPING FEE

ITEM 7

**EXTENDED
REPORTING PERIOD**

1 year: 100% of the annual policy premium
2 years: 150% of the annual policy premium
3 years: 200% of the annual policy premium

ITEM 8

POLICY FORM

Corvus Smart Cyber Insurance Policy Form Number **CB-101-001**

The Insurer which has issued this insurance is not license by the Pennsylvania Insurance Department and is subject to limited regulation. This insurance is not covered by the Pennsylvania Property and Casualty Insurance Guaranty Association.
Placed by: Hull & Company LLC
220 Gibraltar Road, Suite 100
Horsham, PA 19044

**NO FLAT CANCELLATIONS
NON-PAYMENT—REQUEST OF BROKER
OR PREMIUM FINANCE—COMPUTED SHORT RATE**

ITEM 9

ENDORSEMENTS

Endorsements	Limit
CB-107-002 Bodily Injury Claims	\$250,000
CB-126-002 Bricking	\$2,000,000
CB-194-001 California Consumer Privacy Act	
CB-288-001 Corvus Signal Endorsement	
CB-123-001 Criminal Reward Expenses	\$50,000
CB-163-001 Dependent System Failure	
CB-136-001 Forensic Accounting Coverage	\$50,000
CB-111-003 GDPR Coverage	
CB-133-001 Invoice Manipulation Loss	\$250,000
CB-128-001 Loss of Funds Exclusion Carveback	
CB-200-001 Policyholder Disclosure Notice of Terrorism Insurance Coverage Option Endorsement	
CB-158-001 Preventative Shutdown Coverage	
CB-113-001 Reliance	
CB-274-003 Smart Cyber Insurance Amendatory Endorsement	
CB-120-001 Solicitation Claims	\$50,000
CB-159-001 Utility Fraud Coverage	\$250,000
CB-167-001 War Exclusion Cyber Terrorism Carveback	

Notice to Policyholders

Coverage under this **Policy** is provided on a claims made and reported basis. This Policy applies only to **Claims** first made against the **Insured** during the **Policy Period** and reported in writing or by electronic notice to the **Company** during the **Policy Period** or Extended Reporting Period, if applicable, or to **Loss** first discovered by the **Insured** and notified in writing or by electronic notice to the **Company** during the **Policy Period** or Extended Reporting Period, if applicable, and subject to all other terms.

Any obligation or payment owed by the **Company** shall in every case be subject to the Limits of Liability as stated in the Policy Declarations. **Defense Expenses** shall reduce the applicable Limits of Liability, subject to any applicable **Retention**, and may completely exhaust the Maximum Policy Aggregate Limit of Liability. This **Policy** only affords coverage under those Insuring Agreements below that are indicated as purchased in Item 5 of the Policy Declarations.

Please review the coverage afforded under this **Policy** carefully, and discuss it with your insurance agent or broker.

CORVUS SMART CYBER INSURANCE

In consideration of the payment of premium, reliance upon the **Application**, and subject to all terms of this Policy, the **Company** agrees to indemnify the **Insured** in excess of the **Retention** or after the expiration of the **Waiting Period**, as indicated in Item 5 of the Policy Declarations, for:

THIRD PARTY INSURING AGREEMENTS

I. Amounts which the **Insured** is legally obligated to pay as a direct result of a **Claim** first made against the **Insured** during the **Policy Period**, and reported in writing or by electronic notice to the **Company** during the **Policy Period** or Extended Reporting Period, if applicable, for:

A. **Network Security and Privacy Liability**

Damages and Defense Expenses which the **Insured** is legally obligated to pay as a result of a **Claim** arising from a **Security Breach** or **Privacy Breach**.

B. **Regulatory Investigations, Fines, and Penalties**

Regulatory Fines and Penalties and Defense Expenses which the **Insured** is legally obligated to pay as a result of a **Claim** arising from a **Security Breach** or **Privacy Breach**.

C. **Media Liability**

Damages and Defense Expenses which the **Insured** is legally obligated to pay as a result of a **Claim** arising from **Media Activities**.

D. **PCI DSS Assessment Expenses**

PCI DSS Assessment Expenses and Defense Expenses which the **Insured** is legally obligated to pay as a result of a **Claim** arising from a **Security Breach** or **Privacy Breach**.

E. **Breach Management Expenses**

Breach Management and Incident Response Expenses which the **Insured** has contractually indemnified a **Third Party** for a **Security Breach** or **Privacy Breach** when the **Insured** has a legal obligation to notify affected individuals.

FIRST PARTY INSURING AGREEMENTS

II. **Loss**, first discovered by the **Control Group** during the **Policy Period** and reported in writing or by electronic notice to the **Company** during the **Policy Period** or Extended Reporting Period, if applicable, for:

A. **Business Interruption**

Business Income Loss and **Extra Expenses** incurred during the **Interruption Period** directly as a result of the total, or partial, or intermittent interruption or degradation in service of an **Insured's Computer System** caused directly by a **Privacy Breach, Security Breach, Administrative Error** or **Power Failure**.

B. **Contingent Business Interruption**

Business Income Loss and **Extra Expenses** incurred during the **Interruption Period** caused directly as a result of the total, partial, or intermittent interruption or degradation in service of the **Computer System** of an **Outsourced**

Service Provider caused directly by a **Privacy Breach, Security Breach, or Administrative Error** at that **Outsourced Service Provider**.

C. Digital Asset Destruction, Data Retrieval and System Restoration

Digital Asset Loss and Related Expenses incurred as a direct and necessary result of a **Privacy Breach, Security Breach or Administrative Error**.

D. System Failure Coverage

Business Income Loss, Extra Expenses, and Digital Asset Loss incurred during the **Interruption Period** directly as a result of an unintentional or unplanned outage caused by **Administrative Error, Unintentional Damage or Destruction, or Computer Crime and Computer Attacks**.

E. Social Engineering and Cyber Crime Coverage

Financial Fraud Loss, Telecommunications Fraud Loss, Phishing Attack Loss, theft of Funds Held in Escrow, or theft of Personal Funds incurred directly as a result of **Financial Fraud, Telecommunications Fraud, or Phishing Attack**.

F. Reputational Loss Coverage

Reputational Loss incurred during the **Interruption Period** as a direct result of a **Media Event** arising from a **Privacy Breach, Security Breach, Cyber Extortion Threat, or Phishing Attack**.

G. Cyber Extortion and Ransomware Coverage

Extortion Expenses and Extortion Payment incurred directly as a result of a **Cyber Extortion Threat**.

H. Breach Response and Remediation Expenses

Breach Management and Incident Response Expenses incurred directly as a result of a **Privacy Breach or Security Breach**.

I. Court Attendance Costs

Expenses incurred to attend court for any tribunal, arbitration, adjudication, mediation or other hearing in connection with any **Claim** for which the **Insured** is entitled to indemnity under this policy.

DYNAMIC LOSS PREVENTION SERVICES

III. Consultative and support services requested by the **Insured** prior to notifying the **Company** of a potential **Loss** or **Claim**, including:

A. IT Security Assessments

The **Insured** shall have access to network security assessments and recommendations provided by the **Company's** data provider throughout the **Policy Period**. The **Insured** may request assessments as frequently as once every fourteen (14) business days.

B. Pre-Claim Support Services

If the **Company** is provided with notice of a potential **Loss** or of a **Claim** that is not yet a **Loss** or **Claim** under this

policy and the **Insured** requests the Company's assistance to mitigate against such a **Claim** or Loss, the **Company** may agree to pay for up to \$1,000,000 in Breach Management and Incident Response Expenses. Any such fees must be incurred with the **Company's** prior written consent by an attorney or consultant we have mutually agreed upon. Such attorney's and consultant's fees will be considered **Claim** expenses or Loss and will be subject to the Limits of Liability that would be applicable if a covered **Claim** is made and is also subject to the Policy's Aggregate Limit of Liability.

EXCLUSIONS

IV. The **Company** shall not be liable for any **Claim, Damages, Defense Expenses** or **Loss** based upon, arising out of, or in any way attributable to:

1. Prior Knowledge or Notification

Any act, fact, error, omission, event, incident, occurrence, claim or circumstance that could reasonably be expected to give rise to a **Claim** or **Loss** when such act, fact, error, omission, event, incident, occurrence, claim or circumstance was known prior to the Inception Date of this **Policy** by any member of the **Control Group**;

2. Deliberate Acts

The **Insured's** willful deliberate, malicious, fraudulent, dishonest, or criminal act or violation of law with the knowledge, connivance or acquiescence of any member of the **Control Group**; however, this exclusion shall not apply to **Defense Expenses** incurred in defending any such **Claim** until such time that there is final adjudication establishing such conduct, at which time the **Insured** shall reimburse the **Company** for all **Defense Expenses** incurred. Facts, or knowledge possessed by the **Control Group** regarding the foregoing conduct shall be imputed to other **Insureds**;

3. Insured. vs Insured

Any **Claim** made by or on behalf of an **Insured** against another **Insured**. This exclusion shall not apply to any **Claim** brought by an **Employee** outside of the **Control Group** as a result of a **Privacy Breach** or **Security Breach**;

4. Bodily Injury

Physical injury, sickness, disease, or death sustained by any individual and, where resulting from such physical injury only, mental anguish, mental injury, shock or emotional distress;

5. Property Damage

Physical Injury to, or impairment, destruction or corruption of, any tangible property, including personal property in the care, custody or control of the **Insured**. **Data** and **Digital Assets** are not tangible property;

6. Employment Practices

Any employer-employee relations, policies, practices, acts or omissions, any actual or alleged refusal to employ any persons or any misconduct, including physical or sexual, with respect to **Employees**, including negligent employment, investigation, supervision, hiring, training or retention of any **Employee, Insured** or person for whom the **Insured** is legally responsible. However, this exclusion does not apply to a **Privacy Breach**;

7. Breach of Contract

Any breach of any express, implied, actual or constructive contract, warranty, guarantee or promise. This exclusion does not apply to:

- a. Any liability or obligation an **Insured** would have had in the absence of such contract, warranty, guarantee or promise and which would have been insured by this Policy;
- b. A breach of the **Insured's** privacy policy; or
- c. An otherwise covered **Claim** under Insuring Agreement I. D. PCI DSS Assessment Expenses;

8. Description of Price of Goods

Actual or alleged inaccurate, inadequate or incomplete description of the price of goods, products, or services, including cost guarantees, cost representations, contract price, or cost estimates being exceeded;

9. Discrimination

Any actual or alleged discrimination of any kind, including but not limited to age, color, race, gender, religion, creed, national origin, marital status, sexual orientation, sexual preference, disability, financial condition, or pregnancy, including violations of civil rights or discrimination or retaliatory conduct of any kind;

10. Government Intervention

Non-discriminatory measures of a government taken in the public interest for the purposes of ensuring public safety, raising revenues, protecting the environment or regulating economic activities;

11. Patent Infringement

The actual or alleged:

- a. Infringement of any patent or patent rights or misuse or abuse of a patent; or
- b. The misappropriation, theft, copying, display or publication of any trade secret, unless arising out of a Privacy Breach or Security Breach;

12. Bankruptcy

The insolvency, liquidation or bankruptcy of any person or entity, including any **Insured** to the extent permitted by law, or the failure, inability or unwillingness of any person or entity or **Insured** to make payments or perform obligations or conduct business because of insolvency, liquidation, or bankruptcy; However, the **Insured's** insolvency will not relieve the **Company** of any legal obligation under this contract of insurance where this insolvency does not give rise to a claim under this policy;

13. Loss of Funds

- a. Loss, decrease in value or theft of securities or currency;
- b. Trading losses, liabilities or changes in trading account value; or
- c. The value of electronic funds, money, securities or wire transfer;

14. Force Majeure

Any loss incurred as a result of a natural disaster, including fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail or any other natural physical event however caused;

15. Payment Card Industry

The failure by the **Insured** to comply with or follow the Payment Card Industry Data Security Standards, Merchant Services Agreements or any Payment Card Company rules, or the failure to implement, maintain or comply with any payment card industry security measures or standards. However, this exclusion does not apply to Insuring Agreement I.D. PCI DSS Assessment Expenses;

16. Pollutants

Any actual or alleged or threatened presence, discharge, dispersal, release, escape or failure to detect pollutants or solid, liquid, gaseous or thermal irritant or contaminant of any kind, including smoke, vapor, soot, fumes, other air emission, acids, toxic chemicals, alkalis, mold, spores, fungi germs, odor, waste, water, oil or oil product, infectious or medical waste, asbestos or asbestos product, lead or lead product, noise, and electric, magnetic, or electromagnetic field chemicals, or waste (including waste material to be recycled, reconditioned, or reclaimed), whether or not such presence, discharge, dispersal, release, escape or failure to detect results from the **Insured's** activities or the activities of others of whether such presence happened suddenly, gradually, accidentally or intentionally. This exclusion shall not apply to an otherwise covered claim under Insuring Agreement I. A. Security and Privacy Liability and I. B. Regulatory Investigations, Fines, and Penalties;

17. Satellite, Electrical or Mechanical Failures

Satellite failures; electrical or mechanical failures including spike, brownout or blackout; failures of overhead or subterranean transmission and distribution lines; or outage to utility infrastructure, including gas, water, telecommunications, telephone, internet, or cable, unless such infrastructure is under the **Insured's** direct operational control;

18. Specific Legislation

- a. The actual or alleged purchase, sale, or offer of, or solicitation of an offer to purchase or sell securities, or violations of any securities law including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes Oxley Act of 2002, including "Blue Sky" laws;
- b. The actual or alleged violation of the Organized Crime Control Act of 1970 (RICO);
- c. The actual or alleged government enforcement of any state or federal law or regulation including law or regulations promulgated by the United States Federal Trade Commission, Federal Communications Commission, or the Securities and Commission Exchange; however, this exclusion does not apply to Insuring Agreement II. B. Regulatory Investigations, Fines, and Penalties;
- d. Any breach or alleged breach of any workers' compensation, unemployment compensation, disability benefits or similar laws, including the Federal Employers Liability Act, the Fair Labor Standards Act of 1938, the National

Labor Relations Act, the Worker Adjustment and Retraining Act of 1988, the Certified Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act of 1970;

- e. Any violation of any pension, healthcare, welfare, profit sharing, mutual or investment plans, funds, or trusts; or any violation of any provision of the Employee Retirement Income Security Act of 1974 and/or the Pension Protection Act of 2006;
- f. The violation of, or the exposure of the **Insured** or **Company** to, any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, UK, or USA;
- g. The Telephone Consumer Protection Act of 1991 or CAN-SPAM Act of 2003 or any similar state or federal statute, law, regulation or rule with regard to unsolicited distribution of email, text messages, direct mail, facsimiles, spam, actual or alleged wiretapping, audio or video recording, or telemarketing;

19. Terrorism

Any act of terrorism, except for a terrorist event perpetrated by electronic or internet based applications or means;

20. Unauthorized Trading

Any and all trading by an **Insured**, including trade that at the time of the trade is:

- a. In excess of permitted financial limits; or
- b. Outside of permitted product lines;

21. Anti-Trust Laws and Unfair Competition

Any actual or alleged violation of any anti-trust statute, legislation or regulation including the Sherman Anti-Trust Act, the Clayton Act or any similar provisions of any federal, state or local statutory law or common law; or unfair competition, price fixing, deceptive trade practices;

22. Use of Illegal or Unlicensed Programs

Use of illegal or unlicensed programs or software;

23. War

Confiscation, nationalization, requisition, strikes, labor strikes or similar labor actions; war, invasion, or warlike operations, civil war, mutiny, rebellion, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military coup or usurped power;

24. Radioactive Contamination, Chemical, Biological, Biochemical and Electromagnetic

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to, by, or arising from:

- a. Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste;
- b. The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

- c. Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- d. The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter;
- e. Any chemical, biological, bio-chemical or electromagnetic weapon;

DEFINITIONS

Administrative Error

An error or omission by an **Employee** or member of the **Control Group** in the input, processing or output of the **Insured's Digital Assets** of the **Insured's Computer System** operation or maintenance; With respect to Insuring Agreement II. B. Contingent Business Interruption, **Administrative Error** includes error or omission by an employee of an Outsourced Service Provider in the input, processing or output of the **Insured's Digital Assets** or the **Outsourced Service Provider's Computer System** operation or maintenance.

Application

All information provided by or on behalf of the **Insured** to the **Company** as part of any request for this **Policy**, including any supplemental information submitted therewith; All of the above are deemed attached to, material and incorporated into this **Policy**;

Breach Management and Incident Response Expenses

- a. Costs of an external IT security expert to determine the cause, scope and extent of the **Privacy Breach** or **Security Breach** or any immediate actions necessary to mitigate ongoing harm to the **Insured's Computer System**;
- b. Costs and expenses of a legal firm to determine any actions necessary to comply with **Privacy Regulations**;
- c. Notification costs and related expenses to notify:
 - I. Individuals who are required to be notified in compliance with **Privacy Regulations** mandating notifications; or
 - II. Any individual affected by the actual or suspected cyber event or to send email notices or issue substitute notices;
 - III. Costs of setting up a telephone call center in order to support notified individuals and to provide credit file monitoring services and/or identity theft assistance;
- d. **Crisis Management Expenses**;
- e. Costs to provide credit monitoring services, identity monitoring services, identity restoration services or identity theft insurance to affected individuals for up to 24 months.
- f. Access to **Company's** 24/7 Cyber Incident Response Hotline;
- g. Costs to obtain initial report support and assistance from the **Company**;

- h. Costs to conduct a forensic investigation of the **Insured's Computer System** where reasonable and necessary or as required by law or a regulatory body (including a requirement for a PCI Forensic Investigator);
- i. Costs to contain and remove any malware discovered on the **Insured's Computer Systems**;
- j. Costs to complete an information security risk assessment;
- k. Costs to conduct an information security gap analysis;

Business Income Loss

- a. The net profit before income taxes that the **Insured** is prevented from earning during the **Interruption Period**; and
- b. Normal operating expenses incurred by the **Insured** (including payroll), but solely to the extent that such operating expenses must continue during the **Interruption Period** and would have been incurred had there been no interruption or degradation in service;

Business Income Loss does not include any:

- I. Contractual penalties;
- II. Costs or expenses incurred to update, restore, replace or improve a **Computer System** to a level beyond that which existed just before the Interruption of Service;
- III. Expenses incurred to identify or remediate software program errors or vulnerabilities;
- IV. Legal costs or expenses;
- V. Loss arising out of liability to any third party;
- VI. Other consequential loss or damage; or
- VII. Extra Expenses;

'**Business Income Loss**', as used in item a. Shall mean:

- a. For manufacturing operations, the net sales value of production less the cost of all raw stock, materials and supplies used in such production;

Claim

The following, when first received in writing or by electronic notice by any **Insured** during the **Policy Period** or, if applicable, an Extended Reporting Period.

- a. A notice of an intention to hold the **Insured** responsible for **Damages**, including the service of legal proceedings, the institution of arbitration or mediation, or a written request to toll or waive a statute of limitations against any of the **Insureds**;

- b. A request for information, civil investigative demand, formal civic administrative proceeding or formal regulatory action only to the extent covered by Insuring Agreement I. B. Regulatory Investigations, Fines, and Penalties;
- c. A demand for **PCI DSS Assessment Expenses** only to the extent covered by Insuring Agreement I. D. PCI DSS Assessment Expenses.

First receipt by any **Insured** is deemed to be first receipt by all **Insureds**.

Company

The Insurer listed under Item 3 of the Policy Declarations.

Computer Crime and Computer Attacks

An unintentional or negligent act, error or omission by an **Insured**, or an **Outsourced Service Provider** in the operation of an **Insured's Computer System** or in the handling of **Digital Assets**, which fails to prevent or hinder attacks on an **Insured's Computer System**, including, but not limited to **Denial of Service** attacks, unauthorized access, infection of malicious computer code, unauthorized use or an act of cyber terrorism.

Computer System

A system of interconnected hardware and peripherals, and associated software, including Internet of Things (IoT) devices, systems and application software, terminal devices, related communication networks, mobile devices, storage and back-up devices, operated by the **Insured** or an **Outsourced Service Provider**; With respect to Insuring Agreement II. A. Business Interruption, a **Computer System** will not include devices, systems, software, or networks operated by an **Outsourced Service Provider**;

Control Group

Any of the Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Operating Officer, Chief Information Security Officer, Chief Legal Officer/General Counsel, Risk Manager or the functional equivalent of any of those positions;

Crisis Management Expenses

Expense reasonably incurred by the **Insured** and approved in writing in advance by the **Company** for the employment of a public relations consultant if the **Insured** reasonably considers that action is needed in order to avert or mitigate a **Business Income Loss** or **Media Event**;

Cyber Extortion Threat

A credible threat or series of credible threats, that includes a demand for **Extortion Payment**, to:

- a. Release, disseminate, destroy or corrupt the **Insured's Digital Assets**;
- b. Introduce **Malicious Code** into the **Insured's Computer System**;
- c. Corrupt, damage or destroy the **Insured's Computer System**;

- d. Electronically communicate with the **Insured's** customers and falsely claim to be the **Insured** or to be acting under the **Insured's** direction in order to falsely obtain personal confidential information of the **Named Insured's** customers (also known as "pharming," "phishing," or other types of false communications); or
- e. Restrict or hinder access to the **Insured's Computer System**, including the threat of a criminal or malicious **Denial of Service**;

Damages

The amount an **Insured** is legally obligated to pay in respect of: a **Claim**, including a monetary judgement, award or settlement, interest and a claimant's legal costs; punitive and exemplary damages, to the extent such damages are insurable under the law pursuant to which this **Policy** is construed; **Regulatory Fines and Penalties** only to the extent covered by Insuring Agreement I. B. Regulatory Investigations, Fines, and Penalties; and PCI DSS Assessment Expenses only to the extent covered by Insuring Agreement I. D.; **Damages** shall not include:

- a. Future profits or royalties, restitution, or disgorgement of the **Insured's** profits;
- b. The cost of complying with orders granting injunctive or non-monetary relief, including specific performance, or any agreement to provide such relief;
- c. Loss of the **Insured's** fees or profits, return or offset of the **Insured's** fees or charges (invoiced or not), or the **Insured's** commissions or royalties provided or contracted to be provided;
- d. Fines, taxes or loss of tax benefits, sanctions unless covered under Insuring Agreement I.B. Regulatory Investigations, Fines, and Penalties and unless covered under Insuring Agreement I.D. Payment Card Industry Fines, Assessments and Expenses;
- e. Liquidated damages to the extent that such damages exceed the amount for which the **Insured** would have been liable in the absence of such liquidated damages agreement, unless covered under Coverage I.D. Payment Card Industry Fines, Assessments and Expenses;
- f. Any amount which the **Insured** is not legally obligated to pay; and
- g. Amounts which are uninsurable under the law pursuant to which this **Policy** is construed;

Data

Information represented, transmitted or stored electronically, or digitally including code, or a series of instructions, operation systems program, software and firmware;

Defense Expenses

Reasonable and necessary: fees charged by an attorney to defend a **Claim**, and costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim** incurred with the **Company's** prior written consent, or such fees and costs incurred by an attorney from the Pre-Approved Vendors specified on the Policy Declarations;

Denial of Service

Unauthorized interference or malicious attack that restricts or prevents access to the **Insured's Computer System** for entities authorized to gain access;

Digital Asset Loss

Expenses incurred to restore, recreate, or replace **Digital Assets** or **Computer Systems** directly impacted by a **Privacy Breach** or **Security Breach**. If it is determined that **Digital Assets** or a **Computer System** cannot be restored, recreated, or replaced, the **Company** will only reimburse the **Insured's** losses or expenses incurred up to the date of such determination;

Digital Assets

The **Insured's** digital files including **Data**, computer programs, electronic documents and audio content stored by the **Insured's Computer System**;

E-Media

Hard drives, CD ROMs, magnetic tapes, magnetic discs or any other media on which electronic **Data** is stored;

Employee

Any individual whose labor or service is engaged by and directed by the **Insured**, including volunteers and part-time, seasonal, temporary or leased workers, and independent contractors;

Extra Expenses

Reasonable and necessary extra costs incurred by the **Insured** to temporarily continue as nearly normal as practicable in the conduct of the **Insured's** business during the **Interruption Period**, less any value remaining at the end of the **Interruption Period** for property or services obtained in connection with such costs; "Normal" shall mean the condition that would have existed had no **Privacy Breach**, **Security Breach**, **Administrative Error** or **Power Failure** occurred;

Extortion Expenses

Reasonable and necessary expenses incurred to avoid a **Privacy Breach**, **Security Breach** or the disruption failure of the **Insured's Computer System**, resulting directly from a **Cyber Extortion Threat**;

Extortion Payment

The payment of a ransom demand to avoid a **Privacy Breach**, **Security Breach** or the disruption or failure of the **Insured's Computer System**, resulting directly from a **Cyber Extortion Threat**. The **Insured** must report any payments to legal or federal law enforcement authorities.

Financial Fraud

- a. An intentional, unauthorized and fraudulent written, electronic or telephonic instruction transmitted to a financial institution, directing such institution to debit the **Insured's** account and to transfer, pay or deliver money or securities from the **Insured's** account, which instruction purports to have been transmitted by the **Insured**, an **Executive**, or an **Employee**, but was in fact fraudulently transmitted by a **Third Party** without the **Insured's** knowledge or consent; or

- b. An intentional, unauthorized and fraudulent written, electronic or telephonic instruction transmitted to a financial institution by an **Executive** or **Employee** as a result of that **Executive** or **Employee** receiving intentional, misleading or deceptive telephonic or electronic communications from a **Third Party** falsely purporting to be the **Insured** or the **Insured's** client, vendor, **Executive** or **Employee**, and which directs the financial institution to debit the **Insured's** account and to transfer, pay or deliver money or securities from the **Insured's** account; or
- c. The theft of money or securities from the **Insured's** bank account or corporate credit cards by electronic means;

Financial Fraud Loss

Insured's loss of money, securities, or **Specified Property** which is directly caused by **Financial Fraud**;

Financial Fraud Loss does not include any amounts reimbursed to the **Insured** by any financial institution;

Funds Held In Escrow

Money or securities belonging to a **Third Party**;

Insured

- a. The entity specified in Item 1 of the Policy Declarations;
- b. Any **Subsidiary** but only during the time period such qualifies as a **Subsidiary**;
- c. Any past, present or future officer, director, trustee, court-appointed receiver, or **Employee** of any of (a) and (b) above, but only while acting solely within the scope of their duties as such;
- d. Any general or managing partner, principal, stockholder, or owner of any of (a) and (b) above, but only while acting solely within the scope of their duties as such;
- e. Any legal entity required by contract to be named as an **Insured** under this **Policy** if agreed in advance and in writing by the **Company**, but only for the acts of any above parties (a) through (d), as detailed under the Insuring Agreements purchased;
- f. Any agent or independent contractor, including distributors, licensees, and sublicensees, but only while acting on behalf of, at the direction of, or under the control of any party of (a) through (e) above; however, not including any **Outsourced Service Provider**;

Interruption Period

Under Insuring Agreement II. A. Business Interruption, Insuring Agreement II. B. Contingent Business Interruption, and Insuring Agreement II. D. System Failure, the period of time that commences when the partial or complete interruption, degradation or failure of the **Computer System** begins, and ends on the earlier of:

- a. The date of full system restoration of the **Computer System** plus up to 30 days thereafter if necessary to allow for restoration of the **Insured's** business; or
- b. The maximum Period of Indemnity as stated in Item 5 of the Policy Declarations;

Under Insuring Agreement II. D. Reputational Loss, the period of time that commences on the date of the earliest **Media Event** and ends after the maximum indemnity period as stated in Item 5 of the Policy Declarations;

Loss

Breach Management and Incident Response Expenses, Crisis Management Expenses, Digital Asset Loss, Extortion Expenses, Extra Expenses, Extortion Payment, Business Income Loss, Financial Fraud Loss, Phishing Attack Loss, Related Expenses, Telecommunications Fraud Loss, and theft of Funds Held In Escrow;

Malicious Code

Software intentionally designed to damage **Digital Assets** or a **Computer System** by a variety of forms including, but not limited to, virus, worms, Trojan horses, spyware, dishonest adware, ransomware and crimeware;

Media Activities

The release or display of any **Media Material** that is under the direct sole control of the **Insured** and directly results in any of the following:

- a. Defamation, libel, slander, product disparagement or trade libel;
- b. Infringement, interference, or invasion of an individual's right or privacy or publicity, including false light, intrusion upon seclusion, commercial misappropriation of likeness, and public disclosure of private facts;
- c. Plagiarism, piracy, or misappropriation of ideas under an implied contract;
- d. Infringement of copyright, trademark, trade name, trade dress, title, slogan, service mark or service names; or
- e. Domain name infringement or improper deep-linking or framing;

Media Event

A report in the media of a **Privacy Breach** or **Security Breach** including via newspapers, radio, television, internet, blogging, and social media that has an adverse impact on the **Insured's** business or reputation;

Media Material

Communicative material of any kind or nature for which the **Insured** is responsible, including, but not limited to, words, pictures, sounds, images, graphics, code and **Data**, regardless of the method or medium of communication of such material or the purpose for which the communication is intended. **Media Material** does not include any tangible goods or products that are manufactured, produced, processed, prepared, assembled, packaged, labeled, sold, handled or distributed by the **Insured** or others trading under the **Insured's** name;

Named Insured

The entity listed in Item 1 of the Policy Declarations;

Outsourced Service Provider

An independent service provider that provides information technology services or business processing outsourcing services, including, but not limited to hosting, security management, colocation, call center services, fulfillment services, logistical support, and data storage, for the benefit of the **Insured** under a written contract with the **Insured**;

Personal Funds

Money, securities, or financial assets from a personal bank account belonging to the **Control Group**;

PCI-DSS Assessment Expenses

Payment Card Industry forensic investigation costs, fines or penalties, assessments, including fraud loss recoveries and card replacement costs, and administrative costs that the **Insured** is legally obligated to pay under the terms of a Merchant Services Agreement as a result of the **Insured's** actual or alleged non-compliance with Payment Card Industry Data Security Standards. **PCI DSS Assessment Expenses** does not include any ongoing obligation or audit following the imposition of an assessment, fine or penalty;

Phishing Attack

The use of fraudulent electronic communications or malicious websites to impersonate the **Insured**, the **Insured's** brand, or any of the **Insured's** products or services, in order to solicit **Protected Personal Information**;

Phishing Attack Loss

- a. Expenses the **Insured** incurs, with the **Company's** prior written consent, to create and issue a specific press release or to establish a specific website to advise the **Insured's** customers and prospective customers of a **Phishing Attack**; and
- b. The cost of reimbursing the **Insured's** existing customers for their losses arising directly from a **Phishing Attack**;
- c. The cost of reimbursing the **Insured's** existing customers for their financial loss arising directly from the fraudulent communications;
- d. **Insured's** direct loss of profits for 120 days following the **Insured's** discovery of the fraudulent communications as a direct result of the fraudulent communications;
- e. External costs associated with the removal of websites designed to impersonate the **Insured**;

Policy or Insurance

This contract of insurance including the **Application**, any Declarations, and any endorsements or variations, all material to and forming part hereof;

Policy Period

The period of time between the Inception Date and Time and the Expiration Date and Time specified in Item 2 of the Policy Declarations unless terminated earlier, and specifically excluding any Extended Reporting Period;

Power Failure

Failure in electrical power supply caused by a **Security Breach**, but only where such power is under the direct operational control of the **Insured** or the equipment necessary to supply the power is under the direct operational control of the **Insured**;

Privacy Breach

- a. A breach of confidentiality, or infringement or violation of any right to privacy, or a breach of the **Named Insured's** privacy policy or of **Privacy Regulations**; or
- b. An accidental release, unauthorized disclosure, loss, theft or misappropriation of **Protected Personal Information** or confidential corporate information in the care, custody or control of an **Insured Entity** or **Outsourced Service Provider**;

Privacy Regulations

Statutes, laws and regulations associated with the confidentiality, access, controls and use of personally identifiable, non-public information, including:

- a. Health Insurance Portability and Accountability Act of 1996 (Public Law 104- 191);
- b. Gramm-Leach-Bliley Act of 1999, also known as the Financial Services Modernization Act of 1999;
- c. State and federal statutes and regulations regarding the security and privacy of consumer information;
- d. Governmental privacy protection regulations, statutes, or laws associated with the control and use of personal information;
- e. Privacy provisions of consumer protection laws, including the Federal Fair Credit Reporting Act;
- f. Children's Online Privacy Protection Act;
- g. The EU Data Protection Act or other similar privacy laws worldwide;

Protected Personal Information

With respect to natural persons, any private, non-public information of any kind in an **Insured's** care, custody, or control, regardless of the nature or form of such information, including but not limited to the following, but only if such information allows an individual to be uniquely identified:

- a. Social security number;
- b. Medical service or healthcare data;
- c. Driver's license or state identification number;
- d. Equivalents of any of the information listed in a.-c. above;
- e. Account, credit card, or debit card number, alone or in combination with any information that permits access to an individual's financial information, including, but not limit to, security or access code or password; and
- f. Other-non-public information to the extent prescribed under **Privacy Regulations**;

However, **Protected Personal Information** does not mean publicly available information that is lawfully in the public domain or information available to the general public from government records;

Regulatory Fines and Penalties

Civil fines, monetary penalties payable or a monetary amount which the **Insured** is legally obligated to deposit in a fund as equitable relief as imposed by a governmental agency or regulatory authority as a result of a breach of the **Privacy Regulations**;

Related Expenses

Reasonable and necessary costs and expenses the **Insured** incurs to:

- a. Prevent, preserve, minimize, or mitigate any further damage to **Digital Assets**, including the reasonable and necessary fees and expenses of specialists, outside consultants or forensic experts;
- b. Preserve critical evidence of any criminal or malicious wrongdoing;
- c. Purchase replacement licenses for computer programs because the copy protection system or access control software was damaged or destroyed by a **Loss**; or
- d. Notify affected individuals of a total or partial interruption, degradation in service, or failure of an **Insured's Computer System** resulting from a **Loss**;

Reputational Loss

Provable and determinable **Business Income Loss** during the **Interruption Period**;

Reputational Loss shall not mean, and no coverage shall be available for, any of the following:

- a. Loss arising out of any liability to a **Third Party**;
- b. Legal costs or legal expenses of any type;
- c. Loss incurred as a result of unfavorable business conditions, loss of market or any other consequential loss;
- d. Loss, liability, or expense incurred in connection with a **Media Event** that also affects or refers in similar terms to a general security issue, an industry, or the **Insured's** specific competitors without any specific allegations regarding a **Security Breach, Privacy Breach, Extortion Threat, or Phishing Attack** committed by an **Insured**, or by others acting on your behalf, for whom you are legally responsible, including **Outsourced Service Providers**;
- e. Costs or expenses the **Insured** incurs to identify, investigate, respond to or remediate a **Privacy Breach, Security Breach, Extortion Threat or Phishing Attack**;

Retention

The figures specified in Item 5 of the Policy Declarations that is payable by the **Insured** in respect of every **Claim and Loss**;

Security Breach

- a. The use of the **Computer System** by an unauthorized person or persons, or by an authorized person in an unauthorized manner, including social engineering techniques;
- b. A **Denial of Service** attack or DDoS attack;

- c. Transmission of **Malicious Code**;
- d. The failure to prevent or hinder participation in a **Denial of Service** attack from a **Computer System**;

A series of continuing **Security Breaches**, or related or repeated **Security Breaches** arising from the same sequence of events, shall be considered a single **Security Breach** and be deemed to have occurred at the time of the first such **Security Breach**;

Specified Property

Any tangible property, other than money or securities, which has intrinsic value;

Subsidiary

Any corporation, limited liability company, or partnership while more than 50% of the outstanding voting securities or shares that represent the present right to vote for the election or appointment or designation of such entity's directors, managers or equivalent are directly owned or controlled by the **Insured**; or any joint venture while the **Named Insured** has managerial control, or while it has the right to elect or designate or otherwise appoint or directly control the appointment of more than 50% of such entity's directors, trustees, managers or equivalent;

Telecommunications Fraud

The intentional, unauthorized and fraudulent gaining of access to outgoing telephone service through infiltration and manipulation of an **Insured Telecommunications System**;

Telecommunications Fraud Loss

Charges the **Insured** incurs for unauthorized calls directly resulting from **Telecommunications Fraud**;

Telecommunications Systems

Any telephone network or system that the **Insured** owns, rents, licenses, or borrows.

Third Party

Any person who is not an **Employee** or any legal entity that is not the **Insured**.

Unintentional Damage or Destruction

- a. Accidental physical damage to, or destruction of, **E-Media** so that stored **Digital Assets** are no longer machine-readable; Accidental damage to, or destruction of, computer hardware so that stored **Data** is no longer machine-readable;
- b. Failure in power supply or under/over voltage, but only if such power supply, including back-up generators, is under the **Insured's** direct operational control;
- c. Electrostatic build-up and static electricity.

Waiting Period

Under Insuring Agreement II. A. Business Interruption and Insuring Agreement II. B. Contingent Business Interruption, the period of time that commences when the partial or complete interruption, degradation or failure of the **Computer**

System begins, and expires after the number of hours specified in Item 5 of the Policy Declarations. Under Insuring Agreement II. F. Reputational Loss, the period of time that commences when the **Media Event** occurs and expires after the number of hours specified in Item 5 of the Policy Declarations. **Business Income Loss** incurred during the **Waiting Period** is uninsured.

CLAIMS CONDITIONS

1. Subrogation

If any payment is made under this **Policy**, the **Insured** shall maintain all rights of recovery against any **Third Party**. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights, and shall do nothing to prejudice such rights. Any recoveries shall be applied first in payment of the **Company's** subrogation expenses, secondly to **Loss, Damages, Defense Expenses**, or any other amounts paid by the **Company**, thirdly to any uninsured amount, and lastly to the **Retention**. Any additional amounts recovered shall be paid to the **Insured**.

2. Notice of Claim, Loss or Circumstance

- a. If, during the **Policy Period**, the **Control Group** becomes aware of a **Claim** or **Loss**, the **Insured** must forward details to the **Company** as soon as practicable during the **Policy Period** or the Extended Reporting Period, if applicable. Notice must be provided through the contacts listed in Item 4 of the Policy Declarations. The **Insured** must report a **Claim** or **Loss** regardless of whether the **Claim** or **Loss** arises out of any previously reported incident, circumstances, acts, errors or omissions, or related **Claim** or **Loss**.
- b. If during the **Policy Period**, the **Control Group** becomes aware of any incidents, circumstances, acts, errors or omissions that could reasonably result in a **Claim** or **Loss**, the **Insured** must forward details to the **Company** as soon as practicable during the **Policy Period**. Notice must be provided through the contacts listed in Item 4 of the Policy Declarations. Any **Claim** or **Loss** arising out of such reported incidents, circumstances, acts, errors or omissions will be deemed to have been made or incurred when the **Company** first received notice complying with this paragraph.
- c. Any **Loss, Claim** or incidents, circumstances, acts, errors or omissions that could reasonably result in **Loss** or a **Claim** shall be considered properly reported to the **Company** when notice is provided through the contacts listed in Item 4 of the Policy Declarations.

3. Dispute Resolution

- a. No legal action shall be instituted by any **Insured** against the **Company** in any court in respect of any alleged **Defense Expenses** or indemnity payable by the **Company** in respect of any **Claim** unless, as a condition precedent thereto, there has been full compliance with all the terms of the **Policy** and the amount of the **Insured's** obligation to pay the relevant **Third Party Claim** shall have been finally determined by judgement or award against the **Insured** after actual trial or arbitration, or by written agreement of the **Insured**, the claimant and the **Company**.

- b. Any person or organization of the legal representative thereof who has secured such judgement, award, or written agreement shall thereafter be entitled to make a **Claim** under this **Policy** to the extent of the insurance afforded by this **Policy**. No person or organization shall have any right under this policy to join the **Company** as a party to an action or other proceeding against the **Insured** to determine the **Insured's** liability, nor shall the **Company** be impleaded by the **Insured** or the **Insured's** legal representative. Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the **Company** of their obligations hereunder.
- c. Mediation. If any dispute arises between any **Insured** and the **Company** involving **Loss** or a **Claim** under this **Policy**, such dispute shall be referred by the parties to a qualified mediator to negotiate a resolution of the dispute in good faith, prior to the initiation of any arbitration or other judicial proceedings. The party electing to mediation shall provide written notice to other party of its request to mediate with a brief statement regarding the issue to be mediated. The **Named Insured** is authorized and directed to accept such Notice of Mediation on behalf of any **Insured**.
- d. In the event that non-binding Mediation does not resolve or settle the dispute between any **Insured** and the **Company**, after 30 days from the date of the Mediation, either party may:
1. commence a judicial proceeding; or
 2. seek agreement to submit the matter to final and binding arbitration before either a single mutually agreed arbitrator or a three arbitrator panel whereby the **Insured** selects one arbitrator, the **Company** select one arbitrator and the two selected arbitrators agree upon the selection of the third arbitrator.

Defense, Settlement and Investigation of Claims

- a. The **Company** shall have the right and duty to defend any **Claim** against the **Insured**, even if any of the allegations of the **Claim** are groundless, false, or fraudulent, subject to the Limit of Liability, Exclusions and other terms and conditions of this **Policy**.
- b. Unless defense counsel or breach counsel is chosen from the list of PreApproved vendors specified on the Policy Declarations, defense counsel or breach counsel shall be appointed with the **Company's** prior written consent. Such consent shall not be unreasonably withheld. However, in the absence of agreement the **Company's** decision shall be final.
- c. The **Company** shall have the right to make any investigation they deem necessary including with respect to the **Application** or to coverage.
- d. If the **Insured** refuses to consent to a settlement that the **Company** recommends, and that the claimant will accept, the **Insured** must then defend, investigate or settle the **Claim** at the **Insured's** own expense. As a consequence of the refusal to settle as per **Company's** recommendation, **Company's** liability for any **Claim** shall not be more than the amount of the initial recommended settlement plus up to 70% of any additional costs incurred by the **Insured** above this amount in order to settle this matter, subject always to the limit of the **Policy**.

e. No **Insured** may incur any **Defense Expenses**, **PCI DSS Assessment Expenses**, or admit liability for, or settle, any **Claim**, without the **Company's** written consent, which shall not be unreasonably withheld. Provided that, if a proposal settlement amount, when combined with any **Defense Expenses** or **PCI DSS Assessment Expenses** incurred, does not exceed 50% of the applicable **Retention** set forth in the Policy Declarations, the **Insured** may settle a **Claim**, or accept an offer of settlement, without the prior written consent of the **Company**. Such settlement must fully resolve the **Claim** with respect to the **Insured** and the **Company**.

GENERAL CONDITIONS

The **Company** has no duty to provide coverage under this Policy unless there has been full compliance with all the conditions contained in this Policy. Any clause designated as a condition precedent shall require the entity to which it applies to comply specifically and completely with it and any breach or failure to do so shall entitle the **Company** to reject all or part of the **Claim**, **Damages**, **Defense Expenses** or **Loss** or any related **Claim** or **Loss** whether or not such breach or failure causes loss, prejudice or damage.

1. Policy Limits

The Aggregate Limit specified in Item 5 of the Policy Declarations shall be the maximum liability of the **Company** under this **Policy**. The limits for each Insuring Agreement specified in Item 5 of the Policy Declarations form part of, and are not in addition to, such Aggregate Limit.

After the **Policy** Limit of Liability has been exhausted, the **Company** has no obligations to pay any **Damages**, **Defense Expenses**, **Loss** or any other amounts under the **Policy**, and shall have the right to withdraw from the defense.

2. Retention and Waiting Period

The **Retention** amount specified in Item 5 of the Policy Declarations for each Insuring Agreement apply separately to each and every **Loss** and **Claim** and shall be satisfied in full by the **Insured's** monetary payments of **Loss**, **Damages**, or **Defense Expenses**.

The **Company** shall only be liable for amounts in excess of the **Retention**, subject to the Limit of Liability.

For Insuring Agreements subject to a **Waiting Period**, the **Company** will only become liable for any **Loss** upon expiration of the applicable **Waiting Period**. Any **Loss** incurred during the **Waiting Period** is uninsured.

In the event of a **Claim** or **Loss** attaches to more than one Insuring Agreement, only the highest **Retention** or the longer **Waiting Period** will apply to that **Claim** or **Loss**.

The **Insured's** payment of the applicable **Retention** is a condition precedent to the payment by the **Company** of any amounts covered under the **Policy**. The **Insured** shall make direct payments within the **Retention** to the appropriate parties as designated by the **Company**.

3. Related Claims and Loss

All **Claims** and **Loss** arising out of the same related or continuing acts, facts, circumstances or events shall be

considered a single **Claim** or **Loss**, without regard to the number of **Insureds**, **Claims** or claimants. All such **Claims** or **Loss** shall be deemed to have been made at the time of the first such **Claim** or **Loss**.

4. Cancellation

If this **Policy** is cancelled by the **Named Insured**, the **Company** will refund the unearned premium computed at the **Company's** short rate then in force. No premium will be refunded where any **Claim** or circumstance has been notified under this **Policy**, whether or not it has been accepted for coverage.

5. Other Insurance

This **Policy** is excess to any other valid and collectible insurance (or other indemnity) available to the **Insured**.

6. Inspection and Audit

The **Company** shall be permitted, but not obligated, to inspect any of the **Insured's** property, operations, or records and take copies of same at any time at the **Insured's** cost.

7. Mergers and Acquisitions

If any **Named Insured** completes the legal acquisition of another entity during the **Policy Period**, then that acquired entity will automatically be included as an **Insured** but only with respect to **Claims** or **Loss** sustained or occurring after the date of the acquisition and otherwise qualifying for coverage under this **Policy**, unless:

- a. That acquired entity has an annual revenue of more than 20% of the **Named Insured's** annual revenue (evaluated according to the last set of audited accounts formally filed by that entity against the information provided by the **Named Insured** when applying for this **Policy**); or
- b. Unless that acquired entity stores a total number of unique, personally identifiable records that are in excess of 20% of the total unique, personally identifiable records that the **Named Insured** stores (as at the date of completion of such acquisition).

If the above cover is not automatically provided to the newly acquired entity, to obtain cover the **Named Insured** must notify and obtain the written consent of the **Company** prior to the acquisition, and agree to pay any additional premium required.

8. Assignment

The interest hereunder is not assignable by any qualifying **Insured**.

9. Innocent Insured

- a. Whenever coverage under this **Policy** would be excluded, suspended, or lost owing to non-compliance with **Claims** Conditions 2. Notice of claim or circumstance, with respect to which any other **Named Insured** shall be in default solely as a result of such non-compliance, then such insurance as would otherwise be afforded under this **Policy** shall cover and be payable to those **Insureds** who did not personally commit or personally participate in committing or personally acquiesce in such failure to give notice, provided that **Insured** entitled to the benefit of this provision shall comply with **Claims** Conditions 2. Notice of **Claim** or Circumstance promptly after obtaining knowledge of the failure of any other **Insured** to comply therewith.

Any insurance afforded by this provision shall not cover a **Claim** if a member of the **Control Group** knew or should reasonably have known of a **Claim** or circumstance that could reasonably form the basis of a **Claim** or **Loss** and failed to give notice as required by **Claims Conditions 2**.

Notwithstanding the above, the reporting of any such **Claim** or **Loss** must be made during the **Policy Period** or **Extended Reporting Period**, if applicable.

- b. Whenever coverage this **Policy** would be excluded, suspended, or lost because of the Insured Misconduct Exclusion, then such insurance as would otherwise be afforded under this **Policy** shall converge and be payable with respect to those **Insureds** who did not personally commit, personally participate in committing, personally acquiesce, or remain passive after having personal knowledge thereof, provided that the **Insured** entitled to the benefit of this provision shall comply with **Claims Conditions 2**. Notice of **Claim** or Circumstance promptly after obtaining knowledge of the failure of any other **Insured** to comply therewith.

10. Extended Reporting Period

a. Automatic Extended Reporting Period

The **Named Insured** shall have a period of sixty (60) days following the end of the **Policy Period** in which to give written or electronic notice to the **Company** of any **Claim** or **Loss**, but only in respect of any:

- I. **Claim** first made during the **Policy Period** or Automatic Extended Reporting Period when such **Claim** is based upon a **Security Breach, Privacy Breach** or **Media Activity** prior to the end of the **Policy Period** or
- II. Loss based upon a **Security Breach, Privacy Breach, Administrative Error, Power Failure, Unintentional Damage or Destruction, Computer Crime and Computer Attacks, Financial Fraud, Telecommunications Fraud, Phishing Attack** or **Cyber Extortion Threat** during the **Policy Period** when first discovered by the **Control Group** during the **Policy Period** or Automatic Extended Reporting Period and which is otherwise covered by this **Policy**.

b. Optional Extended Reporting Period

In the event of cancellation or non-renewal of this **Policy**, the **Named Insured** shall have the right to purchase an Optional Extended Reporting Period for additional premium, as stated in Item 7 of the Policy Declarations. Once purchased, the premium for the Extended Reporting Period will be deemed fully earned. The **Company** must receive the **Named Insured's** request for the Optional Extended Reporting Period by written or electronic notice within thirty (30) days of such cancellation or non-renewal that it requires, and the **Company** shall provide, an Optional Extended Reporting Period commencing at the end of the **Policy Period** in which to give written or electronic notice to the **Company** of any:

- I. **Claim** first made during the **Policy Period** or Optional Extended Reporting Period when such **Claim** is based upon a **Security Breach, Privacy Breach** or **Media Activity** prior to the end of the **Policy Period**, or
- II. Loss based upon a **Security Breach, Privacy Breach, Administrative Error, Power Failure, Unintentional Damage or Destruction, Computer Crime and Computer Attacks, Financial Fraud, Telecommunications**

Fraud, Phishing Attack or Cyber Extortion Threat during the **Policy Period** when first discovered by the **Control Group** during the **Policy Period** or Optional Extended Reporting Period and which is otherwise covered by this **Policy**. The payment of the additional premium for the Optional Extended Reporting Period must be paid to the **Company** within thirty (30) days of the non-renewal or cancellation.

- c. The Limit of Liability for any Extended Reporting Period shall be part of, and not in addition to, the Limit of Liability for the **Policy Period**.
- d. The right to any Extended Reporting Period shall not be available to the **Insured** where cancellation or non-renewal by the **Company** arises through non-payment of premium or the **Insured's** failure at any time to pay amounts within the applicable **Retention**.

11. Change of Control

In the event of the **Named Insured's** acquisition by or merger into another entity, or the **Named Insured's** liquidation or dissolution, the **Named Insured** may notify the **Company** within sixty (60) days of the actual change of control of the **Named Insured's** election for an Extended Reporting Period of twelve (12) months from the date of such change of control. Such Extended Reporting Period shall cover **Claims** reported or **Loss** notified to the **Company** during this change of control Extended Reporting Period, but only in respect of any **Claim** made during the **Policy Period** or **Loss** incurred during the **Policy Period** which is otherwise covered by this **Policy**.

12. Assistance and Cooperation

- a. The **Insured** shall cooperate with the **Company** in all investigations relating to this **Policy**. The **Insured** shall execute or cause to be executed all documents and papers and render all assistance as requested by the **Company**, including providing copies of a **Third Party's** system security and event logs.
- b. Upon the **Company's** request, the **Insured** shall assist in making settlements, in the conduct of all third party dispute resolution procedures and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured** with respect to which insurance is afforded under this **Policy**, and the **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses at the **Insured's** own cost.
- c. It is a condition precedent to the **Company's** liability that the **Insured** shall not admit liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgement or award, or dispose of any **Claim** without the **Company's** prior written consent. However, the prompt public admission of a **Privacy Breach** potentially impacting non-public personally identifiable information as required by governmental privacy legislation or credit card association operating requirements will not be considered as an admission of liability requiring the **Company's** prior consent.
- d. The **Company** shall have the right to make any investigation they deem necessary with respect to coverage including the **Application**.

e. The **Insured** shall submit for examination under oath by the **Company's** representative, if requested, in connection with all matters relating to this **Policy**.

13. Warranty by the Named Insured

By acceptance of this **Policy**, all **Insureds** agree that the statements in the **Application** are their agreements and representations, which shall be deemed material to the risk, and that this **Policy** is issued in reliance upon the truth thereof. The misrepresentation or non-disclosure in the **Application** of any material matter by the **Insured** or its agent will render the **Policy** null and void and relieve the **Company** from all liability under the **Policy**.

14. Forfeiture

Any:

- a. Action or failure to act by the **Insured** with the intent to defraud the **Company**; or
- b. Material misrepresentation or non-disclosure of any material fact or claims by the **Insured** in the **Application** or in any supplemental materials submitted to the **Company**:

Shall render this **Policy** null and void, and all coverage hereunder shall be forfeited.

15. Construction and Interpretation

- a. Any reference to legislation, statute, regulation or law includes any similar or related law, statute, ordinance, or regulation, any amendments, and any rules or regulations or executive orders promulgated thereunder, or by a federal, state, local or other agencies or similar bodies thereof. Any reference to a regulatory or investigative or other state or local governmental body includes any similar, subsidiary or related agency or body.
- b. All or part of any provision of this **Policy** which is or becomes void or illegal, invalid or unenforceable by a court or other competent body under the law of any applicable jurisdiction shall be deleted. The parties shall use their best efforts to agree a replacement for the provision deleted which achieves as far as possible the same effect as would have been achieved by the deleted provision had it remained enforceable.

16. Coverage Territory

Coverage under this **Policy** applies anywhere in the world.

This Endorsement changes the Policy. Please read it carefully.
Smart Cyber Insurance Endorsement

Bodily Injury Claims Endorsement

It is understood and agreed that the Policy is hereby amended as follows:

1. Item 5 of the Policy Declarations is amended to include the following:

Bodily Injury Claim: Limit of Liability \$250,000 Each Claim/\$250,000 Aggregate Retention: \$50,000

2. Third Party Insuring Agreements, Section I. is amended to include the following insuring agreement:

Bodily Injury Claims

Subject to the **Retention** and limit applicable to **Bodily Injury Claims**, the **Company** will pay on behalf of an **Insured** the sums that such **Insured** becomes legally obligated to pay as **Damages**, and related **Defense Expenses**, resulting from a **Bodily Injury Claim**, but only if: 1) the **Bodily Injury Claim** is first made against the **Insured** during the **Policy Period** (or during the extended reporting period, if applicable) and 2) the **Bodily Injury Claim** is reported to the **Company** in writing as soon as practicable, but no later than sixty (60) days after expiration of the **Policy Period** (or during the extended reporting period, if applicable). The **Company** has the right and duty to defend an **Insured** against any **Bodily Injury Claim**, even if the allegations of the **Bodily Injury Claim** are groundless, false or fraudulent. The **Company** has the right to appoint an attorney to defend any **Bodily Injury Claim**.

Coverage under this **Bodily Injury Claim** Insuring Agreement shall be excess insurance over all other valid and collectible insurance available to an **Insured** for **Bodily Injury Claims**, including any deductible portion thereof.

3. It is agreed that paragraph a. of Defense, Settlement and Investigation of Claims applies to the **Bodily Injury Claims** insuring agreement.

4. General Conditions Section 1. Policy Limits is amended to include the following provisions:

Bodily injury claims will be subject to the **Bodily Injury Claim** Limit. The **Bodily Injury Claim** Limit will be the exclusive limit applicable to **Bodily Injury Claims**. The **Bodily Injury Claim** Limit is part of, and will reduce, the Maximum Policy Aggregate Limit of Liability set forth in Item 5 C. of the Policy Declarations. The **Company** will have no obligation to pay or defend, or to continue to pay or defend, any **Bodily Injury Claim** after the **Bodily Injury Claim** Limit is exhausted. **Bodily Injury Claims** arising out of the same, related, or continuing incidents, events, acts, facts or circumstances will be considered a single **Bodily Injury Claim**, and only one "each claim" limit will apply, regardless of the number of claimants or **Insureds**.

5. General Conditions Section 2. **Retention and Waiting Period** is amended to include the following provisions:

The **Retention** applicable to **Bodily Injury Claims** will apply separately to each **Bodily Injury claim**. The **Retention** must be satisfied by the **Insured's** actual payment of Damages and Defense Expenses. The **Insured's** payment of the **Retention** is a condition precedent to payment by the **Company** of any amounts covered under the **Bodily Injury Claim** Insuring Agreement, and the **Company** will only be liable for **Damages** and/or **Defense Expenses** that exceed the **Retention**, subject to the **Bodily Injury Claim** Limit. The **Insured** must make direct payments within the **Retention** to the appropriate parties designated by the **Company**. **Bodily injury Claims** arising out of the same, related, or continuing incidents, events, acts, facts or circumstances will be considered a single **Bodily Injury Claim**, and only one **Retention** will apply, regardless of the number of claimants or **Insureds**.

6. **Definitions** is amended to to include the following definitions:

Bodily Injury Claim means:

- A. A written demand for **Damages** or non-monetary relief made against an **Insured** solely for Bodily Injury caused by a **Security Breach** or **Privacy Breach**;
- B. A written request received by an **Insured** to toll or waive a statute of limitations relating to a potential **Claim** against an **Insured** solely for **Bodily Injury** caused by a **Security Breach** or **Privacy Breach**; or
- C. The service of a civil lawsuit or the institution of arbitration or other alternative dispute resolution proceedings against an **Insured** seeking **Damages** solely for actual or alleged **Bodily Injury** caused by a **Security Breach** or **Privacy Breach**.

A **Bodily Injury Claim** will be deemed to be first made when any of the foregoing is received by an **Insured**.

Business Equipment means any machinery, vehicle or electronic device or equipment that:

- A. Is owned by or leased to you, and operated by you solely to conduct your business,
- B. Can send and receive data, and
- C. Is connected to the internet through your computer network.

Products mean:

- A. Any tangible goods, products or devices that are manufactured, produced, processed, prepared, assembled, packaged, labeled, sold or distributed by you, by others trading under your name, or by a person or organization whose business or assets have been acquired by you; and
- B. Containers, materials, parts or equipment furnished in connection with such goods, products or devices.

7. **Definitions**, **Computer System** is amended to include the following:

Solely with respect to the **Bodily Injury Claim** Insuring Agreement, **Computer System** means:

- A. A **Computer System** operated by, and either owned by or leased to the **Named Insured** and any **Subsidiary**;
- B. Industrial control systems, such as supervisory control and data acquisition (SCADA) systems, but only while owned and operated by the **Named Insured** and any **Subsidiary**; and
- C. **Business equipment**, but only while owned and operated by the **Named Insured** and any **Subsidiary**.
However, **Insured's Computer System** does not include any **Products**.

8. Section 7. Definitions, **Damages**, is amended to include the following:

Most favorable law provisions applicable to the **Bodily Injury Claim** Insuring Agreement only:

With respect to the insurability of punitive, exemplary or multiplied **Damages**, the applicable law will be the law of the state most favorable to the **Insured**, if the state whose law is most favorable to the **Insured** has a reasonable relationship to the **Claim**.

A state's law will be deemed to have a reasonable relationship to the **Claim** if it is the state where:

- A. The **Named Insured** is incorporated or has a place of business;
- B. The **Bodily Injury Claim** is pending; or
- C. Where the **Bodily Injury** occurred.

9. Definitions, **Wrongful Act**, is amended to include the following:

Solely with respect to the **Bodily Injury Claim** Insuring Agreement, **Wrongful Act** means **Bodily Injury** caused by a **Security Breach** or **Privacy Breach**.

10. It is agreed that Exclusion 4, does not apply to an otherwise covered **Bodily Injury Claim**.

11. Exclusions is amended to include the following exclusion:

The **Company** will not be liable for any **Claim** based upon, arising from, or in any way involving any actual or alleged warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **Products**, or the providing of, or failure to provide, warnings or instructions for **Products**.

This endorsement is to take effect on: **06/30/2024**

Policy Number: **CYB-108012351-00**

Policy Inception Date: **06/30/2024**

Policy Expiration Date: **06/30/2025**

Endorsement Number: **CB-107-002**

All other terms and conditions of the Policy remain unchanged.

This Endorsement changes the Policy. Please read it carefully.
Smart Cyber Insurance Endorsement

Bricking Endorsement

In consideration of the premium charged, up to the amount of \$2,000,000 subject to an applicable **Retention** of \$50,000, it is hereby understood and agreed that the Policy to which this endorsement attaches is amended as follows:

Exclusions, **Property Damage** is deleted in its entirety and replaced with the following:

Property Damage

Physical Injury to, or impairment, destruction or corruption of, any tangible property, including personal property in the care, custody or control of the Insured. **Data and Digital Assets** are not tangible property and are not **Property Damage**. **Property Damage** does not include the loss of use of electronic equipment caused by the reprogramming of the software (including firmware) of such electronic equipment rendering it useless for its intended purposes.

The definition of **Security Breach** is amended to include the following sentence to the end thereof:

e. The loss of use of all or part of a **Computer System** caused by the unauthorized reprogramming of software (including firmware) which renders such **Computer System**, or any component thereof, nonfunctional or useless for its intended purpose;

This endorsement is to take effect on: **06/30/2024**

Policy Number: **CYB-108012351-00**

Policy Inception Date: **06/30/2024**

Policy Expiration Date: **06/30/2025**

Endorsement Number: **CB-126-002**

All other terms and conditions of the Policy remain unchanged.

This Endorsement changes the Policy. Please read it carefully.
Smart Cyber Insurance Endorsement

California Consumer Privacy Act Endorsement

In consideration of the premium charged, it is hereby understood and agreed that the Policy to which this endorsement attaches is amended as follows:

1. Definitions, **Privacy Regulations**, is amended to include the following:
 - a. The California Consumer Privacy Act or any rules or regulations promulgated thereunder.
2. Exclusion, 21. Anti-Trust Laws and Unfair Competition will not apply to claims grounded in the California Consumer Privacy Act, provided no member of the **Control Group** participated or colluded in the activities or incident giving rise to coverage under this endorsement.

This endorsement is to take effect on: **06/30/2024**

Policy Number: **CYB-108012351-00**

Policy Inception Date: **06/30/2024**

Policy Expiration Date: **06/30/2025**

Endorsement Number: **CB-194-001**

All other terms and conditions of the Policy remain unchanged.

This Endorsement changes the Policy. Please read it carefully.
Smart Cyber Insurance Endorsement

Corvus Signal Endorsement

In consideration of the premium charged, it is hereby understood and agreed that the **Policy** is amended as follows:

1. Definitions, is amended to include the following:

Engaged Insured

A Named **Insured** that has at least one **Employee** with knowledge of **Insured's** IT and security systems complete all modules in the Security Questionnaire section of the Corvus Policyholder Risk Dashboard.

2. The **Retention** amount specified in Item 5 of the Declarations Page for each Insuring Agreement listed below will be reduced by 25%, subject to a maximum reduction of \$25,000 per **Claim**, if **Insured** is determined to be an **Engaged Insured** prior to the discovery of the **Claim** or **Loss**.

Third Party Insuring Agreements:

- A. Network Security and Privacy Liability
- B. Regulatory Investigations, Fines and Penalties
- D. PCI DSS Assessment Expenses
- E. Breach Management Expenses

First Party Insuring Agreements:

- C. Digital Asset Destruction, Data Retrieval and System Restoration
- E. Social Engineering & Cyber Crime Coverage
- G. Cyber Extortion and Ransomware Coverage
- H. Breach Response and Remediation Expenses
- I. Court Attendance Costs

3. The 25% reduction in **Retention** afforded by this endorsement is not applicable to any other stand-alone **Retention** added or amended by another endorsement and not specified on Item 5 of the Declarations Page and listed above.

NOTICE TO POLICYHOLDERS

The security questionnaire modules referenced in the Corvus Signal Endorsement are not part of the renewal underwriting process. Eligibility for policy renewal is determined when you apply for coverage. Policy quotes, terms and conditions, and premiums are based on your renewal submission and made in accordance with Corvus Insurance's underwriting guidelines. The policy, not general descriptions or material within the security questionnaire modules, will form the contract between the Insured and our insurance carrier partners.

This endorsement is to take effect on: **06/30/2024**

Policy Number: **CYB-108012351-00**

Policy Inception Date: **06/30/2024**

Policy Expiration Date: **06/30/2025**

Endorsement Number: **CB-288-001**

All other terms and conditions of the Policy remain unchanged.

This Endorsement changes the Policy. Please read it carefully.
Smart Cyber Insurance Endorsement

Criminal Reward Expenses Endorsement

In consideration of the premium charged, it is hereby understood and agreed that the Policy to which this endorsement attaches is amended as follows:

The **Company** will pay for the **Reward Expenses** up to the amount of \$50,000 subject to an application retention of \$50,000 incurred by the **Insured** and approved in writing in advance by the **Company**, but only if a written request for indemnification is made by a member of the **Control Group** to the **Company** in accordance with Claims Conditions, section 2. Notice of Claim, Loss or Circumstance.

Reward Expenses means the reasonable amount that the **Insured** pays to an **Informant** for information not otherwise available, and which leads to the arrest and conviction of any person who commits an illegal act that causes a **Loss**.

Informant means any person, other than a member of the **Control Group**, who provides information regarding an illegal act committed by another person which causes a **Loss**, solely in return for money that the **Insured** pays or promises to pay. **Informant** does not include: 1) any person who commits an illegal act which causes a **Loss**, whether acting alone or in collusion with others; 2) any **Insured**; 3) any **Insured's** auditors, whether internal or external; 4) any person or firm hired or retained to investigate a **Loss**;

This endorsement is to take effect on: **06/30/2024**

Policy Number: **CYB-108012351-00**

Policy Inception Date: **06/30/2024**

Policy Expiration Date: **06/30/2025**

Endorsement Number: **CB-123-001**

All other terms and conditions of the Policy remain unchanged.

This Endorsement changes the Policy. Please read it carefully.
Smart Cyber Insurance Endorsement

Dependent System Failure Coverage

In consideration of the premium charged, it is hereby understood and agreed that the Policy to which this endorsement attaches is amended as follows:

Definitions, **Computer Crime and Computer Attacks** and **Unintentional Damage or Destruction**, are amended to include the following:

With respect to Insuring Agreement II. D. System Failure Coverage, **Unintentional Damage or Destruction** and **Computer Crime and Computer Attacks** includes Business Income Loss, Extra Expenses, and Digital Asset Loss caused by an **Outsourced Service Provider**

This endorsement is to take effect on: **06/30/2024**

Policy Number: **CYB-108012351-00**

Policy Inception Date: **06/30/2024**

Policy Expiration Date: **06/30/2025**

Endorsement Number: **CB-163-001**

All other terms and conditions of the Policy remain unchanged.

This Endorsement changes the Policy. Please read it carefully.
Smart Cyber Insurance Endorsement

Forensic Accounting Coverage

In consideration of the premium charged, it is hereby understood and agreed that the Policy is amended as follows:

1. The definition of **Business Income Loss** is amended to include the following:
 - c. **Forensic Accounting Costs**; provided however, that the **Company's** maximum liability for such costs shall be \$50,000, which amount shall be part of, and not in addition to, the limit of liability for Insuring Agreement II. A Business Interruption and Insuring Agreement II. B. Contingent Business Interruption.
2. **Forensic Accounting Costs** means those costs and expenses of establishing or proving an **Insured's Loss** under Insuring Agreement II. A Business Interruption and Insuring Agreement II. B. Contingent Business Interruption, including, without limitation, those connected with preparing a proof of loss. All loss described in this paragraph must be reported, and all proofs of loss must be provided, to the **Underwriters** no later than 6 months after the end of the **Policy Period**.

This endorsement is to take effect on: **06/30/2024**

Policy Number: **CYB-108012351-00**

Policy Inception Date: **06/30/2024**

Policy Expiration Date: **06/30/2025**

Endorsement Number: **CB-136-001**

All other terms and conditions of the Policy remain unchanged.

This Endorsement changes the Policy. Please read it carefully.
Smart Cyber Insurance Endorsement

GDPR Coverage

In consideration of the premium charged, it is hereby understood and agreed that the Policy is amended as follows:

A. The following Insuring Agreement is added to the **Policy**, under Third Party Insuring Agreements:

I. Amounts which the **Insured** is legally obligated to pay as a direct result of a **Claim** first made against the **Insured** during the **Policy Period**, and reported in writing or by electronic notice to the **Company** during the **Policy Period** or Extended Reporting Period, if applicable, for **General Data Protection Regulation**.

B. The following definition is added to the DEFINITIONS section of the **Policy**:

General Data Protection Regulation

Damages, Regulatory Fines and Penalties and **Defense Expenses** which the **Insured** is legally obligated to pay because of any **Claim** first made against any **Insured** during the **Policy Period** for a violation of the EU General Data Protection Regulation (or legislation in the relevant EU jurisdiction implementing this Regulation) arising from a **Security Breach** or **Privacy Breach**.

C. Solely for purposes of coverage provided by this Endorsement, the definition of **Claim** is amended to include a request for information or institution of a regulatory proceeding against any **Insured** under the **General Data Protection Regulation** Insuring Agreement for a violation of the EU General Data Protection Regulation (or legislation in the relevant EU jurisdiction implementing this Regulation).

D. Solely for purposes of coverage provided by this Endorsement, Exclusion 21. Anti-Trust Laws and Unfair Competition shall not apply to the General Data Protection Regulation insuring agreement, provided no member of the **Control Group** participated or colluded in the activities or incident giving rise to coverage under such insuring agreement.

E. Solely for purposes of coverage provided by this Endorsement, Exclusion 10. Government Intervention is deleted.

This endorsement is to take effect on: **06/30/2024**

Policy Number: **CYB-108012351-00**

Policy Inception Date: **06/30/2024**

Policy Expiration Date: **06/30/2025**

Endorsement Number: **CB-111-003**

All other terms and conditions of the Policy remain unchanged.

This Endorsement changes the Policy. Please read it carefully.
Smart Cyber Insurance Endorsement

Invoice Manipulation Loss

In consideration of the premium charged, up to the amount of \$250,000 subject to an applicable retention of \$50,000, it is hereby understood and agreed that the Policy to which this endorsement attaches is amended as follows:

Clause II. E. **Social Engineering and Cyber Crime Coverage** is amended to include:

Invoice Manipulation Loss

Insured's Direct Net Loss resulting directly from the **Insured's** inability to collect **Payment** for goods, products or services after such goods, products or services have been transferred to a **Third Party**, as a result of an **Invoice Manipulation Loss** that the **Insured** first discovers during the **Policy Period**:

DEFINITIONS is amended to include:

Direct Net Loss means the direct net cost to the **Insured** to provide goods, products or services to a **Third Party**. **Direct Net Loss** will not include any profit to the **Insured** as a result of providing such goods, products or services.

Invoice Manipulation Loss means the release or distribution of any fraudulent invoice or fraudulent payment instruction to a **Third Party** as a direct result of a **Security Breach** or a **Privacy Breach**.

Payment means currency, coins or bank notes in current use and having a face value.

This endorsement is to take effect on: **06/30/2024**

Policy Number: **CYB-108012351-00**

Policy Inception Date: **06/30/2024**

Policy Expiration Date: **06/30/2025**

Endorsement Number: **CB-133-001**

All other terms and conditions of the Policy remain unchanged.

This Endorsement changes the Policy. Please read it carefully.
Smart Cyber Insurance Endorsement

Loss of Funds Exclusion Carveback

In consideration of the premium charged, it is hereby understood and agreed that the Policy is amended as follows:

Exclusions, exclusion #13 is deleted in its entirety and replaced with the following:

13. Loss of Funds

- a. Loss, decrease in value or theft of securities or currency;
- b. Trading losses, liabilities or changes in trading account value; or
- c. The value of electronic funds, money, securities or wire transfer;

However, this exclusion does not apply to Insuring Agreement II.E. Social Engineering and Cyber Crime Coverage.

This endorsement is to take effect on: **06/30/2024**

Policy Number: **CYB-108012351-00**

Policy Inception Date: **06/30/2024**

Policy Expiration Date: **06/30/2025**

Endorsement Number: **CB-128-001**

All other terms and conditions of the Policy remain unchanged.

Policyholder Disclosure: Notice of Terrorism Insurance Exclusion and Coverage Option

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you now have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term “act of terrorism” means any act that is certified by the Secretary of the Treasury – in consultation with the Secretary of Homeland Security, and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT FOR SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

You have the right to accept or reject any coverage that might be provided under provisions of the Act and under the terms, conditions and exclusions of the policy. If you decide to purchase a policy from us and wish to take advantage of any terrorism coverage that might be provided, you will have to pay an additional premium for terrorism coverage in the amount of:

Limit Each Trigger	Aggregate Limit	Retention Each Trigger	Base Premium*	Additional Premium for Certified Acts of Terrorism Coverage* (1% of Base)
\$2,000,000	\$2,000,000	\$50,000	\$68,899	\$689

* does not include surplus lines taxes and/or fees

Even if you do decide to take advantage of any terrorism coverage that might be provided under terms of the Act, we will exclude coverage for losses not eligible for federal reinsurance under the Act, which include losses due to domestic acts of terrorism and losses due to acts of terrorism to property located outside the United States. Further, as respects all losses, even losses eligible for federal reinsurance under the Act, the actual coverage available under our policies for acts of terrorism will still be limited by all of the terms, conditions, exclusions and endorsements of the policy and by generally applicable rules of law. This means that even if you decide to pay the additional premium to buy terrorism coverage to the extent provided under the Act, all terms, conditions and exclusions in the policy, will apply, even if they prevent coverage for losses resulting from terrorism.

If you decide not to accept this offer of terrorism coverage to the extent provided by the Act and not otherwise excluded by the policy, you must sign below to waive such coverage and return the original of this document to us.

Waiver of Coverage

I/we hereby waive all rights to any coverage for terrorism that may have been available under the Terrorism Risk Insurance Act and authorize Travelers Excess and Surplus Lines Company to fully exclude terrorism coverage under the policy issued or to be issued to me/us.

Proposed Named Insured

Proposed Named Insured Address

Applicant's Signature

Date

Print Name

Title

This Endorsement changes the Policy. Please read it carefully.
Smart Cyber Insurance Endorsement

Preventative Shutdown Coverage

In consideration of the premium charged, it is hereby understood and agreed that the Policy to which this endorsement attaches is amended as follows:

1. First Party Insuring Agreement II. A **Business Interruption** is deleted and replaced with the following:
Business Income Loss and **Extra Expenses** incurred during the **Interruption Period** directly as a result of the total, or partial, or intermittent interruption or degradation in service of an **Insured's Computer System** caused directly by a **Privacy Breach, Security Breach, Administrative Error, Power Failure, or Preventative Shutdown**.

2. First Party Insuring Agreement II. B **Contingent Business Interruption** is deleted and replaced with the following:
Business Income Loss and **Extra Expenses** incurred during the **Interruption Period** caused directly as a result of the total, partial, or intermittent interruption or degradation in service of the **Computer System** of an **Outsourced Service Provider** caused directly by a **Privacy Breach, Security Breach, Administrative Error or Preventative Shutdown** at that **Outsourced Service Provider**.

3. Definitions, **Preventative Shutdown** is added and means:

An **Insured's** reasonable and necessary intentional shutdown of:

- i. With respect to Insuring Agreement II. A **Business Interruption**, an **Insured's Computer System**, but only to the extent that such shut down:
 - a. is in response to an actual or credible threat of **Computer Crime and Computer Attacks** expressly directed against such **Insured's Computer System** which may reasonably be expected to cause an interruption in service in the absence of such shutdown; and
 - b. serves to mitigate, reduce, or avoid **Business Income Loss** as a result of the actual or credible threat of such **Computer Crime and Computer Attacks**; or
- ii. With respect to Insuring Agreement II. B. **Contingent Business Interruption**, the **Insured's** access or connectivity to an **Outsourced Service Provider's Computer Network**, but only to the extent that such shutdown:
 - a. is in response to actual **Computer Crime and Computer Attacks** against such **Outsourced Service Provider's Computer Network** which may reasonably be expected to cause an interruption in service in the absence of such shutdown; and
 - b. serves to mitigate, reduce, or avoid **Business Income Loss** as a result of such **Computer Crime and Computer Attacks**.

This endorsement is to take effect on: **06/30/2024**

Policy Number: **CYB-108012351-00**

Policy Inception Date: **06/30/2024**

Policy Expiration Date: **06/30/2025**

Endorsement Number: **CB-158-001**

All other terms and conditions of the Policy remain unchanged.

This Endorsement changes the Policy. Please read it carefully.
Smart Cyber Insurance Endorsement

Reliance Endorsement

In consideration of the premium charged, it is hereby understood and agreed that the Policy is amended as follows:

Definitions, Application is deleted in its entirety and replaced with the following: **Application** means the following application(s):

Beazley Application and Beazley Supplemental Application including any attachments thereto, and all other information and materials submitted to the Underwriters or their representative(s) by, or on behalf of, the **Named Insured** in connection with the underwriting and issuance of this **Policy** or a policy for which this **Policy** is a renewal or replacement. All of the above are deemed attached to and incorporated into this **Policy** and operate as **Underwriters'** own application.

This endorsement is to take effect on: **06/30/2024**

Policy Number: **CYB-108012351-00**

Policy Inception Date: **06/30/2024**

Policy Expiration Date: **06/30/2025**

Endorsement Number: **CB-113-001**

All other terms and conditions of the Policy remain unchanged.

This Endorsement changes the Policy. Please read it carefully.
Smart Cyber Insurance Endorsement

Smart Cyber Insurance Amendatory Endorsement

It is understood and agreed that, notwithstanding anything to the contrary, the **Policy** is amended as follows:

I. The section entitled Definitions is amended as follows:

A. The definition of **Defense Expenses** is deleted and replaced as follows:

Defense Expenses means:

- a. the reasonable and necessary fees, costs, and expenses incurred by an **Insured** with the **Company's** prior written consent in the investigation, defense, or appeal of a **Claim**; and
- b. any premiums for any appeal bond, attachment bond, or similar bond arising out of a covered judgment, provided that the **Company** will not have any obligation to apply for or furnish any such bond.

However, **Defense Expenses** does not include any:

1. fees, costs, or expenses incurred prior to the time that a **Claim** is first made against an **Insured**; or
2. salaries, wages, fees, overhead, benefits, or compensation of any **Insured**.

Provided, always, that the **Company** has the right to select and appoint defense counsel.

B. The definition of **Breach Management and Incident Response Expenses** is amended by adding the following:

However, the **Company** will only indemnify the **Breach Management and Incident Response Expenses** in paragraphs a. through k. above if such costs and expenses are reasonable and necessary, and are incurred by the **Insured** with the **Company's** prior written consent.

Breach Management and Incident Response Expenses. does not include any:

1. internal costs or expenses incurred by any **Insured**;
2. **Extortion Expenses**; or
3. **Extortion Payment**.

The **Company** has the right to select and appoint any vendors, external IT security experts, breach coach, or legal counsel providing services in connection with **Breach Management and Incident Response Expenses**.

C. The definitions of **Digital Asset Loss** and **Related Expenses**, respectively, are amended by adding the following:

However, the **Company** will only indemnify such expenses if incurred with the **Company's** prior written consent. The **Company** has the right to select and appoint any vendors or third parties to provide services in connection with such expenses.

D. The definition of **Extortion Expenses** is amended by adding the following:

However, the **Company** will only indemnify such expenses if incurred with the **Company's** prior written consent. The **Company** has the right to select and appoint any vendors or third parties to provide services in connection with such expenses.

Extortion Expenses does not include any:

1. **Breach Response and Remediation Expenses;**
2. **Extra Expenses;**
3. **Extortion Payment;** or
4. internal costs or expenses incurred by the **Insured Entity**.

E. The definition of **Extortion Payment** is amended by adding the following:

However, the **Company** will only indemnify the payment of any such ransom demand if made with the **Company's** prior written consent.

F. The definition of **Extra Expenses** is amended by the following:

However, **Extra Expenses** does not include any:

1. costs or expenses incurred to update, restore, replace, or improve a **Computer System** to a level beyond that which existed just before the **Interruption Period;**
2. expenses incurred to identify or remediate software program errors or vulnerabilities;
3. legal costs or expenses; or
4. **Breach Management and Incident Response Expenses, Digital Asset Loss, Extortion Expenses, Extortion Payment, Financial Fraud Loss, Phishing Attack Loss, Related Expenses, Reputational Loss, or Telecommunications Fraud Loss.**

II. The section entitled Claims Conditions, Subsection 2. Notice of Claim, Loss or Circumstance is deleted and replaced with the following:

2. Notice of Claim, Loss, or Circumstance

a. If, during the **Policy Period**, any member of the **Control Group** becomes aware of a **Claim** or **Loss**, the **Insured**, as a condition precedent for coverage under the **Policy**, must give written notice to the **Company** as soon as practicable in the manner described in paragraph c. below, but in no event later than:

- i. sixty (60) days after the termination or expiration of the **Policy Period**; or
- ii. the end of the Extended Reporting Period (if applicable).

The **Insured** must report a **Claim** or **Loss** regardless of whether it arises out of any previously reported incident, circumstances, acts, errors or omissions, or related **Claim** or **Loss**.

The date that written notice is received and accepted by the **Company** will be deemed the effective date of notice to the **Company**.

b. If during the **Policy Period**, a member of the **Control Group** becomes aware of any incidents, circumstances, acts, errors, or omissions that could reasonably result in a **Claim**, the **Insureds** must give written notice to the **Company** as soon as practicable during the **Policy Period**.

If a covered **Claim** subsequently arises out of such notified incidents, circumstances, acts, errors, or omissions, the **Claim** will be deemed to have been first made when the **Company** first received and accepted notice containing the information described in paragraph c., below.

c. The notice required by paragraphs a. and b. above must be provided by the **Insured** to the contact listed in Item 4 of the Declarations. Such notice must include:

1. a description of the **Claim**, **Loss**, incidents, circumstances, acts, errors, or omissions;
2. the identity of the **Insured(s)** involved;
3. the identity of any actual or potential claimants;
4. a description of the remedies sought, the amount of actual or potential **Loss** sustained, or any other consequences or exposures, and
5. a description of when any **Insured** first became aware of the **Claim** or **Event**, incidents, circumstances, acts, errors, or omissions.

d. If a member of the **Control Group** is unable to provide the notification required under paragraphs a. and b. above due to prohibition by any law enforcement or governmental authority, the **Insured** agrees to use its best efforts to provide the **Company** with information to make the **Company** aware of a potential or actual **Claim**, or **Loss** until written notice can actually be provided.

However, notwithstanding the foregoing, there will be no coverage for any **Claim** or **Event** if the information withheld was:

- i. known to the **Insured** prior to the **Policy** Inception Date shown in Item 2 of the Declarations, and was not disclosed in the **Application**; or
- ii. was not disclosed in writing to the **Company** within a reasonable time period after the prohibition on disclosing the information was revoked or deemed no longer necessary.

III. The section entitled General Conditions is amended as follows:

A. Subsection 10 **Extended Reporting Period** Paragraph a. Automatic Extended Reporting Period is deleted.

B. The following new Condition is added:

Proof of Loss

As a condition precedent to the **Company's** payment of **Loss** under Section II. First Party Insuring Agreements, the **Insured** must provide the **Company** with information requested by the **Company**, including, but not limited to:

1. a complete description of the **Loss**, including the time, place, and cause of **Loss**;
2. a calculation of **Loss**; and
3. all documents or materials supporting, demonstrating, or related to the **Insured's** proof of **Loss** incurred.

This endorsement is to take effect on: **06/30/2024**

Policy Number: **CYB-108012351-00**

Policy Inception Date: **06/30/2024**

Policy Expiration Date: **06/30/2025**

Endorsement Number: **CB-274-003**

All other terms and conditions of the Policy remain unchanged.

This Endorsement changes the Policy. Please read it carefully.
Smart Cyber Insurance Endorsement

Solicitation Claims Endorsement

In consideration of the premium charged, it is hereby understood and agreed that the Policy to which this endorsement attaches is amended as follows:

1. General Conditions **Policy Limits** is amended by the addition of the following:

Any **Solicitation Claim** will be subject to the sub-limits set forth below. The limits shown below will be the exclusive limits applicable to **Solicitation Claims**. Such sub-limits are part of, and will erode, the Limits of Liability set forth in Item 5.A. of the Declarations for the Network Security and Privacy Liability insuring agreement or the Regulatory Investigations, Fines and Penalties insuring agreement, whichever applies, and the Maximum Policy Aggregate Limit of Liability set forth in Item 5.C. of the Declarations.

Solicitation Claim sublimit:

\$50,000 each **Solicitation Claim**

\$50,000 Aggregate

2. Definitions, **Privacy Regulations**, is amended to include the following:

A. CAN-SPAM Act of 2003;

B. Truth In Caller Act of 2009; and

C. Telephone Consumer Protection Act of 1991.

3. Definitions is amended to include the following definition:

Solicitation Claim means any **Claim** under the Network Security and Privacy Liability insuring agreement or Regulatory Investigations, Fines and Penalties insuring agreement for, based upon, arising from, in consequence of, or in any way involving any actual or alleged **Privacy Breach** in violation of the CAN-SPAM Act of 2003, the Truth In Caller Act of 2009, or the Telephone Consumer Protection Act of 1991, as amended, or any regulation promulgated under the foregoing statutes, or any federal, state, local or foreign laws similar to the foregoing statutes, whether such law is statutory, regulatory or common law.

This endorsement is to take effect on: **06/30/2024**

Policy Number: **CYB-108012351-00**

Policy Inception Date: **06/30/2024**

Policy Expiration Date: **06/30/2025**

Endorsement Number: **CB-120-001**

All other terms and conditions of the Policy remain unchanged.

This Endorsement changes the Policy. Please read it carefully.
Smart Cyber Insurance Endorsement

Utility Fraud Coverage

In consideration of the premium charged, up to the amount of \$250,000 subject to an applicable retention equal to the selected quote option, it is hereby understood and agreed that the Policy to which this endorsement attaches is amended as follows:

1. First Party Insuring Agreements is amended to include the following:

Utility Fraud Coverage

Utility Overage incurred directly as a result of a **Utility Fraud**.

The **Company** will pay for **Loss** up to the **Utility Fraud** Limit of Liability identified above, provided the **Loss** first occurs and is discovered by the **Insured** during the **Policy Period** and is reported to the **Company** in accordance with the Claims Conditions section of this policy. If the **Insured** incurs **Loss** for a period exceeding 90 days from the date on which the **Utility Overages** are first incurred, the **Company** will only be obligated to pay such **Loss** that is incurred during the first 90 days.

Any payment the **Company** makes under this subsection UF-A will be in excess of the **Utility Fraud** retention identified above, and such payments will be a part of, and not in addition to, the maximum policy limit stated in Item 5 c. of the Policy Declarations.

2. Definitions, **Loss**, is amended include **Utility Overage**.

Definitions, **Utility Overage** is added and means:

An increase in expenses incurred by you resulting from the unauthorized use of any of the following services or resources:

- a. electricity;
- b. water;
- c. natural gas;
- d. heating oil;
- e. internet access, including mobile data;
- f. telephone;
- g. cable or satellite television; or
- h. sewerage,

provided such expenses:

- a. are charged to the **Insured** in a periodic billing statement by the provider of such service or resource pursuant to a written contract or agreement between the **Insured** and the provider that was executed before a **Utility Fraud** occurred; and
- b. are not charged at a flat fee that does not scale with the rate of use of such service or resource.

3. Definitions, **Utility Fraud** is added and means:

The unauthorized use of or access to the **Insured's Computer System** by a **Third Party**, including **Cryptojacking** or **Telecommunications Fraud** that results in a **Utility Overage**.

4. Definitions, **Cryptojacking Fraud** is added and means:

The secret use of your **Telecommunications Systems** by a **Third Party** to mine cryptocurrency.

5. Solely with respect to the coverage provided by this endorsement, the following is added to the end of Claims Conditions, 2. Notice of Claim, Loss or Circumstance:

The **Insured** must promptly notify the **Company** of any **Loss**, or circumstances reasonably likely to lead to a **Loss** that in your best estimate will exceed 50% of the **Utility Fraud** Coverage retention identified above, once the **Insured** discovers such **Loss** or circumstances, but in any event no later than 90 days after the **Insured** discovers such loss or circumstances.

6. Solely with respect to the coverage provided by this endorsement, the following Section is added to the General Conditions section of this policy:

The following are conditions precedent to the payment by the **Company** of any **Loss** under this endorsement:

The **Insured** must inform, or allow the **Company** to inform, the appropriate law enforcement authorities if the **Insured** has reason to believe that any **Utility Fraud** involves a violation of law;

The **Insured** must give the **Company** a detailed, sworn proof of loss within 120 days of notification to us of a loss, which will include, at a minimum

- a. a detailed calculation of any **Utility Overage**; and
- b. all underlying documents and materials that reasonably relate to or form part of the basis of the proof of such **Utility Overage**.

The **Company** has the right to examine and audit the **Insured's** books and records as they relate to the coverage provided by this endorsement at any time during the **Policy Period** and up to three years afterward;

In determining the amount of **Loss** under this endorsement, due consideration will be given to the Insured's prior utility expenses and the probable utility expenses the **Insured** would have incurred had no **Utility Fraud** occurred.

7. The following exclusions are added to the Exclusions section of this policy with respect to any **Utility Fraud** only, based upon or arising out of:
- A. Any dishonest act committed by:
 - 1. the **Insured**, if the **Named Insured** is an individual;
 - 2. any board member, trustee, director, or officer (or equivalent position) of the **Insured** organization;
or
 - 3. any employee of the **Insured** organization, if any board member, trustee, director, or officer (or equivalent position) of the **Insured** organization had knowledge of such dishonest act;
 - B. Any actual or alleged unauthorized acquisition, access, use, or disclosure of **Protected Personal Information** that is held or transmitted in any form; however, this exclusion will not apply to a **Utility Fraud** directly resulting from the use of such **Protected Personal Information**;
 - C. Any **Claim** expenses incurred by the **Insured** which are related to any legal action resulting from **Loss** covered under this endorsement; or
 - D. Any business interruption costs or costs resulting from lost productivity, including the throttling or capping of bandwidth by any internet or mobile data service provider, due to a third party's unauthorized access to or use of the **Insured's Computer System**.

This endorsement is to take effect on: **06/30/2024**

Policy Number: **CYB-108012351-00**

Policy Inception Date: **06/30/2024**

Policy Expiration Date: **06/30/2025**

Endorsement Number: **CB-159-001**

All other terms and conditions of the Policy remain unchanged.

This Endorsement changes the Policy. Please read it carefully.
Smart Cyber Insurance Endorsement

War Exclusion Cyber Terrorism Carveback

In consideration of the premium charged, it is hereby understood and agreed that the Policy to which this endorsement attaches is amended as follows:

Exclusion **23.**, **War** is deleted and replaced with the following:

Confiscation, nationalization, requisition, strikes, labor strikes or similar labor actions; war, invasion, or warlike operations, civil war, mutiny, rebellion, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military coup or usurped power.

This exclusion shall not apply to a terrorist event perpetrated by electronic or internet-based applications or means;

This endorsement is to take effect on: **06/30/2024**

Policy Number: **CYB-108012351-00**

Policy Inception Date: **06/30/2024**

Policy Expiration Date: **06/30/2025**

Endorsement Number: **CB-167-001**

All other terms and conditions of the Policy remain unchanged.

This Endorsement changes the Policy. Please read it carefully.

Service of Suit Endorsement

This endorsement changes the following:

It is agreed that in the event of the failure of the Travelers Excess and Surplus Lines Company (the Insurer) to pay any amount claimed to be due hereunder, the Insurer shall honor the decision of the court that is authorized to hear the case; provided that the Insurer has the right to appeal that decision. It is further agreed that service of process for any lawsuit brought against the Insurer may be made upon the Insurer by serving its Corporate Secretary, or the Corporate Secretary's designee, at One Tower Square, Hartford, CT 06183 and such person shall be authorized to receive the papers on behalf of the Insurer. However, the Insured may also serve or send papers involving such lawsuit to the Commissioner, Director or Superintendent of Insurance for the state in which the lawsuit is being filed. The Insurer designates that appropriate officer, or that person's successor, to mail a copy of the paper to the Insurer.

California Clause:

For the State of California, it is agreed that service of process in a lawsuit against the Insurer may be made upon:

CSC-Lawyers Incorporating Service
2730 Gateway Oaks Drive, Suite 100
Sacramento, California 95833

Rhode Island Clause:

For the State of Rhode Island, it is agreed that service of process in a lawsuit against the Insurer may be made upon:

Corporation Service Company
222 Jefferson Blvd., Suite 200
Warwick, Rhode Island 02888

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: Travelers Excess and Surplus Lines Company
Policy Number: **CYB-108012351-00**

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This document includes features to help you easily find information about your UE policy. For an optimal viewing experience, download the policy in Adobe Reader.

To view a specific section of your policy, use the interactive Table of Contents or the Bookmark tool which can be enabled on the left side of the Adobe Reader app.

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7700 Wisconsin Ave #500
Bethesda, MD 20814
(301) 907-4908
www.ue.org

Jared Sadowski
HENDERSON BROTHERS - Pittsburgh
920 Fort Duquesne Boulevard
Pittsburgh, PA 15222-3602

08/13/2024

Re: Member Name: The Pennsylvania Cyber Charter School
 Policy Number: Y72-25U
 Included Coverage: Excess General Liability and Excess Educators Legal Liability
 Policy Period: 06/30/2024 - 06/30/2025

Dear Jared,

Enclosed are the United Educators coverage documents for your insured. Please review to confirm the coverage is provided as requested.

We appreciate your confidence in placing coverage with United Educators. We look forward to serving our mutual client during the coming year.

Sincerely,

Mathew Alfano

Mathew Alfano
Underwriter I
United Educators
(240) 802-4352 | malfano@ue.org
www.ue.org

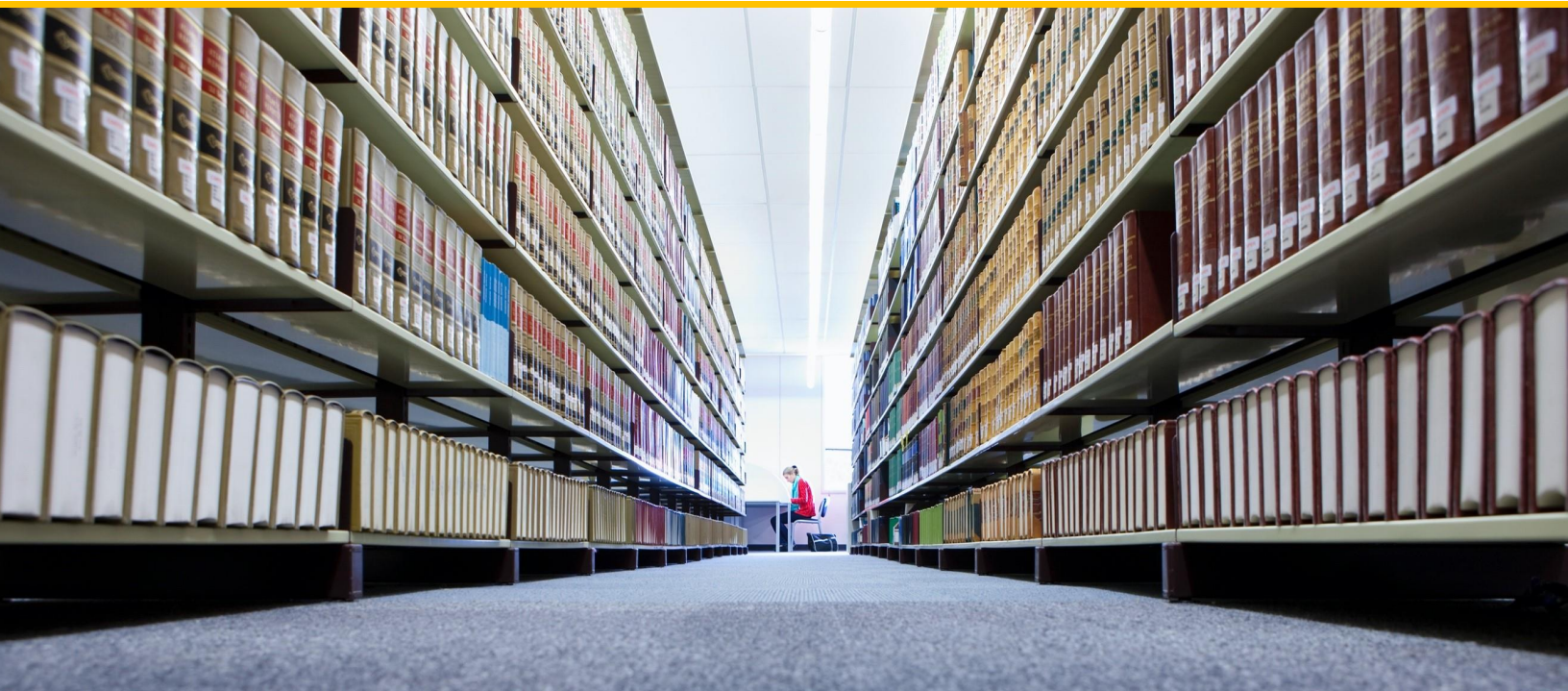


Liability Insurance Policy Package for:

The Pennsylvania Cyber Charter School

Y72-25U

06/30/2024 to 06/30/2025





Package Summary

Educational Organization: The Pennsylvania Cyber Charter School
Address: 652 Midland Avenue
Suite A130
Midland, PA 15059

Policy Period: 06/30/2024 to 06/30/2025
12:01 A.M. at the address stated above.

Policy Number: Y72-25U

Product	Premium	Paid-in Surplus Contribution	Risk Management Premium Credit	Final Premium
GLX (Excess General Liability)	\$100,386	\$0	\$0	\$100,386
ELX (Excess Educators Legal Liability)	\$42,620	\$0	\$0	\$42,620

Total Coverage Premium: \$143,006
Premium Tax: \$0
Paid-in Surplus Contribution: \$0
Package Total Due: **\$143,006**

This insurance is subject to the provisions, stipulations, conditions and exclusions contained in the policy form as well as other provisions, stipulations, conditions and exclusions as may be endorsed or added thereto (collectively hereinafter referred to as the "Policy").

Issued by: United Educators Insurance, a Reciprocal Risk Retention Group



BROKER INFORMATION DISCLOSURE STATEMENT

As a member owned company, United Educators believes it is important to provide its policyholders, whose brokers receive compensation through commissions paid by United Educators, with the amount of those commissions as of the Policy Effective Date:

Product	Brokerage	Brokerage Address	Commission
Excess General Liability	HENDERSON BROTHERS - Pittsburgh	920 Fort Duquesne Boulevard Pittsburgh, PA 15222-3602	\$5,019
Excess Educators Legal Liability	HENDERSON BROTHERS - Pittsburgh	920 Fort Duquesne Boulevard Pittsburgh, PA 15222-3602	\$2,131

Terrorism Risk Insurance Act Disclosure Statement

1. The following disclosure statements applies to General Liability products and Management Liability products included in this Policy:
 - The Terrorism Risk Insurance Act of 2002, as amended in 2015, allows for any covered losses caused by certified “acts of terrorism” to be partially reimbursed by the United States government under a formula established by federal law. Under this formula, the United States government pays 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; 80% beginning on January 1, 2020 of covered terrorism losses exceeding a statutorily established deductible paid by **us**. No compensation will be paid under the Act unless the aggregate industry insured losses resulting from certified “acts of terrorism” exceed \$100 million with respect to such insured losses occurring in calendar year 2015, \$120 million for calendar year 2016 losses, \$140 million for calendar year 2017 losses, \$160 million for calendar year 2018 losses, \$180 million for calendar year 2019 losses, and \$200 million for calendar year 2020 losses.
 - The Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers’ liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, available coverage may be reduced.
 - The definition of certified “acts of terrorism” has changed. Certified “acts of terrorism” as *defined in Section 102(1) of the Act* as amended mean any acts certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; i.e. to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.
 - Some acts of terrorism are not covered under this Policy – please read this Policy and all endorsements carefully.
2. The portion of the premium charge for this Policy that is attributable to coverage for certified acts of terrorism is: \$0.00.

ProResponse Member Benefits

UE Member: The Pennsylvania Cyber Charter School

Benefit Period: 06/30/2024 to 06/30/2025

ProResponse is a member benefit of United Educators (UE) and is not part of your insurance coverage. To remain eligible, you must renew your package policy (Educators Legal Liability and General Liability) with UE. You will lose this benefit if you cancel or non-renew either line. Because ProResponse is a benefit, it may be terminated or amended at any time in UE's sole discretion.

I. Schedule of Benefits

We will reimburse the UE Member (or pay on behalf of the UE Member at our sole option) **ProResponse Costs** resulting from a **ProResponse Event** first commencing during the **Benefit Period** and reported to us as required herein.

The aggregate **ProResponse Limit** for all **ProResponse Costs** within a **Benefit Period** is \$75,000, subject to the following limits for each specific benefit defined below:

- A. **Crisis Communications:** \$75,000, with \$15,000 available without our prior approval and an additional \$60,000 available with our prior written approval and solely at our discretion.
- B. **Grief Counseling:** \$75,000, with \$15,000 available without our prior approval and an additional \$60,000 available with our prior written approval and solely at our discretion.
- C. **Threat Assessment:** \$10,000.
- D. **Sexual Misconduct Investigation:** Up to \$10,000 for a single **Sexual Misconduct Investigation** in the **Benefit Period**. The UE Member may only use this benefit for one **Sexual Misconduct Investigation** in the **Benefit Period**, regardless of whether that one investigation uses the entire \$10,000 limit.

II. Definitions

- A. **Crisis Communications** means the drafting and delivering of critical information to the public by a **Crisis Communications Provider** in response to a **ProResponse Event**.
- B. **Crisis Communications Provider** means any firm with demonstrated experience in crisis communications. **Crisis Communications Provider** does not include any firm providing the UE Member with legal advice.

- C. **Grief Counseling** means grief/trauma counseling services by a **Grief Counseling Provider** for the UE Member's students, faculty, staff or the decedent's immediate family.
- D. **Grief Counseling Provider** means the Grief Counseling firm listed at www.ue.org.
- E. **ProResponse Costs** means fees and expenses the UE Member incurs for (i) **Crisis Communications**, (ii) **Grief Counseling**, (iii) **Threat Assessment** or (iv) a **Sexual Misconduct Investigation** in response to a **ProResponse Event**, subject always to UE's approval where required herein, the **ProResponse Limit** and the applicable limits for each specific benefit set forth in the Schedule of Benefits.

ProResponse Costs do not include, and this benefit does not pay for:

1. any legal fees, costs, or damages;
 2. any retainer fee;
 3. the costs of notifying individuals who are the subject of the loss or theft of a natural person's identity information;
 4. any salaries or expenses of the UE Member's staff;
 5. costs of developing or implementing training programs or process reviews;
 6. web development or technology costs; or
 7. any contracted services performed prior to the **ProResponse Event**.
- F. **ProResponse Event** means:
1. the actual or imminent publication of information regarding an actual or threatened event or interrelated series of events that in the reasonable judgment of the UE Member, has or would have a material, harmful effect on the UE Member's reputation, standing and support in the community;
 2. a death in the UE Member's community; or
 3. an actual or threatened event that may reasonably result in harm to the UE Member's community and which, in the reasonable judgment of the UE Member, requires the assistance of a **Crisis Communications Provider**, **Threat Assessment Provider** or **Sexual Misconduct Investigation Provider**.

ProResponse Event does not include:

1. any matter, fact or circumstance that occurred when the UE Member was not covered by both a General Liability Policy and an Educators Legal Liability Policy issued by UE; or
 2. any Claim previously reported to us under any UE Policy.
- G. **ProResponse Limit** means the maximum amount provided by this benefit to pay in the aggregate for all **ProResponse Costs** attributed to all **ProResponse Events** that arise in any single **Benefit Period**. The **ProResponse Limit** is not subject to any deductible or retention.
- H. **Threat Assessment** means the assistance or consultation with the UE Member by a **Threat Assessment Provider** when the UE Member determines there is an actual or potential threat of physical harm to the campus or to any member of the campus community.
- I. **Threat Assessment Provider** means the **Threat Assessment** firm listed at www.ue.org.
- J. **Sexual Misconduct Investigation** means a formal investigation, in accordance with the UE Member's policies and procedures, by a **Sexual Misconduct Investigation Provider** into an allegation of sexual misconduct by a member of the campus community. **Sexual Misconduct Investigation** does not include:
- a. participation in any adjudicatory process under the member's misconduct policies, including but not limited to serving as a hearing officer or panel participant, student advocate, ombudsman or similar role;
 - b. the training of any campus personnel; or
 - c. the drafting of student misconduct codes or policies.
- K. **Sexual Misconduct Investigation Provider** means any **Sexual Misconduct Investigation** firm selected or approved by UE. The UE Member must contact us to obtain the name of an approved provider prior to engaging a **Sexual Misconduct Investigation Provider**.

III. Conditions

- A. As a condition to receiving reimbursement from UE for a **Sexual Misconduct Investigation**, the UE Member must provide UE a copy of any investigation report it receives within 14 days of receipt of such report.
- B. A **ProResponse Event** begins when the UE Member first becomes aware of a **ProResponse Event** during the **Benefit Period**. Under no circumstances shall more than one **ProResponse Limit** be available for a single **ProResponse Event**.

- C. The UE Member must notify UE in writing as soon as possible after becoming aware of a **ProResponse Event** and absolutely no later than 10 days following the **ProResponse Event**. The UE Member must provide particulars sufficient to identify the person(s) or organization(s) involved in the **ProResponse Event** and such reasonably detailed information as we may request.
- D. UE payments under this benefit terminate:
1. for all **ProResponse Costs**, (a) at the point when UE determines that all feasible steps have been taken to resolve or address the **ProResponse Event**, (b) upon the exhaustion of the aggregate **ProResponse Limit** for a **Benefit Period**, or (c) upon the exhaustion of the applicable limit for each specific benefit in a **Benefit Period**, whichever is earlier;
 2. for **ProResponse Costs** incurred for **Crisis Communications**, thirty (30) days after the applicable **ProResponse Event**; and
 3. for **ProResponse Costs** incurred for **Grief Counseling**, sixty (60) days after a death in the UE Member's community.
- E. The use of a any **Crisis Communications Provider**, **Grief Counseling Provider**, **Threat Assessment Provider** or **Sexual Misconduct Investigation Provider** by the UE Member or any payment made by us under this benefit does not constitute an indication of coverage under any insurance policy issued by UE.

Excess General Liability

The Pennsylvania Cyber Charter School

Y72-25U

06/30/2024 to 06/30/2025





NOTICE

THIS POLICY IS ISSUED BY YOUR RISK RETENTION GROUP. YOUR RISK RETENTION GROUP MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND REGULATIONS OF YOUR STATE. STATE INSURANCE INSOLVENCY GUARANTY FUNDS ARE NOT AVAILABLE FOR YOUR RISK RETENTION GROUP.

EXCESS LIABILITY INSURANCE POLICY
DECLARATIONS

- Item 1. **Educational Organization:** The Pennsylvania Cyber Charter School
Address: 652 Midland Avenue
Suite A130
Midland, PA 15059

- Item 2. **Limit of Liability:**
 - (a)
 - (i) \$10,000,000 Each **Occurrence**
 - (ii) \$10,000,000 Each **Sexual Misconduct Occurrence**
 - (iii) \$10,000,000 Each **Medical Claim**
 - (b) \$10,000,000 Annual Aggregate Limit for all **Occurrences, Sexual Misconduct Occurrences and Medical Claims**

- Item 3. **Policy Period:** 06/30/2024 to 06/30/2025
at 12:01 A.M. at the address stated in Item 1 above

- Item 4. **Underlying Limit Retention:**
 - (i) \$1,000,000 Each **Occurrence**
 - (ii) \$1,000,000 Each **Sexual Misconduct Occurrence**
 - (iii) \$1,000,000 Each **Medical Claim**

- Item 5. **Premium:** \$100,386
 - Risk Management Premium Credit (RMPC): (\$0)
 - Premium Due: \$100,386
 - Premium Tax: \$0
 - Paid-in Surplus Contribution: \$0
 - Total: \$100,386

- Item 6. Representative of **Educational Organization:** Matthew Schulte



Item 7. Applicable Initial Endorsements:

Excess General Liability attached Endorsements		
Endorsement	Total	Description
GLX909C	1	GLX - Limited UAV Coverage
GLX1126A	1	Employee Benefits Liability (Claims-Made)
GLX1255C	1	Limited Health Services Coverage (Including Sexual Misconduct Coverage)
GLX1258C	1	Sexual Misconduct Coverage
GLX1304R	1	Underlying Primary Policy Aggregate Exhaustion Endorsement

Item 8. Applicable Forms and Initial Schedules:

Form: GLX 05-2024

Schedule(s): GLX - Schedule A



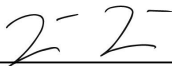
BROKER COMMISSION DISCLOSURE

As a member owned company, United Educators believes it is important to provide its policyholders, whose brokers receive compensation through commissions paid by United Educators, with the amount of those commissions:

Item 9. Broker Commission: \$5,019
Broker commission in Item 9., if any is included in Item 5., Premium.

This insurance is subject to the provisions, stipulations, conditions and exclusions contained in the policy form as well as other provisions, stipulations, conditions and exclusions as may be endorsed or added thereto (collectively hereinafter referred to as the "Policy").

Issued by: United Educators Insurance, a Reciprocal Risk Retention Group


Richard G. Mills, Jr., President & CEO



The Pennsylvania Cyber Charter School

Effective: 06/30/2024 | Policy Number: Y72-25U | GLX: 2024

SCHEDULE A

INCLUDED ENTITIES

Subsidiary and Affiliated Entities of the **Educational Organization**

None

LIMITED UAV COVERAGE

In consideration of the premium charged, and subject to all other provisions of this Policy, **we** agree with the **Educational Organization** that:

1. The following Definition is added to this Policy:

Unmanned Aerial Vehicle means a powered unmanned (and not capable of carrying a human operator) aerial vehicle that uses aerodynamic forces to provide vehicle lift, can fly autonomously or be piloted remotely, and which contains or carries no explosive or weapon.

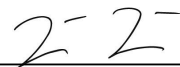
Unmanned Aerial Vehicle does not include any rocket or missile.

2. Exclusion 11.i. of this Policy does not apply to:

- a. the liability of an **Included Entity** arising from an **Unmanned Aerial Vehicle** that is not owned by, leased to, or operated by any **Insured**; or
- b. the liability of an **Included Entity** and its employed, volunteer and student **Insureds** arising out of an **Unmanned Aerial Vehicle** which has a flight weight of 55 pounds or less (flight weight includes the weight of the aircraft itself, fuel and other fluids, and all payload) used by or on behalf of an **Insured** for purposes other than research or education, however, this **Exception** does not apply to:
 - (i) use for which an **Insured** is compensated by any party other than an **Included Entity**;
 - (ii) any liability of others assumed by an **Insured** in any contract or agreement, except for liability that the **Insured** would have in the absence of the contract or agreement
 - (iii) any additional **Insured**, the provisions of Paragraph e. of the Definition of **Insured** notwithstanding.

3. Unless required to be primary by contract with an **Included Entity**, the coverage provided by this Endorsement is at all times excess over other available coverage, including specifically any liability coverage provided by any owner or lessor of any **Unmanned Aerial Vehicle**.

All other Policy provisions remain the same.



Richard G. Mills, Jr., President & CEO

EMPLOYEE BENEFITS LIABILITY (Claims-Made)

In consideration of the premium charged, and always subject to all other provisions of this Policy, **we** agree with the **Educational Organization** that:

1. Exclusions 11.c. and 11.o. of this Policy are amended to read:
 - c. **Personal Injury or Advertising Injury**
 - (1) resulting from an act by or at the direction of any **Insured** if performed with the knowledge that such act would cause injury; or
 - (2) arising out of the oral or written publication of material
 - (i) first published prior to the beginning of the **Policy Period**; or
 - (ii) by or at the direction of the **Insured** with knowledge of its falsity;
Exception: Item (2)(i) of this Exclusion does not apply to any **Clerical or Administrative Error**;
 - o. any liability arising out of the administration of any employee benefit plan or any violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act (ERISA) or any similar statute, regulation, ordinance, order or edict of any jurisdiction or political subdivision (whether or not in the United States);
Exception: This exclusion shall not apply to **Clerical or Administrative Error** with respect to a **Covered Benefit Plan** that occurs entirely after the **EBL Date of First Coverage** and for which a **Claim** is first made against an **Insured** during the **Policy Period**, and **our** liability for all **Damages** to which this exception applies arising out of all **Claims** first made during the **Policy Period** is limited to \$5,000,000, which amount is part of and not in addition to the **Limit of Liability** of this Policy; however, this exception shall not apply to any liability arising out of
 - (i) unlawful discrimination;
 - (ii) any **Occurrence** that is otherwise covered by this Policy apart from this exception;
 - (iii) the failure of any insurer, health maintenance organization, preferred provider organization or third party claims administrator to pay or provide benefits; or
 - (iv) the failure of any compensation, investment, stock or savings plan or program to perform as anticipated, projected or represented;
2. For the purpose of this Endorsement:

Clerical or Administrative Error means an unintended error or omission in the administration of a **Covered Benefit Plan**, including enrolling or failing to enroll employees; keeping records; interpreting rules, regulations, policies and procedures; and giving advice to employees.

Covered Benefit Plan means any employee benefit plan that is operated by the **Educational Organization** for the benefit of employees of an **Included Entity** and that:

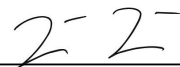
- a. provides health, medical, accident, death or disability benefits provided by, and funded by regular premium payments to, a licensed commercial insurance company, health maintenance organization or preferred provider organization that is not related to, managed by, affiliated with or under the control of any **Insured**; or
- b. provides retirement benefits in a qualified 403(b) plan provided by, and funded by periodic payments to, a licensed commercial insurance company (such as TIAA) or a regulated investment company or mutual fund, which company or fund is not related to, managed by, affiliated with or under the control of any **Insured**.

EBL Date of First Coverage means the date and time specified below in Paragraph 4.

Personal Injury means injury resulting from:

- a. false arrest, detention or imprisonment;
 - b. malicious prosecution;
 - c. wrongful entry into, or eviction of a person from, a room, dwelling or premises a person occupies;
 - d. oral, written, video, or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services (other than in any advertisement, publicity article, broadcast, telecast, or electronic or video publication that arises out of an **Included Entity's** advertising of its goods, products or services);
 - e. violation of a person's right of privacy; or
 - f. **Clerical or Administrative Error.**
3. The **Underlying Limit Retention** amount applies separately and always to each **Claim**.
4. The **EBL Date of First Coverage** with respect to the coverage provided by this Endorsement shall be 02/20/2015 at 12:01 a.m. at the address of the **Educational Organization** stated in Item 1. of the Declarations.

All other Policy provisions remain the same.


Richard G. Mills, Jr., President & CEO

**LIMITED HEALTH SERVICES COVERAGE
(Including Sexual Misconduct Coverage)**

THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE

THE TERMS, DEFINITIONS, EXCLUSIONS, CONDITIONS AND PROVISIONS PROVIDED IN THIS ENDORSEMENT APPLY ONLY TO THE COVERAGE PROVIDED HEREIN. THE DEFINITIONS, TERMS, EXCLUSIONS, CONDITIONS AND PROVISIONS OF THE GLX POLICY DO NOT APPLY UNLESS SPECIFICALLY INCORPORATED HEREIN. UNLESS EXPRESSLY STATED THIS ENDORSEMENT DOES NOT ALTER OR AMEND THE OTHER PROVISIONS OF THIS GLX POLICY.

(The words "**we**," "**us**," and "**our**," when used in this Policy, refer to United Educators Insurance, a Reciprocal Risk Retention Group, the "Company" issuing this Policy of insurance.)

In consideration of the premium charged, **we** agree with the **Educational Organization** that this GLX Policy is amended to add the following claims-made coverage, the **Limit of Liability** for which is part of and not in addition to the Annual Aggregate Limit listed in Item 2.(b) of the Declarations of this of GLX Policy:

1. The **Inception Date** for this Limited Health Services Coverage shall be: 02/20/2018

2. **INSURING AGREEMENT**

A. **We** will pay on behalf of

- i. the **Educational Organization**; and
- ii. its employed or student **Insureds**

that portion of the **Ultimate Net Loss** which is in excess of the **Underlying Limit Retention** amount up to the **Limit of Liability** for a **Medical Claim** first made during the **Policy Period** against an **Insured**.

B. **We** will pay on behalf of an **Associated Medical Facility** that portion of the **Ultimate Net Loss** which is in excess of the **Underlying Limit Retention** amount up to the applicable **Limit of Liability** or the insurance obligation as provided in the written contract between the **Educational Organization** and the **Associated Medical Facility**, whichever is less, for a **Medical Claim** first made during the **Policy Period** against the **Associated Medical Facility**.

3. **DEFINITIONS**

A. The following Definitions from the Policy are incorporated into this Endorsement:

- **Bodily Injury**
- **Child Molestation**
- **Computer System**
- **Damages**
- **Defense Costs**
- **Educational Organization**
- **Health Information**
- **Limit of Liability**
- **Medical Services**

- Occurrence
- Personal Injury
- Policy Period
- Property Damage
- Serial Sexual Misconduct
- Sexual Misconduct
- Sexual Misconduct Occurrence
- Student Discipline Process
- Ultimate Net Loss
- Underlying Insurance
- Underlying Limit Retention

B. Additional Definitions:

Allied Health Program means an educational curriculum training students to become allied health professionals, including nurses, medical assistants, dental assistants, athletic trainers, audiologists, emergency medical technicians, phlebotomists, dental lab technicians, physical therapists, respiratory therapists, x-ray technicians, paramedics, lab technicians, certified nursing assistants, and similar allied health professions; but **Allied Health Program** does not include any curriculum that trains (i) physicians of any sort, including dentists and osteopathic physicians, (ii) perfusionists, (iii) chiropractors, (iv) midwives, (v) anesthetists or (vi) other similar medical practitioners.

Associated Medical Facility means a hospital, clinic or other medical facility in which students of the **Educational Organization** are placed as interns in satisfaction of course requirements in an **Allied Health Program** pursuant to a written contract between the hospital, clinic or other medical facility and the **Educational Organization** that obligates the **Educational Organization** to provide liability insurance such as is afforded by this Endorsement.

Campus Medical Facility means:

- a dispensary, clinic, infirmary, student health center or counseling facility, athletic facility, or other similar facility, but only if such dispensary, clinic, infirmary, health center or counseling facility, athletic facility, or other similar facility is maintained by an **Included Entity** solely for use by (i) the **Included Entity's** employees, faculty members or students, (ii) those employees', faculty members' or students' immediate families, and (iii) other persons, but only in the event of a medical emergency;
- an athletic or sporting event sanctioned by the **Educational Organization**, whether on or away from campus, in which the **Educational Organization's** students, faculty or staff participate as athletes; or
- other incidental locations in the event of a medical emergency.

Claim means a demand for **Damages**. **Claim** includes **Medical Claim**.

Extended Discovery Period means the 12-month period of time after the end of the **Policy Period**.

Inception Date means the date and time stated in Paragraph 1. of this Endorsement.

Included Entity means:

- the **Educational Organization**;
- any not-for-profit organization or entity over which the governing body of the **Educational Organization** exerts effective control and that is named in, and whose accounts are included

- with or consolidated into, the financial statements submitted to **us** most recently by the **Educational Organization** prior to the rating of the premium for the **Policy Period**; however, no entity or affiliate or subsidiary of any entity that has not qualified as a not-for-profit entity under applicable provisions of the Internal Revenue Code is an **Included Entity**, and no person or entity is an **Insured** with respect to such entity, unless that entity is listed on Schedule A;
- c. any entity listed on Schedule A of this Policy; and
 - d. any not-for-profit entity acquired or formed by or merged with an **Included Entity** during the **Policy Period** provided that:
 - (1) the value of the sum of all assets (including, but not limited to, real estate, securities, assumed indebtedness and other consideration) expended, assumed, or exchanged for any such acquisition, formation or merger does not exceed 5% of the total assets of the **Educational Organization** and its consolidated subsidiaries and affiliates as most recently reported to **us** for rating purposes prior to such **Policy Period**;
 - (2) the combined or consolidated operations of the acquired, formed or merged entity are not materially different from those of the **Included Entity** prior to the acquisition, formation or merger;
 - (3) coverage with respect to that newly formed, acquired or merged entity will begin on the date of acquisition, formation or merger, and there is no coverage for any entity acquired by or merged into the **Included Entity** or for any person with respect to that entity for **Occurrences, Medical Incidents or Internship-Related Medical Incidents** happening prior to the date of acquisition or merger; and
 - e. In addition to coverage provided in Item d. listed above, any newly formed, acquired or merged affiliates of the **Educational Organization** shall be added as **Included Entities** to this Policy as of the effective date of their formation, incorporation or acquisition by the **Educational Organization**, provided:
 - (1) they are reported to **us** within sixty (60) days of the date of their formation, incorporation or acquisition by the **Educational Organization** and
 - (2) they are subsequently accepted for coverage by **us** and named on the Policy.

Insured means:

- a. the **Educational Organization**;
- b. at the option of the **Educational Organization**, any
 - (1) past, present or future employee, member of the faculty, student teacher, or teaching assistant of an **Included Entity**; or
 - (2) student of an **Educational Organization** while serving in a supervised internship program in satisfaction of course requirements; but only while acting within the scope of their duties or obligations in their respective capacities to an **Included Entity** as described above, and coverage for these individuals is subject always to all other terms and conditions of this Endorsement; and
- c. any **Associated Medical Facility**.

Internship-Related Medical Incident means any act, error or omission after the **Inception Date** by a student intern of the **Educational Organization** arising out of rendering or failure to render **Medical Services** while participating in any supervised practicum, field work experience, clinical training or internship program in fulfillment of course requirements in an **Allied Health Program** that results in **Bodily Injury, Personal Injury, Property Damage** or physical or mental injury, emotional distress, sickness, disease, shock, or death related to or arising out of **Sexual Misconduct**.

Medical Claim means:

- a. a written notice to an **Insured**, other than an **Associated Medical Facility**, of the intent to hold that **Insured** liable for monetary damages for the results of a **Medical Incident** or **Internship-Related Medical Incident**; or
- b. a written notice to an **Associated Medical Facility** of the intent to hold the **Associated Medical Facility** liable for the results of an **Internship-Related Medical Incident**.

Medical Incident means any act, error or omission by a person who is employed or contracted by the **Educational Organization** arising out of rendering or failure to render **Medical Services** at a **Campus Medical Facility** after the **Inception Date** that results in

- a. **Bodily Injury**,
- b. **Personal Injury**,
- c. **Property Damage**, or
- d. physical or mental injury, emotional distress, sickness, disease, shock, or death related to or arising out of **Sexual Misconduct**.

Reporting Officer means a position equivalent to any of the below of the **Educational Organization**:

- a. President, Chancellor, or Head of School;
- b. Provost or Chief Academic Officer;
- c. VP of Finance, Chief Financial Officer, VP of Administration, or Chief Business Officer;
- d. VP of Legal Affairs or General Counsel;
- e. VP of Student Affairs;
- f. Athletic Director;
- g. Title IX Coordinator; or
- h. Director of any **Campus Medical Facility**.

Telemedicine means the remote diagnosis and treatment of patients by means of telecommunications technology.

4. LIMITS OF LIABILITY

Irrespective of the number of policy periods or the geographical area over which alleged or actual injuries or damages arise; the number of alleged or actual injuries or damages; the number of persons who sustain alleged or actual injuries or damages; or the number of **Claims** made or suits brought against one or more **Insureds**, our liability for all **Damages** is limited to the amount stated in Item 2.(a)(iii) of the Declarations for each **Medical Claim** covered by this Endorsement, and the amount stated in Item 2.(b) of the Declarations in the aggregate for all **Occurrences**, **Sexual Misconduct Occurrences**, and **Medical Claims** covered by this Policy.

All **Medical Incidents** or **Internship-Related Medical Incidents**, including any incidents reported pursuant to Paragraph 7.C. of this Endorsement, arising out of

- a. the same act, error, omission, accident, event, cause, defect or hazard, actor or actual or alleged wrongdoer; or the failure to warn of such; or
 - b. the same or similar conditions,
- shall be deemed to give rise to one single **Medical Claim**, made at the time the **Insured** receives written notice of the earliest such **Medical Claim**, irrespective of the number of policy periods or the geographical area over which the alleged or actual injuries or damages occur; the number of policy periods over which the **Medical Claims** are made; the number of policies issued by us to the **Educational Organization**; the number of alleged or actual injuries or damages sustained; the number of persons who sustain alleged or actual injuries or damages; or the number of **Medical**

Claims made against one or more **Insureds**. If a **Medical Incident** or **Internship-Related Medical Incident** involves both **Sexual Misconduct** and some other covered act or omission, the **Medical Incident** or **Internship-Related Medical Incident** shall be deemed to give rise to one single **Medical Claim**, made at the time the **Insured** receives written notice of the earliest such **Medical Claim**, and shall not give rise to a separate **Claim** or **Occurrence**. For all such **Medical Claims**, the only policy limit available for such **Medical Claims** shall be the applicable **Limit of Liability** available under the policy in effect at the time the earliest such **Medical Claim** is made to the **Insured**. All **Medical Incidents** or **Internship-Related Medical Incidents** involving **Sexual Misconduct** committed by or alleged to have been committed by a perpetrator or multiple perpetrators acting in concert with one another shall be deemed to give rise to one single **Medical Claim** and shall not give rise to a separate **Claim** or **Occurrence**.

We shall have no further obligation after the **Limit of Liability** for each **Medical Claim** has been exhausted by the payment of **Damages**. In addition, in no event shall we have any obligation after the Annual Aggregate Limit for all **Occurrences**, **Sexual Misconduct Occurrences** and **Medical Claims** has been exhausted by payment of **Damages**.

5. DEFENSE AND SETTLEMENT

- A. **We** will pay **Damages** on behalf of an **Insured** as soon as practicable after:
1. the **Insured's** liability has been established by judgment after actual trial or by written agreement to which **we** have consented; and
 2. it has been determined that the **Ultimate Net Loss** as a result of the **Medical Claim** in question exceeds the **Underlying Limit Retention** amount.

We have no duty to defend any **Insured** and **we** shall not be called upon to assume charge of the investigation, settlement or defense of any suit brought or legal proceedings instituted against any **Insured**, but **we** shall have the right and be given the opportunity, to be associated at **our** own expense with the **Insured** or the **Insured's** underlying insurers, or both, in the defense and control of **Claims**, or the trial of any suits or other legal proceedings, relative to any **Medical Claim** that, in **our** opinion, may create liability for **us** under the terms of this Endorsement, in which event the **Insured** shall fully cooperate with **us** in the defense of that **Claim**. For any **Medical Claim** reported to **us** according to Paragraph 7. of this Endorsement, the **Insureds** must cooperate with **us** and with any claims administrator **we** designate in the investigation, defense or settlement of **Medical Claims**.

In the event the **Insured** or the **Insured's** underlying insurers elect not to appeal a judgment in excess of the **Underlying Limit Retention** amount, **we** may appeal (including disbursements and interest on judgments incidental to the appeal), but in no event shall **our** liability exceed the **Limit of Liability** of this Policy including the cost of such appeal.

- B. Paragraphs 8., 9., and 10. from the GLX Policy are incorporated into this Endorsement.

6. EXCLUSIONS

- A. The following Exclusions from the GLX Policy are incorporated into this Endorsement, along with any Definitions used therein: a., b., c., d., f., h., i., j., k., l., m., n., o., p., r., s., t., and any other Exclusion added to the GLX Policy by endorsement that is not specifically amended by this Endorsement.

B. Additional Exclusions:

This Limited Health Services Coverage does not apply to:

Contractual Liability

- i. any liability assumed by any **Insured** in any contract or agreement except for liability that the **Insured** would have in the absence of the contract or agreement;

Cyber-Related Liability

- i. any liability caused by or resulting from any unauthorized use, access to, or failure or violation of any **Computer System** or any other device or instrument used in the communication, receipt, or transmission of electronic data;

Prior Claims and Acts

- i. any **Bodily Injury, Personal Injury, Property Damage** or physical or mental injury, emotional distress, sickness, disease, shock or death related to or arising out of **Sexual Misconduct** resulting from any act, error or omission that took place before the **Inception Date** and that arises out of the rendering or failure to render **Medical Services**;
- ii. any **Claim** arising out of **Medical Services** first made against any **Insured** as of the **Inception Date**;
- iii. any **Medical Incident** or **Internship-Related Medical Incident** that, prior to the **Inception Date**, was the subject of prior litigation, court order, settlement agreement, or notice to an insurer under any other policy;

Sexual Misconduct

- i. any **Claim** brought by an individual challenging an **Included Entity's** handling of allegations of **Sexual Misconduct** against them, including but not limited to **Claims** challenging the fairness or adequacy of the **Student Discipline Process**;
- ii. the liability of any person who either engaged in **Sexual Misconduct** or knew about **Child Molestation** but failed to report it to law enforcement, child protective services or any equivalent state agency; provided, however, that if after a final civil adjudication it is determined that an accused person did not engage in or fail to report **Sexual Misconduct**, we will reimburse **Defense Costs** for that person;
- iii. any liability arising out of or related to **Sexual Misconduct** covered in whole or in part by any other excess general liability policy issued by us;
- iv. any liability for **Sexual Misconduct** occurring before 02/20/2018;
- v. any liability arising out of or related to **Sexual Misconduct**, when a **Reporting Officer** prior to 06/30/2021 knew or should have known of **Sexual Misconduct** committed by the same perpetrator;
- vi. any liability arising out of or related to **Child Molestation** when known to a **Reporting Officer** who did not engage in **Child Molestation** but failed to report it to law enforcement, child protective services or any equivalent state agency; or
- vii. any liability arising out of or related to **Serial Sexual Misconduct**, if the **Educational Organization** fails to follow its internal policies for investigation and response after any **Reporting Officer**, who did not engage in **Serial Sexual Misconduct**, had actual knowledge of the **Serial Sexual Misconduct**;

Other UE Coverage

- i. any liability arising out of or related to any **Medical Claim** covered under any other excess general liability policy issued by **us**;

Intentional Acts, Unlawful Acts or Licensure Issues

- i. any liability of an **Insured** for any **Medical Claim** arising out of an act, error or omission committed by that **Insured** with the intent to harm or injure;
- ii. any liability of an **Insured** for any **Medical Claim** arising out of an act, error or omission committed by that **Insured** with the knowledge that such act, error or omission was unlawful or in violation of governing licensure standards;
- iii. any **Medical Claim** involving an **Insured** performing **Medical Services** while his or her license or certification to practice his or her profession or the license under which he or she is practicing has been suspended, revoked or surrendered;
- iv. any **Medical Claim** arising out of an unlawful act, error or omission where a **Reporting Officer** had prior actual knowledge that the unlawful act, error or omission would occur;
- v. liability of an any **Associated Medical Facility** arising out of an unlawful act, error or omission where the Chief Executive Officer, Chief Administrative Officer, Chief Financial Officer, Chief Information Officer, Chief Medical Officer, Chief Nursing Officer, or director of the hospital, clinic, medical facility or internship program had prior actual knowledge that the unlawful act, error or omission would occur;

Surgical or Experimental Procedure

- i. any **Medical Claim** involving any surgery at a **Campus Medical Facility**, other than stitches, sutures or incisions that involve only the skin or subcutaneous tissue;
- ii. any **Medical Claim** involving human clinical trials or human subject research; or the use, administration or prescription of any drug, pharmaceutical or medical device for a treatment of human beings that has not been approved for distribution or sale by the U.S. Food and Drug Administration;

Peer Review

- i. any **Medical Claim** involving any acts or services involving:
 - a. Peer review, professional certification or credentialing;
 - b. Utilization review;
 - c. Activity by any **Insured** as a member of any professional licensing board;

Telemedicine

- i. any liability arising out of or related to **Telemedicine**;

Insured v. Insured

- i. any **Medical Claim** brought by or on behalf of the **Educational Organization** against any other **Insured**.

7. NOTICE OF CLAIM

- A. As a condition precedent to the rights of any **Insured** under this Policy with respect to any **Medical Claim**, the **Insured** must:
- notify **us** as soon as practicable in writing;
 - provide particulars sufficient to identify the **Insured**, the person(s) or organization(s) involved in the **Medical Claim**, and also such reasonably detailed information as **we** may request;
 - provide information required for reporting under Section 111 of the Medicare, Medicaid and State Children's Health Insurance Program Extension Act of 2007;
 - promptly forward to **us** any written demand, notice, summons, complaint or other service of process received by the **Insured** or its representatives; and
 - cooperate with **us** and with any claims administrator **we** designate in the investigation, defense or settlement of **Medical Claims**.
- B. If this Policy is not renewed, then (subject always to the preceding paragraph) the **Insured** must give **us** written notice of any **Medical Claim** no later than 60 days after the end of the **Policy Period** or, if all conditions of Paragraph 9. of this Endorsement have been satisfied, no later than the end of the **Extended Discovery Period**.
- C. Subject to the Sexual Misconduct Exclusion in Paragraph 6.B. of this Endorsement, if during the **Policy Period** an **Insured** first becomes aware of any **Medical Incident** or **Internship-Related Medical Incident** that the **Insured** believes may give rise to a **Medical Claim**, and gives **us** written notice of such **Medical Incident** or **Internship-Related Medical Incident** prior to the end of the **Policy Period**, including the nature of the **Medical Incident** or **Internship-Related Medical Incident**, the names of potentially damaged parties, and the manner in which the **Insured** first became aware of the **Medical Incident** or **Internship-Related Medical Incident**, then any **Medical Claim** subsequently made arising out of that **Medical Incident** or **Internship-Related Medical Incident** will be deemed to have been made during the **Policy Period**.
- D. Paragraph 13. from the GLX Policy is incorporated into this Endorsement.

8. OTHER INSURANCE

This Policy shall at all times be excess over the greater of the **Underlying Limit Retention** amount, or the amount of any other insurance available to an **Insured** or **Included Entity** (other than insurance that is expressly and specifically excess of the limits of this Policy), including any applicable medical professional liability or medical malpractice policy under which any **Insured** is also covered, and nothing in this Policy or in any other policy shall be construed to require this Policy to contribute with, or subject this Policy to the terms, conditions or limits of, such other insurance.

In addition, this Policy shall always be excess over any other insurance, including any applicable medical professional liability or medical malpractice policy, that names any **Insured** as an "additional insured"

- if such insurance is also written on an excess basis, **we** agree with the **Insured** that this Policy is excess over such insurance; and,
- we** shall not share in paying **Ultimate Net Loss** with that other insurance on any basis, including but not limited to the ratio of the **Limit of Liability** and the limit of liability of the policy providing "additional insured" coverage.

9. OPTIONAL EXTENDED DISCOVERY PERIOD

If **we** are unable to agree with the **Educational Organization** to a renewal at the end of the **Policy Period**, the **Educational Organization** shall have the right to an **Extended Discovery Period**. The right to an **Extended Discovery Period** must be exercised by (i) notice to **us** in writing and (ii) payment of an additional premium of 25% of the annual premium of this Policy no later than 10 days following the end of the **Policy Period**. The additional premium will be considered fully earned on the first day of the **Extended Discovery Period**.

Any **Medical Claim** involving a **Medical Incident** or **Internship-Related Medical Incident** taking place before the end of the **Policy Period** and first made during the **Extended Discovery Period** will be treated as a **Medical Claim** first made during the **Policy Period** and is subject to the **Limit of Liability** and **Underlying Limit Retention** amounts applicable to the **Policy Period**.

This Endorsement does not cover any **Medical Claim** that is covered in whole or in part by any policy of insurance that replaces this Policy or that succeeds this Policy in time.

10. OTHER PROVISIONS

The following Provisions from the GLX Policy are incorporated into this Endorsement:

- Paragraphs 14.-16., CANCELLATION AND NONRENEWAL
- Paragraph 17., GOVERNING LAW AND INTERPRETATION
- Paragraph 18., DISPUTE RESOLUTION
- Paragraph 19., COMPLIANCE WITH APPLICABLE UNITED STATES SANCTIONS
- Paragraph 20., CURRENCY
- Paragraphs 21.-22., REPRESENTATION, except the words "or **Medical Claim**" shall be included after "**Occurrence** or **Claim**"
- Paragraph 23., SUBROGATION, except the words "or **Medical Incident** or **Internship-Related Medical Incident**" shall be included after "**Occurrence**" where it is referenced
- Paragraph 24., ALTERATION AND ASSIGNMENT
- Paragraph 25., INSPECTION
- Paragraph 27., BANKRUPTCY, except "**Underlying Limit Retention**" has the meaning set forth in this Endorsement
- Paragraph 28., UNINTENDED ERRORS OR OMISSIONS
- Paragraph 29., HEADINGS



Richard G. Mills, Jr., President & CEO

SEXUAL MISCONDUCT COVERAGE

In consideration of the premium charged, and always subject to all other provisions of this GLX Policy, we agree with the **Educational Organization** that:

INSURING AGREEMENT

1) Paragraph 1. of this GLX Policy is deleted and replaced with the following:

1. We will pay on behalf of the **Insureds** that portion of the **Ultimate Net Loss** which is in excess of the **Underlying Limit Retention** amount up to the **Limit of Liability** of this Policy resulting from an **Occurrence** or a **Sexual Misconduct Occurrence** anywhere to which this insurance applies. This Policy applies excess of any **Underlying Insurance**.

2) The following provisions of this GLX Policy are amended to replace “**Occurrence**” with “**Occurrence or Sexual Misconduct Occurrence**” (or to replace “**Occurrences**” with “**Occurrences or Sexual Misconduct Occurrences**,” as applicable):

- a. The definitions of **Included Entity**, and **Insured** part e.;
- b. Paragraphs:
 - (i) 6. and 7. of the Defense and Settlement clause;
 - (ii) 12. of the Notice of Occurrence or Claim clause;
 - (iii) 21. of the Representation clause;
 - (iv) 23. of the Subrogation clause; and
 - (v) 26. of the Other Insurance clause.

3) The following Definitions are added to Paragraph 2. of this GLX Policy:

Serial Sexual Misconduct means any **Sexual Misconduct**:

- a. by a perpetrator who is not a student; and
- b. that harms more than one person.

Sexual Misconduct Occurrence means any **Sexual Misconduct** that occurs, or that UE deems to have occurred, during the **Policy Period**.

4) The Definition of **Reporting Officer** is amended to add the following:

- Title IX Coordinator

LIMIT OF LIABILITY AND AGGREGATION

5) Paragraph 3. of this GLX Policy is deleted and replaced with the following:

Irrespective of the number of policy periods or the geographical area over which alleged or actual injuries or damages arise, the number of alleged or actual injuries or damages, the number of persons who sustain alleged or actual injuries or damages, or the number of **Claims** made or suits brought against one or more **Insureds**, on account of one or more **Occurrences** or **Sexual Misconduct Occurrences**, our liability for all **Damages** is limited to the amount stated in Items 2.(a)(i)-(ii) of the Declarations for each **Occurrence** or **Sexual Misconduct Occurrence**, and the amount stated in Item 2.(b) of the Declarations in the aggregate for all **Occurrences**, **Sexual Misconduct Occurrences** and **Medical Claims** covered by this Policy. Provided, however, the **Limit of Liability** for all **Sexual Misconduct Occurrences** occurring, or deemed to have

occurred, during this **Policy Period**, and first reported to **us** ten years or more after the end of this **Policy Period** shall be reduced to the lesser of \$5,000,000 or the remaining unexhausted amount of the Annual Aggregate Limit listed in in Item 2.(b) of the Declarations.

All **Bodily Injury, Property Damage, Personal Injury** or **Advertising Injury** attributable directly or indirectly to the same accident, event, cause, defect or hazard, or failure to warn of such, or to the same or similar conditions, shall be deemed to constitute one single **Occurrence**, irrespective of the number of policy periods or the geographical area over which alleged or actual injuries or damages arise, the number of alleged or actual injuries or damages sustained, the number of persons who sustain alleged or actual injuries or damages, or the number of **Claims** made against one or more **Insureds**.

In addition to the above, for all **Occurrences** arising out of or related to:

a. **Included Entity's Products**

Any alleged or actual injuries or damages that are directly or indirectly attributable to the design, formulation, manufacture, distribution, use, operation, maintenance or repair of an **Included Entity's Products** or the failure to warn as to its use, operation or maintenance shall be deemed to constitute one single **Occurrence**, irrespective of the number of policy periods or the geographical area over which alleged or actual injuries or damages arise; the number of such alleged or actual injuries or damages sustained; the number of persons who sustain alleged or actual injuries or damages; or the number of **Claims** made against one or more **Insureds**.

b. **Athletic Traumatic Brain Injury**

The following circumstances listed below which in any way cause, result in, and/or are related or connected to **Athletic Traumatic Brain Injury**, including any related medical diagnostics or treatments, shall collectively be grouped together and deemed to constitute one single **Occurrence**, irrespective of the number of policy periods or the geographical area over which alleged or actual injuries or damages arise, the number of such alleged or actual injuries or damages sustained, the number of persons who sustain alleged or actual injuries or damage, or the number of **Claims** made against one or more **Insureds**:

- (1) any and all related accidents during the **Policy Period**;
- (2) the continuous, intermittent, or repeated exposures to the same or similar conditions that commence during the **Policy Period**; or
- (3) formal or informal policies, practices, procedures, or courses of conduct that commence during the **Policy Period**.

For **Sexual Misconduct Occurrences**, any **Sexual Misconduct** by a single perpetrator or by more than one perpetrator acting in concert with one another that occurs while the **Educational Organization** maintains excess coverage for **Sexual Misconduct** with **us** shall be deemed to constitute one **Sexual Misconduct Occurrence** taking place on the date of the first incident of **Sexual Misconduct** by that perpetrator or perpetrators acting in concert with one another irrespective of the:

- a. geographical area over which the alleged or actual injuries or damages arise;
- b. number of policies issued by **us** to the **Educational Organization** on which any **Claims** are made;
- c. number of alleged or actual injuries or damages sustained;

- d. number of persons who sustain alleged or actual injuries or damages; or
- e. number of **Claims** made against one or more **Insureds**.

Any act or omission by or allegedly by a perpetrator of **Sexual Misconduct** or perpetrators acting in concert with one another, including any violation of a person's right to privacy and any physical or verbal assault or abuse, shall be deemed to be part of a single **Sexual Misconduct Occurrence** and all liability arising from the single **Sexual Misconduct Occurrence** shall be subject to one single **Sexual Misconduct Occurrence Limit of Liability** and shall not give rise to a separate **Claim** or **Occurrence**.

EXCLUSIONS

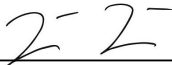
- 6) Unless otherwise provided herein, the coverage provided under this Endorsement is subject to all other Exclusions in Paragraph 11. of this GLX Policy, including, but not limited to, Exclusion 11.e.
- 7) Exclusion 11.g. of this GLX Policy is deleted and replaced with the following:
 - g.
 - (i) any **Claim** brought by an individual challenging an **Included Entity's** handling of allegations of **Sexual Misconduct** against them, including but not limited to **Claims** challenging the fairness or adequacy of the **Student Discipline Process**;
 - (ii) the liability of any person who either engaged in **Sexual Misconduct** or knew about **Child Molestation** but failed to report it to law enforcement, child protective services or any equivalent state agency; provided, however, that if after a final civil adjudication it is determined that an accused person did not engage in or fail to report **Sexual Misconduct**, we will reimburse **Defense Costs** for that person;
 - (iii) any liability arising out of or related to a **Sexual Misconduct Occurrence** covered in whole or in part by any other excess general liability policy issued by us;-
 - (iv) any liability for **Sexual Misconduct** occurring after the **Policy Period**, if the **Educational Organization** no longer maintains excess coverage for **Sexual Misconduct** with us at the time of that **Sexual Misconduct**;
 - (v) any liability arising out of or related to a **Sexual Misconduct Occurrence**, when a **Reporting Officer** knew or should have known of **Sexual Misconduct** committed by the same perpetrator prior to 06/30/2021;
 - (vi) any liability arising out of or related to **Child Molestation** when known to a **Reporting Officer** who did not engage in **Child Molestation** but failed to report it to law enforcement, child protective services or any equivalent state agency;
 - (vii) any liability arising out of or related to **Serial Sexual Misconduct**, if the **Educational Organization** fails to follow its internal policies for investigation and response after any **Reporting Officer**, who did not engage in **Serial Sexual Misconduct**, had actual knowledge of the **Serial Sexual Misconduct**; or
 - (viii) any liability arising out of **Sexual Misconduct** by a (1) medical professional, (2) allied health professional or (3) person training to be a medical professional or allied health professional, that
 - a. takes place at the location at which one or more of those individuals are providing health care services; or
 - b. harms his or her own patient.



NOTICE OF SEXUAL MISCONDUCT OCCURRENCE OR CLAIM

- 8) Paragraph 12. is amended to add the following at the end of subparagraph (b):
- **Sexual Misconduct** other than **Non-Employee Sexual Harassment**;

All other Policy provisions remain the same.


Richard G. Mills, Jr., President & CEO

UNDERLYING PRIMARY POLICY AGGREGATE EXHAUSTION ENDORSEMENT

In consideration of the premium charged, and subject to all other provisions of this Policy, **we** agree with the **Educational Organization** that:

1. Notwithstanding the definition of **Underlying Limit Retention** of this Policy, in the event that the Aggregate Limit of Underlying Primary Insurance listed below in Item 2. of this endorsement is reduced below the **Underlying Limit Retention** amounts as specified in Item 4. of the Declarations of this Policy solely by reason of payment of **Damages**, **we** will pay that portion of **Ultimate Net Loss** in excess of the greater of:

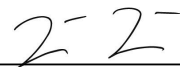
- (a) the reduced Annual Aggregate Limit of such Underlying Primary Insurance or
 - (b) \$25,000
- and then up to the **Limit of Liability**.

2. Schedule of Underlying Primary Insurance:

Insurer:	American Southern Home Insurance Company
Policy No.:	7NA6CP0002002-00
Aggregate Limit:	\$3,000,000
Policy Period:	06/30/2024 to 06/30/2025
Policy Form:	Occurrence
Policy Type:	General Liability

3. Nothing in this Endorsement shall be construed to make this Policy subject to any provisions of the Underlying Primary Insurance or to increase the **Limit of Liability** of this Policy.

All other Policy provisions remain the same.


Richard G. Mills, Jr., President & CEO

**United Educators Insurance, a Reciprocal Risk Retention Group
Excess Liability Policy
Occurrence Form**

(The words “**we**,” “**us**,” and “**our**,” when used in this Policy, refer to United Educators Insurance, a Reciprocal Risk Retention Group, the “Company” issuing this Policy of insurance).

In consideration of the payment of the premium, in reliance on the information furnished to **us** in the application and attachments thereto, and subject to the **Limit of Liability**, exclusions, definitions, conditions and other terms of this Policy, **we** agree with the **Educational Organization** that:

INSURING AGREEMENT

1. **We** will pay on behalf of the **Insureds** that portion of the **Ultimate Net Loss** which is in excess of the **Underlying Limit Retention** amount up to the **Limit of Liability** of the Policy resulting from an **Occurrence** anywhere to which this insurance applies. This Policy applies excess of any **Underlying Insurance**.

DEFINITIONS

2. This Policy is subject to the following definitions:

Advertising Injury means injury resulting from

- a. 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;
- b. oral or written publication of material that violates a person’s right of privacy;
- c. misappropriation of advertising ideas or style of doing business; or
- d. infringement of trademark, title, copyright or slogan

in any advertisement, publicity article, broadcast, telecast, or electronic or video publication that arises out of an **Included Entity’s** advertising of its goods, products or services.

Athletic Participant means an individual who takes part or who took part with the expressed or implied consent of an **Included Entity** in any tryout, conditioning, practice, preparation, scrimmage, exhibition or game which is related to the **Included Entity’s** organized athletic programs.

Athletic Traumatic Brain Injury means any **Traumatic Brain Injury** to an **Athletic Participant** in connection with, arising out of, relating to or attributable to any tryout, conditioning, practice, preparation, scrimmage, exhibition or game which is related to the **Included Entity’s** organized athletic programs.

Automobile means a land motor vehicle designed and registered for use on public roads including any attached trailer or equipment. **Automobile** does not mean or include:

- a. solar or battery-powered experimental motor vehicles developed in conjunction with an educational program of the **Educational Organization** wherever operated including preparing or practicing for, or participating in, any competition or time trial with other educational organizations; or
- b. motorized land vehicles or equipment principally designed for use off public roads or on an **Included Entity’s** property that are neither registered as a motor vehicle nor insured under an automobile liability insurance policy, including tractors, mowers, snow-blowers, grading equipment, farm equipment, forklifts, backhoes, all-terrain vehicles, bulldozers and similar equipment.

Bodily Injury means physical or mental injury, emotional distress, sickness, disease, shock, or death sustained by a person. However, **Bodily Injury** does not include any physical or mental injury, emotional distress, sickness, disease, shock, or death related to or arising out of **Sexual Misconduct**.

Child Molestation means any actual or alleged sexual conduct with a minor.

Claim means a demand for **Damages**.

Computer System means any computer hardware, software or any components thereof that are or can be linked together through a network of two or more devices accessible through the Internet or an internal network, or that are or can be connected with data storage or other peripheral devices (including, without limitation, telephones, wireless devices and other mobile devices), as well as any cloud computing or other resources operated by a third-party service provider.

Damages means the amounts that an **Insured** becomes legally obligated to pay as compensation to an injured party. **Damages** includes punitive or exemplary damages, where lawfully insurable, and **Defense Costs**. But **Damages** does not include:

- taxes, fines, or criminal penalties;
- the cost of compliance with injunctive or equitable relief; or
- any matters uninsurable under the law pursuant to which this Policy shall be construed.

Defense Costs means the fees and expenses of investigation and defense of **Claims**, and the costs of appeal or similar bonds for amounts up to the **Limit of Liability**, and includes reasonable attorneys' fees and disbursements; but **Defense Costs** does not include the wages or salary of any employee of any **Insured** or any amounts paid by an underlying insurer pursuant to its duty to defend an **Insured**.

Digital Data means any record, data, research, or information of any kind, including but not limited to **Financial Information**, **Health Information** or **Identifying Information**, that is stored on a **Computer System**.

Educational Organization means the entity named as such in Item 1. of the Declarations.

Employee Occupational Disease Liability means liability of an **Insured** to any employees or former employees of an **Included Entity** for **Bodily Injury** arising from disease which is caused or aggravated by conditions to which the employee is exposed during such employment.

Financial Information means an individual or organization's non-public financial data, regardless of how or where it is stored or what format it is in, including but not limited to credit card numbers, credit ratings, bank account numbers, bank account balances, or any other information that is used in billing, credit assessment, financial aid determinations, business transactions, or other financial activities.

First Aid means any uncompensated emergency care or treatment given to an ill or injured person at the scene of an accident before a licensed medical professional can provide regular medical aid. However, **First Aid** shall not mean services provided by an individual (i) in the course of his/her employment as, or training to become or remain qualified as, a physician, nurse, or other licensed medical professional; or (ii) in the course of volunteer work as a physician, nurse, or other licensed medical professional.

Health Information means any information concerning an individual that would be considered "protected health information" or "electronic protected health information" within the Health

Insurance Portability and Accountability Act of 1996 (as amended) (HIPAA) or the Health Information Technology for Economic and Clinical Health Act (HITECH Act), and their implementing regulations, or protected health-related information under any similar federal, state, local or foreign law.

Identifying Information means any information, regardless of how or where it is stored or what format it is in, that could potentially be used to distinguish or trace an individual's identity either alone or when combined with other personal or identifying information, including but not limited to a person's full name, date of birth, social security number, place of birth, government issued identification number, or biometric records.

Included Entity means:

- a. the **Educational Organization**;
- b. any not-for-profit organization or entity over which the governing body of the **Educational Organization** exerts effective control and that is named in, and whose accounts are included with or consolidated into, the financial statements submitted to **us** most recently by the **Educational Organization** prior to the rating of the premium for the **Policy Period**; however, no entity or affiliate or subsidiary of any entity that has not qualified as a not-for-profit entity under applicable provisions of the Internal Revenue Code is an **Included Entity**, and no person or entity is an **Insured** with respect to such entity, unless that entity is listed on Schedule A;
- c. any entity listed on Schedule A of this Policy; and
- d. any not-for-profit entity acquired or formed by or merged with an **Included Entity** during the **Policy Period** provided that
 - (1) the value of the sum of all assets (including, but not limited to, real estate, securities, assumed indebtedness and other consideration) expended, assumed or exchanged for any such acquisition, formation or merger does not exceed 5% of the total assets of the **Educational Organization** and its consolidated subsidiaries and affiliates as most recently reported to **us** for rating purposes prior to such **Policy Period**;
 - (2) the combined or consolidated operations and the acquired, formed or merged entity are not materially different from those of the **Included Entity** prior to the acquisition, formation or merger;
 - (3) coverage with respect to that newly formed, acquired or merged entity will begin on the date of acquisition, formation or merger, and there is no coverage for any entity acquired by or merged into the **Included Entity** or for any person with respect to that entity for **Occurrences** happening prior to the date of acquisition or merger; and
- e. In addition to coverage provided in Item d. listed above, any newly formed, acquired or merged affiliates of the **Educational Organization**, shall be added as **Included Entities** to this Policy as of the effective date of their formation, incorporation or acquisition by the **Educational Organization**, provided
 - (1) they are reported to **us** within sixty (60) days of the date of their formation, incorporation or acquisition by the **Educational Organization** and
 - (2) are subsequently accepted for coverage by **us** and named on the Policy.

Included Entity's Products means goods or products manufactured, sold, tested, handled, used or distributed by an **Included Entity** or others trading under its name. **Included Entity's Products** includes materials that were the subject of completed or abandoned operations of the **Included Entity**.

Insured means:

- a. the **Included Entities**;
- b. any past, present or future trustees, governing board directors or **Officers** of an **Included Entity** while acting within the scope of their duties on behalf of that **Included Entity**; the estates, heirs, legal representatives or assigns of deceased, incompetent, insolvent or bankrupt trustees, governing board directors, or **Officers**; and spouses or domestic partners of governing board directors or trustees to the extent they are involved in **Claims** solely because of their status as spouses or domestic partners;
- c. at the option of the **Educational Organization**, any
 - (1) past, present and future employee, member of the faculty, student teacher, or teaching assistant of an **Included Entity**;
 - (2) member of a committee, including an Institutional Review Board (as recognized by the U.S. Food and Drug Administration and U.S. Department of Health and Human Services) of an **Included Entity**, or a representative to an education association of which the **Educational Organization** is a member;
 - (3) uncompensated volunteer worker performing services on behalf and with the express direction and authority of an **Included Entity**;
 - (4) student of an **Educational Organization** while serving in a supervised internship program in satisfaction of course requirements; or
 - (5) student of an **Educational Organization** while acting at the direction of, complying with policies and procedures governing conduct at, or performing services primarily for or on behalf of, the **Educational Organization**;but only while acting within the scope of their duties or obligations in their respective capacities to an **Included Entity** as described in clause b. or c. above, and coverage for these individuals is subject always to all other terms and conditions of this Policy;
- d. any person legally responsible for the use of an **Automobile** owned, rented, leased, borrowed, hired or used by an **Included Entity** with its express permission; but **Insured** under this Paragraph d. does not include:
 - (1) any person or organization's (other than an **Included Entity's**) agent or employee, operating an **Automobile** repair shop, public garage, sales agency, service station, or public parking place, with respect to any **Occurrence** arising out of the operation thereof; or
 - (2) the owner or any permissive user of the owner of an **Automobile** that is not owned by an **Included Entity**; however, at the request of the **Educational Organization**, **we** will deem as an **Insured**
 - (i) an employee of an **Included Entity** for liability arising out of the use of his or her personal **Automobile** in the business of that **Included Entity** on behalf of and with the express permission of that **Included Entity**; or
 - (ii) any person who rents or leases **Automobiles** on behalf of and with the express permission of the **Included Entity**, but only while acting within the scope of their duties or obligations in their respective capacities to an **Included Entity**;
- e. except with respect to the use or operation of an **Automobile**, any person or organization to whom any **Included Entity** is obligated by virtue of a contract or agreement to provide liability insurance such as is afforded by this Policy, but only
 - (1) to the extent of such obligation;
 - (2) for operations (other than commercial insurance operations) by or on behalf of that **Included Entity** or operation of facilities of that **Included Entity** or use of facilities by that **Included Entity**; and
 - (3) if the contract or agreement is made prior to a covered **Occurrence**; and

- f. **Automobile** dealerships and leasing corporations that own **Automobiles** which are leased or loaned to an **Included Entity** but only for liability arising out of the activities of the **Included Entity's** employees.

Limit of Liability means the maximum amounts that are provided by this Policy to pay **Damages**, respectively, for

- a. each **Occurrence**, or each **Sexual Misconduct Occurrence** or **Medical Claim**, if such coverages are provided by endorsement, as stated in Item 2.(a) of the Declarations; and
- b. in the aggregate for all **Occurrences**, and all **Sexual Misconduct Occurrences** and **Medical Claims**, if such coverages are provided by endorsement, during the **Policy Period** as stated in Items 2.(b) of the Declarations. Provided however, the Annual Aggregate Limit stated in Item 2.(b) of the Declarations does not apply to **Bodily Injury** or **Property Damage** arising out of the operation of an **Automobile** by or on behalf of an **Included Entity**.

Medical Claim has the meaning ascribed to it in the Limited Health Services Coverage endorsement, which is attached if such claims-made coverage is provided by endorsement as part of this GLX Policy.

Medical Services means any acts that may be legally performed only by a physician, nurse, or other licensed medical professional within the scope of his/her medical license, regardless of whether the person is licensed or not. However, the application of **First Aid** shall not be considered **Medical Services**.

Model Aircraft means a non-human carrying device capable of sustained flight in the atmosphere which has a flight weight of 100 pounds or less (flight weight includes the weight of the aircraft itself, fuel and other fluids, and all payload) used for research and/or educational purposes; but, **Model Aircraft** does not include any rocket or missile.

Non-Employee Sexual Harassment means unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature when such conduct has the purpose or effect of unreasonably interfering with performance by, or creating an intimidating, hostile, or offensive environment for a student or person other than an employee of an **Included Entity**.

Non-Flight Curriculum-Related Instruction includes the assembly, maintenance, service, ownership, use or operation of owned aircraft not used in flight, but instead solely for maintenance or service as part of **Non-Flight Curriculum-Related Instruction**; however **Non-Flight Curriculum-Related Instruction** does not include:

- (i) the flying of any aircraft,
- (ii) the time commencing with the take-off run or landing run of any aircraft or
- (iii) the assembly, maintenance, service, ownership, use or operation of any aircraft actually used in flight.

Occurrence means:

- a. an accident during the **Policy Period** or the continuous, intermittent or repeated exposure to conditions that commence during the **Policy Period** that causes **Bodily Injury** or **Property Damage** neither expected nor intended by the **Insured**; or
- b. an event that first occurs during the **Policy Period** that causes **Personal Injury** or **Advertising Injury**.

The use of reasonable force to protect persons or property shall be deemed "neither expected nor intended" within the meaning of a. above.

Breach of contract is not an **Occurrence**.

Officer means any corporate officer of an **Included Entity** whether or not an employee; and any president, chancellor, provost, treasurer, vice president, dean or other comparable senior administrator of any **Included Entity**.

Outbreak means a human illness caused by any virus or bacteria declared on or after 1/1/2021 as a:

- a. pandemic or epidemic by the World Health Organization or the Centers for Disease Control; or
- b. Public Health Emergency by the Secretary of the US Department of Health and Human Services or by a state government authority.

Personal Injury means injury resulting from

- a. false arrest, detention or imprisonment;
- b. malicious prosecution;
- c. wrongful entry into, or eviction of a person from, a room, dwelling or premises a person occupies;
- d. oral, written, video or electronic publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services (other than in any advertisement, publicity article, broadcast, telecast, or electronic or video publication that arises out of an **Included Entity's** advertising of its goods, products or services); or
- e. violation of a person's right of privacy.

Policy Period means the period from the first date and hour stated in Item 3. of the Declarations until the earlier of the last date and hour stated in Item 3. of the Declarations or the date and hour of cancellation of this Policy.

Pollutant means any solid, liquid, gaseous or thermal irritant, contaminant, toxic or hazardous substance or any substance which may, does, or is alleged to affect adversely the environment, property, persons or animals, including any Select Agents (as defined by the United States Department of Health and Human Services and the United States Department of Agriculture), fungi, spores, smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Fungi includes, but is not limited to, any form or type of mold, mushroom, or mildew. Spores includes any reproductive body produced by or arising out of fungi. Waste includes materials to be recycled, reconditioned or reclaimed. However, no virus or bacteria is a **Pollutant** unless such virus or bacteria qualifies as a Select Agent and is used, stored, or maintained by an **Included Entity** for research purposes.

Property Damage means physical injury to or destruction of tangible property (which does not include any **Digital Data**) of others, including (i) loss of use, if the loss of use results from the physical injury or destruction of the tangible property; (ii) loss of use of tangible property of others that has not been physically injured or destroyed; and (iii) consequential damage or evacuation loss from actual or threatened physical injury or destruction of tangible property.

Reporting Officer means a position equivalent to any of the below of the **Educational Organization**:

- a. President, Chancellor or Head of School;
- b. Provost or Chief Academic Officer;
- c. VP of Finance, Chief Financial Officer, VP of Administration, or Chief Business Officer;
- d. VP of Legal Affairs or General Counsel;

- e. VP of Student Affairs; or
- f. Athletic Director.

Secure Data means any:

- a. **Identifying Information;**
- b. **Financial Information;**
- c. **Health Information;** or
- d. **Digital Data.**

Sexual Misconduct means any actual or alleged **Non-Employee Sexual Harassment, Child Molestation**, or any other sexual assault, sexual abuse, or wrongful sexual conduct.

Sexual Misconduct Occurrence has the meaning ascribed to it in the Sexual Misconduct Coverage endorsement, which is attached if such coverage is provided by endorsement as part of this GLX Policy.

Student Discipline Process means the policy, practice or procedure of training, response, investigation, handling, resolution or adjudication of allegations of **Sexual Misconduct**, regardless of whether it is handled in a formal Title IX process.

Traumatic Brain Injury means any of the following:

- a. a concussion or sub-concussive brain injury or brain trauma;
- b. a reaction by the brain to a bump, blow or jolt to the head or body that is transmitted to the head; or
- c. any brain injury or brain trauma which results, either immediately or later in time, in changes in behavior, thinking, and/or physical or cognitive functioning.

Ultimate Net Loss means the total sum that the **Insured** shall be obligated to pay for **Damages** with respect to any single **Occurrence**, or single **Sexual Misconduct Occurrence** or **Medical Claim**, if such coverages are provided by endorsement.

Underlying Insurance means formal or informal risk instruments or transfer mechanisms including trusts or captives; or risk transfer mechanisms that name the **Insured** as "additional insured."

Underlying Limit Retention means the amount stated in Item 4. of the Declarations. This amount applies separately and always to each **Occurrence**, or each **Sexual Misconduct Occurrence** or **Medical Claim**, if such coverages are provided by endorsement, covered by this Policy whether or not **Underlying Insurance** is available to the **Insured** to cover the **Underlying Limit Retention** amount. The **Underlying Limit Retention** amount shall be satisfied with respect to an **Occurrence**, or a **Sexual Misconduct Occurrence** or **Medical Claim**, if such coverages are provided by endorsement, when the amount stated in Item 4. of the Declarations is exceeded by

- a. **Damages** other than **Defense Costs**, when **Defense Costs** are outside the liability limits of the **Underlying Insurance**; or
- b. **Damages**, if **Defense Costs** are within the liability limits of **Underlying Insurance** or if no **Underlying Insurance** applies to that **Occurrence**.

Watercraft means any ship or vessel intended to be operated on or beneath the water whether or not self-propelled.

Wrongful Employment Practices means wrongful acts against or wrongful treatment of an employee, former employee or applicant for employment by an **Included Entity** in its capacity as employer or by any person for whose conduct or misconduct the **Included Entity** is liable, including

wrongful failure to hire, retain or promote; wrongful discrimination in the terms or conditions of employment, including sexual harassment; wrongful demotion, termination of employment, or discipline; failure to grant due process; the granting or removal of tenure; defamation or retaliation.

LIMIT OF LIABILITY AND AGGREGATION

3. Irrespective of the number of policy periods or the geographical area over which alleged or actual injuries or damages arise; the number of alleged or actual injuries or damages; the number of persons who sustain alleged or actual injuries or damages; or the number of **Claims** made or suits brought against one or more **Insureds**, on account of one or more **Occurrences**, our liability for all **Damages** is limited to the amount stated in Item 2.(a)(i) of the Declarations for each **Occurrence** covered by this Policy, and the amount stated in Item 2.(b) of the Declarations in the aggregate for all **Occurrences** and **Sexual Misconduct Occurrences** and **Medical Claims**, if such coverages are provided by endorsement, covered by this Policy.

All **Bodily Injury, Property Damage, Personal Injury or Advertising Injury** attributable directly or indirectly to the same accident, event, cause, defect or hazard, or failure to warn of such, or to the same or similar conditions, shall be deemed to constitute one single **Occurrence**, irrespective of the number of policy periods or the geographical area over which alleged or actual injuries or damages arise, the number of alleged or actual injuries or damages sustained, the number of persons who sustain alleged or actual injuries or damages, or the number of **Claims** made against one or more **Insureds**.

In addition to the above, for all **Occurrences** arising out of or related to:

- a. **Included Entity's Products**

Any alleged or actual injuries or damages that are directly or indirectly attributable to the design, formulation, manufacture, distribution, use, operation, maintenance or repair of an **Included Entity's Products** or the failure to warn as to its use, operation or maintenance shall be deemed to constitute one single **Occurrence**, irrespective of the number of policy periods or the geographical area over which alleged or actual injuries or damages arise; the number of such alleged or actual injuries or damages sustained; the number of persons who sustain alleged or actual injuries or damages; or the number of **Claims** made against one or more **Insureds**.

- b. **Athletic Traumatic Brain Injury**

The following circumstances listed below which in any way cause, result in, and/or are related or connected to **Athletic Traumatic Brain Injury**, including any related medical diagnostics or treatments, shall collectively be grouped together and deemed to constitute one single **Occurrence**, irrespective of the number of policy periods or the geographical area over which alleged or actual injuries or damages arise; the number of such alleged or actual injuries or damages sustained; the number of persons who sustain alleged or actual injuries or damage; or the number of **Claims** made against one or more **Insureds**:

- (1) any and all related accidents during the **Policy Period**;
- (2) the continuous, intermittent or repeated exposures to the same or similar conditions that commence during the **Policy Period**; or
- (3) formal or informal policies, practices, procedures or courses of conduct that commence during the **Policy Period**.

4. In the event that the **Insured** is also an Insured under any Educators' Legal Liability Insurance

Policy issued by us ("ELL Policy"), and to the extent that any Wrongful Act giving rise to a Claim (as such terms are defined in an ELL Policy) under such ELL Policy, in whole or part, gives rise to, occurs in connection with or arises from an **Occurrence** within the meaning of this Policy, the liability of the Company under this Policy with respect to such **Occurrence** shall be reduced by the amount the Company is obligated to pay under the remaining Aggregate Limit of Liability of such ELL Policy with respect to such Wrongful Act.

5. Except with respect to **Bodily Injury** or **Property Damage** arising out of the operation of an **Automobile** by or on behalf of an **Included Entity**, **we** shall have no further obligation after the Annual Aggregate **Limit of Liability** has been exhausted.

DEFENSE AND SETTLEMENT

6. **We** will pay **Damages** on behalf of an **Insured** as soon as practicable after:
 - a. the **Insured's** liability has been established by judgment after actual trial or by written agreement to which **we** have consented; and
 - b. it has been determined that the **Ultimate Net Loss** as a result of the **Occurrence** in question exceeds the **Underlying Limit Retention** amount.
7. **We** have no duty to defend any **Insured** and **we** shall not be called upon to assume charge of the investigation, settlement or defense of any suit brought or legal proceedings instituted against any **Insured**, but **we** shall have the right and be given the opportunity, to be associated at **our** own expense with the **Insured** or the **Insured's** underlying insurers, or both, in the defense and control of **Claims**, or the trial of any suits or other legal proceedings, relative to any **Occurrence** that, in **our** opinion, may create liability for **us** under the terms of this Policy, in which event the **Insured** shall fully cooperate with **us** in the defense of that **Claim**. For any **Occurrence** or **Claim** reported to **us** according to Paragraph 12. of this Policy, the **Insureds** must cooperate with **us** and with any claims administrator **we** designate in the investigation, defense or settlement of **Claims**.

In the event the **Insured** or the **Insured's** underlying insurers elect not to appeal a judgment in excess of the **Underlying Limit Retention** amount, **we** may appeal (including disbursements and interest on judgments incidental to the appeal), but in no event shall **our** liability exceed the **Limit of Liability** of this Policy including the cost of such appeal.

8. The **Insureds** shall immediately notify **us** of any settlement demand, and no settlement offer shall be made or settlement agreed to by an **Insured** without **our** prior consent (which **we** will not unreasonably withhold or delay), other than a settlement for which no payment for **Damages** is sought by the **Insureds** under this Policy.
9. If the **Insureds** shall refuse to consent to a reasonable settlement **we** recommend that is acceptable to the claimant and if the **Insureds** shall elect thereafter to contest any **Claim** or continue any legal proceedings in connection with that **Claim**, then **our** liability for **Damages** in respect of that **Claim** shall not exceed the amount for which it could have been settled including **Defense Costs** incurred up to the date of such refusal.
10. If a single **Claim** involves both covered and uncovered elements, the **Insureds** and **we** agree to use **our** best efforts to determine a fair and proper allocation of **Damages** between the covered and non-covered elements of the **Claim**, taking into account the relative exposure presented by each element. **We** will be obligated to pay only that portion of **Damages** allocated to covered elements of **Claims** against **Insureds**. If the **Insureds** and **we** are unable to agree upon an allocation, **we** shall advance that portion of **Damages** which the parties agree is not in dispute until a different allocation is negotiated or judicially determined.

EXCLUSIONS

11. This Policy does not apply to:
- a. any obligation for which any **Insured** or any company as its insurer may be held liable under any workers' compensation, unemployment compensation or disability benefits law or the Longshoremen's and Harbor Workers' Compensation Act, or any similar law;
 - b. **Wrongful Employment Practices;**
 - c. **Personal Injury or Advertising Injury**
 - (1) resulting from an act by or at the direction of any **Insured** if performed with the knowledge that such act would cause injury; or
 - (2) arising out of the oral or written publication of material
 - (i) first published prior to the beginning of the **Policy Period**; or
 - (ii) by or at the direction of the **Insured** with knowledge of its falsity;
 - d. **Advertising Injury** arising out of
 - (1) breach of contract;
 - (2) the failure of goods, products or services to conform to advertised quality or performance; or
 - (3) incorrect description or mistake in advertised price

Exception: Item (1) of this exclusion does not apply to misappropriation of advertising ideas under an implied contract;
 - e. any liability arising out of rendering or failure to render any **Medical Services**;
 - f. any **Property Damage** to property owned, occupied or rented by, or within the care, custody or control of, any **Insured**;
 - g. any liability related to or arising out of or in any way involving any actual or alleged **Sexual Misconduct**, irrespective of the legal theory alleged, including but not limited to:
 - (1) training, response, investigation, handling, resolution, or adjudication of allegations of **Sexual Misconduct**;
 - (2) hiring, training, retention, or supervision of any actual or alleged perpetrator of **Sexual Misconduct**; and
 - (3) any **Student Discipline Process**;
 - h. any liability arising out of the design, manufacture, assembly, maintenance, sale, service, ownership or operation of any **Watercraft**;

Exception: This exclusion shall not apply to:

 - (1) non-submersible **Watercraft** up to 50 feet in length;
 - (2) rowing or sculling shells regardless of length;
 - (3) **Watercraft** listed on Schedule B attached to this Policy;
 - (4) **Watercraft** chartered with crew for a period up to twelve hours on a U.S. Coast Guard-approved and commercially-licensed vessel operated in U.S. waters, but this limited extension of coverage does not apply to any **Claim** relating to liability of others assumed by an **Insured** or any **Claim** by or on behalf of, or against, an owner, operator or crew member of any **Watercraft** or to any relative or estate of such owner, operator or crew member; or
 - (5) loading or unloading of any **Watercraft** or **Watercraft** ashore, if at premises owned, leased, or controlled by an **Included Entity**;
 - i. any liability arising out of the design, manufacture, assembly, maintenance, sale, service, ownership, lease, use or operation of any aircraft, including the use of parachutes or parasailing equipment from any aircraft, hang gliding, or any "lighter than air" craft or manned balloon;

Exception: This exclusion does not apply to:

 - (i) the use of non-owned regularly-scheduled commercial airlines by an **Insured**, operating within, originating from, or returning to the United States;

- (ii) **Model Aircraft**;
 - (iii) a lighter-than-air craft that is an unmanned balloon; or
 - (iv) **Non-Flight Curriculum-Related Instruction**;
- j. any liability directly or indirectly resulting from war, invasion, hostile action of foreign enemies, civil war, rebellion, revolution, insurrection, military or usurped power; or confiscation, nationalization, requisition, destruction of, or damage to property by or under the order of any government or public or local authority;
Exception: This exclusion shall not apply to any events or conditions occurring in the United States of America, its territories or possessions or Canada;
- k. any actual or alleged liability, **Claim**, or lawsuit, arising out of, related to, or in any way involving, in whole or in part, asbestos or lead in any form;
- l. any liability arising out of (i) the actual, alleged or threatened discharge, dispersal, release, seepage, migration, growth or escape of **Pollutants**: into or upon land, the interior of buildings, any enclosed space, or any other real estate; into the atmosphere; into any watercourse or body of water, whether above or below ground; or otherwise into the environment, or (ii) any direction, demand or request, whether governmental or other, that any **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**;
Exception: We will not apply this exclusion to:
 - (1) **Employee Occupational Disease Liability**; or
 - (2) Subject always to the conditions in Paragraph (3) below, **Bodily Injury or Property Damage** to the property of others that is solely the result of:
 - (a) fire that breaks out from where it was intended to be including any consequential smoke damage;
 - (b) collision or overturning of an **Automobile**;
 - (c) explosion or lightning;
 - (d) the accidental upset, dropping, falling, breaking, spilling, splashing or rupture of any above-ground container of **Pollutants**;
 - (e) faulty heating or cooling equipment;
 - (f) application of pesticides, herbicides or swimming pool chemicals on or at a premises of an **Included Entity** by its employees who are properly licensed or certified by a federal or state agency to apply those pesticides, herbicides or chemicals; or
 - (g) a single or intermittent above-ground discharge, dispersal, release, or escape of **Pollutants** that commences during the **Policy Period** and ceases within seven (7) days of its commencement;
 - (3) The exceptions to this exclusion in Paragraph (2) above are at all times subject to and limited by these conditions:
 - (a) the exceptions only apply if the injury or damage is discovered or becomes known to the **Insured** within fourteen (14) days and is reported to **us** in writing within sixty (60) days of the accident, fire, collision or overturning, explosion or lightning, or commencement of any discharge, dispersal, release, seepage, migration, growth or escape of **Pollutants**; and
 - (b) **we** will not pay any loss, cost or expense of
 - (i) evaluating, testing for, monitoring, cleaning up, removing, controlling, containing, treating, detoxifying and/or neutralizing the discharge, dispersal, release, seepage, migration, growth or escape of any **Pollutant** on property at any time owned, leased or rented by an **Insured** and/or under the control of any **Insured**; or
 - (ii) **Property Damage** to any aquifer or underground watercourse or well, or any **Property Damage** directly or indirectly arising out of underground or underwater operations of any **Insured**; and

- (c) **our** liability is limited to that portion of **Damages** directly attributable to or caused by an **Insured's** own negligence and **we** will not pay or share in any liability of others resulting from **Pollutants** for which an **Insured** is held jointly and/or severally liable (whether under the Comprehensive Environmental Response Compensation & Liability Act or any other statute or any judgment of any court) for **Bodily Injury** and/or **Property Damage** caused in fact by parties other than an **Insured**; and
 - (d) any discharge, dispersal, release, seepage, migration, growth or escape of **Pollutants** shall be deemed to have "commenced" at the time of the first event in any series, chain or combination of related events resulting in any discharge, dispersal, release, seepage, migration, growth or escape of **Pollutants**, and all subsequent, sequential, contributing or combined discharges, dispersals, releases, seepages, migrations, growths or escapes, no matter when occurring, shall be deemed to have "commenced" at the time of that first event; and
 - (e) the burden of proof that any **Occurrence** meets the conditions of coverage in this Paragraph (3) lies with the **Insureds**;
- m. any liability resulting from the hazardous properties of radioactive or nuclear material (including *source material*, *special nuclear material* and *by-product material* as those terms are defined in the Atomic Energy Act of 1954 and amendments thereto);
Exception: While in all instances applying to nuclear material (including *source material*, *special nuclear material* and *by-product material* as those terms are defined in the Atomic Energy Act of 1954 any amendments thereto), this exclusion shall not apply to any other radioactive material used by an **Included Entity** for medical or research purposes;
- n. any liability arising out of any diminished value or economic utility of the **Included Entity's Products** or work completed by or on behalf of the **Included Entity** if such diminished value or economic utility resulted from the failure of an **Included Entity's Products** or work completed by or on behalf of the **Included Entity** to meet any warranty or representation as to the level of performance, quality, fitness, or durability, or to perform the function or serve the purpose intended;
- o. except as otherwise provided by endorsement to this Policy, any liability arising out of the administration of any employee benefit plan or any violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act (ERISA) or any similar statute, regulation, ordinance, order or edict of any jurisdiction or political subdivision (whether or not in the United States);
- p.
 - (i) any liability related to or arising out of the actual, or threatened, or alleged alteration, appropriation, destruction, dissemination, duplication, encryption through ransomware or software, imitation, impairment, loss of use, misuse, release, reproduction, or theft of **Secure Data**;
 - (ii) any actual or alleged failure to comply with the provisions of any federal, state, local or foreign statute or regulation that requires an entity collecting or storing information that constitutes **Secure Data**, or any entity that has provided information that constitutes **Secure Data** to a third party, to provide notice of any actual or potential unauthorized access by others to such **Secure Data**; or
 - (iii) any act 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 Transactions Act (FACTA); or
 - (4) any other federal, state, or local statute, ordinance or regulation, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating, or distribution of material or information;

- q. any liability caused by or resulting from any unauthorized use, access to, or failure or violation of any **Computer System** or any other device or instrument used in the communication, receipt, or transmission of electronic data;
Exception: This exclusion shall not apply to **Bodily Injury** or physical injury to or destruction of tangible property (which does not include any **Digital Data**) of others and its resulting consequential damages;
- r. the liability of any person who committed, or is alleged to have committed, physical assault; provided, however, that if after a final civil adjudication it is determined that such accused person did not commit physical assault, **we** will reimburse **Defense Costs** for that person;
- s. any liability related to or arising out of, or in any way involving any **Outbreak**; or
- t. any liability related to or arising out of, or in any way involving COVID-19 or any sub-strains or mutations thereof.

NOTICE OF OCCURRENCE OR CLAIM

12. As a condition precedent to the rights of any **Insured** under this Policy, if a **Claim** reasonably likely to involve this Policy is made against an **Insured** or, except as otherwise provided in Exclusion 11.I.(3)(a), if any employee of the risk management department, or any **Reporting Officer** or legal counsel of any **Included Entity** becomes aware of an:
- (a) **Occurrence** reasonably likely to involve this Policy, or
 - (b) regardless of the **Insured's** opinion of whether this Policy is likely to be involved, an **Occurrence** or **Claim** involving any of the following:
 - (1) fatality;
 - (2) major paralytic conditions such as paraplegia and quadriplegia;
 - (3) second or third degree burns to 25% or more of the body;
 - (4) amputation, permanent loss of use or permanent loss of sensation of a major extremity;
 - (5) head or brain injuries resulting in coma, behavioral disorders, personality changes, seizures, aphasia or permanent disorientation;
 - (6) loss of sight in one or both eyes or loss of hearing; or
 - (7) injury resulting in incontinence of bowel or bladder;

The **Insured** must:

- (a) notify **us** as soon as practicable in writing;
 - (b) provide particulars sufficient to identify the **Insured**, person, persons or organizations involved in the **Occurrence**, and such reasonably detailed information as **we** may request;
 - (c) provide information required for reporting under Section 111 of the Medicare, Medicaid and State Children's Health Insurance Program Extension Act of 2007;
 - (d) promptly forward to **us** any written demand, notice, summons, complaint, or other process of service received by the **Insured** or its representatives; and
 - (e) cooperate with **us** and with any claims administrator **we** designate in the investigation, defense or settlement of **Claims**.
13. Notice to the Company shall be in writing delivered to **us** at 7700 Wisconsin Avenue, Suite 500, Bethesda, MD 20814-3556, Fax 301-907-0303, or at newclaims@ue.org or through www.ue.org/report-claim. If a **Claim** is submitted electronically, **we** will send an electronic confirmation.

CANCELLATION AND NONRENEWAL

14. The **Educational Organization** may cancel this Policy for all **Insureds** by surrendering it to **us** or by written notice to **us** by certified mail at the address in Paragraph 13. stating when not less than 10 days thereafter the cancellation shall be effective. **We** may cancel this Policy only in the event any payment of premium is not made when due and payable by mailing written notice by certified mail to the **Educational Organization** at the last mailing address known by **us** stating when, not less than 10 days thereafter, such cancellation shall be effective.
15. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. If the **Educational Organization** cancels this Policy, earned premium shall be calculated in accordance with the customary short rate table and procedure. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
16. If **we** elect not to renew coverage provided by this Policy at then current standard terms and conditions (a change or increase in premium is not a change of terms and conditions) at the end of the **Policy Period**, **we** shall give the **Educational Organization** written notice at least 60 days before the end of the **Policy Period**.
 - a. In the event that **we** learn of a change in the insurability of the risk that **we** deem material within 60 days or less before the end of this Policy and **we** are not then willing to renew at the current standard terms and conditions, **we** will notify the **Educational Organization** of this determination as soon as practicable, and **we** will also advise the **Educational Organization** whether **we** are willing to renew on different terms and conditions before the end of this **Policy Period**.
 - b. Under such circumstances, **we** may but are not required to offer the **Educational Organization** the opportunity to purchase a 60-day extension to the expiring Policy. Although this accommodation by **us** would be meant to give the **Educational Organization** that purchases a 60-day extension additional time to make decisions, this extension of the **Policy Period** shall under no circumstances create any additional Policy limits or increase the **Limits of Liability** available to the **Insureds**.

If offered by **us**, the **Educational Organization** may exercise this option by electing in writing before the end of the current **Policy Period** to pay to **us** an additional prorated portion of the current Policy's premium. Payment of the additional premium must be made no later than 10 days following the end of the original **Policy Period**.

GOVERNING LAW AND INTERPRETATION

17. This Policy shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to principles of conflicts of laws thereunder, except the substantive law of New York shall not be used to supplant or override (1) the provisions of this agreement regarding payment of punitive damages; (2) the provisions of this agreement addressing the award, rate or accrual date of prejudgment interest; and/or (3) the requirement that the provisions, stipulations, exclusions and conditions of this Policy be construed in an evenhanded fashion between the **Insureds** and **us**. Where the language of this Policy is deemed to be ambiguous or otherwise unclear, the issue shall be resolved in the manner most consistent with the relevant provisions, stipulations, exclusions and conditions without regard to authorship of the language and without any presumption or arbitrary interpretation or construction in favor of either the **Insureds** or **us**.

DISPUTE RESOLUTION

18. Any and all disputes arising out of or related to this agreement or the parties' performance hereunder shall be submitted first to mediation before a mutually-acceptable mediator. The parties shall: (1) mediate in good faith; (2) exchange all documents which each believes to be relevant and material to the issue(s) in dispute; (3) exchange written position papers stating their position on the dispute(s) and outlining the subject matter and substance of the anticipated testimony of persons having personal knowledge of the facts underlying the dispute(s); and (4) engage and cooperate in such further discovery as the parties agree or mediator suggests may be necessary to facilitate effective mediation. Mediator, venue, and related costs shall be shared equally by the parties.

Should the mediation required by this section fail to resolve the parties' dispute within four months of the initial mediation session, the parties agree to submit their dispute to a confidential, binding arbitration held according to the JAMS Comprehensive Arbitration Rules & Procedures in effect as of June 1, 2021 (the "Rules"), each party to bear (1) their own attorneys' fees and costs and (2) the fees and costs of their party-appointed arbitrator; and an equal share of the fees and expenses of the Chairperson and of the other expenses of the arbitration except for fees subject to paragraph 31(c) of the Rules.

Unless the parties consent in writing to a lesser number, the arbitration panel shall consist of three (3) arbitrators, the first to be appointed by the **Educational Organization** on behalf of the **Insureds**, the second to be appointed by **us**, and the third (the "Chairperson") to be appointed by the two (2) arbitrators so appointed. The Chairperson shall either (1) have a minimum of 10 years' experience working in the insurance industry or (2) have handled a minimum of 5 insurance-related arbitrations or trials. The seat of the arbitration shall be Bethesda, Maryland; but the arbitration panel may, for the convenience of the parties and without changing the locale of the final arbitration hearing, meet or take evidence at any place or places.

To the extent any dispute arises regarding any privileged information or documents, the arbitration panel shall determine whether an *in camera* review is necessary. If the arbitration panel decides that such a review is necessary, the privileged information or documents shall be referred to *in camera* inspection by a special master selected by the majority of the arbitrators for such decisions, rather than being decided *in camera* by the arbitrators. The special master must be an attorney who has acted as a special master deciding privilege issues under state or federal law of the United States, or a retired jurist of any federal trial or appellate court of the United States.

The award of the arbitration panel may be, alternatively or cumulatively, for money damages, an order requiring the performance of obligations under this Policy, or any other appropriate order or remedy. The award shall not allocate arbitration fees or Chairperson compensation, costs or expenses in any manner except for equally between the parties. The decision of a majority of the arbitration panel shall be final and binding except to the extent otherwise provided in the Federal Arbitration Act.

For purposes of entering judgment upon any award by the arbitration panel, **we** and the **Insureds** submit to the jurisdiction of the State and Federal District Courts located in the State of Maryland.

We and the **Insureds** agree that prejudgment interest shall be calculated at the prime rate plus one percent and shall begin to accrue on the first date either party requested mediation.

COMPLIANCE WITH APPLICABLE UNITED STATES SANCTIONS

19. This insurance does not apply when **we** are prohibited from providing insurance by virtue of any United States laws or regulations.

CURRENCY

20. All premiums, **Limit of Liability**, **Underlying Limit Retention**, **Ultimate Net Loss**, and all other monetary amounts used in this Policy are expressed and payable in United States currency.

REPRESENTATION

21. Except as respects the giving of notice of an **Occurrence** or **Claim** pursuant to Paragraphs 11.I.(3)(a) and 12., by acceptance of this Policy the **Educational Organization** agrees to act on behalf of all **Insureds** with respect to all matters under this Policy, including, without limitation, payment of premium, negotiation of the terms of renewal, resolution of disputes, the giving and receiving of notice of cancellation, the giving of notice to persons whom the **Educational Organization** chooses to not make an **Insured**, and the receiving of any return premiums that may become due.
22. In the event there is a dispute among **Insureds** as to allocation of the proceeds of this Policy among any of them or on their behalf, **we** may pay such proceeds to the **Educational Organization**, which agrees to accept such proceeds and to assume responsibility for its allocation among the **Insureds** or on their behalf, and **we** shall be discharged from any further responsibility or liability hereunder or otherwise with respect to such proceeds. The **Insureds** agree that the **Educational Organization** shall so act on their behalf. Notice by certified mail to the **Educational Organization** at the last mailing address known by **us** shall constitute notice to all **Insureds**.

SUBROGATION

23. In the event of any payment under this Policy, **we** shall be subrogated to all the **Insureds**' rights of recovery against any person or organization and the **Insureds** shall execute and deliver such instruments and papers and do whatever else is necessary to secure such rights and shall do nothing after an **Occurrence** to prejudice such rights. **We** agree to waive any right of recovery **we** may have against any person or organization when the **Educational Organization** has agreed to such waiver prior to an **Occurrence**.

ALTERATION AND ASSIGNMENT

24. No change in, modification of, or assignment of interest under this Policy shall be effective except when made by a written endorsement to this Policy that is signed by **our** authorized representative.

INSPECTION

25. **We** shall be permitted but **we** are not obligated to inspect an **Included Entity's** property and operations at any time. Neither **our** right to make inspections nor the making thereof nor a report thereon shall constitute an undertaking on behalf of or for the benefit of any **Insured** or others to determine or warrant that such property or operations are safe or are in compliance with any law, rule or regulation.

OTHER INSURANCE

26. This Policy shall at all times be excess over the greater of the **Underlying Limit Retention** amount, or the amount of any other insurance available to the **Insured** covering a **Claim** or **Occurrence** covered by this Policy (other than insurance that is expressly and specifically excess of the limits of this Policy) and nothing in this Policy or in any other policy shall be construed to require this Policy to contribute with, or subject this Policy to the terms, conditions or limits of, such other insurance.

In addition, this Policy shall always be excess over any other insurance that names any **Insured** as an "additional insured:"

- a. if such insurance is also written on an excess basis, **we** agree with the **Insured** that this Policy is excess over such insurance; and
- b. **we** shall not share in paying **Ultimate Net Loss** with that other insurance on any basis including but not limited to the ratio of the **Limit of Liability** of this Policy and the limit of liability of the policy providing "additional insured" coverage.

BANKRUPTCY

27. Bankruptcy, insolvency, or receivership of the **Insured** or any insurer, or the **Insured's** inability to pay any **Underlying Limit Retention** amount, will not relieve **us** of **our** obligations under this Policy; however, this Policy shall not drop down as a result of such bankruptcy, insolvency, receivership or inability, or apply as a replacement of any self-insured retention amount or any **Underlying Insurance** and **our Limits of Liability** shall apply only in excess of the required **Underlying Limit Retention** amounts.

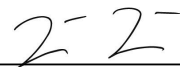
UNINTENDED ERRORS OR OMISSIONS

28. Unless information is subject to a specific supplementary warranty application required by **us**, the failure of the **Insureds** to properly disclose all application information at the time of application for coverage for this Policy shall not prejudice the **Insureds** with respect to this insurance provided such failure or omission is not intentional.

HEADINGS

29. The descriptions in the headings and subheadings of this Policy are inserted solely for convenience and do not constitute any part of the terms or conditions of this Policy.

IN WITNESS WHEREOF, United Educators Insurance, a Reciprocal Risk Retention Group has caused this Policy to be signed by its President.



Richard G. Mills, Jr., President & CEO

Excess Educators Legal Liability

The Pennsylvania Cyber Charter School

Y72-25U

06/30/2024 to 06/30/2025



TM



Policy No. Y72-25U

NOTICE

THIS POLICY IS ISSUED BY YOUR RISK RETENTION GROUP. YOUR RISK RETENTION GROUP MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND REGULATIONS OF YOUR STATE. STATE INSURANCE INSOLVENCY GUARANTY FUNDS ARE NOT AVAILABLE FOR YOUR RISK RETENTION GROUP.

EXCESS EDUCATORS LEGAL LIABILITY INSURANCE POLICY
CLAIMS-MADE BASIS
DECLARATIONS

- Item A. **Educational Organization:** The Pennsylvania Cyber Charter School
Address: 652 Midland Avenue
Suite A130
Midland, PA 15059

- Item B. **Policy Period:** 06/30/2024 to 06/30/2025
12:01 A.M. at the address stated in Item A above.

- Item C. **Limits of Liability:**

\$ 10,000,000	Each Claim
\$ 10,000,000	Aggregate per Policy Period

- Item D. **Premium:** \$42,620

Risk Management Premium Credit (RMPC):	(\$0)
Premium Due:	\$42,620
Premium Tax:	\$0
Paid-in Surplus Contribution:	\$0
Total:	\$42,620

- Item E. **Date of First Coverage:** 02/20/2018
12:01 A.M. at the address stated in Item A above.

- Item F. **Underlying Insurance Limit:** \$1,000,000

- Item G. **Applicable Forms and Initial Schedules:**

Form:	ELX 05-2024
Schedule(s):	Schedule A Schedule C



Item H. Applicable Initial Endorsements:

Excess Educators Legal Liability attached Endorsements

Endorsement	Total	Description
ELX575E	1	Individualized Educational Program Exclusion

Item I Representative of **Educational Organization**: Matthew Schulte



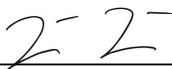
BROKER COMMISSION DISCLOSURE

As a member owned company, United Educators believes it is important to provide its policyholders, whose brokers receive compensation through commissions paid by United Educators, with the amount of those commissions:

Item J. Broker Commission: \$2,131
Broker commission in Item J., if any is included in Item D., Premium.

This insurance is subject to the provisions, stipulations, conditions and exclusions contained in the policy form as well as other provisions, stipulations, conditions and exclusions as may be endorsed or added thereto (collectively hereinafter referred to as the "Policy").

Issued by: United Educators Insurance, a Reciprocal Risk Retention Group


Richard G. Mills, Jr., President & CEO



The Pennsylvania Cyber Charter School

Effective: 06/30/2024 | Policy Number: Y72-25U | ELX: 2024

SCHEDULE A

INCLUDED ENTITIES

Subsidiary and Affiliated Entities of the **Educational Organization**

None Scheduled

In consideration of the premium charged, **we** agree with the **Educational Organization** that this Policy does not apply to, and **we** will not be liable for **Loss** related to or arising out of, the insolvency or bankruptcy of any **Included Entity** that is set forth above and has not qualified as a not-for-profit entity under applicable provisions of the Internal Revenue Code.

All other Policy provisions remain the same.



ELX Schedule C

Schedule of **Underlying Insurance**

Underlying Insurer:	Ascot Specialty Insurance Company
Policy Number	MLNP2410001016-03
Limit of Underlying Insurance:	\$1,000,000 per Claim; \$2,000,000 Aggregate
Self-Insured Retention:	\$25,000
Policy Period:	From 06/30/2024 to 06/30/2025 and renewal

All other Policy terms remain the same.



INDIVIDUALIZED EDUCATIONAL PROGRAM EXCLUSION

In consideration of the premium charged, and always subject to all other provisions of this Policy, **we** agree with the **Educational Organization** that:

This Policy does not apply to any **Loss** related to or arising out of any Individualized Educational Program (IEP).

All other Policy provisions remain the same.

A handwritten signature in black ink, appearing to read 'R. G. Mills, Jr.', is positioned above a horizontal line.

Richard G. Mills, Jr., President & CEO

**United Educators Insurance, a Reciprocal Risk Retention Group
Excess Educators Legal Liability Insurance Policy
(Claims-Made Form)**

(The words "**we**," "**us**," and "**our**," when used in this Policy, refer to United Educators Insurance, a Reciprocal Risk Retention Group, the "Company" issuing this Policy of insurance.)

In consideration of the payment of the premium, in reliance on the statements made and information furnished to **us** in the application and its attachments, and subject to the **Limit of Liability**, exclusions, definitions, conditions and other provisions of this Policy, **we** agree with the **Educational Organization** that:

INSURING AGREEMENT

1. **We** will pay on behalf of the **Insureds** that amount of **Loss** that exceeds the **Underlying Insurance Limit** up to the **Limit of Liability** as a result of a **Wrongful Act** anywhere for which a **Claim** is first made against an **Insured** during the **Policy Period** and reported to **us** as required by this Policy. This Policy applies excess of any **Underlying Insurance**.

DEFINITIONS

2. This Policy is subject to the following definitions:

Child Molestation means any actual or alleged sexual conduct with a minor.

Claim means written notice to an **Insured** of the intent to hold the **Insured** liable for the results of a **Wrongful Act**. *[For example, written notices may come in the form of letters from attorneys, demands for arbitration, lawsuits or complaints filed with the Equal Employment Opportunity Commission (EEOC), or equivalent state civil rights enforcement agency.]* **Claim** does not mean investigations, audits or requests for information from government entities or others, including but not limited to accrediting organizations, athletic associations and professional societies. A **Claim** is made at the time an **Insured** receives the first written notice of the **Claim**.

Computer System means any computer hardware, software or any components thereof that are or can be linked together through a network of two or more devices accessible through the Internet or an internal network, or that are or can be connected with data storage or other peripheral devices (including, without limitation, telephones, wireless devices and other mobile devices), as well as any cloud computing or other resources operated by a third-party service provider.

Damages means money compensation that an **Insured** becomes legally obligated to pay as a result of a **Wrongful Act** and includes settlements to which **we** have consented.

However, **Damages** does not include:

- a. any amount for which an **Insured** was already obligated at the time of a **Wrongful Act** including any amount that an **Insured** is obligated to pay under the terms of any contract or agreement, or would have been obligated to pay had that contract remained in effect;
Exception: Paragraph a. of the Definition of **Damages** shall not apply to **Wrongful Acts** arising out of the denial of tenure to a tenure-track faculty member;
- b. the value of tuition or scholarships;
- c. taxes or fines;
- d. punitive or multiplied damages, or penalties imposed under any laws other than

- (1) civil penalties awarded as compensation to an injured party and measured by actual damages; or
 - (2) where lawfully insurable, punitive or multiplied damages limited to \$1,000,000; or
- e. the cost of compliance with injunctive or other non-monetary relief.

For example, certain **Damages**, subject to all other terms and conditions of this Policy, may be covered by this Policy:

- o Back pay (under any statute providing for back pay);
- o Front pay (if it meets the standards for awarding front pay by a court or governmental administrative body);
- o Other economic damages resulting from covered **Claims**, except amounts owed under contract;
- o Emotional distress resulting from discrimination against third parties except students;
- o Willful damages under the federal Age Discrimination in Employment Act, FMLA or Equal Pay Act;
- o Emotional distress arising out of a **Wrongful Employment Practice** involving an employee, former employee, or job applicant;
- o Costs awarded by a court against an **Insured**;
- o Attorneys' fees awarded pursuant to a statute providing fees to a prevailing party; or
- o Prejudgment and postjudgment interest

Date of First Coverage means the date and hour listed in Item E. of the Declarations.

Defense Costs means costs and expenses incurred by **us** or with **our** prior approval in defense of **Claims** and includes the cost of arbitration, mediation or other alternative dispute resolution process to which the **Insured** must submit or has submitted with **our** consent. **Defense Costs** does not include the wages or salary of any employee of an **Insured**.

Digital Data means any record, data, research, or information of any kind, including but not limited to **Financial Information**, **Health Information** or **Identifying Information**, that is stored on a **Computer System**.

Educational Organization means the entity named as such in Item A. of the Declarations.

Employee Sexual Harassment means unwelcome sexual requests for sexual favors, or other verbal or physical conduct of a sexual nature when such conduct has the purpose or effect of unreasonably interfering with performance by, or creating an intimidating, hostile, or offensive environment for an employee of an **Included Entity**.

Extended Discovery Period means the extended period of time, if granted pursuant to Section 23 herein, for reporting **Claims**, during the 12-month period after the end of the **Policy Period** but only for a **Wrongful Act** taking place within the **Policy Period**.

Financial Information means an individual or organization's non-public financial data, regardless of how or where it is stored, including but not limited to credit card numbers, credit ratings, bank account numbers, bank account balances, or any other monetary facts that are used in billing, credit assessment, financial aid determinations, business transactions, or other financial activities.

Health Information means any information concerning an individual that would be considered "protected health information" or "electronic protected health information" within the Health Insurance Portability and Accountability Act of 1996 (as amended) (HIPAA) or the Health Information Technology for Economic and Clinical Health Act (HITECH Act), and their implementing regulations, or protected health-related information under any similar federal, state, local or foreign law.

Identifying Information means any information, regardless of how or where it is stored, that could potentially be used to distinguish or trace an individual's identity either alone or when combined with other personal or identifying information, such as a person's full name, date of birth, social security number, place of birth, government issued identification number, or biometric records.

Inception Date means the first date and hour listed in Item B. of the Declarations.

Incident means any circumstance that the **Insured** believes may give rise to a **Claim**.

Included Entity means:

- a. the **Educational Organization**;
- b. any not-for-profit organization or entity over which the governing body of the **Educational Organization** exerts effective control and that is named in, and whose accounts are included with or consolidated into, the financial statements submitted to **us** most recently by the **Educational Organization** prior to the rating of the premium for the **Policy Period**; however, no entity or affiliate or subsidiary of any entity that has not qualified as a not-for-profit entity under applicable provisions of the Internal Revenue Code is an **Included Entity**, and no person or entity is an **Insured** with respect to such entity, unless that entity is listed on Schedule A;
- c. any entity listed on Schedule A of this Policy; and
- d. any not-for-profit entity acquired or formed by or merged with an **Included Entity** during the **Policy Period** provided that
 - (1) the value of the sum of all assets (including, but not limited to, real estate, securities, assumed indebtedness and other consideration) expended, assumed or exchanged for any such acquisition, formation or merger does not exceed 5% of the total assets of the **Educational Organization** and its consolidated subsidiaries and affiliates as most recently reported to **us** for rating purposes prior to such **Policy Period**;
 - (2) the combined or consolidated operations and the acquired, formed or merged entity are not materially different from those of the **Included Entity** prior to the acquisition, formation or merger.
 - (3) coverage with respect to that newly formed, acquired or merged entity will begin on the date of acquisition, formation or merger, and there is no coverage for any entity acquired by or merged into the **Included Entity** or for any person with respect to that entity for **Wrongful Acts** committed prior to the date of acquisition or merger; and
- e. In addition to coverage provided in Item d. listed above, any newly formed, acquired or merged affiliates of the **Educational Organization**, shall be added as **Included Entities** to this Policy as of the effective date of their formation, incorporation or acquisition by the **Educational Organization**, provided
 - (1) they are reported to **us** within sixty (60) days of the date of their formation, incorporation or acquisition by the **Educational Organization** and
 - (2) are subsequently accepted for coverage by **us** and named on the Policy.

Individual Insureds means:

- a. past, present and future **Trustees**, governing board directors or **Officers** of an **Included Entity**; and
- b. at the option of the **Educational Organization**, any
 - 1) past, present and future employee, member of the faculty, student teacher, or teaching assistant of an **Included Entity**;
 - 2) member of a committee, including an Institutional Review Board (as recognized by the U.S. Food and Drug Administration and U.S. Department of Health and Human Services) of an **Included Entity**, or a representative to an education association of which the **Educational Organization** is a member;

- 3) uncompensated volunteer worker performing services on behalf and with the express direction and authority of an **Included Entity**;
- 4) student of the **Educational Organization** while serving in a supervised internship program in satisfaction of course requirements; or
- 5) student of the **Educational Organization** while acting at the direction of, complying with policies and procedures governing conduct at, or performing services primarily for or on behalf of, the **Educational Organization**;

but only while acting within the scope of their duties or obligations in their respective capacities to an **Included Entity** as described in clause a. or b. above, and coverage for these individuals is subject always to all other terms and conditions of this Policy.

Insureds means the **Included Entities** and the **Individual Insureds**.

Joint Venture means a partnership agreement or joint operating agreement between an **Included Entity** and an entity that is not an **Included Entity** with respect to a common undertaking, enterprise or activity involving joint control.

Limit of Liability means the amounts stated in Item C. of the Declarations and is the most **we** will pay for **Loss** respectively for each **Claim** and in the aggregate for all **Claims** first made during the **Policy Period**.

Loss means **Damages** and **Defense Costs**.

Non-Employee Sexual Harassment means unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature when such conduct has the purpose or effect of unreasonably interfering with performance by, or creating an intimidating, hostile, or offensive environment for a student or person other than an employee of an **Included Entity**.

Officer means any corporate officer of an **Included Entity** whether or not an employee; and any president, chancellor, provosts, treasurer, vice presidents, deans, or other comparable senior administrators of any **Included Entity**.

Outside Entity means an entity which is not an **Included Entity** and which is:

- a. a corporation, foundation or other entity exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, or
- b. listed on Schedule Z of this Policy.

Policy Period means the period from the **Inception Date** until the earlier of the last date and hour listed in Item B. of the Declarations or the date and hour of cancellation of this Policy.

Professional Services means acts that may be legally performed only by a person holding a professional license, regardless of whether the person is licensed or not; or any services for which an **Individual Insured** is compensated by any party other than an **Included Entity**.

Reporting Officer means a position equivalent to any of the below of the **Educational Organization**:

- a. President, Chancellor or Head of School;
- b. Provost or Chief Academic Officer;
- c. VP of Finance, Chief Financial Officer, VP of Administration, or Chief Business Officer;
- d. VP of Legal Affairs or General Counsel; or
- e. VP of Student Affairs.

Secure Data means any:

- a. **Identifying information;**
- b. **Financial Information;**
- c. **Health Information;** or
- d. **Digital Data.**

Sexual Misconduct means any actual or alleged **Employee Sexual Harassment, Non-Employee Sexual Harassment, Child Molestation**, or any other sexual assault, sexual abuse, or wrongful sexual conduct.

Student Discipline Process means the policy, practice or procedure of training, response, investigation, handling, resolution or adjudication of allegations against a student, including without limitation **Sexual Misconduct**, regardless of whether it is handled in a formal Title IX process.

Trustee means any past, present or future member of the Board of Regents, Board of Trustees, Board of Governors or Board of Directors of the **Educational Organization** and includes the estates, heirs, legal representatives or assigns of any deceased, incompetent, insolvent or bankrupt member of the above, and spouses or domestic partners of any of the above to the extent they are involved in **Claims** solely because of their status as spouses or domestic partners.

Underlying Insurance means any policy of insurance specified in Schedule C of this Policy.

Underlying Insurance Limit means the amount specified in Item F. of the Declarations. This amount applies separately and always to each **Claim** covered by this Policy whether or not **Underlying Insurance** is available to the **Insured**. The **Underlying Insurance Limit** amount shall be satisfied with respect to a **Claim** when the amount stated in Item F. of the Declarations is exceeded by:

- a. **Damages**, when **Defense Costs** are outside the liability limits of the **Underlying Insurance**, or
- b. **Damages** and **Defense Costs**, if **Defense Costs** are within the limits of the **Underlying Insurance** or if no **Underlying Insurance** applies.

Wrongful Act means any actual or alleged error, omission, act, misstatement, neglect or breach of duty in the discharge of duties to or on behalf of an **Included Entity**.

*[For example, for covered **Damages** and subject to all other terms and conditions of this Policy, following are **Wrongful Acts** that may be covered by this Policy:*

- o *unlawful discrimination or violation of civil rights; **Employee Sexual Harassment**; wrongful termination of employment;*
- o *failure to hire or promote, denial or removal of tenure; constructive discharge; breach of an individual employment contract;*
- o *failure to properly manage charitable trust services;*
- o *breach of fiduciary duty arising out of the management of an endowment;*
- o *peer review not arising out of the performance of medical services;*
- o *unlawful discrimination in the terms and conditions of employment;*
- o *failure to grant due process; educational malpractice or failure to educate, negligent instruction, failure to supervise, inadequate or negligent academic guidance or counseling, improper or inappropriate academic placement or discipline;*
- o *invasion of privacy or humiliation;*
- o *infringement of copyright, trademark or patent;*
- o *plagiarism or idea misappropriation; or*
- o *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, including any such publication to the Internet, in a book, newspaper or other publication of the **Educational Organization**, or*

*broadcast over, a radio, cable or television station owned or operated by the **Educational Organization.***

Wrongful Employment Practice means a **Wrongful Act** arising out of the employment relationship.

UNDERLYING INSURANCE LIMIT AND ORDER OF PAYMENTS

3. When the **Wrongful Acts** alleged by an individual are related so that they reasonably constitute one course of conduct, they shall be considered to give rise to a single **Claim** and only one **Underlying Insurance Limit** must be satisfied. **Wrongful Acts** alleged by different individuals shall be considered to give rise to separate **Claims** and separate **Underlying Insurance Limits** must be satisfied for each individual's **Claim**.

Exception: Only a single **Underlying Insurance Limit** must be satisfied when (i) a class action administrative or judicial proceeding is pending, or (ii) it is established that a pattern or practice of discrimination or an **Insured's** institutional policy, practice or procedure affects more than one individual seeking to hold the **Insured** liable for the results of a **Wrongful Act**.

4. The **Educational Organization** agrees that in the event of a covered **Loss** that, in aggregate, exceeds the **Limit of Liability** of this Policy, **we** shall:
- first pay such **Loss** on behalf of any covered **Individual Insureds** listed in part a. of that Definition;
 - then with respect to whatever remaining amount of **Limit of Liability** is available after payment of such **Loss**, pay any remainder on behalf of the **Educational Organization**.

Nothing in this Paragraph shall be construed to increase the **Limit of Liability** available under this Policy.

PAYMENT OF LOSS

5. **We** will pay **Loss** on behalf of an **Insured** as soon as practicable after:
- the **Insured's** liability has been established by judgment after actual trial or by written agreement to which **we** have consented; and
 - We** determine that the **Loss** as a result of the **Claim** in question exceeds the **Underlying Insurance Limit** amount.

LIMIT OF LIABILITY

6. Regardless of the number of **Insureds**, parties who sustain injuries, or **Claims** made on account of one or more **Wrongful Acts**, **our** liability for **Loss** arising out of one **Claim** is limited to the amount stated in Item C. of the Declarations as applicable to "Each **Claim**" (except to the extent that the Aggregate per **Policy Period** has been exhausted by payment of **Loss**); and **our** liability for all **Loss** arising out of all **Claims** first made during the **Policy Period** is limited to the amount stated in Item C. of the Declarations as "Aggregate per **Policy Period**."
7. After the **Limit of Liability** has been exhausted by the payment of **Loss**, **we** shall have no further obligation to any **Insured**.

DEFENSE AND SETTLEMENT

8. **We** have no duty to defend any **Insured** and **we** shall not be called upon to assume charge of the investigation, settlement or defense of any suit brought or legal proceedings instituted against any **Insured**, but **we** shall have the right and be given the opportunity, to be associated at **our** own expense with the **Insured** or the **Insured's** underlying insurers, or both, in the defense and control of **Claims**, or

the trial of any suits or other legal proceedings, relative to any **Claim** that, in **our** opinion, may create liability for **us** under the terms of this Policy, in which event the **Insured** shall fully cooperate with **us** in the defense of that **Claim**. For any **Claim** reported to **us** according to Paragraph 16. of this Policy, the **Insureds** must cooperate with **us** and with any claims administrator **we** designate in the investigation, defense or settlement of **Claims**.

9. If more than one **Insured** is involved in any **Claim**, **we** may decline to approve separate counsel for the **Insureds** unless there is a material conflict of interest among them. Notwithstanding any other provision of this Policy, where there is a material conflict of interest among **Insureds** involved in a **Claim**, **we** shall have the right to appoint or approve separate counsel to defend the **Individual Insureds** in that **Claim**. As a condition precedent to their rights under this Policy with respect to the **Claim**, the **Individual Insureds** shall fully cooperate with **us**.
10. **Defense Costs** paid by the **Insured** as part of any deductible amount or self-insured retention amount that the **Insured** must pay pursuant to **Underlying Insurance** are hereby consented to by **us**; however, no **Defense Costs** are consented to by **us** with respect to any **Claim** for which there is no **Underlying Insurance**. The **Insured** shall incur no other **Defense Costs** with respect to a particular **Claim** without **our** express consent, including any such costs incurred prior to written notice to **us** of a **Claim** and **our** approval of defense counsel, and any such unapproved **Defense Costs** will not count towards the **Underlying Insurance Limit** and **we** will not be liable for any such costs.
11. The **Insureds** shall immediately notify **us** of any settlement demand, and no settlement offer shall be made or settlement agreed to by an **Insured** without **our** prior consent. **We** will not be liable to pay **Loss** for any settlement amount offered or agreed to without **our** prior consent.
12. **We** will not settle any **Claim** without the agreement of the **Insured**. If the **Insureds** refuse to consent to a reasonable settlement **we** recommend that is acceptable to a claimant, **our** liability for **Loss** for that **Claim** is limited to the amount of **Damages** for which the **Claim** could have been settled and **Defense Costs** incurred by **us** or with **our** consent up to the date of such refusal.
13. **We** may appeal any judgment on behalf of the **Insureds**, but **we** are not obligated to do so. If **we** appeal any judgment, **we** will do so at **our** own cost and the **Insureds** agree to cooperate with **us** in that appeal. If **we** elect not to appeal, the **Insureds** may appeal at their own cost, but **our** liability for **Loss** shall not exceed the amount for which **we** were liable prior to such appeal.
14. If a single **Claim** involves both covered and uncovered elements, the **Insureds** and **we** agree to use **our** best efforts to determine a fair and proper allocation of **Loss** between the covered and non-covered elements of the **Claim**, taking into account the relative exposure presented by each element. **We** will be obligated to pay only that portion of **Loss** allocated to covered elements of **Claims** against **Insureds**. If the **Insureds** and **we** are unable to agree upon an allocation, **we** shall advance that portion of **Loss** which the parties agree is not in dispute until a different allocation is negotiated or judicially determined.

EXCLUSIONS

15. This Policy does not apply to, and **we** will not be liable for **Loss** arising out of or related to:
 - a. any matter, fact or circumstance that, prior to the **Date of First Coverage**, was the subject of prior litigation, court order, settlement agreement, or notice to an insurer that attaches coverage for that **Claim** under any other policy for which this Policy is a renewal or replacement of;

- b. any circumstance that any **Reporting Officer**, prior to the **Date of First Coverage**, had any reasonable basis to believe might lead to a **Claim**;
Exception: This exclusion shall not apply to any **Claim** first made more than three years after the **Date of First Coverage**;
- c. any **Wrongful Act** committed by any **Insured** with the knowledge that it was unlawful or with the intent to harm or injure if a judgment or final adjudication establishes such knowledge or intent (the knowledge or intent of an **Individual Insured** shall not be imputed to any other **Insured**, except that the knowledge or intent of a **Reporting Officer** acting in his or her official capacity shall be imputed to the **Included Entity**);
- d. the gaining of any illegal or unjust profit, remuneration or economic advantage, or the violation of any antitrust or unfair trade practices laws if a judgment or final adjudication establishes such gain or violation;
- e. except as otherwise provided by endorsement to this Policy, the administration of any employee benefit plan or any violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act (ERISA) or any similar statute, regulation, ordinance, order or edict of any jurisdiction or political subdivision (whether or not in the United States);
- f. any **Claim** brought against an **Insured** by or on behalf of an **Included Entity** or any entity that is a subsidiary of, under the control of, under common management or control with, or that manages or controls, an **Included Entity**; or any **Claim** by or on behalf of a **Joint Venture** or any owner, partner or participant in a **Joint Venture**;
- g. performing or failing to perform any **Professional Services** other than:
(i) the education or teaching of students;
(ii) accounting services performed for the **Educational Organization** by an accountant who is an employee of the **Educational Organization**;
(iii) legal services performed by an attorney who is an employee of the **Educational Organization** while functioning as counsel to the **Educational Organization**;
(iv) charitable trust management performed for or on behalf of the **Educational Organization** by an employee of the **Educational Organization**; or
(v) notary services performed by an employee of the **Educational Organization**;
- h. bodily injury, death, mental injury or emotional distress, shock, sickness, disease or disability from any cause including but not limited to assault and battery, **Sexual Misconduct**, or any negligence such as negligent hiring, training, retention, supervision or referral of employees, or negligent supervision of students;
Exception: This exclusion shall not apply to mental injury or emotional distress:
(i) caused by or alleged to be caused by a **Wrongful Employment Practice** against an employee, former employee or job applicant, including **Employee Sexual Harassment**; or
(ii) sexual harassment or other unlawful discrimination against any individual other than a student of the **Educational Organization**;
- i. physical injury to or destruction of tangible property or **Secure Data**, including loss of use if the loss of use results from the physical injury or destruction of the tangible property or **Secure Data**, loss of use of or diminished value of tangible property or **Secure Data** that has not been physically injured or destroyed, and consequential damage or evacuation loss resulting from any actual or threatened physical injury or destruction of tangible property or **Secure Data**;
- j. assault or battery;
- k. the formation, interpretation, or actual or alleged breach of any contract or agreement, whether written, oral or implied in fact or law;
Exception: This exclusion shall not apply to **Claims** arising out of either an individual employment contract or a contract with a student for educational services;
- l. any violation of a collective bargaining agreement or of the National Labor Relations Act or any other similar law, statute, ordinance or regulation that governs labor-management relations;

- m. storage, disposal, discharge, dispersal, release, growth, or escape of bacteria, fungi (which includes, but is not limited to, any form or type of mold, mushroom, or mildew), spores (which includes any reproductive body produced by or arising out of fungi), smoke, vapors, soot, fumes, acids, alkalis, toxic substances, chemicals, liquids, gases, waste materials or other irritants, contaminants or pollutants of any kind into or upon land, in or into any building, or into the atmosphere or any watercourse or body of water whether above ground or underground, or in any other place; removal of or failure to remove asbestos or materials containing asbestos, lead or radon; radioactive materials or radioactive contamination; electromagnetic fields; or the failure to test for, cleanup, mitigate, protect or warn against, or monitor any of the above under any circumstances;
Exception: This exclusion shall not apply to retaliation against any person for exercising any rights or duties under any law, statute or regulation to test for, cleanup, mitigate, protect or warn against or monitor any of these;
- n. any **Insured** serving or having served as a member of the board of trustees or board of directors, or as an officer of any entity other than an **Included Entity**;
Exception: This exclusion does not apply to an **Insured** with respect to service as a director, trustee or officer of an **Outside Entity**, but this Exception:
(1) applies only if the **Individual Insured** serves in such capacity at the direction or request of the **Educational Organization** or if service in such capacity is or was part of the duties regularly assigned to the **Individual Insured** by an **Included Entity** and only to the extent that an **Individual Insured** is indemnified by an **Included Entity** for that service;
(2) does not extend to any **Outside Entity** or to any person other than an **Individual Insured**;
(3) is specifically excess of any indemnity or insurance (other than that provided by an **Included Entity**) available to an **Insured** by reason of service to an **Outside Entity**, including any indemnity or insurance available from or provided by the **Outside Entity**;
(4) does not extend to **Loss** on account of any **Claim** for a **Wrongful Act** prior to or subsequent to the dates during which the **Individual Insured** qualified for coverage under clause (1) above; and
(5) does not extend to **Loss** related to or arising out of any **Claim** brought against an **Insured** by or on behalf of the **Outside Entity** or any director, trustee, officer or employee of that **Outside Entity**;
- o. any violation of the Fair Labor Standards Act or any other employment-related law, regulation or statute that regulates any of the following:
(i) classification of workers for compensation or hours of employment purposes including as employee, contract employee, independent contractor, exempt, non-exempt, full-time, part-time, permanent, temporary, intern, or seasonal;
(ii) wages or hours;
(iii) payroll records;
(iv) compensation benefits including, vacation, sick pay, deferred compensation;
(v) meals or rest breaks; or
(vi) reimbursement of expenses;
Exception: This exclusion shall not apply to 1) the Equal Pay Act, or 2) any retaliation for exercising any rights or duties under any such law, statute or regulation;
- p. any demand for the return of funds or gifts brought by or on behalf of a government agency or other entity or person, or any actual or alleged violation of the False Claims Act or similar laws;
Exception: This exclusion shall not apply to retaliation against any person for exercising any rights or duties under the False Claims Act or similar laws;
- q. (i) any liability related to or arising out of the actual, or threatened, or alleged alteration, appropriation, destruction, dissemination, duplication, encryption through ransomware or software, imitation, impairment, loss of use, misuse, release, reproduction, or theft, of **Secure Data**; or

- (ii) any actual or alleged failure to comply with the provisions of any federal, state, local or foreign statute or regulation that requires an entity collecting or storing information that constitutes **Secure Data**, or any entity that has provided information that constitutes **Secure Data** to a third party, to provide notice of any actual or potential unauthorized access by others to such **Secure Data**;

Exception: This exclusion shall not apply to a **Claim** brought under the Family Educational Rights and Privacy Act of 1974;

- r. any unauthorized use, access to, or failure or violation of any **Computer System**, or any other device or instrument used in the communication, receipt, or transmission of electronic data; or
- s. any **Claim** made by any person who has or alleges to have sustained an injury from **Sexual Misconduct**;

Exception: This exclusion shall not apply to any **Claim** made by any person who has or alleges to have sustained an injury from **Employee Sexual Harassment**.

NOTICE OF CLAIMS AND WRONGFUL ACTS

16. As a condition precedent to an **Insured's** rights under this Policy, the **Insured** or the **Educational Organization**:

- a. must give **us** written notice of any **Claim** as soon as reasonably practicable
 - (i) that, in the reasonable judgment of the **Insured**, is likely to result in **Loss** that will exceed the total Limit of Liability of the **Underlying Insurance**, or
 - (ii) that is a likely class action or putative class action suit, or
 - (iii) at the time the **Insured** and the **Underlying Insurance** have incurred **Loss** of 25 percent of the Limit of Liability of the **Underlying Insurance** for that **Claim**, or,
 - (iv) when the **Underlying Insurance** does not apply to that **Claim**, as soon as reasonably practicable, and
- b. promptly and fully give **us** such information with regard to that **Claim** as **we** may reasonably require.

If this Policy is not renewed, then (subject always to the preceding sentence) the **Insured** or the **Educational Organization** must give **us** written notice of any **Claim** no later than 60 days after the end of the **Policy Period** or, if all conditions of Paragraph 23. have been satisfied, no later than the end of the 12-month period after the end of the **Policy Period**.

17. If during the **Policy Period** an **Insured** first becomes aware of any **Incident**, and gives **us** written notice of that **Incident** prior to the end of the **Policy Period**, including the nature of the **Incident**, the name of potentially damaged parties, and the manner in which the **Insured** first became aware of the **Incident**, then any **Claim** subsequently made arising out of that **Incident** will be deemed to have been made during the **Policy Period**.
18. All notices of **Claims** under Paragraph 16., or **Incidents** under Paragraph 17., shall be reported in writing to: Claims Department, United Educators Insurance, 7700 Wisconsin Avenue, Suite 500, Bethesda, MD 20814-3556, Fax 301-907-0303, or at newclaims@ue.org or through www.ue.org/report-claim. If a **Claim** is submitted electronically, **we** will send an electronic confirmation.

INDEMNIFICATION OF INDIVIDUAL INSUREDS

19. The **Educational Organization** agrees to indemnify **Individual Insureds** to the full extent permitted by applicable law.

CANCELLATION AND NONRENEWAL

20. The **Educational Organization** may cancel this Policy for itself and all other **Insureds** by surrendering it to **us** or by written notice to **us** by certified mail at the address in Paragraph 18. stating when (not less than 10 days thereafter) the cancellation will become effective. **We** may cancel this Policy only:
- in the event any payment of premium is not made when due and payable, stating when, not less than 10 days thereafter, such cancellation will become effective; or
 - If the **Underlying Insurance** is cancelled, stating when, not less than 30 days thereafter, such cancellation will become effective,
- by mailing written notice by certified mail to the **Educational Organization** at the last mailing address known by **us**.
21. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. If the **Educational Organization** cancels this Policy, earned premium will be calculated in accordance with the customary short rate table and procedure. Premium adjustment will be made as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
22. If **we** elect not to renew coverage provided by this Policy at then current standard terms and conditions (a change or increase in premium is not a change of terms and conditions) at the end of the **Policy Period**, **we** shall give the **Educational Organization** written notice at least 60 days before the end of the **Policy Period**.
- In the event that **we** learn of a change in the insurability of the risk that **we** deem material within 60 days or less before the end of this Policy and **we** are not then willing to renew at the current standard terms and conditions, **we** will notify the **Educational Organization** of this determination as soon as practicable, and **we** will also advise the **Educational Organization** whether **we** are willing to renew on different terms and conditions before the end of this **Policy Period**.
 - Under such circumstances, **we** may but are not required to offer the **Educational Organization** the opportunity to purchase a 60-day extension to the expiring Policy. Although this accommodation by **us** would be meant to give the **Educational Organization** that purchases a 60-day extension additional time to make decisions, this extension of the **Policy Period** shall under no circumstances create any additional Policy limits or increase the **Limits of Liability** available to the **Insureds**.

If offered by **us**, the **Educational Organization** may exercise this option by electing in writing before the end of the current **Policy Period** to pay to **us** an additional prorated portion of the current Policy's premium. Payment of the additional premium must be made no later than 10 days following the end of the original **Policy Period**.

EXTENDED DISCOVERY PERIOD

23. If **we** are unable to agree with the **Educational Organization** to a renewal at the end of the **Policy Period**, the **Educational Organization** shall have the right, upon payment of additional premium of 100% of the annual premium of this Policy, to an **Extended Discovery Period** for the coverage granted by this Policy; but
- the right to an **Extended Discovery Period** must be exercised by notice to **us** in writing and payment of the additional premium must be made no later than 10 days following the end of the **Policy Period**;
 - any **Claim** first made during the **Extended Discovery Period** will be treated as a **Claim** first made during the **Policy Period** and is subject to the **Limit of Liability** and **Underlying Insurance Limit** amounts applicable to the **Policy Period**;

- c. this Policy does not cover any **Claim** that is covered in whole or in part by any policy of insurance that replaces this Policy or that succeeds this Policy in time; and
- d. the additional premium will be considered fully earned on the first day of the **Extended Discovery Period**.

GOVERNING LAW AND INTERPRETATION

24. This Policy shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to principles of conflicts of laws thereunder, except the substantive law of New York shall not be used to supplant or override (1) the provisions of this agreement regarding payment of punitive damages; (2) the provisions of this agreement addressing the award, rate or accrual date of prejudgment interest; and/or (3) the requirement that the provisions, stipulations, exclusions and conditions of this Policy be construed in an evenhanded fashion between the **Insureds** and **us**. Where the language of this Policy is deemed to be ambiguous or otherwise unclear, the issue shall be resolved in the manner most consistent with the relevant provisions, stipulations, exclusions and conditions without regard to authorship of the language and without any presumption or arbitrary interpretation or construction in favor of either the **Insureds** or **us**.

DISPUTE RESOLUTION

25. Any and all disputes arising out of or related to this agreement or the parties' performance hereunder shall be submitted first to mediation before a mutually-acceptable mediator. The parties shall: (1) mediate in good faith; (2) exchange all documents which each believes to be relevant and material to the issue(s) in dispute; (3) exchange written position papers stating their position on the dispute(s) and outlining the subject matter and substance of the anticipated testimony of persons having personal knowledge of the facts underlying the dispute(s); and (4) engage and cooperate in such further discovery as the parties agree or mediator suggests may be necessary to facilitate effective mediation. Mediator, venue, and related costs shall be shared equally by the parties.

Should the mediation required by this section fail to resolve the parties' dispute within four months of the initial mediation session, the parties agree to submit their dispute to a confidential, binding arbitration held according to the JAMS Comprehensive Arbitration Rules & Procedures in effect as of June 1, 2021 (the "Rules"), each party to bear (1) their own attorneys' fees and costs and (2) the fees and costs of their party-appointed arbitrator; and an equal share of the fees and expenses of the Chairperson and of the other expenses of the arbitration except for fees subject to paragraph 31(c) of the Rules.

Unless the parties consent in writing to a lesser number, the arbitration panel shall consist of three (3) arbitrators, the first to be appointed by the **Educational Organization** on behalf of the **Insureds**, the second to be appointed by **us**, and the third (the "Chairperson") to be appointed by the two (2) arbitrators so appointed. The Chairperson shall either (1) have a minimum of 10 years' experience working in the insurance industry or (2) have handled a minimum of 5 insurance-related arbitrations or trials. The seat of the arbitration shall be Bethesda, Maryland; but the arbitration panel may, for the convenience of the parties and without changing the locale of the final arbitration hearing, meet or take evidence at any place or places.

To the extent any dispute arises regarding any privileged information or documents, the arbitration panel shall determine whether an *in camera* review is necessary. If the arbitration panel decides that such a review is necessary, the privileged information or documents shall be referred to *in camera* inspection by a special master selected by the majority of the arbitrators for such decisions, rather than being decided *in camera* by the arbitrators. The special master must be an attorney who has acted as a

special master deciding privilege issues under state or federal law of the United States, or a retired jurist of any federal trial or appellate court of the United States.

The award of the arbitration panel may be, alternatively or cumulatively, for money damages, an order requiring the performance of obligations under this Policy, or any other appropriate order or remedy. The award shall not allocate arbitration fees or Chairperson compensation, costs or expenses in any manner except for equally between the parties. The decision of a majority of the arbitration panel shall be final and binding except to the extent otherwise provided in the Federal Arbitration Act.

For purposes of entering judgment upon any award by the arbitration panel, **we** and the **Insureds** submit to the jurisdiction of the State and Federal District Courts located in the State of Maryland.

We and the **Insureds** agree that prejudgment interest shall be calculated at the prime rate plus one percent and shall begin to accrue on the first date either party requested mediation.

COMPLIANCE WITH APPLICABLE UNITED STATES SANCTIONS

26. This insurance does not apply when **we** are prohibited from providing insurance by virtue of any United States laws or regulations.

CURRENCY

27. All premiums, **Limit of Liability**, **Underlying Insurance Limits**, **Loss**, and all other monetary amounts used in this Policy are expressed and payable in United States currency.

OTHER INSURANCE

28. This Policy shall at all times be excess over any other valid and collectible insurance (including any insurance naming the **Insured** as "additional insured") available to the **Insured** other than insurance that is expressly and specifically excess of the limits of this Policy, and nothing in this Policy shall be construed to require this Policy to contribute with, or subject this Policy to the conditions of any other insurance. **We** will not pay any **Defense Costs** incurred in connection with any **Claim** that another insurer has a duty to defend.

REPRESENTATION AND SEVERABILITY

29. Except as respects:

- a. the giving of notice of **Claim** or **Incident** pursuant to Paragraphs 16. and 17.,
- b. giving of notice to exercise the Discovery Period and payment of additional premium under Paragraph 23., and
- c. The order of payments provisions in Paragraph 5.,

the **Educational Organization** agrees to act on behalf of all **Insureds** with respect to all matters under this Policy, including without limitation payment of premium, negotiation of the terms of renewal, the adjustment, settlement and payment of **Claims**, resolution of disputes, allocation of the proceeds of this Policy, the giving and receiving of notice of cancellation, the giving of notice to persons whom the **Educational Organization** chooses to not make an **Individual Insured**, and the receiving of any return premiums that may become due. The **Insureds** agree that the **Educational Organization** shall act on their behalf. Notice to the **Educational Organization** at the last mailing address known by **us** shall constitute notice to all **Insureds**.

30. Solely with regard to the **Trustees**:
- the statements and representations in the Application for Insurance will be deemed to be a separate application for each **Trustee** and no fact pertaining to or knowledge possessed by any **Trustee** or **Officer** shall be imputed to any other **Trustee** for the purpose of determining whether coverage is available, and
 - subject to all other terms and conditions of this Policy, this coverage shall not be rescinded by **us** for any reason whatsoever.

MAINTENANCE OF UNDERLYING INSURANCE

31. The **Educational Organization** agrees to keep the **Underlying Insurance** or equivalent replacements in force during the **Policy Period** with no alteration in the limits, terms, conditions, or endorsements. Failure of the **Educational Organization** to comply with this condition will not invalidate this Policy but **we** will only be liable for the payment of **Loss** to the same extent **we** would have been if the **Educational Organization** had maintained the **Underlying Insurance** in force.
32. In the event that any provision of this Policy shall be declared to be or deemed invalid or unenforceable under any applicable law, such invalidity or unenforceability shall not affect the remaining portion of this Policy.

SUBROGATION

33. In the event of any payment under this Policy, **we** shall be subrogated to all rights of recovery of any **Insured** against any person or organization, and the **Insureds** agree to execute and deliver such instruments and papers as necessary to secure such rights and to do nothing to prejudice such rights after the **Wrongful Act**. **We** agree to waive any right of recovery **we** may have against any person or organization when the **Educational Organization** has agreed to such waiver prior to a **Wrongful Act**.

ALTERATION AND ASSIGNMENT

34. No change in, modification of, or assignment of interest under this Policy will be effective except when made by a written endorsement to this Policy that is signed by **our** authorized representative.

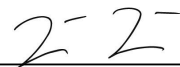
UNINTENDED ERRORS AND OMISSIONS

35. Unless information is subject to a specific supplementary warranty application required by **us**, the failure of the **Insureds** to properly disclose all application information at the time of application for coverage for this Policy shall not prejudice the **Insureds** with respect to this insurance, provided such failure or omission is not intentional.

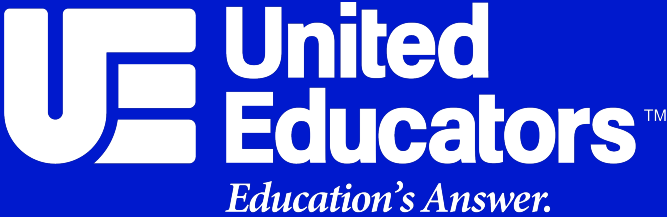
HEADINGS

36. The descriptions in the headings and subheadings of this Policy are inserted solely for convenience and do not constitute any part of the terms or conditions of this Policy.

IN WITNESS WHEREOF, United Educators Insurance, a Reciprocal Risk Retention Group has caused this Policy to be signed by its President.



Richard G. Mills, Jr., President & CEO



TECHNOLOGY INSURANCE COMPANY, INC.

*59 Maiden Lane, 43rd Floor
New York, NY 10038*

WORKERS' COMPENSATION
and
EMPLOYERS' LIABILITY INSURANCE POLICY

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



Stephen Ungar, Secretary



Christopher H. Foy, President

To obtain information, please contact your agent or Technology Insurance Company, Inc. at **877-528-7878**. You may also write Technology Insurance Company, Inc. Consumer Relations at:

800 Superior Avenue East, 21st Floor
Cleveland, OH 44114

Workers' Compensation Claim Reporting Information

24/7 Toll Free Claim Reporting for All States



(888)239-3909



WorkersCompClaimReport@AmTrustgroup.com



www.amtrustfinancial.com

Information Required for All Claims Reported



1. Name of the insured and policy number
2. Name and contact information of injured worker
3. Date, time and place of accident
4. Description of accident or incident
5. Name, phone, and/or email of person making the report
6. Any information on the injured workers lost time

Early claim reporting is essential to a better claim outcome. Don't delay reporting if you do not have all the details.

How do I help my injured worker find a doctor?



- We offer an online physician search for all states, www.talispoint.com/amtrust/external
- For California, www-lv.talispoint.com/amtrust/campn
- For CO, GA, PA & TN, please refer to the panel provided by AmTrust via mail or email

How does my injured employee receive prescription medications related to the accident/injury?



- Refer to the claims kit for your state at www.talispoint.com/amtrust/external for a First Fill card for your injured employee to use at the pharmacy to cover the cost of approved medication.

Timely Reporting

When a work-related injury occurs, it is important to act immediately. Timely reporting of a new claim helps to provide a smooth and successful claim process for both you and your injured worker.



We're Here To Help

After your claim has been filed, we may be in touch to obtain additional information. Our goal is to offer a smooth and hassle-free experience – from your first contact to the claims conclusion. Feel free to also call us with any questions. We're here to help.



Relax And Stay Positive

You have the assurance of our knowledge, expertise, and understanding of the claim process. We're with you all the way.

877.528.7878 | www.amtrustfinancial.com

This material is for informational purposes only and is not legal or business advice. Neither AmTrust Financial Services, Inc. nor any of its subsidiaries or affiliates represents or warrants that the information contained herein is appropriate or suitable for any specific business or legal purpose. Readers seeking resolution of specific questions should consult their business and/or legal advisors. Coverages may vary by location. Contact your local RSM for more information.

Thank you for placing your Workers' Compensation Coverage with AmTrust. For your convenience, we now offer electronic versions of our Claims Kits. Please see the instructions and FAQs below for more information.



Where's my claims kit?

All the States' Claims Kits are online for insured to download which contains all the necessary WC notices. Visit the Talispoint Direct Link at www.talispoint.com/amtrust/external/

- Click State Rules/Kits, choose corresponding state and open the PDF link to view and print.



I have an injured worker, how do I find a doctor?

We will provide completed Panel of Physicians for the 4 states that require a panel to be posted (CO, GA, PA & TN). We offer our online physician search for all other states.

There are 3 ways to access this information:

1. Visit the Talispoint Direct Link at www.talispoint.com/amtrust/external/
2. California MPN: www.talispoint.com/amtrust/campn/
3. Visit the AmTrust Financial Website at www.amtrustfinancial.com
 - Click Claims
 - Click Provider Directory or California MPN under "Find a Provider"
 - State specific laws for directing medical treatment are listed on the State Rules Tab
 - Search for physicians by Name, Address or Region



Where are my posting notices?

All states claim kits are available online, including applicable postings. There are 4 states (CO, CT, FL & MD) we cannot place online. For these states, we will mail additional posting notices to the main address on the policy.



I have a question about my claims kit, posting notice, panel or accessing the website's physician searches, who do I contact?

You may send an email to clientservices@amtrustgroup.com. Please make sure to include your policy number along with your request.



I have a question about a claim or injured worker, who do I contact?

Customer Service can direct you to the appropriate person. Please contact them at 888-239-3909.



Dear Policyholder,

In an effort to continue to provide AmTrust customers with a variety of billing options, we have updated our fee structure to help customers meet payment due dates, ensure that valid and properly funded payments are submitted, and provide an incentive for paid-in-full options.

Our updated fee structure is as follows:

Fee Title	Fee Amount	Description
Returned Payment Fee	\$25	A returned payment fee applied to any returned payment.
Late Fee	\$20	Late fee applied if payment not received on or before payment due date.
Installment Fee	\$15	A “paper” billing fee that is assessed for each mailed installment invoice. Excludes down payment and annual payment plans. Fee is billed at the account level.
Reinstatement Fee	\$50	Fee applied upon reinstatement of a non-payment cancellation.
EFT Fee	\$3	An “electronic” billing fee that is assessed for each ACH Direct Debit transaction. Fee is billed at the account level.

*Fee amount may vary by state and program of business

For policyholders who choose to pay their annual premium on installments, we plan to implement an installment fee, which will be displayed on your renewal invoice.

Thank you for your attention to this fee structure change. If you have any questions, feel free to contact our Customer Service Department at 877.528.7878.

We value you as a policyholder and appreciate the opportunity to serve you.

Sincerely,

AmTrust North America
Customer Service Department

Technology Insurance Company, Inc.

A Stock Insurance Company

WORKERS COMPENSATION
AND EMPLOYERS LIABILITY
INSURANCE POLICY

WC 99 00 01 B
1 of 5
INFORMATION PAGE

Ncci Code: 39071

1. Insured: **Policy Number: TWC4457544**
The Pennsylvania Cyber Charter School
652 Midland Ave
Midland, PA 15059
 Individual Partnership
Other workplaces not shown above: Corporation or Other
None
Producer: Federal Tax ID: 233037922
Wright Specialty Insurance Agency, LLC Risk Id:
900 Stewart Avenue, Suite 600 Renewal of: TWC4293454
Garden City, NY 11530

2. The policy period is from 6/30/2024 to 6/30/2025 12:01 a.m. at the insured's mailing address.
3. A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here: Florida
B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:
- | State | Bodily Injury by Accident | Bodily Injury by Disease | Bodily Injury by Disease |
|-------|---------------------------|--------------------------|---------------------------|
| | \$1,000,000 each accident | \$1,000,000 policy limit | \$1,000,000 each employee |
- C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:
All states except ND, OH, WA, WY and State(s) Designated in Item 3.A
D. This policy includes these endorsements and schedules: See Extension of Information Page

4. 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.
See Extension of Information Page
- | | |
|---------------------------------------|--------------|
| TOTAL ESTIMATED ANNUAL PREMIUM | 1,867 |
| STATE ASSESSMENT | 0 |
| TOTAL ESTIMATED COST | 1,867 |
| Minimum Premium | 315 |
| Deposit Premium | 1,867 |
- Issue Date: 6/14/2024

Countersigned by: _____
Authorized Representative

Insured: The Pennsylvania Cyber Charter School

Policy Number: TWC4457544

**EXTENSION OF INFORMATION PAGE FOR ITEM #1
ITEM 1: NAMED INSURED and WORKPLACES**

NAMED INSURED: The Pennsylvania Cyber Charter School Fein: 233037922
WORKPLACES: Location Number 1.
4171 Berry Circle
Pace, FL 32571

Insured: The Pennsylvania Cyber Charter School

Policy Number: TWC4457544

EXTENSION OF INFORMATION PAGE FOR ITEM #3.D
ITEM 3.D: ENDORSEMENT SCHEDULE

State	Form Number	Description
	WC990001B	DECLARATIONS PAGE
	WC000000C	WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY
	WC000313	WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT
	WC000404	PENDING RATE CHANGE ENDORSEMENT
	WC000406A	PREMIUM DISCOUNT ENDORSEMENT
	WC000414A	NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT
	WC000419	PREMIUM DUE DATE ENDORSEMENT
FL	WC090303	FLORIDA EMPLOYERS LIABILITY COVERAGE ENDORSEMENT
FL	WC090402A	FLORIDA EXPERIENCE RATING MODIFICATION FACTOR ENDORSEMENT
FL	WC090403C	FLORIDA TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT ENDORSEMENT
FL	WC090407A	FLORIDA NON-COOPERATION WITH PREMIUM AUDIT ENDORSEMENT
FL	WC090408A	FLORIDA INSUFFICIENT FUNDS ENDORSEMENT
FL	WC090606	FLORIDA EMPLOYMENT AND WAGE INFORMATION RELEASE ENDORSEMENT

Insured: The Pennsylvania Cyber Charter School

Policy Number: TWC4457544

**EXTENSION OF INFORMATION PAGE FOR ITEM #4
ITEM 4: SCHEDULE OF PREMIUMS**

Classifications	# of Emps	Code No.	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remun.	Estimated Annual Premium
Florida					
School—Professional Employees & Clerical Manual Premium	1	8868	426,775	0.35	1,494 <hr/> 1,494
Total Manual Premium					1,494
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			21
Premium to Equal Increased Limits Minimum Charge		9848			99
Blanket Waiver 2% (\$50 Minimum)		0930			50
Total Premium Subject To Experience Modification					1,664
Experience Modification N/A					1,664
Terrorism Risk Insurance Act 1%		9740			43
Expense Constant		0900			160
Total FL Premium					1,867
Total FL Cost					1,867
TOTAL ESTIMATED ANNUAL PREMIUM					1,867
STATE ASSESSMENT					0
TOTAL COST					1,867

Insured: The Pennsylvania Cyber Charter School

Policy Number: TWC4457544

PAYMENT SCHEDULE

Statement Closing Date	Payment Due Date	Description	Amount Due
	6/30/2024	Annual Premium Due	\$1,867.00
			<u>Total Cost \$1,867.00</u>

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

(Ed. 1-15)

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.
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.

(Ed. 1-15)

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 cancellation notice.
4. Any of these provisions that conflict with a law that controls the cancellation 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 cancellation.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

Any person or organization as required by written contract

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	6/30/2024	Policy No.	TWC4457544	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	1,867
Insurance Company	Technology Insurance Company, Inc.				

Countersigned by _____

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

FL

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	6/30/2024	Policy No.	TWC4457544	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	1,867
Insurance Company	Technology Insurance Company, Inc.				

Countersigned by _____

PREMIUM DISCOUNT ENDORSEMENT

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 Items 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

1. State	Estimated Eligible Premium			
	First	Next	Next	Balance
Florida	\$10,000 0%	\$200,000 9.1%	\$1,750,000 11.3%	12.3%

2. Average percentage discount: 0 %

3. Other policies:

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:

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	6/30/2024	Policy No.	TWC4457544	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	1,867
Insurance Company	Technology Insurance Company, Inc.				

Countersigned by _____

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	6/30/2024	Policy No.	TWC4457544	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	1,867
Insurance Company	Technology Insurance Company, Inc.				

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 _____

FLORIDA EMPLOYERS LIABILITY COVERAGE ENDORSEMENT

C. Exclusion 5, Section C. of Part Two of the policy, is replaced by following:

This insurance does not cover

5. bodily injury intentionally caused or aggravated by you or which is the result of your engaging in conduct equivalent to an intentional tort, however defined, or other tortious conduct, such that you lose your immunity from civil liability under the workers compensation laws.

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	6/30/2024	Policy No.	TWC4457544	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	1,867
Insurance Company	Technology Insurance Company, Inc.				

Countersigned by _____

FLORIDA EXPERIENCE RATING MODIFICATION FACTOR ENDORSEMENT

This endorsement applies because Florida is shown in Item 3.A. of the Information Page.

- A. The premium for the policy will be adjusted by an experience rating modification factor. The factor was not available when the policy was issued. The factor, if any, shown on the Information Page is an estimate. We will issue an endorsement to show the proper factor, if different from the factor shown, when it is calculated.
- B. If the factor is an increase over that shown on the Information Page, it will apply as of the policy effective date; or if the rating effective date is later than the policy effective date it will apply as of the rating effective date. Your premium will be calculated:
 - 1. Retroactively to the effective date of the policy or to the rating effective date if the rating effective date is later than the policy effective date if the adjustment is within the first 90 days of the policy effective date;
 - 2. On a pro rata basis from the date we endorsed the policy if the adjustment is more than 90 days after the effective date of the policy.
 The adjustment will be retroactive to the effective date of the policy or to the rating effective date if the rating effective date is later than the policy effective date when:
 - a. The change in the experience rating modification factor is the result of a revision in your classifications;
 - b. The delay in the calculation of the experience rating modification factor is due to your failure to make available all your records for examination and audit as provided in Part Five—Premium, Section G. (Audit) of the policy.
- C. If the factor is a decrease from that shown on the Information Page, it will apply retroactively to the policy effective date or the rating effective date if later than the policy effective date.

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 _____

Florida Terrorism Risk Insurance Program Reauthorization Act Endorsement

This endorsement addresses requirements of the Terrorism Risk Insurance Act of 2002 as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2019.

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.

1. "Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments, including any amendments resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2019.
2. "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.
3. "Insured Loss" means any loss resulting from an act of terrorism (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.
4. "Insurer Deductible" means, for the period beginning on January 1, 2021, and ending on December 31, 2027, an amount equal to 20% of our direct earned premiums during the immediately preceding calendar year.

Limitation of Liability

The Act may limit 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 may not be 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 may only have to pay 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 occurring in any calendar year exceed \$200,000,000, the United States Government would pay 80% of our Insured Losses that exceed our Insurer Deductible.
2. Notwithstanding item 1 above, the United States Government may not have to make any payment under the Act for any portion of Insured Losses that exceed \$100,000,000,000.
3. The premium charged for the coverage for Insured Losses under this policy is included in the amount shown in Item 4 of the Information Page or the Schedule below.

Schedule

Rate per \$100 of Remuneration 0.01

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	6/30/2024	Policy No.	TWC4457544	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	1,867
Insurance Company	Technology Insurance Company, Inc.				

Countersigned by _____

Florida Non-Cooperation With Premium Audit Endorsement

This endorsement applies because Florida is shown in Item 3.A. of the Information Page.

This endorsement adds the following provisions to Part Five - Premium, G. Audit of the policy:

We are required to complete the premium audit process no later than 90 days after policy termination. If you fail to return the final mail audit or refuse to cooperate in completing the final physical audit or final physical onsite audit, you must pay us a premium not to exceed three times the most recent estimated annual premium on this policy subject to the following conditions:

1. We make two good faith efforts to obtain the final mail audit or complete the final physical audit or final physical onsite audit.
2. We document the audit file regarding the two good faith attempts to obtain the required audit information.
3. After the two good faith attempts to obtain records or gain access to your premises or your worksites, we send a letter by certified mail to you advising you of the specific records that are required or the premises or worksites that must be accessed and the premium that will be charged if you continue to refuse access to the records, premises, and/or worksites.

If you do not provide all the specific records required and/or fail to permit access to your premises or worksites as applicable, and if we satisfy the conditions above on or before 90 days from the date of policy termination, we may continue to try and conduct the audit and/or reopen the audit for up to three years from the date of policy termination. Alternatively, we may immediately bill you a premium not to exceed three times the most recent estimated annual premium on this policy. If you provide all the specific records required and/or permit access to the premises or worksites as applicable to complete the premium audit process within the three-year period, we will determine your final premium in accordance with Part Five - Premium, E. Final Premium of the policy.

If we cannot complete the audit because you do not permit us to make a physical inspection of your operation or provide us with the necessary records, you must pay us \$500 to defray the costs of the audit. The \$500 charge may be imposed only if we have incurred actual travel expenses and we notified you in writing of the potential charge when access was denied. Denial of access to records and your premises or worksites by your agent or representative is considered the same as a denial by you.

If you understate or conceal payroll, or misrepresent or conceal employee duties to avoid proper classification for premium calculations or misrepresent or conceal information pertinent to the calculation and application of an experience rating modification factor, then you, your agent or your attorney, must pay us a penalty charge of 10 times the difference in the amount of premium that you paid and the amount that you should have paid and reasonable attorney’s fees. The penalty may be enforced in the Florida circuit courts.

At the end of each quarter, you must submit to us a copy of the quarterly earnings reports you filed with the Florida Department of Revenue and any self-audits supported by the quarterly earnings report. The report must include a sworn statement by an officer or principal of your company attesting to the accuracy of the information in it. If you have an employee who suffered a compensable injury and was not reported as having earned wages on your last quarterly earnings report, you must indemnify us for all workers compensation benefits paid to or on behalf of the employee unless you establish that the employee was hired after the filing of the quarterly report, in which case you and the employee must attest to fact that the employee was employed by you at the time of injury.

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	6/30/2024	Policy No.	TWC4457544	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	1,867
Insurance Company	Technology Insurance Company, Inc.				

Countersigned by _____

FLORIDA INSUFFICIENT FUNDS ENDORSEMENT

This endorsement applies because Florida is shown in Item 3.A of the Information Page.

Add the following to Part Six - Conditions of the policy:

G. Insufficient Funds

Our rules allow us to impose an insufficient funds fee of up to \$15 per occurrence if you make a payment of premium by debit card, credit card, electronic funds transfer (EFT), or electronic check that is returned, declined, or cannot be processed due to insufficient funds. However, we will not charge you an insufficient funds fee if the failure in payment resulted from fraud or misuse on your account from which the payment was made and such fraud or misuse was not attributed to you.

The Schedule below shows the insufficient funds fee we will impose if you make a payment of premium by debit card, credit card, electronic funds transfer (EFT), or electronic check that is returned, declined, or cannot be processed due to insufficient funds.

Schedule

Insufficient Funds Fee \$20

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 6/30/2024 Policy No. TWC4457544 Endorsement No. 0
Insured The Pennsylvania Cyber Charter School Premium \$ 1,867
Insurance Company Technology Insurance Company, Inc.

Countersigned by _____

FLORIDA EMPLOYMENT AND WAGE INFORMATION RELEASE ENDORSEMENT

This policy requires you to release certain employment and wage information maintained by the State of Florida pursuant to federal and state unemployment compensation laws except to the extent prohibited or limited under federal law. By entering into this policy, you consent to the release of the information.

We will safeguard the information and maintain its confidentiality. We will limit use of the information to verifying compliance with the terms of the 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	6/30/2024	Policy No.	TWC4457544	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	1,867
Insurance Company	Technology Insurance Company, Inc.				

Countersigned by _____

Technology Insurance Company, Inc.

**IMPORTANT NOTICE
FLORIDA**

POLICY NUMBER

TWC4457544

POLICY PERIOD

FROM: 6/30/2024 12:00:00 AM TO: 6/30/2025 12:00:00 AM

INSURED

The Pennsylvania Cyber Charter School

If you have a Drug-Free Workplace Program established and maintained in accordance with Florida law, and you would like to apply for the 5% premium credit that is available, please contact your insurance agent for a Drug-Free Workplace Premium Credit Program application. Re-certification is required annually.

The State of Florida has authorized a \$2500 deductible plan. There is no premium credit associated with this option. This deductible option may be endorsed to the policy subject to financial underwriting. Any amounts paid by the employer shall not apply to the experience rating of such employer but shall be reported for ratemaking purposes. If you are interested in this deductible plan, please contact your insurance agent for further details.

Policyholder Notice

FL-DFD 01 (10/04)

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	6/30/2024	Policy No.	TWC4457544	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	1,867
Insurance Company	Technology Insurance Company, Inc.				

Countersigned by _____



Wright Specialty Education Insurance Program

Producing Office:

Henderson Brothers, Inc.
920 Ft. Duquesne Blvd.
Pittsburgh, PA, 15222

For questions or service, please contact the producing office above.

Issuing Program

Administrator:

Wright Specialty Insurance

*Thank you for choosing the
Wright Specialty Education Insurance Program!*

American Southern Home Insurance Company

Administration Office: 555 College Road East

Princeton, NJ 08543-5241

(800) 305-4954

Statutory Office: 1301 Riverplace Blvd., Suite 1300 - Jacksonville, FL 32207

(a stock insurance company)

American Southern Home Insurance
Company
555 College Road East
Princeton, NJ 08543-5241

Wright Specialty Insurance
900 Stewart Avenue
Suite 600
Garden City, NY 11530

COMMON POLICY DECLARATIONS

Named Insured: The Pennsylvania Cyber Charter
School
and
Mailing Address: 652 Midland Ave, Suite
A130
Midland, PA 15059

Policy Number: 7NA6CP0002002-00

Renewal of: 7NA5CP0001607-00

Policy Period: From 06/30/2024 to 06/30/2025
at 12:01 AM Standard Time at your mailing
address shown above.

Type of Entity: Education
Business Description: Charter School

This policy consists of the following coverage parts:	Premium
Property	\$48,021.00
Inland Marine	\$7,457.00
General Liability	\$97,223.00
Taxes, Fees, Surcharges:	
Estimated Total Premium:	\$152,701.00

The policy premium is payable on the dates and in the amounts shown below:

Named Insured: The Pennsylvania Cyber Charter
School

Policy Number: 7NA6CP0002002-00

Policy Period: From 06/30/2024

To 06/30/2025

COMMON FORMS

See Schedule of Forms and Endorsements.

In return for payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in the policy. The policy consists of the coverage parts where a premium is shown on page 1 of these Common Policy Declarations. In addition to any common forms, each coverage part consists of a Coverage Part Declarations and any coverage forms and endorsements listed on the Coverage Part Declarations or elsewhere in the policy.

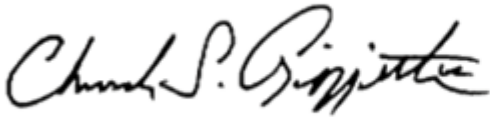


Authorized representative (countersignature, where required)

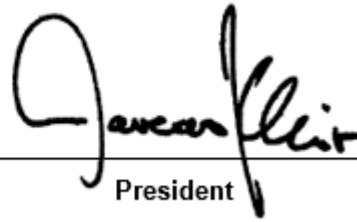
06/28/2024

Date

The Company has caused this policy to be signed by its President and Secretary.



Secretary



President

SCHEDULE OF FORMS AND ENDORSEMENTS

POLICY NUMBER: 7NA6CP0002002-00	EFFECTIVE DATE: 06/30/2024
---	--------------------------------------

NUMBER

TITLE

Common

COVER PAGE (01-20) Policy Cover Page

PE CO 100 (01-20) Common Policy Declarations

IL 09 52 (01-15) Cap On Losses From Certified Acts Of Terrorism

PE CO 300 (01-20) Common Policy Conditions

PE CO 302 (01-20) Schedule Of Named Insureds

PE CO PA1 (01-20) Pennsylvania Changes - Cancellation and Nonrenewal

PE CO PA2 (01-20) Pennsylvania Notice

PE CO PA3 (01-20) Pennsylvania Changes

PE CO PA4 (01-20) Pennsylvania Changes - Defense Costs

TERRNOTICE09 (12-20) Policyholder Disclosure Notice of Terrorism Insurance Coverage

VL N 800 (03-20) Customer Assistance Notice

Property

PE PR 100 (01-20) Property Coverage Part Declarations

PE PR 101 (02-22) Property Coverage Form

PE PR 210 (07-20) Limitation Changes - Interior Of Building

PE PR 211 (04-21) Exclusion - Cyber Incident

PE PR 402 (01-20) Earthquake - Volcanic Eruption Coverage

PE PR 404 (07-20) Flood Coverage

PE PR 441 (01-20) Equipment Breakdown Coverage Deductible Options

PE PR 442 (02-21) Equipment Breakdown Coverage Limit of Insurance Real Property and Personal Property

PE PR 443 (07-20) Equipment Breakdown Coverage Changes

PE PR 602 (02-22) Honor Roll Elite Property Enhancement Endorsement

PE PR 603 (07-20) Income Loss Changes - Educational Institutions

PE PR 605 (02-22) Exclusion - Utility Services

Inland Marine

PE IM 100 (01-20) Inland Marine Coverage Part Declarations

PE IM 101 (01-20) Inland Marine Coverage Form

General Liability

PE GL 100 (01-20) General Liability Coverage Part Declarations

CG 21 70 (01-15) Cap On Losses From Certified Acts Of Terrorism

PE GL 101 (01-20) General Liability Coverage Form

PE GL 224 (01-20) Exclusion - Electronic Information Security Event - With Limited Bodily Injury Exception

PE GL 416 (01-20) Employee Benefits Liability Endorsement

PE GL 603 (02-22) Abuse Or Molestation Liability Coverage

PE GL 620 (07-20) Honor Roll Elite General Liability Enhancement

PE GL 621 (07-20) Limited Exclusion - Liquor Liability

PE GL 623 (07-20) Limited Exclusion - Professional Services With Exceptions For Student Interns And Certain Medical Services

PE GL 625 (07-20) Counseling Professional Liability Coverage

SCHEDULE OF FORMS AND ENDORSEMENTS

POLICY NUMBER: 7NA6CP0002002-00	EFFECTIVE DATE: 06/30/2024
---	--------------------------------------

NUMBER

TITLE

General Liability

PE GL 626 (07-20) Specific Operations Amendment
PE GL 628 (07-20) Exclusion - Firearms Or Conducted Energy Devices
PE GL 630 (07-20) Exclusion - Students Medical Payments
PE GL 633 (02-22) Law Enforcement Liability Coverage With Optional Non-Monetary Relief Coverage
VL 400 (07-20) Communicable Disease Exclusion - Specified Operation Or Location

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:

BOILER AND MACHINERY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

"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.

If aggregate insured losses attributable to terrorist acts certified under the 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.

B. Application Of Exclusions

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMON POLICY CONDITIONS

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

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.
7. If this Condition conflicts with your state's requirements regarding cancellation or non-renewal, the provisions of any state-specific form attached to this policy will supersede this Condition to the extent of such conflict.

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 on our behalf.
 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. Liberalization

If we revise any coverage included in this policy, and if such revision does not require a premium charge, your policy will automatically provide the additional coverage as of the date the revision is effective in your state.

F. 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.

G. Titles

Throughout this policy, titles are intended for ease of reference only. They do not extend or restrict any coverage beyond what is specifically stated in the policy had no titles been used.

H. 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF NAMED INSUREDS

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE PART
GOVERNMENT CRIME COVERAGE PART
INLAND MARINE COVERAGE PART
GENERAL LIABILITY COVERAGE PART
PUBLIC OFFICIALS AND MANAGEMENT LIABILITY COVERAGE PART
PUBLIC OFFICIALS AND MANAGEMENT LIABILITY COVERAGE PART(CLAIMS MADE)
PROPERTY COVERAGE PART
EDUCATORS LEGAL LIABILITY COVERAGE PART

In addition to the Named Insured(s) shown on the Declarations, the following are also Named Insureds:

The Pennsylvania Cyber Charter School
Western Pennsylvania Cyber Charter School
PA Cyber

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL CRIME COVERAGE PART
EDUCATORS LEGAL LIABILITY COVERAGE PART
GOVERNMENT CRIME COVERAGE PART
INLAND MARINE COVERAGE PART
GENERAL LIABILITY COVERAGE PART
PROPERTY COVERAGE PART
PUBLIC OFFICIALS AND MANAGEMENT LIABILITY COVERAGE PART
PUBLIC OFFICIALS AND MANAGEMENT LIABILITY COVERAGE PART(CLAIMS MADE)

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 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 are added and supersede any provisions to the contrary:

1. Nonrenewal

If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the specific reasons for nonrenewal, 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 nonrenewal 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.

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.

Instruction to Policy Writers

Attach the Pennsylvania Notice to all new and renewal certificates insuring risks located in Pennsylvania.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE PART
GOVERNMENT CRIME COVERAGE PART
INLAND MARINE COVERAGE PART
PROPERTY COVERAGE PART

A. For insurance provided under the:

Commercial Crime Coverage Part
Government Crime Coverage Part
Inland Marine Coverage Part
Property Coverage Part

1. The **Transfer of Your Rights and Duties Under This Policy** Common Policy Condition is replaced by the following:

Transfer of Your Rights and Duties Under This Policy

Your rights and duties 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.

If you die, coverage will remain in effect as provided in **a.** or **b.** below, whichever is later:

- a.** For 180 days after your death regardless of the policy period shown in the Declarations, unless the insured property is sold prior to that date; or
- b.** Until the end of the policy period shown in the Declarations, unless the insured property is sold prior to that date.

Coverage during the period of time after your death is subject to all provisions of this policy including payment of any premium due for the policy period shown in the Declarations and any extension of that period.

2. The following is added to any provision which uses the term actual cash value:

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of Covered Property regardless of whether that property has sustained partial or total loss or damage. The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

B. For insurance provided under the:

Inland Marine Coverage Part
Property Coverage Part

The following is added to the **Loss Payment** Loss Condition and supersedes any provision to the contrary:

Notice of Acceptance or Denial of Claim

1. Except as provided in **3.** below, we will give you notice, within 15 working days after we receive a properly executed proof of loss, that we:
 - a. Accept your claim;
 - b. Deny your claim; or
 - c. Need more time to determine whether your claim should be accepted or denied. If we deny your claim, such notice will be in writing, and will state any policy provision, condition or exclusion used as a basis for the denial.

If we need more time to determine whether your claim should be accepted or denied, the written notice will state the reason why more time is required.

2. If we have not completed our investigation, we will notify you again in writing, within 30 days after the date of the initial notice as provided in **1.c.** above, and thereafter every 45 days. The written notice will state why more time is needed to investigate your claim and when you may expect us to reach a decision on your claim.
3. The notice procedures in **1.** and **2.** above do not apply if we have a reasonable basis, supported by specific information, to suspect that an insured has fraudulently caused or contributed to the loss by arson or other illegal activity. Under such circumstances, we will notify you of the disposition of your claim within a period of time reasonable to allow full investigation of the claim, after we receive a properly executed proof of loss.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PENNSYLVANIA CHANGES – DEFENSE COSTS

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
EDUCATORS LEGAL LIABILITY COVERAGE PART
GENERAL LIABILITY COVERAGE PART
PUBLIC OFFICIALS AND MANAGEMENT LIABILITY COVERAGE PART
PUBLIC OFFICIALS AND MANAGEMENT LIABILITY COVERAGE PART(CLAIMS MADE)

- A.** The provisions of Paragraph **B.** are added to all Insuring Agreements that set forth a duty to defend under:
- 1.** Section **I** of the General Liability Coverage Form, the Educators Legal Liability Coverage Form, the Public Officials And Management Liability Coverage Form and the Public Officials And Management Liability Coverage Form (Claims Made); and
 - 2.** Section **II – Liability Coverage** in Paragraph **A. Coverage** under the Business Auto Coverage Form;
- Paragraph **B.** also applies to any other provision in the policy that sets forth a duty to defend.
- B.** If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that none of the claims ("claims"), for which we provided a defense or defense costs, are covered under this insurance, we have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement under this provision will only apply to the costs we have incurred after we notify you in writing that there may not be coverage and that we are reserving our rights to terminate the defense or the payment of defense costs and to seek reimbursement for defense costs.

**Named Insured: The Pennsylvania Cyber Charter School
Western Pennsylvania Cyber Charter School
PA Cyber**

**Policy No. or Type of Policy: 7NA6CP0002002-00
06/30/2024**

Effective Date:

Insurance Company: American Southern Home Insurance Company

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you now have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury--in consultation with the Secretary of Homeland Security, and the Attorney General of the United States--to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Coverage for certified acts of terrorism has been included in your policy. No additional premium has been charged under this policy for such terrorism coverage.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE, IF ANY, IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION, IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

HOW DOES THE ACT AFFECT YOUR INSURANCE COVERAGE?

You have a policy of insurance issued by us which has no terrorism exclusion attached to it.

- This policy will remain in effect as written for the remainder of the policy period shown in the Declarations of the policy.
- The decision not to include a terrorism exclusion to your policy when it was issued or last renewed was based on a number of reasons, and the continuation or importance of these reasons may or may not have been altered by the passage of the Act.
- In the time between now and the next renewal we will examine and refine our treatment of terrorism under your policy. This means that you may or may not have the same terms offered to you upon renewal and that the premium charged may or may not reflect alteration based upon the terrorism exposure.

WHAT IS THE TERRORISM RISK INSURANCE ACT ?

The following is a partial summary of the Terrorism Risk Insurance Act, as amended, (hereinafter referred to as the Act). Only the provisions of the Act determine the scope of the insurance protection available for the losses covered under the Act. The Act has been extended through December 31, 2027.

The Act provides coverage for property and casualty insurance for "insured losses" as a result of an "act of terrorism." As stated in the Act:

- A. "Insured loss" means any loss resulting from an "act of terrorism" (including an act of war, in the case of worker's compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if such loss:
1. Occurs within the United States; or
 2. Occurs to an air carrier (as defined in section 40102 of title 49, United States Code), to a United States flag vessel (or a vessel based principally in the United States, on which US income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs, or at the premises of any United States mission.
- B. "Act of terrorism" means any act or acts that are certified by the Secretary of Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States:
1. To be an act of terrorism;
 2. To be a violent act or an act that is dangerous to:
 - a. Human life;
 - b. Property; or
 - c. Infrastructure;
 3. To have resulted in damage within the United States, or outside of the United States in the case of:
 - a. An air carrier or vessel described in paragraph (5)(B) of Section 102 of the Act; or
 - b. The premises of a United States mission; and

4. To have been committed by an individual or individuals, as part of an effort to coerce the civilian populations of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- C. Section 102 (1)(B) of the Act states “no act shall be certified by the Secretary as an act of terrorism if:
1. The act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
 2. Property and casualty insurance losses resulting from the acts, in the aggregate, do not exceed \$5,000,000.”
- D. The Act also contains a “program trigger” in Section 103(e)(1)(B), pursuant to which the federal government does not pay compensation for losses resulting from a certified act occurring after December 31, 2007, unless aggregate industry insured losses from such a certified act exceed a certain amount, or “trigger.” For insured losses occurring in 2008 and for all additional calendar years, the program trigger is \$100,000,000 through 2015, \$120,000,000 beginning on January 1, 2016, \$140,000,000 beginning on January 1, 2017, \$160,000,000 beginning on January 1, 2018, \$180,000,000 beginning on January 1, 2019, \$200,000,000 beginning on January 1, 2020, of aggregate industry insured losses.
- E. The Act does not apply to: crop or livestock insurance; private mortgage insurance or title insurance; financial guaranty insurance issued by monoline financial guaranty insurance corporations; insurance for medical malpractice; health or life insurance; flood insurance provided under the National Flood Insurance Act of 1968; commercial automobile insurance; burglary and theft insurance; surety insurance; professional liability insurance (except Directors and Officers Liability); or farm owners multiple peril insurance.
- F. Under the Act for calendar years through December 31, 2027, the federal government will reimburse the insurance company for 80% beginning on January 1, 2020 of its insured losses in excess of a deductible, until aggregate “insured losses” in any calendar year exceed \$100 billion. Each insurer's deductible will be 20% of its direct earned premium for property and casualty insurance (as reported on Page 14 of the company's Annual Statement), over the immediately preceding calendar year.
- For the purposes of determining such deductibles, direct earned premium means only the premiums earned on the commercial lines property and casualty insurance covered by the Act for U.S. risks or vessels, aircraft and foreign missions outside the U.S. covered by the Act.
- Neither the insurance company (having met its statutorily mandated share as described above) nor the federal government will be liable for payment of any portion of “insured losses” under the Act that exceeds \$100 billion in the aggregate during any calendar year.

NOTICE TO POLICYHOLDERS

CUSTOMER ASSISTANCE

Attach This Notice To Your Policy

This notice is for information only and does not alter the terms or conditions of the policy to which it is attached.

To obtain information:

If your coverage is through American Southern Home Insurance Company, American Family Home Insurance Company or American Alternative Insurance Corporation, you may call the toll free number below to present inquiries and obtain information:

1-800-305-4954

Named Insured: The Pennsylvania Cyber Charter Policy Number: 7NA6CP0002002-00
As per Schedule of Named Insureds Policy Period: From 06/30/2024
To 06/30/2025

PROPERTY COVERAGE PART DECLARATIONS

PROPERTY COVERAGE SUMMARY

<u>Coverages</u>	<u>Limits of Insurance</u>	
A. Real Property	See Schedule	
B. Personal Property	See Schedule	
C. Loss of Income	\$2,509,680	
D. Extra Expense	\$2,509,680	
		<u>Deductible</u>
Policy Deductible	\$5,000	per occurrence
Equipment Breakdown Deductible	\$5,000	per occurrence

Estimated Coverage Part Premium: \$48,021

PROPERTY FORMS

See Schedule of Forms and Endorsements.

Named Insured: The Pennsylvania Cyber Charter Policy Number: 7NA6CP0002002-00
As per Schedule of Named Insureds Policy Period: From 06/30/2024
To 06/30/2025

PROPERTY PREMISES SUMMARY

Premises Number	Address
001-001	652 Midland Ave Beaver Midland, PA 15059
002-001	300 Brighton Ave Beaver Rochester, PA 15074
003-001	617 Midland Ave Beaver Midland, PA 15059
004-001	1200 Midland Ave Beaver Midland, PA 15059
005-001	200 Pinewood Lane Suite 100 Allegheny Warrendale, PA 15086
006-001	735 Midland Ave Beaver Midland, PA 15059
007-001	518 Railroad Lane Beaver Midland, PA 15059
008-001	825 Baltimore Pike Delaware Springfield, PA 19064
009-001	3721 Tecport Drive Dauphin Harrisburg, PA 17111
010-001	520 Railroad Lane Beaver Midland, PA 15059
011-001	722 Midland Ave. Beaver Midland, PA 15059

Named Insured: The Pennsylvania Cyber Charter Policy Number: 7NA6CP0002002-00
As per Schedule of Named Insureds Policy Period: From 06/30/2024
To 06/30/2025

PROPERTY PREMISES SUMMARY

Premises Number	Address
012-001	1040 Towne Square Drive Westmoreland Greensburg, PA 15601
013-001	974 Marcon Blvd. Lehigh Allentown, PA 18109
014-001	1712 South Atherton Street Centre State College, PA 16801
015-001	2600 East Carson Street Allegheny Pittsburgh, PA 15203
016-001	40 East Northampton Street Luzerne Wilkes Barre, PA 18701
017-001	1980 Edinboro Road Ste B Erie Erie, PA 16509

Named Insured: The Pennsylvania Cyber Charter Policy Number: 7NA6CP0002002-00
As per Schedule of Named Insureds Policy Period: From 06/30/2024
To 06/30/2025

SCHEDULE OF PROPERTY COVERAGE – BLANKET LIMITS

The following Blanket Limit Schedule for Coverage A – Real Property and Coverage B – Personal Property applies to all items of Real Property and Personal Property except for the property listed in the SCHEDULE OF PROPERTY COVERAGE - INDIVIDUAL LIMITS.

Premises Number	Blanket Limit of Insurance	Valuation	Coinsurance	Inflation Guard
All	\$34,425,893	Replacement Cost	N/A	3%

Named Insured: The Pennsylvania Cyber Charter As per Schedule of Named Insureds	Policy Number: 7NA6CP0002002-00 Policy Period: From 06/30/2024 To 06/30/2025
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SCHEDULE OF EARTHQUAKE COVERAGE

"Earthquake" – Volcanic Eruption Limit of Insurance – Each Occurrence:	\$5,000,000
"Earthquake" – Volcanic Eruption Limit of Insurance – Annual Aggregate:	\$5,000,000
"Earthquake" – Volcanic Eruption Deductible – Each Occurrence:	5% of the of the building and personal property value (as shown in the Schedule of Values) of each structure that sustains loss or damage

Premises Number	Address
001-001	652 Midland Ave Beaver Midland, PA 15059
002-001	300 Brighton Ave Beaver Rochester, PA 15074
003-001	617 Midland Ave Beaver Midland, PA 15059
004-001	1200 Midland Ave Beaver Midland, PA 15059
005-001	200 Pinewood Lane Suite 100 Allegheny Warrendale, PA 15086
006-001	735 Midland Ave Beaver Midland, PA 15059
007-001	518 Railroad Lane Beaver Midland, PA 15059
008-001	825 Baltimore Pike Delaware Springfield, PA 19064
009-001	3721 Tecport Drive Dauphin Harrisburg, PA 17111
010-001	520 Railroad Lane Beaver Midland, PA 15059

Named Insured: The Pennsylvania Cyber Charter	Policy Number: 7NA6CP0002002-00
As per Schedule of Named Insureds	Policy Period: From 06/30/2024
	To 06/30/2025

SCHEDULE OF EARTHQUAKE COVERAGE

“Earthquake” – Volcanic Eruption Limit of Insurance – Each Occurrence:	\$5,000,000
“Earthquake” – Volcanic Eruption Limit of Insurance – Annual Aggregate:	\$5,000,000
“Earthquake” – Volcanic Eruption Deductible – Each Occurrence:	5% of the of the building and personal property value (as shown in the Schedule of Values) of each structure that sustains loss or damage

Premises Number	Address
011-001	722 Midland Ave. Beaver Midland, PA 15059
012-001	1040 Towne Square Drive Westmoreland Greensburg, PA 15601
013-001	974 Marcon Blvd. Lehigh Allentown, PA 18109
014-001	1712 South Atherton Street Centre State College, PA 16801
015-001	2600 East Carson Street Allegheny Pittsburgh, PA 15203
016-001	40 East Northampton Street Luzerne Wilkes Barre, PA 18701
017-001	1980 Edinboro Road Ste B Erie Erie, PA 16509

Named Insured: The Pennsylvania Cyber Charter	Policy Number: 7NA6CP0002002-00
As per Schedule of Named Insureds	Policy Period: From 06/30/2024
	To 06/30/2025

SCHEDULE OF FLOOD COVERAGE

"Flood" – Limit of Insurance – Each Occurrence:	\$5,000,000
"Flood" – Limit of Insurance – Annual Aggregate:	\$5,000,000
"Flood" – Deductible – Each Occurrence:	\$25,000

Premises Number	Address
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001-001	652 Midland Ave Beaver Midland, PA 15059
002-001	300 Brighton Ave Beaver Rochester, PA 15074
003-001	617 Midland Ave Beaver Midland, PA 15059
004-001	1200 Midland Ave Beaver Midland, PA 15059
005-001	200 Pinewood Lane Suite 100 Allegheny Warrendale, PA 15086
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Named Insured: The Pennsylvania Cyber Charter Policy Number: 7NA6CP0002002-00
As per Schedule of Named Insureds Policy Period: From 06/30/2024
To 06/30/2025

SCHEDULE OF FLOOD COVERAGE

"Flood" – Limit of Insurance – Each Occurrence: \$5,000,000
"Flood" – Limit of Insurance – Annual Aggregate: \$5,000,000
"Flood" – Deductible – Each Occurrence: \$25,000

Premises Number Address

010-001	520 Railroad Lane Beaver Midland, PA 15059
011-001	722 Midland Ave. Beaver Midland, PA 15059
012-001	1040 Towne Square Drive Westmoreland Greensburg, PA 15601
013-001	974 Marcon Blvd. Lehigh Allentown, PA 18109
014-001	1712 South Atherton Street Centre State College, PA 16801
015-001	2600 East Carson Street Allegheny Pittsburgh, PA 15203
016-001	40 East Northampton Street Luzerne Wilkes Barre, PA 18701
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PROPERTY COVERAGE FORM

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

Throughout this coverage part 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 VI - Definitions.

SECTION I - COVERAGES

Coverage A - Real Property

We will pay for direct physical loss or damage to “real property” at a “premises” caused by or resulting from any “covered cause of loss”. The most we will pay is described under Section IV - What We Will Pay.

Coverage B - Personal Property

We will pay for direct physical loss or damage to “personal property” at a “premises” caused by or resulting from any “covered cause of loss”. The most we will pay is described under Section IV - What We Will Pay.

Coverage C - Loss of Income

We will pay for your “loss of income” that you sustain during the “period of restoration” if your “operations” are suspended as a result of direct physical loss or damage to “real property” or “personal property” at a “premises” caused by or resulting from any “covered cause of loss”. The most we will pay is described under Section IV - What We Will Pay.

Coverage D - Extra Expense

We will pay the necessary “extra expense” you incur during the “period of restoration” if your “operations” are suspended as a result of direct physical loss or damage to “real property” or “personal property” at a “premises” caused by or resulting from any “covered cause of loss”. The most we will pay is described under Section IV - What We Will Pay.

SECTION II - COVERAGE EXTENSIONS

This section adds to or extends the coverage under Section I - Coverages. Each separately numbered provision is referred to as an extension. Except to the extent specifically stated otherwise in an extension:

1. Each extension is limited to direct physical loss or damage caused by or resulting from any “covered cause of loss”;
2. The limits in each extension are in addition to the limits applicable to Section I - Coverages; and
3. All other applicable terms and conditions of this coverage form apply to each extension.

1. Accounts Receivable

- a. We will pay for “accounts receivable costs” you incur as a result of direct physical loss or damage to your accounts receivable records caused by or resulting from any “covered cause of loss”, including those arising from loss or damage to software, or from mechanical breakdown of “computer equipment”, or from a “computer virus”.
- b. We will not pay for:

- (1) Any loss or cost that results from mistakes made in bookkeeping, accounting, or billing;
 - (2) Any loss or cost if its existence can be shown only by an inventory count or an audit. However, if the existence of a loss can be shown by other means, you may use an inventory count or audit to support your claim for that loss;
 - (3) Any loss or cost resulting from any dishonest act or omission of either you or your “volunteer workers” or “employees”, or anyone authorized to act for you. But we will cover loss that results if someone falsifies, alters or destroys your accounts receivable records in order to conceal any such action;
 - (4) Any loss arising out of bad debts; or
 - (5) Any loss arising out of aged accounts receivables greater than 180 days.
- c. If you recover any amounts after we have paid you for a loss, you have to turn the recoveries over to us until we have been repaid. If you recover more than the amount we paid you, the excess over our payment is yours. Also, you must help us collect amounts customers owe you, if we request your help.
 - d. Coverage provided under this extension is not restricted to your “premises”.
 - e. The most we will pay under this extension is \$50,000 in any one occurrence.
 - f. The policy deductible applies to this extension unless it is greater than \$500. If the policy deductible is greater than \$500, a \$500 deductible will apply to this extension.
 - g. We will determine the valuation of receivables as follows:
 - (1) If you cannot accurately establish the amount of accounts receivables outstanding as of the time of loss or damage, the following method will be used:
 - (a) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (b) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
 - (2) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (a) The amount of the accounts for which there is no loss or damage;
 - (b) The amount of the accounts that you are able to re-establish or collect;
 - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (d) All unearned interest and service charges.

2. **Commandeered Property**

- a. At your request, we will pay for direct physical loss or damage to commandeered property caused by or resulting from any “covered cause of loss”.

Commandeered property means the following property belonging to someone else:

- (1) “Real property”;
- (2) “Personal property”;
- (3) “Watercraft” or “personal watercraft”;
- (4) All-terrain vehicles;
- (5) Snowmobiles;
- (6) Aircraft or its parts, accessories and equipment;
- (7) Animals; and
- (8) “Tools and equipment”;

that you commandeer, seize, borrow or take over for official use to manage an emergency situation.

- b. Coverage for direct physical loss or damage to commandeered property applies only for the time you officially use the commandeered property to manage an emergency situation plus the reasonable time necessary to return the property. This extension will not apply to direct physical loss or damage occurring after the policy period.
- c. At your request, if there is direct physical loss or damage to commandeered property during the policy period that is payable under this extension, we will also pay any resulting loss of use of commandeered property arising during:
 - (1) The time subsequent to the direct physical loss or damage during which you officially use or retain the commandeered property to manage an emergency situation plus the reasonable time necessary to return the property; and
 - (2) The time after return of the commandeered property reasonably necessary to repair or replace the commandeered property, not to exceed 180 days.

These times may extend beyond the policy period stated in the Declarations so long as the direct physical loss or damage to the commandeered property occurred during the policy period stated in the Declarations.

- d. The most we will pay under this extension in any one occurrence is the “replacement cost” of the commandeered property, plus loss of use covered by this extension.

Emergency situation means an unexpected situation demanding an immediate official action by your law enforcement, firefighting, ambulance or rescue services during an emergency response.

3. Debris Removal Expenses

We will pay your debris removal expenses if they are reported to us within 180 days after the date of direct physical loss or damage. Debris removal expense means expense you incur in removing debris of covered “real property” or covered “personal property” from a “premises” after direct physical loss or damage caused by or resulting from any “covered cause of loss”. Debris removal expense does not include “remediation expense” or any expense related to the removal of “fungus”, wet rot, dry rot, virus, bacteria or asbestos. The most we will pay for debris removal expense under this extension is 25% of the amount we pay for direct physical loss or damage of covered property. However, this debris removal expense and the amount of loss or damage will not exceed the applicable Limit of Insurance. In the event that such an amount does exceed the applicable Limit of Insurance or the debris removal expense exceeds 25% of the loss amount, we will pay up to an additional \$100,000 for incurred debris removal expenses.

You may apply up to \$5,000 of the limit available for debris removal expenses toward the removal of tree(s) that are damaged by a “covered cause of loss” from your “premises”, provided that the tree(s) damaged your “real property” or covered “personal property” or prevent access to your “premises”.

4. Equipment Breakdown

- a. We will pay for direct physical damage to covered “real property” or “personal property” and “loss of income” sustained and “extra expense” incurred that is the result of an “accident” or “electronic circuitry impairment”. We will consider “electronic circuitry impairment” to be physical damage to “covered equipment”.

The most we will pay for loss or damage under this Coverage Extension for any “one equipment breakdown” is the limit for “real property” and “personal property” for the applicable “premises”. The most we will pay for “loss of income” in any “one equipment breakdown” is the Limit of Insurance shown in the Declarations under Coverage **C** “Loss of Income”. The most we will pay for “extra expense” in any “one equipment breakdown” is the Limit of Insurance shown in the Declarations under Coverage **D** “Extra Expense”. The limits in this extension are part of and not in addition to the limits applicable to Section **I** - Coverages.

- b. Under this extension, the following coverages also apply to loss caused by or directly resulting from an “accident” or “electronic circuitry impairment”. However, with respect to coverage **b.(9)** Service Interruption below, coverage will apply only to the direct result of an “accident” and will not apply to the direct result of an “electronic circuitry impairment”. The coverages described in **b.(1)** through **b.(10)** below

do not provide additional amounts of insurance, they are part of and not in addition to the applicable limits of insurance.

(1) Data Restoration

- (a)** We will pay for your reasonable and necessary cost to research, replace and restore lost “electronic data”.
- (b)** The most we will pay for loss, damage or expense for “electronic data” restoration including actual “loss of income” you sustain and necessary “extra expense” you incur is \$500,000.

(2) Expediting Expenses

- (a)** With respect to your covered “real property” or “personal property” that is damaged, we will pay the reasonable extra cost to:
 - (i)** Make temporary repairs; and
 - (ii)** Expedite permanent repairs or permanent replacement.
- (b)** The most we will pay for loss or expense under this coverage is \$100,000.

(3) “Extra Expense”

Coverage **D** “Extra Expense” is extended to apply to “extra expense” incurred as a result of an “accident” or “electronic circuitry impairment” covered under this extension, and subject to the policy limit.

(4) Green

- (a)** With respect to your covered “real property” or “personal property” that is damaged, we will pay your additional cost to:
 - (i)** Repair damaged property using equipment, materials and service firms required or recommended by a “recognized environmental standards program”, if repair is the least expensive option;
 - (ii)** Replace damaged property using equipment, materials and service firms required or recommended by a “recognized environmental standards program”, if replacement is the least expensive option;
 - (iii)** Dispose of damaged property or equipment, if practicable, through a recycling process; and
 - (iv)** Flush out reconstructed space with up to 100% outside air using new filtration media.
- (b)** With respect to any building that is covered “real property” and was, at the time of the “accident” or “electronic circuitry impairment”, certified by a “recognized environmental standards program”, we will pay your additional cost:
 - (i)** To prevent a lapse of such certification;
 - (ii)** To reinstate the certification or replace it with an equivalent certification;
 - (iii)** For an engineer authorized by a “recognized environmental standards program” to oversee the repair or replacement of the damaged covered “real property”; and
 - (iv)** For a Professional Engineer to commission or recommission your damaged mechanical, electrical, or electronic building systems.
- (c)** As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage in the absence of this Green coverage.
- (d)** This coverage is subject to the following provisions:
 - (i)** This coverage applies in addition to any coverage that may apply under the Environmental, Safety and Efficiency Improvements condition of this coverage form, or any other applicable coverage.
 - (ii)** This coverage only applies to covered “real property” or “personal property” that must be repaired or replaced as a direct result of an “accident” or “electronic circuitry impairment”.

- (iii) This coverage does not apply to any covered “real property” or “personal property” to which Actual Cash Value applies.
 - (e) The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary “Extra Expense” you incur is \$100,000.
- (5) Hazardous Substances**
- (a) We will pay for the additional cost to repair or replace covered “real property” or “personal property” because of contamination by a “hazardous substance”. This includes the additional expenses to clean up or dispose of such property.
 - (b) This does not include contamination of “perishable goods” by refrigerant, including but not limited to ammonia, which is addressed in **(10)(a)(ii)** below. As used in this extension additional costs mean those beyond what would have been payable under this extension had no “hazardous substance” been involved.
 - (c) The most we will pay for loss, damage or expense under this coverage, including actual “loss of income” you sustain and necessary “extra expense” you incur, is \$250,000.
- (6) “Loss of Income”**
- Coverage **C** “Loss of Income” is extended to apply to “loss of income” sustained as a result of an “accident” or “electronic circuitry impairment” covered under this extension, and subject to the policy limit unless as shown in the Equipment Breakdown Coverage Supplemental Declarations.
- (7) Off-“Premises” “Equipment Breakdown”**
- (a) Coverage is extended to apply to an “accident” or “electronic circuitry impairment” to the following types of equipment used in the insured’s firefighting, ambulance or rescue operations, whether mobile/portable or permanently mounted on a “vehicle”, anywhere in the “policy territory”:
 - (i) Mobile cascade units;
 - (ii) Mobile electrical generators;
 - (iii) Portable pumping units; and
 - (iv) Portable extrication devices, such as jaws-of-life, whether hydraulic or air powered.

This additional coverage is not subject to the definition of "covered equipment" as defined in this Extension **4. Equipment Breakdown** to the extent that the definition conflicts with the coverage provided for Off-"Premises" "accidents". However, in no event will we pay for an "accident" to a "vehicle's" drivetrain, driveline, or fire pump.
 - (b) For equipment other than equipment used in the insured’s firefighting, ambulance or rescue operations, whether mobile/portable or permanently mounted on a “vehicle”, as described above in **(7)(a)**, we will pay for:
 - (i) Physical damage to transportable “covered equipment” that, at the time of the “accident” or “electronic circuitry impairment”, is not at a covered location. As respects this Off-“Premises” Equipment Breakdown coverage only, the “accident” or “electronic circuitry impairment” may occur in any country except one in which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.
 - (ii) Your reasonable and necessary cost to research, replace and restore lost “electronic data” contained within “covered equipment” as described under **(b)(i)** above. This amount may not exceed the limit applicable to Data Restoration coverage.
 - (iii) The most we will pay for loss, damage or expense under **(b)(i)**, including actual “loss of income” you sustain and necessary “extra expense” you incur and Data Restoration as described in **(b)(ii)** above is \$25,000.
- (8) Public Relations**
- (a) This coverage only applies if you have sustained an actual “loss of income” covered under this extension.

- (b) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:
 - (i) The media;
 - (ii) The public; or
 - (iii) Your customers, clients or members.
 - (c) Such costs must be incurred during the “period of restoration” or up to 30 days after the “period of restoration” has ended.
 - (d) The most we will pay for loss or expense under this coverage is \$5,000.
- (9) Service Interruption**
- (a) Any insurance provided for “Loss of Income”, “Extra Expense”, Data Restoration or Spoilage is extended to apply to your loss, damage or expense caused by a failure or disruption of service. The failure or disruption of service must be caused by an “accident” to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord’s utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, Internet access, telecommunications services, “cloud computing services”, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not covered “real property” or “personal property”.
 - (b) “Cloud computing services” must be provided by a professional with whom you have a contract.
 - (c) With respect to the Data Restoration portion of this Service Interruption coverage, coverage will also apply to “electronic data” stored in the equipment of a provider of “cloud computing services”.
 - (d) Service Interruption coverage will not apply unless the failure or disruption of service exceeds 24 hours immediately following the “accident”. If the failure or disruption of service exceeds 24 hours, coverage will begin at the time of the disruption and any applicable deductible will apply.
- (10) Spoilage**
- (a) We will pay:
 - (i) For physical damage to “perishable goods” due to spoilage;
 - (ii) For physical damage to “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia;
 - (iii) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
 - (b) If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “accident”, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.
 - (c) The most we will pay for loss, damage or expense under this coverage is \$100,000.
- c.** We will not pay under this extension for loss, damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an “accident” or “electronic circuitry impairment”:
- (1) Fire, including smoke from a fire;
 - (2) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere;
 - (3) Any other explosion, except as specifically covered under this coverage form;
 - (4) Any earth movement, including but not limited to earthquake, subsidence, sinkhole collapse, landslide, earth sinking, tsunami or volcanic action;

- (5) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not; mudslide or mudflow; or water that backs up or overflows from a sewer, drain or sump. However, if electrical “covered equipment” requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and any applicable deductible;
 - (6) Vandalism; or
 - (7) Your failure to use all reasonable means to protect covered property from damage following an “accident” or “electronic circuitry impairment”.
- d. Coverage under this extension does not apply to an “accident” or “electronic circuitry impairment” caused by or resulting from:
- (1) Lightning;
 - (2) Windstorm or hail. However this exclusion does not apply when:
 - (a) “Covered equipment” located within a building or structure suffers an “accident” or “electronic circuitry impairment” that results from wind-blown rain, snow, sand or dust; and
 - (b) The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand or dust entered.
 - (3) Smoke; aircraft or vehicles; riot or civil commotion; sprinkler leakage; elevator collision;
 - (4) Breakage of glass, falling objects, weight of snow, ice or sleet; freezing (caused by cold weather); collapse or molten material;
 - (5) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or
 - (6) Water or other means used to extinguish a fire.
- e. Except as specifically provided under Extension 8. Limited Coverage for “Fungus”, Wet Rot or Dry Rot we will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an “accident” or “electronic circuitry impairment”: Any “fungus”, wet rot or dry rot, including any presence, growth, proliferation, spread or any activity of “fungus”, wet rot, dry rot or bacteria. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such “fungus”, wet rot or dry rot. However, this exclusion does not apply to spoilage of “personal property” that is “perishable goods”, to the extent that spoilage is covered under Paragraph (10)(a) Spoilage above.
- f. With respect to coverages for “Loss of Income,” “Extra Expense” and Service Interruption, we will also not pay for:
- (1) Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
 - (2) Any increase in loss resulting from an agreement between you and your customer or supplier. This includes, but is not limited to, contingent bonuses or penalties, late fees, demand charges, demurrage charges and liquidated damages.
- g. With respect to Data Restoration coverage, we will also not pay to reproduce software programs or operating systems that are not commercially available; or “electronic data” that is obsolete, unnecessary or useless to you.
- h. Exclusions d.(2)(a) and d.(2)(b) above shall not apply if:
- (1) The excluded cause of loss occurs away from any covered location and causes an electrical surge or other electrical disturbance;
 - (2) Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an “accident” or “electronic circuitry impairment”; and
 - (3) The loss, damage or expense caused by such surge or disturbance is not covered elsewhere under the policy.
- i. As respects this Equipment Breakdown extension only, we will not pay for loss or damage to animals.

- j. Unless an Equipment Breakdown Deductible is indicated on the Declarations, the policy deductible will apply to this extension.
- k. The following additional definitions apply to this extension:

(1) "Accident" means a fortuitous event that causes direct physical damage to "covered equipment". Such event must be one of the following:

- (a) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (b) Artificially generated electrical current, including electrical arcing, that damages electrical devices, appliances or wires;
- (c) Explosion, other than combustion explosion, of steam boilers, steam piping, steam engines or steam turbines owned or leased by you or operated under your control;
- (d) An event inside steam boilers, steam pipes, steam engines or steam turbines that damages such equipment;
- (e) An event inside hot water boilers or other water heating equipment that damages such equipment; or
- (f) Bursting, cracking or splitting.

None of the following is an "accident";

- (a) Defect, programming error, programming limitation, computer virus, malicious code, loss of "electronic data", loss of access, loss of use, loss of functionality or other condition within or involving "electronic data" or "media" of any kind; or
- (b) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident".

(2) "Buried Vessels or Piping" means any piping or vessel buried or encased in the earth, concrete or other material, whether above or below grade, or in an enclosure which does not allow access for inspection and repair.

(3) "Cloud computing services" means professional, on-demand, self-service data storage or data processing services provided through the Internet or over telecommunications lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service) and NaaS (network as a service). This includes business models known as public clouds, community clouds and hybrid clouds. "Cloud computing services" include private clouds if such services are owned and operated by a third party.

(4) "Covered equipment" means covered "real property" or "personal property" that generates, transmits or utilizes energy or which, during normal usage, operates under vacuum or pressure, other than the weight of its contents. "Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

None of the following is "covered equipment":

- (a) Structures, foundation, cabinet or compartment;
- (b) Insulating or refractory material;
- (c) Sewer piping, "buried vessels or piping", or piping forming a part of a sprinkler or fire suppression system;
- (d) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (e) "Vehicle" or any equipment mounted on a "vehicle";
- (f) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (g) Dragline, excavation or construction equipment;

- (h) Equipment manufactured by you for sale; or
 - (i) "Electronic data".
- (5) "Electronic circuitry" means microelectronic components, including but not limited to circuit boards, integrated circuits, computer chips and disk drives.
- (6) "Electronic circuitry impairment"
- (a) "Electronic circuitry impairment" means a fortuitous event involving "electronic circuitry" within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. This definition is subject to the conditions specified in (b), (c) and (d) below.
 - (b) We shall determine that the reasonable and appropriate remedy to restore such "covered equipment's" ability to function is the replacement of one or more "electronic circuitry" components of the "covered equipment".
 - (c) The "covered equipment" must be owned or leased by you, or operated under your control.
 - (d) None of the following is an "electronic circuitry impairment":
 - (i) Any condition that can be reasonably remedied by:
 - i. Normal maintenance, including but not limited to replacing expendable parts, recharging batteries or cleaning;
 - ii. Rebooting, reloading or updating software or firmware; or
 - iii. Providing necessary power or supply.
 - (ii) Any condition caused by or related to:
 - i. Incompatibility of the "covered equipment" with any software or equipment installed, introduced or networked within the prior 30 days; or
 - ii. Insufficient size, capability or capacity of the "covered equipment".
 - iii. Exposure to adverse environmental conditions, including but not limited to change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.
- (7) "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
- (8) "Media", as respects this Equipment Breakdown coverage extension, means material on which "electronic data" is recorded, such as solid state drives, hard disks, optical disks, flash drives, magnetic tapes or floppy disks.
- (9) "One equipment breakdown" means: If an initial "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments", all will be considered "one equipment breakdown". All "accidents" or "electronic circuitry impairments" that are the result of the same "accident" or "electronic circuitry impairment" will be considered "one equipment breakdown".
- (10) "Perishable Goods" means any covered "real property" or "personal property" maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- (11) "Recognized environmental standards program" means one of the following:
- (a) The United States Environmental Protection Agency ENERGY STAR® program;
 - (b) The U.S. Green Building Council LEED® program;
 - (c) The Green Building Initiative GREEN GLOBES® program; or
 - (d) Any nationally or internationally recognized environmental standards program designed to achieve energy savings and related objectives of the type included in the programs listed above.

(12) "Vehicle" means, as respects this extension only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, "watercraft", "personal watercraft", forklift, bulldozer, tractor or harvester. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle".

I. The following additional conditions apply to this extension:

(1) Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment". This can be done by mailing or delivering a written notice of suspension to your last known address or the address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. The suspension will be effective even if we have not yet made or offered a refund. We will not consider firefighting or other emergency service activities, or training related to such activities, as a dangerous condition within the context of this provision.

(2) Jurisdictional Inspections

It is your responsibility to comply with any state or municipal boiler and pressure vessel regulations. If any "covered equipment" that is covered "real property" or "personal property" requires inspection to comply with such regulations, at your option we agree to perform such inspection. We do not warrant that conditions are safe or healthful.

(3) Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident" or "electronic circuitry impairment", we will pay your additional cost to replace with equipment that is better for the environment, safer for people or more energy or water efficient than the equipment being replaced. However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to repair or replace with like kind and quality. This condition does not apply to the replacement of component parts or to any property to which "actual cash value" applies and does not increase any of the applicable limits.

5. Fine Arts

a. We will pay for direct physical loss or damage caused by or resulting from a "covered cause of loss" to "fine arts" owned by you and for which you have secured a certified appraisal.

b. The value of "fine arts" will be the least of the following amounts:

(1) The fair market value of the object at the time of loss;

(2) The cost of reasonably restoring the object to its condition immediately before loss; or

(3) The cost of replacing the object with a substantially identical object.

c. Fair market value means the cash value that the object of "fine arts" would bring in an open and unrestricted market between a willing buyer and a willing seller who are both knowledgeable, informed and prudent, and who are acting independently of each other.

d. In the event of loss, the value of the object will be determined as of the time of loss.

e. The most we will pay for loss under this extension is \$50,000 in any one occurrence.

f. We will also pay for direct physical loss or damage caused by or resulting from a "covered cause of loss" to "fine arts" for which you have not secured a certified appraisal.

(1) The value of "fine arts" will be the least of the following amounts:

(a) The fair market value of the object at the time of loss;

(b) The cost of reasonably restoring the object to its condition immediately before loss;

- (c) The cost of replacing the object with a substantially identical object; or
- (d) \$1,500 per item.

(2) In the event of loss, the value of the object will be determined as of the time of loss.

(3) The most we will pay for loss under Paragraph 5.f. is \$25,000 in any one occurrence. This Limit of Insurance is in addition to the amount provided under Paragraph 5.e. above.

6. Fire Department Charges

a. We will pay up to \$25,000 in any one occurrence for fire department service charges:

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

b. Charges are payable only when a fire department is called to save or protect "real property" or "personal property" at a "premises" described in the Declarations from direct physical loss or damage from a "covered cause of loss".

c. No deductible applies to this extension.

7. Fire Extinguishing Equipment Recharge Costs

a. We will pay the necessary and reasonable cost to recharge or refill your fire extinguishing equipment, including both hand-held extinguishers and fixed automatic extinguishing systems, as a result of:

- (1) Their discharge as a result of a "covered cause of loss"; or
- (2) Their accidental discharge in the absence of a "covered cause of loss".

b. This extension applies regardless of whether the fire extinguishing equipment itself is damaged.

c. The fire extinguishing equipment must be for the protection of and located at a "premises".

d. No deductible applies to this extension.

8. Limited Coverage for Fungus, Wet Rot or Dry Rot

a. The coverage described in 8.b. and 8.e. of this extension applies only when the "fungus", wet rot or dry rot 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:

- (1) A "specified cause of loss" other than fire or lightning; or
- (2) Flood, but only if the optional Flood Coverage endorsement is attached.

b. We will pay for loss or damage by "fungus", wet rot or dry rot. As used in this extension, the term loss or damage means:

- (1) Direct physical loss or damage to covered "real property" or covered "personal property" caused by "fungus", wet rot or dry rot including the cost of removal of the "fungus", wet rot or dry rot;
- (2) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet rot or dry rot; and
- (3) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is reason to believe that "fungus", wet rot or dry rot are present.

c. The coverage described under 8.b. of this extension is limited to \$25,000. 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 (if the optional Flood Coverage endorsement is attached) 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 rot or dry rot, we will not pay more than a total of \$25,000 even if the "fungus", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.

d. The coverage provided under this extension does not increase the applicable Limit of Insurance on any covered "real property" or covered "personal property". If a particular occurrence results in loss or

damage by “fungus”, wet rot or dry rot, 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 “real property” or covered “personal property”.

If there is covered loss or damage to covered “real property” or covered “personal property” not caused by “fungus”, wet rot or dry rot, loss payment will not be limited by the terms of this extension, except to the extent that “fungus”, wet rot or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this extension.

e. Under C. “Loss of Income” or Coverage D. “Extra Expense”:

(1) If the loss which resulted in “fungus”, wet rot or dry rot does not in itself necessitate an interruption of “operations”, but such interruption is necessary due to loss or damage to property caused by “fungus”, wet rot or dry rot, then our payment under Coverage C and / or Coverage D is limited to the amount of “loss of income” and / or “extra expense” sustained in a period of not more than 30 days. The days need not be consecutive.

(2) If a covered interruption of “operations” was caused by loss or damage other than “fungus”, wet rot or dry rot but remediation of “fungus”, wet rot or dry rot prolongs the “period of restoration”, we will pay for “loss of income” and / or “extra 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.

9. Newly Acquired or Under Construction Real Property and Related Personal Property

a. “Real property” you buy, lease, rent, or construct, including temporary structures such as scaffolding, construction forms, falsework, or cribbing at the job site, will be covered under Coverage A as provided in this extension. “Personal property” you acquire in connection with the “real property” described above will be covered under Coverage B as provided in this extension.

b. Coverage A or B applies only if your newly acquired or under construction “real property” is intended for use in your “operations” and you acquired it or began construction of it after this policy period began.

c. The most we will pay under this extension is:

(1) \$1,000,000 in any one occurrence under Coverage A; and

(2) \$ 500,000 in any one occurrence under Coverage B.

d. In addition to the limit available for “real property” under construction, we will also pay up to \$10,000 for loss or damage to construction materials and equipment that will become a permanent part of the project, while such property is held temporarily away from the construction site, or while in transit or awaiting delivery to the construction site. This property may be your property or, at your option, the property of others for which you are responsible.

e. You agree to notify us as soon as possible of the value of:

(1) Your newly acquired or under construction “real property” and to pay additional premium from the date you acquired or began construction of it; and

(2) “Personal property” at the site of newly acquired or under construction “real property” and to pay additional premium from the date you place such “personal property” at the site of newly acquired or under construction “real property”.

Coverage provided under this extension will cease at the later of 90 days after you acquire the property or begin construction, or the end of the policy period. However, coverage will cease when this coverage part is cancelled or nonrenewed.

For the purposes of this extension, “premises”, as used in the definition of “real property”, means any location not described in the Declarations that is owned or legally occupied by you and used to conduct your “operations”.

10. Ordinance Coverage

When direct physical loss or damage caused by or resulting from a “covered cause of loss” occurs and “replacement cost” is indicated in the Declarations as applicable to Coverage A, we will pay:

- a. For loss to any undamaged portion of your “real property” caused by the enforcement of any law or ordinance that:
 - (1) Requires the demolition of parts of your “real property” not damaged by a “covered cause of loss”;
 - (2) Regulates the construction or repair of buildings or establishes zoning or land use requirements at a “premises”; and
 - (3) Is in force at the time of loss;
- b. The cost to demolish and clear the site of the undamaged part of the property caused by enforcement of a building, zoning or land use ordinance or law; and
- c. The increased cost to repair, rebuild or construct the “real property” caused by the enforcement of a building, zoning or land use ordinance or law, in addition to the “replacement cost” of the “real property” suffering the loss or damage.

The total paid for any “item” under Paragraph **a.** above shall be included within the Coverage **A** Limit of Insurance applicable to that “item” and shall not increase that limit. The most we will pay, for the total of all covered losses under Paragraphs **b.** and **c.** above, shall not exceed 100% of the amount paid under this coverage part for the initial direct physical loss or damage to that “item” or \$1,000,000, whichever is greater.

Under this extension, we will not pay any costs:

- (1) Unless you actually repair, rebuild or reconstruct the damaged “real property”;
- (2) Due to an ordinance or law that was in effect before the loss or damage occurred, and with which you failed to comply even though you were required to do so;
- (3) For water treatment or wastewater processing equipment;
- (4) For water treatment or wastewater system infrastructure;
- (5) Associated with “remediation expenses”; or
- (6) Due to “fungus”, wet rot, or dry rot.

11. Outdoor Property

- a. We will pay up to the “replacement cost” for direct physical loss or damage to your “outdoor property” caused by or resulting from a “covered cause of loss”.
- b. The most we will pay under this extension is \$150,000 in any one occurrence.

12. Personal Effects

- a. At your request we will pay up to the “replacement cost” for direct physical loss or damage to “personal effects” owned by you, your officers, managers, elected or appointed officials, “employees”, or “volunteer workers” caused by or resulting from a “covered cause of loss” at your “premises”.
- b. The most we will pay under this extension is \$25,000 in any one occurrence, regardless of the number of “premises” described in the Declarations.
- c. This coverage is excess over any other valid and collectible insurance.

13. Pollution Remediation Expenses

- a. We will pay “remediation expenses” you incur as a result of the actual, alleged, or threatened presence of “pollution conditions” at a “premises” described in the policy Declarations, but only if the “pollution conditions” result from a “covered cause of loss” occurring during the policy period. However, we will not pay for any expense related to the removal of “fungus”, wet rot, dry rot, virus, bacteria or asbestos.
 - (1) You must notify us within 180 days after the date of the “covered cause of loss”.
 - (2) The most we will pay under Paragraph **a.** of this extension in any policy period is \$25,000.
- b. We will pay “remediation expenses” you incur as a result of the actual, alleged, or threatened presence of “pollution conditions” at a “premises” described in the policy Declarations, but only if the “pollution conditions” result from a “specified cause of loss” occurring during the policy period. However, we will not pay for any expense related to the removal of “fungus”, wet rot, dry rot, virus, bacteria or asbestos.

- (1) You must notify us within 180 days after the date of the “specified cause of loss”.
- (2) Subject to Paragraph **a.(2)** the most we will pay under Paragraph **a.** and Paragraph **b.** of this extension in any policy period is \$100,000.

14. Preservation of Property

If it is necessary to move “real property” or “personal property” from a “premises” to preserve it from direct physical loss or damage by a “covered cause of loss”, we will pay for any direct physical loss or damage to that property:

- a. While it is being moved or while temporarily stored at another location; and
- b. Only if loss or damage occurs within 90 days after the property is first moved.

15. Real Property or Personal Property in Transit or Off Premises

- a. If there is a direct physical loss or damage to your covered “real property” or covered “personal property” either in transit or while temporarily off “premises” caused by a “covered cause of loss”, we will pay that covered loss.
- b. If there is direct physical loss or damage to your covered computer hardware while off “premises” caused by a “covered cause of loss” we will pay that covered loss.
- c. The most we will pay in any one occurrence is \$100,000.

16. Software

- a. We will pay the following when caused by or resulting from any “covered cause of loss”, or from a “computer virus” or an act of intentional destruction by an “employee”:
 - (1) The cost of restoring, researching, replacing, or reproducing your “electronic data” or the media upon which your “electronic data” is magnetically or optically recorded;
 - (2) “Loss of income” if your “operations” are interrupted because of loss or damage to your software;
 - (3) “Extra expense” if your “operations” are interrupted because of loss or damage to your software;
 - (4) The following costs incurred because of loss or damage to your software:
 - (a) Expenses you actually incur in recharging an automatic fire suppression system due to an accidental discharge, whether or not the discharge was caused by a “covered cause of loss”;
 - (b) Fees payable to professional accountants or auditors;
 - (c) Costs of conducting investigations by consulting engineers or programmers; and
 - (d) Modification of “computer equipment” or replacement of “electronic data” in order to achieve compatibility with replacement “computer equipment” or software.
- b. To the extent that your “electronic data” is not replaced or restored, we will pay the cost of replacement of the media on which the “electronic data” was stored or recorded, with blank media of substantially identical type.
- c. Coverage provided under this extension is not restricted to your “premises”.
- d. The most we will pay under this extension is \$500,000 in any one occurrence.
- e. This extension does not apply to the extent coverage is provided in Extension 4. Equipment Breakdown.

17. Supplementary Provisions for Coverage C. “Loss of Income” and Coverage D. “Extra Expense”

- a. Coverages **C** and **D** will apply if you have direct physical loss or damage covered under Coverage **A** or **B** to new buildings, additions or alterations to existing buildings, or associated equipment and supplies at a “premises”. If a direct physical loss or damage delays the start of your “operations” at the new building, addition, or alteration, Coverages **C** and **D** will be determined from the date your “operations” would have begun if the direct physical loss or damage had not occurred.
- b. Coverages **C** and **D** will apply if your fundraising activities are interrupted as a result of direct physical loss or damage to “real property” or “personal property” not owned by you from a “covered cause of loss” at any site used for your fund-raising activities.

- c. If property not at a “premises” is damaged by a “covered cause of loss”, and as a result, a government agency prohibits you from using a “premises”, Coverages **C and D** will apply for up to two weeks from the date that the loss occurred.
- d. The following will be disregarded in determining the amount of “loss of income”:
 - (1) Donations and contributions which are a direct result of the interruption of your “operations” and are received by you during the period of interruption; and
 - (2) Proceeds from fundraising drives or solicitations which are for your sole benefit and occur as a result of the interruption of your “operations”.
- e. If a regularly scheduled fund-raising drive for your sole benefit occurs during the period of interruption, the revenue produced by such drive will not be considered as income unless the results of the drive fail, because of the interruption of your “operations”, to produce an amount at least equal to the same drive in prior solicitations. If the regularly scheduled fund-raising drive is canceled or postponed, such loss of revenue will not be considered as a “loss of income”.
- f. If Coverage **C or D** applies, we will extend Coverage **C or D** up to 30 consecutive days after the damaged property is repaired or replaced or to the date you could restore your “operations”, with reasonable speed, to the condition that would have existed if no direct physical loss or damage occurred, whichever comes first.

18. Trees, Shrubs, Plants and Lawns

- a. We will pay for direct physical loss or damage to trees, shrubs, plants, and lawns at a “premises” on a “replacement cost” basis, only if they are damaged or destroyed by fire, lightning, explosion, riot or civil commotion, aircraft, “vehicles”, or vandalism and malicious mischief. Replacement of trees, shrubs or plants shall be with trees, shrubs or plants of comparable size and kind, but shall not exceed the cost of replacing them with the largest commonly available transplantable like species of tree, shrub or plant that is usually available or listed in catalogs by nurseries or suppliers for the region in which the covered loss occurred and which can be legally transported on public roads without special permits. The costs of removing the existing tree, shrub or plant and associated cleanup are also included. Diminution of “real property” or “personal property” values resulting from the loss of trees shall not be recoverable as part of the loss settlement.
- b. The most we will pay under this extension is \$25,000 in any one occurrence, subject to a \$1,000 maximum payable for any single tree, plant or shrub, regardless of the number of “premises” described in the Declarations.

19. Valuable Papers and Records

- a. We will pay the costs you incur in restoring, researching, replacing, or reproducing your “valuable papers and records” that suffer direct physical loss or damage caused by or resulting from any “covered cause of loss”.
- b. We will not pay for:
 - (1) Irreplaceable “valuable papers and records” unless they are specifically described in the Declarations or in an endorsement made a part of this coverage part, and a limit for them is shown there;
 - (2) Any cost that results directly from processing or copying the records; or
 - (3) Any cost that results directly from work performed on papers or records, such as filing or binding.
- c. Coverage provided under this extension is not restricted to your “premises”.
- d. The most we will pay under this extension is \$50,000 in any one occurrence.
- e. The policy deductible applies to this extension unless it is greater than \$500. If the policy deductible is greater than \$500, a \$500 deductible will apply to this extension.

20. Arson, Theft or Vandalism Information Reward

We will reimburse you for the payment of rewards that you actually incur which provide information related to arson fire, theft or vandalism. For the purposes of this extension, covered property means property covered

by this coverage part or any other coverage part issued to you by this company. This reimbursement is subject to compliance with all of the following conditions:

a. Conditions

- (1) Your covered property at a "premises" is damaged or destroyed by a fire that is declared to be an arson fire by the appropriate civil authority, or by theft or vandalism;
- (2) You pay reward(s) for information about the causes of such arson fire, theft or vandalism to persons who would not normally make reports and who did not make such report before the potential of a reward was announced;
- (3) Such information is presented to the investigative authorities within 90 days after the start of the arson fire, theft or vandalism;
- (4) Such reported information for which you paid a reward contributes directly and significantly to the arrest and conviction of those causing the arson fire, theft or vandalism; and
- (5) Your intention to pay such reward or your payment of such reward is reported to us within 15 days of the date on which the appropriate arson fire, theft or vandalism investigative authority receives the information.

b. Regardless of the number of people who provide information about the arson fire, theft or vandalism, the most we will pay for all reward payments related to any one arson fire, theft or vandalism, or series of related arson fires, thefts or acts of vandalism committed by the same arsonist(s), thief or vandal is \$25,000 per loss.

c. No deductible applies to this extension.

Our reimbursement to you for the arson fire, theft or vandalism information rewards that you pay does not limit in any way your ability to offer or not offer and pay or not pay rewards for arson, fire, theft or vandalism information related to covered property.

21. Building Glass – Tenant

a. We will pay for direct physical loss or damage to building glass caused by or resulting from a "covered cause of loss", provided that:

- (1) You are a tenant of the building and the address of the building is listed in the Property Premises Summary of the Declarations; and
- (2) You have a contractual responsibility to insure the building glass, or a contractual responsibility to pay for loss or damage to that property.

b. The value of the property covered under this extension will be determined in accordance with Condition **G.6.** under Section **IV – What We Will Pay**, or the amount for which you are liable under contract, whichever is less. The most we will pay in any one occurrence under this extension is the limit applicable to Coverage **B.**

22. Claim Expense

a. Coverage **B** is extended to apply to the following expenses you incur, as required by this coverage, for your "employees" to prepare a claim:

- (1) The cost of taking inventories; and
- (2) The cost of preparing a statement of loss and other supporting exhibits.

b. We will not pay for any expenses billed by and payable to independent or public insurance adjusters to prepare claims.

c. The most we will pay in any one occurrence under this extension is \$20,000.

23. Damage to Building from Theft

a. Coverage **B** is extended to apply to loss or damage caused by theft or attempted theft that occurs to a building you occupy, but do not own, and for which you have a contractual obligation.

b. The most we will pay for loss or damage under this extension in any one occurrence is \$100,000.

24. Lock Replacement

- a. We will pay the necessary expense you incur to replace locks, lock cylinders and keys, electronic or otherwise, necessitated by:
 - (1) A covered theft of your covered property; or
 - (2) Damage to the lock as a result of a "covered cause of loss".For the purposes of this extension, covered property means property covered by this coverage part. Coverage applies if there is a loss of covered property by a covered theft even if the keys are not known to be missing or copied.
- b. Additional Conditions
 - (1) You must notify us and the appropriate law enforcement authority of the theft as soon as practicable;
 - (2) Locks, lock cylinders and keys must be replaced within 72 hours of the discovery of the theft, or as soon as practicable; and
 - (3) Coverage under this extension applies to disappearance of keys only if other covered property is stolen or missing.
- c. Coverage under this extension applies only to locks, lock cylinders and keys located at a "premises" described in the declarations.
- d. We will pay to replace the locks, lock cylinders and keys with property of the same kind and quality without deduction for deterioration or depreciation.
- e. The most we will pay in any one occurrence for coverage under this extension is \$25,000.
- f. No deductible applies to this extension.

25. Non-owned Detached Trailers

- a. Coverage **B** is extended to apply to loss or damage to trailers that you do not own, provided that:
 - (1) The trailer is used in your business;
 - (2) The trailer is in your care, custody or control at the "premises" described in the Declarations; and
 - (3) You have a contractual obligation to pay for loss or damage to the trailer.
- b. We will not pay for any loss or damage that occurs:
 - (1) While the trailer is attached to any "vehicle" or motorized conveyance, whether or not the "vehicle" or motorized conveyance is in motion;
 - (2) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a "vehicle" or motorized conveyance.
- c. The most we will pay for loss or damage under this extension in any one occurrence is \$50,000, unless a higher limit is shown in the Declarations.
- d. This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

26. Spoilage Due to Off Premises Electrical Service Interruption

- a. We will pay:
 - (1) For physical damage to "perishable goods" due to spoilage;
 - (2) For physical damage to "perishable goods" due to contamination from the release of refrigerant, including but not limited to ammonia; and
 - (3) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage;

if the damage and expenses are a result of an interruption of electrical power service to your “premises”. The interruption must result from direct physical loss or damage by a “covered cause of loss” to the off “premises” power supply equipment described in Paragraph c.

- b. If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the occurrence, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.
- c. Power supply equipment means the following types of off “premises” property supplying electricity to your “premises”:
 - (1) Utility generating plants;
 - (2) Switching stations;
 - (3) Substations;
 - (4) Transformers; and
 - (5) Transmission lines.
- d. “Perishable goods” means any covered “real property” or “personal property” subject to deterioration or impairment as a result of a change of conditions, including but not limited to temperature, humidity or pressure.
- e. The most we will pay for loss, damage or expense for coverage under this extension is \$50,000 in any one occurrence.

27. Water Contamination Notification Expense Coverage

- a. We will pay all necessary printing, mailing and other expenses you incur when you are required by law or regulatory authority to notify your customers of actual or possible water contamination.
We do not require that you give us advance notice or obtain our approval prior to incurring these expenses.
- b. The most we will pay under this extension is \$25,000 in any one policy period.
- c. No deductible applies to this coverage.

SECTION III - COVERED CAUSES OF LOSS

“Covered cause of loss” means any risk of direct physical loss or damage except as excluded or limited below.

Exclusions

We will not pay for loss or damage caused by or resulting directly or indirectly from the following causes, or occurring in the following situations. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently with or before, during, or after the loss or damage. But we will cover resulting fire or explosion, meaning a fire or explosion that results from any cause of loss other than “war”, whether or not that cause of loss itself is covered under this coverage part.

1. Asbestos

Asbestos, including loss, damage or “remediation expenses” resulting from asbestos or asbestos-containing materials.

2. Building Settlement

Settling, shrinking, cracking, bulging or expansion of any pavement, building or structure.

3. Delay, Loss of Use

Delay and loss of use or because you can no longer sell or use property, except as specifically provided in Coverage C.

4. Dishonesty

Dishonest acts or omissions of you or your “volunteer workers” or “employees”, or anyone authorized to act for you, or anyone to whom you entrust property, whether an individual is acting alone or in collusion with others.

5. Earthquake or Earth Movement

“Earthquake” or landslide, including any earth sinking, rising or shifting related to such events; mine subsidence; volcanic eruption, explosion or effusion (other than “volcanic action”); 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.

6. Electrical Current

Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires, but this exclusion does not apply to any coverage provided in the Equipment Breakdown coverage extension.

7. Faulty Design and Workmanship

Faulty design, workmanship and material including the cost of correcting any faulty design, workmanship, material, manufacture or installation, alteration, repair or work on covered “real property” or “personal property”. But we will cover loss or damage that results from any of these, if the loss or damage occurs in connection with any cause of loss not otherwise excluded by this coverage part.

8. Flood or Water

- a. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- b. Mudslide or mudflow;
- c. Water under the ground surface pressing on, or flowing or seeping through:
 - (1) Foundations, walls, floors or paved surfaces;
 - (2) Basements, whether paved or not; or
 - (3) Doors, windows or other openings; or
- d. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph a. or c. or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs a. through d., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs a. through d., results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a “covered cause of loss”).

9. Fungus, Wet Rot or Dry Rot

The presence, growth, proliferation, spread or any activity of “fungus” or wet rot or dry rot including loss, damage or “remediation expenses” resulting from any of these. But if “fungus”, wet rot, or dry rot 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:

- a. When “fungus”, wet rot or dry rot results from fire or lightning; or
- b. To the extent coverage is provided in the Limited Coverage for “Fungus”, Wet Rot or Dry Rot coverage extension.

10. “Government Activity”

11. Inherent Vice

Inherent vice meaning a natural condition of property that causes it to deteriorate or become damaged. Examples of inherent vice are the yellowing and cracking of old paper, patina that forms on old bronze and the swelling of wood under moist conditions.

12. Latent Defects

Latent defects meaning faults or weaknesses in property itself.

13. Loss of Contract or Strike

“Loss of income” or “extra expense” resulting from:

- a. Loss of contract, meaning a loss that results from the expiration, suspension or cancellation of any contract, lease or order; or
- b. Strike, meaning interference by strikers or other persons with your “operations”, or with the repair, rebuilding or replacement of property at the location of the repair, rebuilding or replacement, or with the resumption of your “operations”.

14. Mechanical Breakdown

Mechanical breakdown, but this exclusion does not apply to any coverage provided in the Equipment Breakdown coverage extension.

15. Mysterious Disappearance

Mysterious disappearance of property or an inventory shortage.

16. Neglect

Neglect, meaning your failure to take all reasonable steps to protect your property when it is threatened with loss or damage and to take all reasonable steps to protect your property from further loss after loss or damage occurs.

17. Nesting or Infestation

Nesting or infestation, or the discharge or release of waste products or secretions, caused by any insects, birds, rodents or other animals.

18. “Nuclear Activity”

19. “Pollution Conditions”, except to the extent coverage is provided in the Pollution “Remediation Expenses” coverage extension.

20. “Remediation Expenses”, except to the extent coverage is provided in the Pollution “Remediation Expenses” coverage extension.

21. Seepage or Leakage of Water

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.

22. Steam Vessels

Rupture, bursting or explosion of steam boilers, steam pipes, steam turbines or steam engines except to the extent coverage is provided in the Equipment Breakdown coverage extension.

23. Vacancy

Freezing, leakage or overflow from plumbing, heating, air conditioning or any other equipment or appliance in a “vacant” or unoccupied building unless:

- a. You have taken reasonable steps to maintain heat in the building; or
- b. Water was drained from the system or appliance involved, and the water supply was shut off while the building was “vacant” or unoccupied.

Also, we will not cover damage to plumbing systems located outside the perimeter of building walls or off the “premises” that results from freezing.

24. Vandalism and Malicious Mischief

Vandalism and malicious mischief if the building involved has been “vacant” for more than 60 consecutive days immediately before the loss.

25. Virus or Bacteria

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.

26. “War”

27. Wear and Tear

Wear and tear, deterioration, rust, corrosion, marring or scratching, erosion, decomposition, and decay. However, we will cover resulting loss or damage not otherwise excluded caused by “vehicles” or aircraft, “sprinkler leakage”, water damage, freezing, collapse of a building or falling objects.

Limitations

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.

1. 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.
2. 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.

However, these limitations do not apply to any coverage provided in Extension **4. Equipment Breakdown**.

SECTION IV - WHAT WE WILL PAY

A. Limits of Insurance

1. The most we will pay for loss or damage in any one occurrence under Coverage **A** “Real Property” and Coverage **B** “Personal Property” is the applicable Limit of Insurance shown in the Declarations.
2. The most we will pay for “loss of income” in any one occurrence under Coverage **C** “Loss of Income” is the “Loss of Income” Limit of Insurance shown in the Declarations.
3. The most we will pay for “extra expense” in any one occurrence under Coverage **D** “Extra Expense” is the “Extra Expense” Limit of Insurance shown in the Declarations.
4. If we pay the limit for any one occurrence, that will not reduce the applicable limit for any future covered loss resulting from an unrelated occurrence.

B. Valuation – Coverage A Real Property and Coverage B Personal Property

1. If “replacement cost” valuation is indicated in the Declarations, we will not pay more than the limit applicable to the lost or damaged “real property” or “personal property”. Subject to that limit, we will pay the “replacement cost” of any loss or damage to “real property” or “personal property”, less any deductible that applies, so long as:
 - a. The loss or damage to “real property” or “personal property” is actually repaired or replaced;
 - b. The repairs to or replacement of the “real property” or “personal property” are made within one year of the loss or damage;
 - c. The repairs or replacements restore the “real property” or “personal property” to the same use; and
 - d. The repairs to or replacement of the “real property” or “personal property” are of the same kind and quality and at the same “premises” as the “real property” or “personal property” suffering the loss or damage, however:

- (1) You may substitute property of a different kind or quality, but we won't pay more than what it would cost to repair or replace the loss or damage to the "real property" or "personal property" with property of comparable kind and quality; and
 - (2) You may replace the "real property" or "personal property" suffering the loss or damage at a different location, but we won't pay more than what it would cost to replace the loss or damage to the "real property" or "personal property" at the original "premises".
2. If "replacement cost" does not apply, we will pay for loss or damage on the basis of the "actual cash value" of the "real property" or "personal property" at the time of loss. The most we will pay for loss or damage to property valued by the "actual cash value" method is the smallest of the following:
 - a. The coverage limit which applies to that property;
 - b. The "actual cash value" of the lost or damaged property; or
 - c. The amount which you actually spend to repair or replace the lost or damaged property with property of comparable kind or quality. You may substitute property of a different kind or quality, but we won't pay more than what it would cost to replace the lost or damaged property with property of comparable kind and quality.
 3. If "replacement cost" valuation is indicated in the Declarations, 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. If you elect to have loss or damage settled on an "actual cash value" basis, you may still make a claim on a "replacement cost" basis at any time within one year after the loss. However, you will only have this privilege if you comply with all the requirements of the "replacement cost" provisions.
 4. If "replacement cost" valuation applies for Coverage **B. Personal Property**, "personal property" of others in your custody or control under the terms of a lease or rental agreement will be valued, at the time of loss or damage, based upon the terms of the applicable lease or rental agreement.

C. Valuation – Coverage C. Loss of Income and Coverage D. Extra Expense

1. The amount of the "loss of income" you sustain due to necessary suspension of your "operations" during the "period of restoration" will be based on:
 - a. Your net income before the direct physical loss or damage occurred;
 - b. Your likely net income if no loss or damage occurred;
 - c. The operating expenses, including payroll expenses, necessary to resume your "operations" with the same quality of service that existed just before the direct physical loss or damage; and
 - d. Other relevant sources of information, including:
 - (1) Your financial records and accounting procedures;
 - (2) Bills, invoices and other vouchers; and
 - (3) Deeds, liens or contracts.
2. We will reduce the amount of your "loss of income" to the extent you can resume your "operations" in whole or in part by using damaged or undamaged property (including merchandise or "stock") at the "premises" or elsewhere.
3. The amount of "extra expense" will be determined based on:
 - a. All expenses that exceed the normal operating expenses that would have been incurred by your "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (1) The salvage value that remains of any property bought for temporary use during the "period of restoration", once your "operations" are resumed; and
 - (2) Any "extra expense" that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - b. All necessary expenses that reduce the "loss of income" that otherwise would have been incurred.

4. We will reduce the amount of your “extra expense” loss to the extent you can return your “operations” to normal and discontinue such “extra expense”.
5. If you do not resume your “operations”, or do not resume your “operations” as quickly as possible, we will pay based on the length of time it would have taken to resume your “operations” as soon as possible.
6. If this policy expires before we have paid you all the “loss of income” or “extra expense” to which you are entitled for direct physical loss or damage that occurred during the policy period, we will continue to make payments after the expiration date.

D. Valuation – COVERAGE EXTENSIONS

“Replacement cost” applies to all Section II - Coverage Extensions unless stated otherwise in the extension, as long as the requirements in Section IV. B. 1. are met if “real property” or “personal property” is lost or damaged.

E. Deductible

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the applicable deductible. We will then pay the amount of loss or damage in excess of the deductible, up to the applicable Limit of Insurance, after any applicable deduction required by a coinsurance provision.
2. The deductible shown in the Declarations applies to losses under the following coverages except as otherwise specifically indicated:
 - a. “Real property”;
 - b. “Personal property”;
 - c. “Loss of income”;
 - d. “Extra expense”; and
 - e. All coverages provided under Section II - Coverage Extensions.
3. If more than one coverage applies to any one occurrence, we will subtract the deductible amount only once. If more than one deductible applies, we will subtract the largest applicable deductible unless indicated otherwise in this coverage part.
4. **Deductible Waiver.** If a loss covered under this coverage part also involves a loss under Business Auto coverage or Inland Marine coverage issued to you by us, only one deductible, the largest, will be applied. The deductible under the other policies or coverage parts will be waived.

F. Automatic Inflation Adjustment

1. We will automatically increase your Coverage A and Coverage B limits to keep pace with inflation. We will increase the limits by the annual percentage shown in the Declarations.
2. The amount of increase will be:
 - a. The limit that applied on the most recent of the policy inception date, the policy anniversary date, or any change amending the Limit of Insurance, multiplied by
 - b. The percentage of annual increase shown in the Declarations, multiplied by
 - c. 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.
3. Where there is a blanket limit for Coverages A and B, the most recent values we used to calculate your premium will be used to separate “real property” and “personal property” values, the separate values will be increased as if they were separate limits, and the results will be added to determine the increase in the blanket limit.

G. Other Conditions Affecting Property Losses

This sub-section explains special rules that apply to valuing some of the property covered by this coverage part. It also gives you important information about payment for losses.

1. **Improvements by a Tenant.** If you are a tenant at a “premises” and property improvements for which you paid are lost or damaged by a “covered cause of loss” at the “premises”, we will reimburse you for

repairing or replacing them. We will pay their “replacement cost” if you repair or replace them within a reasonable time after the loss at the “premises”. But we will not cover repairs or replacements which were made for your use at someone else's expense.

- a. If you do not repair or replace the covered improvements within a reasonable time at the “premises”, we will pay a portion of their original cost. This will be the ratio between:
 - (1) The length of time remaining on your lease at the time of the loss; and
 - (2) The length of time between the making of the improvements and the expiration of the lease.
 - b. If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease.
 - c. If you purchased the interest in the use of improvements made by a previous tenant, we will cover them as if you had paid for them.
2. **Property in Sets.** The loss of an article which is part of a set will not be considered a loss of the entire set. Therefore, if there is loss or damage to property which is part of a set, we will pay a fair portion of the total value of the set.
 3. **Parts.** If the loss or damage is to a part of property that consists of several parts, we will pay for only the lost or damaged part.
 4. **Exhibitions and Displays.** The most we will pay for exhibitions and displays is the amount that they cost you.
 5. **Stock.** “Stock” you have sold but not delivered will be valued at no more than the selling price less discounts and expenses you otherwise would have had.
 6. **Glass.** Glass will be valued at the cost of replacement with safety glazing material if required by law.

SECTION V - CONDITIONS

The following apply in addition to the Common Policy Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we cannot agree with you on the amount of the loss, either of us can demand that the following procedure be used to settle the amount.

- a. You or we will request in writing that the dispute be submitted to appraisal within 60 days from the time we receive your proof of loss. Each will then select an appraiser and notify the other of that choice within 20 days of the initial request.
- b. The appraisers will select an impartial umpire. If they cannot agree on an umpire within 15 days, either you or we can ask that an umpire be appointed by a judge of a court having jurisdiction in the county where the property is located.
- c. The appraisers will appraise each item for its value at the time of loss and the amount of loss. If they can't agree, they will submit any differences to the umpire. An agreement in writing by any two of these three will determine the amount of the loss.
- d. You will pay your appraiser and we will pay ours. Each will share equally any other costs of the appraisal and the umpire.
- e. We will not surrender our rights by any act we take relating to an appraisal.

3. 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 “real property” or “personal 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 the property at the time of loss by the coinsurance percentage;
- (2) Divide 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.

- b. Example (Underinsurance): The value of the property is \$250,000. The coinsurance percentage for it is 90%. The Limit of Insurance for it is \$100,000. The deductible is \$500. The amount of loss is \$40,000.

(1) Step (a) $\$250,000 \times 90\% = \$225,000$

(this is the minimum amount of insurance to meet your coinsurance requirements)

(2) Step (b): $\$100,000 \div \$225,000 = .44$

(3) Step (c): $\$40,000 \times .44 = \$17,600$

(4) Step (d): $\$17,600 - \$500 = \$17,100$

(5) We will pay no more than \$17,100. The remaining \$22,900 is not covered.

- c. You agree to keep property insured for a minimum portion of its value. That portion is the coinsurance percentage shown in the Declarations. In computing this amount, we use the “replacement cost” of property for which you have chosen “replacement cost” coverage and the “actual cash value” of all other property.
- d. We compute the minimum amount of insurance you are required to have based on the property's value at the time loss occurs. In determining the property's value for the coinsurance agreement, we do not include the following:
 - (1) The value of property covered under Section II - Coverage Extensions;
 - (2) The value of excavations; and
 - (3) The value of brick, stone or concrete foundations, including foundations of machinery or boilers, which are below the surface of the building's basement floor. If the building has no basement, we don't include the value of brick, stone, or concrete below the surface of the ground and inside the foundation walls when we compute the value of the building. Nor do we include the value of underground flues, pipes or drains.
- e. If your property is insured for the minimum amount required, this coinsurance agreement won't have any effect on what we will pay for a covered loss. We will pay up to the coverage limit applicable to the specific location and property. But if your property is insured for less than the minimum amount required, we will only pay part of your loss and you must pay the rest.
- f. When coinsurance applies, it will apply separately to each coverage limit for “real property” or “personal property” covered under this policy, unless specifically amended. However, coinsurance will not apply to losses which are less than \$10,000.

4. 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:

- a. This coverage part;
- b. The covered property;

- c. Your interest in the covered property; or
- d. A claim under this coverage part.

5. 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.

6. 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 property insured under this coverage part:

- (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 property from further damage by a "covered cause of loss". If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values, and amount of loss claimed. However, if the total claim for any loss is less than \$10,000, you are not required to provide an inventory of the undamaged property.
- (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.
- (9) If you intend to continue your "operations", you must resume all or part of them as quickly as possible. If you do not resume your "operations", or do not resume your "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume your "operations" as soon as possible.

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.

7. Insurance Under Two or More Coverages

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

8. Legal Action Against Us

No one may bring a legal action against us under this coverage part unless:

- a. There has been full compliance with all of the terms of this coverage part; and
- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

9. Loss Payment

- a. In the event of loss or damage covered by this coverage part, 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;

- (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.
- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the property.
- d. 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 property.
- e. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- f. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if:
 - (1) You have complied with all of the terms of this coverage part; and
 - (2) We have reached agreement with you on the amount of loss, or an appraisal award has been made.

10. Mortgage Holders

- a. The term mortgage holder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive loss payment even if the mortgage holder 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 mortgage holder will still have the right to receive loss payment if the mortgage holder:
 - (1) Pays any premium due under this coverage part at our request if you have failed to do so;
 - (2) Submits a signed, sworn statement 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 mortgage holder.

All of the terms of this coverage part will then apply directly to the mortgage holder.

- e. If we pay the mortgage holder 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 mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option we may pay to the mortgage holder 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 coverage part, we will give written notice to the mortgage holder 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 coverage part, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.

11. No Benefit to Bailee

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

12. Other Insurance

- a. 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.
- b. If there is other insurance covering the same loss or damage, other than that described in a. 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 it or not. But we will not pay more than the applicable Limit of Insurance.

13. Policy Period, Policy Territory

We will cover loss or damage commencing:

- a. During the policy period shown in the Declarations; and
- b. Within the "policy territory".

14. 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.

15. 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:

- a. Prior to a loss to your covered property or covered income; or
- b. After a loss to your covered property or covered income only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) An organization owned by or controlled by you;
 - (3) An organization that owns you or controls you; or
 - (4) Your tenant.

This will not restrict your insurance.

SECTION VI. DEFINITIONS

1. "Accounts receivable costs" mean:

- a. Accounts receivable due to you but which you can't collect;
- b. Extra collection costs you incur to collect accounts receivable due to you;
- c. Interest charges on loans you have been required to obtain to compensate for accounts receivable you can't collect when due; and
- d. Reasonable costs of replacing your accounts receivable records.

"Accounts receivable costs" also include losses or costs you incur if you have to remove accounts receivable records from a "premises" to a place of safety in order to protect them from the threat of a "covered cause of loss". Accounts receivable are amounts owed to you by those with whom you deal.

2. "Actual cash value" is calculated as the amount it would cost to repair or replace the damaged or destroyed property at the time of loss or damage with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. "Actual cash value" applies to the valuation of property regardless of whether that property has sustained partial or total loss or damage. The "actual cash value" of

such property may be significantly less than its “replacement cost”.

3. “Computer equipment” means your programmable electronic equipment that is used to store, retrieve and process “electronic data”. It includes their component parts and air conditioning, fire suppression equipment and electrical equipment used exclusively in your computer operations as well as associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as “electronic data” transmission.
4. “Computer virus” means a computer program or computer code which is entered into your computer system without your knowledge, and which causes a disruption of normal program or computer system operation, but it does not mean an error in design or a programming error. “Computer virus” also means the malicious observation, scanning or copying of data records, programs and applications and proprietary programs or media located on your computer system.
5. “Covered cause of loss” is defined in Section III - Covered Causes Of Loss.
6. “Earthquake” means all earthquake shocks that commence after the inception of this insurance. All earthquake shocks that occur within any 168 hour period will constitute a single occurrence.
7. “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.
8. “Emergency services equipment” means portable law enforcement, firefighting, ambulance, rescue, and communications equipment commonly used in law enforcement, firefighting, or rescue operations away from your “premises”. This term includes equipment specific to law enforcement, firefighting, or rescue related activities, such as firearms, radar speed timing units, training videos, manuals and mannequins, including trailers whose primary purpose is to transport covered “emergency services equipment”.

“Emergency services equipment” does not include:

- a. Aircraft, its parts or accessories;
- b. Animals;
- c. “Computer equipment” or software or other “electronic data” processing equipment except when such equipment is intended for use off your “premises” in actual emergency operations or in training for emergency operations;
- d. “Fine arts”;
- e. Jewelry (except watches);
- f. “Money” and “securities”;
- g. “Personal effects” belonging to you or your officers, managers, elected or appointed officials, “employees”, or “volunteer workers”, other than individually owned portable law enforcement, firefighting, ambulance, or rescue related equipment;
- h. “Personal property” including contents and building fixtures;
- i. Televisions, video cassette recorders, and other audio-visual equipment except when such equipment is intended for use off your “premises” in actual emergency operations or in training for emergency operations;
- j. “Tools and equipment” that are not commonly used in activities specified above;
- k. “Valuable papers and records”;
- l. “Vehicles”;
- m. “Watercraft” or “personal watercraft”; or

- n. Property or equipment covered under another coverage form of this or any other policy in which it is more specifically described.
- 9. "Employees" are people who work for you in the conduct of your ordinary activities, in return for a salary, wages or commissions. In order to be considered an "employee", a person must be subject to your exclusive direction in the performance of his or her activities. Contractors and agents are not considered to be "employees".
- 10. "Extra expense" means expense you incur during the "period of restoration" over and above your ordinary expenses, which are necessary to avoid or minimize the suspension of your "operations" and return to your normal "operations" after direct physical loss or damage to "real property" or "personal property" at a "premises". "Extra expenses" include expenses you incur to continue your normal "operations" at a temporary location or with substitute equipment. The most we will pay is described in the policy Declarations and under Section IV - What We Will Pay.
- 11. "Fine arts" means property that is rare or that has historic or artistic value, including antiques, rare articles, etchings, pictures, awards, trophies, historic memorabilia, statuary, marbles, bronzes, porcelains and similar property.
- 12. "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.
- 13. "Government activity" means:
 - a. The seizure or destruction of property by any government body, including any customs or quarantine action; or
 - b. Confiscation or destruction of property by order of any government or public authority, except an order to destroy property to prevent the spread of fire or explosion.
- 14. "Item" means a building or structure at a "premises".
- 15. "Loss of income" including rental value means the net income (net profit or loss before income taxes) that would have been earned in your "operations" during the "period of restoration". "Loss of income" includes continuing normal operating expenses incurred, including payroll. The most we will pay is described in the policy Declarations and under Section IV - What We Will Pay.
- 16. "Money" means currency, coins, bank notes, bullion, travelers' checks, registered checks and money orders held for sale.
- 17. "Nuclear activity" means loss from nuclear reaction, nuclear radiation or radioactive contamination, whether deliberate or accidental, controlled or uncontrolled, and whether or not the loss is direct or indirect, proximate or remote, or is contributed to or aggravated by a "covered cause of loss". But it does not include explosion, fire or smoke.
- 18. "Operations" means:
 - a. Your business activities; or
 - b. Your activities as a local government unit including law enforcement, firefighting, ambulance or rescue services; and
 - c. The tenantability of a "premises", if coverage for "loss of income" applies to rental value.
- 19. "Outdoor property" means fixed or permanent structures including but not limited to:
 - a. Docks, wharves, piers, pilings or bulkheads;
 - b. Dumpsters, concrete trash containers, or permanent recycling bins;
 - c. Electric utility power transmission and distribution lines, poles and related equipment owned by the insured;
 - d. Exterior signs not located at a "premises";
 - e. Fences or retaining walls;
 - f. Historical markers or flagpoles;

- g.** Hydrants, not associated with a "sprinkler system";
- h.** Lighting towers;
- i.** Playground equipment, park shelters, pedestrian-only bridges, picnic tables, water fountains or coolers, benches, dugouts, bleachers, or scoreboards;
- j.** Sirens, antennas, satellite dishes, towers, or similar structures and their associated equipment or structures, lighting towers, and lighting standards;
- k.** Storage sheds, garages, pavilions or other similar buildings or structures not located at a "premises"; or
- l.** Traffic lights, street lights, traffic signs, parking meters, or bus shelters.

"Outdoor Property" does not include:

- a.** Bridges, other than pedestrian-only bridges, roadways, walks, curbs, or other paved surfaces;
- b.** Canals, ditches, flumes, or aqueducts;
- c.** Dams, locks, levees, or reservoirs; or
- d.** Land, excavations, grading, or filling;
- e.** "Personal property";
- f.** "Real property" at a "premises";
- g.** Sewer or waste pipes, lift stations or treatment facilities;
- h.** Storm drains, storm pipes, or storm basins;
- i.** Swimming pools or related equipment;
- j.** "Tools and equipment";
- k.** Trees, shrubs, plants, lawns, or crops;
- l.** Water;
- m.** Water storage tanks of any type, underground pipes, pumps or pump houses, or fountains; or
- n.** "Watercraft" or "personal watercraft".

20. "Penstock" means a conduit constructed of man-made materials built for the purpose of conveying water to a hydroturbine. "Penstock" does not include tunnels, canals, aqueducts or similar excavations, or the cost of these excavations, which are excavated from or consist of natural materials.

21. "Period of restoration" means the period of time that:

- a.** Begins with the date of direct physical loss or damage caused by or resulting from any "covered cause of loss" at a "premises"; and
- b.** Ends at the earliest of:
 - (1)** The date when the property is actually repaired or replaced using reasonable speed and similar quality, design, functionality and materials;
 - (2)** The date when the property could have been repaired and your "operations" could have been resumed, if the damaged property had been repaired using similar quality, design, functionality and materials; or
 - (3)** Twelve consecutive months after the direct physical loss or damage.

"Period of restoration" includes any increased period required to repair or reconstruct the property to comply with the minimum standards due to the enforcement of any ordinance or law in force at the time of loss that regulates the construction, use or repair or requires the tearing down of any property.

However, coverage is not extended to include loss caused by or resulting from the enforcement of or compliance with any ordinance or law which requires:

- (1)** The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by pollutants or asbestos, or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or

- (2) 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, bacteria or asbestos.

The expiration of this policy will not cut short the "period of restoration".

22. "Personal effects" means property that belongs to an individual and is devoted primarily to that individual's personal use; for example, clothing, eyeglasses, or individually owned portable law enforcement, firefighting, ambulance, or rescue related equipment. "Personal effects" does not include:
- a. Aircraft or its parts, accessories and equipment;
 - b. Animals;
 - c. "Fine arts" or jewelry (except watches);
 - d. "Money" and "securities";
 - e. "Vehicles"; or
 - f. "Watercraft" or "personal watercraft".
23. "Personal property" means all property used in your "operations", other than "real property", including but not limited to, furnishings and office equipment, building contents, "computer equipment", communication systems, materials, supplies (including your inventory of "vehicle" parts and supplies) while held on your "premises" awaiting installation, base stations and dispatching systems, provided the property is on your "premises" and also provided you own the property or the property is in your custody or control, and you are responsible for it, even though it belongs to someone else.
- "Personal property" also includes the value of your right to use improvements made as a tenant, if you have paid for alterations or additions to any building or structure you don't own. However, the improvements must be at a "premises".
- "Personal property" does not include:
- a. "Accounts receivable costs";
 - b. Aircraft or its parts, accessories and equipment;
 - c. Animals;
 - d. "Electronic data" and software;
 - e. "Emergency services equipment";
 - f. "Fine arts" or jewelry;
 - g. Markers, tombstones and headstones not owned by you;
 - h. "Money" and "securities";
 - i. "Personal effects" belonging to you or your officers, managers, elected or appointed officials, "employees", or "volunteer workers";
 - j. "Real property";
 - k. "Tools and equipment";
 - l. "Valuable papers and records";
 - m. "Vehicles";
 - n. "Watercraft" or "personal watercraft"; or
 - o. Property or equipment covered under another coverage form of this or any other policy in which it is more specifically described.
24. "Personal watercraft" means a vessel which uses an inboard motor powering a water jet pump as its primary source of motive power, and which is designed to be operated by a person sitting, standing, or kneeling on the vessel, rather than the conventional manner of sitting or standing inside the vessel.
25. "Policy territory" means the United States, its territories and possessions, Puerto Rico and Canada.
26. "Pollution conditions" means the discharge, dispersal, release, seepage, migration, or escape of smoke,

vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, hazardous materials, waste materials (including medical, infectious and pathological wastes) or electromagnetic fields into or upon land or any structures thereon, the atmosphere, or any watercourse or body of water including groundwater.

27. "Premises" means a location described in the Declarations that is owned or legally occupied by you and used to conduct your "operations".
28. "Real property" means "items" at a "premises" including:
- a. Aboveground piping;
 - b. Aboveground and belowground "penstock";
 - c. Additions under construction;
 - d. Air cascade units that are not designed to be used off "premises";
 - e. All appurtenant buildings or structures other than playground equipment, park shelters, pedestrian-only bridges, picnic tables, water fountains or coolers, benches, dugouts, bleachers, or scoreboards;
 - f. Alterations and repairs to the buildings or structures;
 - g. Completed additions;
 - h. Exterior signs, meaning neon, automatic, mechanical, electric or other signs either attached to the outside of a building or structure, or standing free in the open;
 - i. Foundations;
 - j. Materials, equipment, supplies and temporary structures you own or for which you are responsible, on the "premises" or in the open (including property inside "vehicles") within 1,000 feet of the "premises", used for making additions, alterations or repairs to buildings or structures at the "premises";
 - k. Outdoor fixtures;
 - l. Paved surfaces such as sidewalks, bike paths, walkways, patios or parking lots;
 - m. Permanently installed fixtures, machinery, and equipment;
 - n. "Personal property" used for the maintenance and service of buildings or structures, including tools, lawn care equipment, and free standing appliances for refrigerating, ventilating, cooking, dishwashing and laundering;
 - o. Submersible pumps, pump motors and engines; or
 - p. Underground piping located on or within 100 feet of a "premises" described in the Declarations.

"Real property" does not include:

- a. Canals, ditches, flumes or aqueducts;
- b. Dams, locks, levees, or reservoirs;
- c. Docks, wharves, piers, pilings or bulkheads;
- d. Electric utility power transmission and distribution lines, poles and related equipment;
- e. Excavations, grading, or filling;
- f. Foundations of machinery or boilers if the foundations are below the lowest basement floor or the surface of the ground, if there is no basement;
- g. Land, including land on which the property is located;
- h. Pump motors and engines exceeding 1,000 horsepower capacity;
- i. Roadways or bridges;
- j. "Tools and equipment";
- k. Trees, shrubs, plants and lawns except as described in Section II - Coverage Extensions;
- l. Underground flues, drains or well structures;
- m. Underground piping located more than 100 feet from the "premises" described in the Declarations; or

n. Water.

29. "Remediation expenses" are expenses incurred for or in connection with the investigation, monitoring, removal, disposal, treatment, or neutralization of "pollution conditions" to the extent required by:
- a. Federal, state or local laws, regulations or statutes, or any subsequent amendments thereof, enacted to address "pollution conditions"; or
 - b. A legally executed state voluntary program governing the clean up of "pollution conditions".
30. "Replacement cost" is calculated as the amount it would cost, following direct physical loss or damage, to replace property with property of the same kind and quality, determined at the time of loss, without deduction for deterioration, depreciation or obsolescence. But:
- a. "Replacement cost" does not include costs arising out of the enforcement of any ordinance or law regulating the construction, use or repair of any property, or requiring the tearing down of any property, or the cost of removing its debris; and
 - b. "Replacement cost" does not apply to "stock".
31. "Securities" means negotiable and non-negotiable instruments or contracts that represent property or obligations to pay "money". Stamps, including revenue stamps, are "securities"; so are tokens and tickets. However, stamps are covered only for their face value. "Money" is not considered to be "securities".
32. "Sinkhole collapse" means sudden sinking or collapse of land into underground empty space created by the action of water on limestone or similar rock formations. "Sinkhole collapse" does not include the cost of filling sinkholes.
33. "Specified cause of loss" means fire, lightning, windstorm or hail, explosion, riot or civil commotion, "vehicles" or aircraft, smoke, sonic boom, vandalism and malicious mischief, "sprinkler leakage", "sinkhole collapse", "volcanic action", falling objects, weight of ice, snow or sleet, or water damage. Water damage means only accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam. "Specified cause of loss" does not include "remediation expenses" resulting from the spilling or dripping of gasoline, diesel fuel or other pollutants while being delivered by "vehicles" into storage tanks or other repositories, and/or when "vehicles" are being fueled.
34. "Sprinkler leakage" means leakage or discharge of any substance from an automatic "sprinkler system". It includes the collapse or fall of a tank that is part of a plumbing or an automatic "sprinkler system". It also includes damage caused by breakage or freezing to parts of an automatic "sprinkler system" installed in a building, if "sprinkler leakage" results from such damage.
35. "Sprinkler system" means an automatic fire protection system. Sprinkler heads, discharge nozzles and ducts, pipes, valves, fittings, tanks, tank parts and supports, pumps, and private fire protection systems which are connected to the "sprinkler system" are considered to be part of the system. So are non-automatic fire protection systems, hydrants, standpipes, and hose outlets supplied from the automatic fire protection "sprinkler system".
36. "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.
37. "Tools and equipment" means all tools and equipment, together with attached devices, accessories and trailers, that are used in your "operations". "Tools and equipment" includes, but is not limited to, hand tools, mechanics tools, power tools, meter readers, generators, air compressors, welders, trash pumps, trenchers, saws, jack hammers, maintenance or diagnostic equipment including specialized audio-visual equipment and its associated laptop, as well as recreational equipment, such as outdoor portable seating, temporary stands, food service trailers not licensed for road use, or portable restrooms.
- "Tools and equipment" also includes mobile equipment such as, but not limited to, bulldozers, mobile equipment that travels on crawler treads, tractors, loaders, backhoes, excavators, graders, or road surfacing equipment, and equipment whether self-propelled or not, maintained primarily to provide mobility to permanently mounted cranes, shovels, loaders, diggers, and drills.
- "Tools and equipment" also includes snow plows, salt spreaders, and other similar equipment when not attached to a "vehicle".

“Tools and equipment” does not include:

- a. Aircraft, its parts and accessories;
- b. Animals;
- c. “Emergency services equipment”;
- d. “Fine arts”;
- e. Jewelry;
- f. “Money” and “securities”;
- g. “Outdoor property”;
- h. “Personal effects” belonging to you or your officers, managers, elected or appointed officials, “employees”, or “volunteer workers”;
- i. “Personal property”, other than laptops as described above;
- j. “Real property”;
- k. Televisions, video cassette recorders, and other audio-visual equipment other than the specialized audio visual equipment described above;
- l. “Valuable papers and records”;
- m. “Vehicles”;
- n. “Watercraft” or “personal watercraft”; or
- o. Property or equipment covered under another coverage form of this or any other policy in which it is more specifically described.

38. “Vacant”, when referring to a building, means that the building doesn't contain the “personal property” used in the “operations” ordinarily conducted there.

39. “Valuable papers and records” are documents that are written, printed, or otherwise inscribed. These include:

- a. Books, manuscripts, abstracts, maps and drawings;
- b. Film and other photographically produced records, such as slides and microfilm; and
- c. Legal and financial agreements such as deeds and mortgages.

But “valuable papers and records” do not include “electronic data”, software, “money” or “securities”.

40. “Vehicle” means vehicles or their parts, accessories, and equipment if the vehicles are required by law to be licensed for highway use.

41. “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.

But “volcanic action” does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to covered property.

42. “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.

43. “War” means any of the following:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- 44. "Watercraft" means any watercraft, including its motor, parts, accessories and equipment, except for rowboats and canoes that are out of the water and on your "premises".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION CHANGES - INTERIOR OF BUILDING

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE PART

A. Paragraph 3. is added to Section III – Covered Causes of Loss, Limitations:

- 3.** The interior of any building or structure that is covered “real property”, 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:
 - a.** The building or structure that is covered “real property” 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
 - b.** The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

All other terms and conditions of this Policy remain unchanged.

EXCLUSION — CYBER INCIDENT

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE PART

A. The following exclusion is added to SECTION III. COVERED CAUSES OF LOSS, Exclusions:

We will not pay for loss or damage caused by or resulting directly or indirectly from the following cause, or occurring in the following situation. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently with or before, during, or after the loss or damage.

Cyber Incident

1. Unauthorized access to or use of any computer system (including “electronic data”).
2. Malicious code, computer virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including “electronic data”) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including “electronic data”) or otherwise disrupt its normal functioning or operation.
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

B. Exceptions And Limitations

1. Fire Or Explosion

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. Coverage Extension

The exclusion in Paragraph **A.** does not apply to the extent that coverage is provided in the:

- a. Coverage Extension – Accounts Receivable; or
- b. Coverage Extension – Software.

C. Vandalism and/or Malicious Mischief

The following is added to vandalism and/or malicious mischief, if vandalism and/or malicious mischief, coverage is not otherwise excluded under **SECTION III. COVERED CAUSES OF LOSS** and if applicable to the “premises” described in the Declarations:

Vandalism and/or malicious mischief does not include a cyber incident as described in Paragraph **A.**

EARTHQUAKE – VOLCANIC ERUPTION COVERAGE

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE PART

Earthquake Coverage Basis (applies to "Real Property" and "Personal Property", "Loss of Income" and "Extra Expense")

SCHEDULE

"Earthquake" – Volcanic Eruption Limit of Insurance – Each Occurrence:	\$5,000,000
"Earthquake" – Volcanic Eruption Limit of Insurance – Annual Aggregate:	\$5,000,000
"Earthquake" – Volcanic Eruption Deductible – Each Occurrence:	5%

"Earthquake" – Sprinkler Leakage Only

"Premises" Number

Address

See Schedule

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

This endorsement only applies to covered "real property", "personal property", any applicable coverage extensions, "loss of income" sustained, and "extra expense" incurred at the "premises" described in the above Schedule. This endorsement does not apply to any property coverage or coverage extension providing coverage away from the "premises" described in the above Schedule.

A. 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.
2. If the above Schedule indicates that this endorsement covers "Earthquake" - Sprinkler Leakage Only, then the "covered causes of loss" in Paragraph **A.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 occurrence. The expiration of this policy will not reduce the 168-hour period.

B. Exclusions, Limitations and Related Provisions

The exclusions and limitation(s) sections of the Property Form apply to coverage provided under this endorsement, except as provided below.

1. To the extent that the "earthquake" or earth movement exclusion might conflict with coverage provided under this endorsement, the "earthquake" or earth movement exclusion does not apply.
2. The following exclusions and limitations are added and apply to coverage under this endorsement:
 - a. 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.
 - b. 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.
 - c. With respect to the insurance provided by this endorsement the following property would not be considered "real property" or "personal property": land or the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of restoring or the remediation of land.

C. Coverage Extensions

Amounts payable under a coverage extension, as set forth in the applicable coverage form, do not increase the Limit of Insurance for "earthquake" – volcanic eruption.

D. No Coinsurance

The coinsurance condition in this policy, if any, does not apply to the coverage provided under this endorsement.

E. Limit of Insurance

1. The most we will pay for each occurrence of "earthquake" or volcanic eruption for loss or damage that is caused by "earthquake" or volcanic eruption is the applicable "Earthquake" - Volcanic Eruption - Each Occurrence Limit of Insurance shown in the above Schedule. However, in no event will we pay more than the applicable Limit of Insurance shown in the Declarations or shown in the coverage extensions.
2. The Aggregate Limit of Insurance for "Earthquake" - Volcanic Eruption is an annual aggregate limit and as such is the most we will pay for the total of all loss or damage that is caused by "earthquake" or volcanic eruption in a 12-month period (starting with the beginning of the present annual period), even if there is more than one "earthquake" or volcanic eruption occurrence during that period of time. Thus, if the first "earthquake" or volcanic eruption occurrence does not exhaust the Limit of Insurance, then the balance of that limit is available for a subsequent "earthquake" or volcanic eruption occurrence.
3. If a single occurrence of "earthquake" or volcanic eruption 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 such "earthquake" or volcanic eruption.
4. In the event of covered ensuing loss, such as, loss caused by fire which results from the "earthquake" or volcanic eruption, we will also pay for the loss or damage caused by that other "covered causes of loss". But the most we will pay, for the total of all loss or damage caused by the "earthquake", volcanic eruption and other "covered causes of loss", is the Limit of Insurance applicable to such other "covered causes of loss". We will not pay the sum of the two limits.

F. Property Damage Deductible

1. If the above Schedule indicates that this endorsement covers "Earthquake"- Sprinkler Leakage Only, then the deductible set forth in Section **F.2.** of this endorsement does not apply to such coverage. The applicable deductible for such coverage is the same deductible that applies to fire.

2. Paragraphs 1, 2, and 3 of **E. Deductible** in **Section IV - What We Will Pay**, of this Coverage Part are replaced by the following with respect to “Earthquake” and Volcanic Eruption:
 - a. We will not pay for loss or damage until the amount of loss or damage exceeds the deductible shown in the above Schedule. We will then pay the amount of loss or damage in excess of that deductible, up to the applicable Limit of Insurance.
 - b. If “earthquake” or volcanic eruption 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 “earthquake” or volcanic eruption deductible or the property policy deductible).

G. Loss of Income and Extra Expense Period of Restoration

The “period of restoration” definition in **Section VI - Definitions** applies to any one “earthquake” or volcanic eruption. A single “earthquake” or volcanic eruption is defined in Section **A.** of this endorsement.

SCHEDULE

"Premises" Number	Address
001-001	652 Midland Ave Beaver Midland, PA 15059
002-001	300 Brighton Ave Beaver Rochester, PA 15074
003-001	617 Midland Ave Beaver Midland, PA 15059
004-001	1200 Midland Ave Beaver Midland, PA 15059
005-001	200 Pinewood Lane Suite 100 Allegheny Warrendale, PA 15086
006-001	735 Midland Ave Beaver Midland, PA 15059
007-001	518 Railroad Lane Beaver Midland, PA 15059
008-001	825 Baltimore Pike Delaware Springfield, PA 19064
009-001	3721 Tecport Drive Dauphin Harrisburg, PA 17111
010-001	520 Railroad Lane Beaver Midland, PA 15059
011-001	722 Midland Ave. Beaver Midland, PA 15059
012-001	1040 Towne Square Drive Westmoreland Greensburg, PA 15601
013-001	974 Marcon Blvd. Lehigh Allentown, PA 18109

"Premises" Number	Address
014-001	1712 South Atherton Street Centre State College, PA 16801
015-001	2600 East Carson Street Allegheny Pittsburgh, PA 15203
016-001	40 East Northampton Street Luzerne Wilkes Barre, PA 18701
017-001	1980 Edinboro Road Ste B Erie Erie, PA 16509

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLOOD COVERAGE

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE PART

Inception Date of Flood Coverage Endorsement 06/30/2024 Note: There is no coverage for a Flood that begins before or within 72 hours after this date. Refer to Section **B.2.a.** of this endorsement for additional information.

This endorsement only applies to covered "real property", "personal property", any applicable coverage extensions, "loss of income" sustained, and "extra expense" incurred at the "premises" described in the below Schedule. This endorsement does not apply to any property coverage or coverage extension providing coverage away from the "premises" described in the below Schedule.

A. 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 **A.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 which occurs within any 168-hour period will constitute a single flood.

B. Exclusions, Limitations and Related Provisions

The Exclusions and Limitation(s) sections of the Property Form apply to coverage provided under this endorsement except as provided below.

1. To the extent that a part of the flood or water exclusion might conflict with coverage provided under this endorsement, that part of the flood or water exclusion does not apply.
2. 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. However, this limitation does not apply to a particular "premises" if flood coverage was in effect for that "premises" for at least 72 hours immediately prior to the inception date of this endorsement, under a policy issued by us or by another insurer, and this coverage part replaces the previous coverage without a lapse in coverage. If you request and we provide an increase in the stated Limit of Insurance for flood during the term of this policy, with the exception of an increase at the time of renewal of the policy, 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. With respect to the insurance provided by this endorsement, the following property would not be considered “real property” or “personal property”: land or the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of the remediation of land due to the sinking of land caused by or resulting from flood.
- d. We do not cover loss or damage by flood to “personal property” in the open.
- e. With respect to the insurance provided by this endorsement, “real property” or “personal property” does not include the following:
 - (1) 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.
 - (2) Bulkheads, pilings, piers, wharves, docks, or retaining walls that are not part of a building.
 - (3) “Real property” or “personal property” located, in whole or in part, in Federal Flood Zones designated as A, AE, AH, AO, AR, A99, A1-A30, V, VE or V1-V30.
- f. We will not pay for loss or damage caused by discharge of water or waterborne material from a sewer drain or sump back-up or overflow under this endorsement.

C. Coverage Extensions

1. Debris Removal

With respect to flood coverage, the Debris Removal Expenses Extension is not applicable and is replaced by the following:

- a. We will pay your expense to remove debris of covered “real property” or “personal 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 “real property” or “personal property” that has floated or been hurled off the described “premises” by flood.
- c. This coverage for Debris Removal, as set forth in **C.1.a.** and **C.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 property covered by this endorsement is the Limit of Insurance for flood that applies to the property covered by this endorsement at the affected described “premises” covered under this endorsement.

2. Newly Acquired or Under Construction “Real Property” and Related “Personal Property”

With respect to flood coverage, the Coverage Extension for Newly Acquired or Under Construction “Real Property” and related “Personal Property” is amended by adding the following:

- a. With respect to coverage, this extension does not apply to any building or structure that is not fully enclosed by walls and roof, or “personal property” that is in the open.
- b. With respect to a property covered under this coverage extension, the limits of insurance 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 Flood Limit of Insurance for each occurrence as provided under this endorsement. Such coverage does not increase the Limit of Insurance for flood.

- 3. With respect to any applicable coverage extensions in the Property Coverage Form to which this endorsement is attached, other than those addressed in **C.1.** and **C.2.** above, amounts payable under such other provisions, as set forth therein, do not increase the Limit of Insurance for flood.

D. No Coinsurance

The Coinsurance Condition, if any, does not apply to the coverage provided under this endorsement.

E. Limit of Insurance

1. The most we will pay for each occurrence of flood for loss or damage caused by flood is the Flood Limit of Insurance - Each Occurrence where a limit is shown in the below Schedule. However, in no event will we pay more than the applicable Limit of Insurance shown in the Declarations or shown in the coverage extensions.
2. The Aggregate Limit of Insurance - Flood Coverage is an annual aggregate limit, as shown in the below Schedule, and as such is the most we will pay for the total of all loss or damage that is caused by a 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).
3. If an 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.

F. 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, we will also pay for the loss or damage caused by that other "covered cause of loss". But the most we will pay, for the total of all loss or damage caused by the flood and other "covered causes of loss", is the Limit of Insurance applicable to such other "covered causes of loss". We will not pay the sum of the two limits.

EXAMPLES – ENSUING LOSS

Two examples follow, using these facts: The Property Coverage Part, in these examples, which includes fire as a "covered cause of loss" and this Flood coverage endorsement. A building is damaged by flood and fire which is caused by the flood. The value of the damaged building is \$1 million. The limits of insurance applicable to "real property", for the "covered cause 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 the flood is \$500,000. The damage due to the 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 fire limit and the Flood limit).

Total Loss Payment is \$800,000.

Example #2

The damage due to the flood is \$800,000. The damage due to the 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.

G. Property Damage Deductible

Paragraphs 1, 2, and 3 of E. Deductible in Section IV - What We Will Pay, of this Coverage Part are replaced by the following with respect to flood:

1. We will not pay for loss or damage until the amount of loss or damage exceeds the deductible shown in the below Schedule(s) as applicable in any one occurrence. The deductible shown in each Schedule applies separately for each occurrence. We will then pay the amount of loss or damage in excess of that deductible, up to the applicable Limit of Insurance.
2. 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 property policy deductible).

H. Other Insurance

Paragraph b. of Condition 12. Other Insurance is replaced by the following with respect to the coverage provided under this endorsement:

- b. If there is other insurance covering the loss, 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 below Schedule.

SCHEDULE

[If no entry appears below, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.]

Flood Zone(s) X, X500

For newly acquired "premises" identified as being in the above listed flood zones (if any) or associated sub-zones, **paragraph C.2.b.** is replaced by the following:

b. With respect to a property covered under this coverage extension, the limits of insurance stated in the coverage extension apply to flood coverage. However, such coverage does not increase the Limit of Insurance for flood.

The following limits and deductible apply to the "premises" listed below and flood zones shown above (if any):

Flood Limit of Insurance – Each Occurrence: \$5,000,000

Flood Limit of Insurance – Annual Aggregate: \$5,000,000

Flood Deductible – Each Occurrence: \$25,000

"Premises" Number	Address
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See Schedule

SCHEDULE

"Premises" Number	Address
001-001	652 Midland Ave Midland, PA 15059
002-001	300 Brighton Ave Rochester, PA 15074
003-001	617 Midland Ave Midland, PA 15059
004-001	1200 Midland Ave Midland, PA 15059
005-001	200 Pinewood Lane Suite 100 Warrendale, PA 15086
006-001	735 Midland Ave Midland, PA 15059
007-001	518 Railroad Lane Midland, PA 15059
008-001	825 Baltimore Pike Springfield, PA 19064
009-001	3721 Tecport Drive Harrisburg, PA 17111
010-001	520 Railroad Lane Midland, PA 15059
011-001	722 Midland Ave. Midland, PA 15059
012-001	1040 Towne Square Drive Greensburg, PA 15601
013-001	974 Marcon Blvd. Allentown, PA 18109
014-001	1712 South Atherton Street State College, PA 16801
015-001	2600 East Carson Street Pittsburgh, PA 15203
016-001	40 East Northampton Street Wilkes Barre, PA 18701
017-001	1980 Edinboro Road Ste B Erie, PA 16509

EQUIPMENT BREAKDOWN COVERAGE DEDUCTIBLE OPTIONS

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE PART

EQUIPMENT BREAKDOWN DEDUCTIBLE SCHEDULE

Combined – All Coverage \$5,000

Direct Coverage

Indirect Coverage

Indirect Coverage

hours

Spoilage

Spoilage

% of loss

minimum

Paragraph j. of **Extension 4. Equipment Breakdown** under **Section II – Coverage Extensions** is replaced by the following:

- j. Unless an Equipment Breakdown Deductible is indicated in the above Schedule, the policy deductible will apply to this extension. If a separate Equipment Breakdown Deductible is shown, then following applies as respects Equipment Breakdown Coverage.

(1) Deductibles for Each Coverage

- (a)** Unless the above Schedule indicates that your deductible is combined for all coverages, multiple deductibles may apply to any “one equipment breakdown”.
- (b)** We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount in the above Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- (c)** If deductibles vary by type of “covered equipment” and more than one type of “covered equipment” is involved in any “one equipment breakdown”, only the highest deductible for each coverage will apply.

(2) Direct and Indirect Coverages

- (a)** Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the above Schedule.
- (b)** Unless more specifically indicated in the above Schedule:
 - (i)** Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
 - (ii)** Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this coverage form.

(3) Application of Deductibles

(a) Dollar Deductibles

We will not pay for loss, damage or expense resulting from any “one equipment breakdown” until the amount of loss, damage or expense exceeds the applicable deductible shown in the above Schedule. We will then pay the amount of loss, damage or expense in excess of the applicable deductible or deductibles, up to the applicable Limit of Insurance.

(b) Time Deductible

If a time deductible is shown in the above Schedule, we will not be liable for any loss occurring during the specified number of hours immediately following the “accident” or “electronic circuitry impairment”.

(c) Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE LIMIT OF INSURANCE REAL PROPERTY AND PERSONAL PROPERTY

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE PART

SCHEDULE

Equipment Breakdown Loss
Limit of Insurance: \$150,000,000

Section II - Coverage Extensions, Extension 4. Equipment Breakdown, Paragraph a. is deleted and replaced with the following:

- a. We will pay for direct physical damage to covered "real property" or "personal property" and "loss of income" sustained and "extra expense" incurred that is the result of an "accident" or "electronic circuitry impairment". We will consider "electronic circuitry impairment" to be physical damage to "covered equipment".

The most we will pay for loss or damage under this Coverage Extension for any "one equipment breakdown" is the limit for "real property" and "personal property" for the applicable "premises". The most we will pay for "loss of income" in any "one equipment breakdown" is the Limit of Insurance shown in the Declarations under Coverage C "Loss of Income". The most we will pay for "extra expense" in any "one equipment breakdown" is the Limit of Insurance shown in the Declarations under Coverage D "Extra Expense". However, in no event, will we pay more than the amount shown in the Schedule of this endorsement for all combined loss and expense for any "one equipment breakdown". The limits in this extension are part of and not in addition to the limits applicable to Section I - Coverages.

EQUIPMENT BREAKDOWN COVERAGE CHANGES

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE PART

The following changes are made to **Extension 4. Equipment Breakdown Coverage** of **Section II - Coverage Extensions**:

A. Item **b.(6)** "Loss of Income" is replaced by the following, except when a "loss of income" limit is shown in PE PR 433 Equipment Breakdown Coverage Increased Limits endorsement:

(6) "Loss of Income"

Coverage **C** "Loss of Income" is extended to apply to "loss of income" sustained as a result of an "accident" or "electronic circuitry impairment" covered under this extension, and subject to the policy limit unless as shown in the Equipment Breakdown Coverage Increased Limits endorsement.

B. Item **b.(7)** Off-"premises" Equipment Breakdown, Paragraph **(a)** is replaced by the following:

(7) Off-"Premises" Equipment Breakdown

(a) Coverage is extended to apply to an "accident" or "electronic circuitry impairment" to the following types of equipment used in the insured's firefighting, ambulance or rescue operations, whether mobile/portable or permanently mounted on a "vehicle", anywhere in the "policy territory":

(i) Mobile cascade units;

(ii) Mobile electrical generators;

(iii) Portable pumping units; and

(iv) Portable extrication devices, such as jaws-of-life, whether hydraulic or air powered.

This additional coverage is not subject to the definition of "covered equipment" as defined in this Extension **4. Equipment Breakdown** to the extent that the definition conflicts with the coverage provided for Off-"Premises" Equipment Breakdown. However, in no event will we pay for an "accident" or "electronic circuitry impairment" to a "vehicle's" drivetrain, driveline, or fire pump.

C. Item **(e)** is added to Paragraph **b.(9)** Service Interruption, except when a Service Interruption limit is shown in PE PR 433 Equipment Breakdown Coverage Increased Limits endorsement:

(e) The most we will pay for any "one equipment breakdown" for loss, damage or expense under this coverage is the applicable limit for "loss of income", "extra expense", data restoration or spoilage, except when a Service Interruption limit is shown in the Equipment Breakdown Coverage Increased Limits endorsement.

D. Item **b.(10)** Spoilage, Paragraph **(b)** is replaced by the following:

(10) Spoilage

(b) If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “accident” or “electronic circuitry impairment”, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

E. Item **h.** is replaced by the following:

h. Exclusions **d.(1)**, **d.(2)**, **d.(3)** and **d.(4)** above shall not apply if:

- (1)** The excluded cause of loss occurs away from any covered location and causes an electrical surge or other electrical disturbance;
- (2)** Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an “accident” or “electronic circuitry impairment”; and
- (3)** The loss, damage or expense caused by such surge or disturbance is not covered elsewhere under the policy.

HONOR ROLL ELITE

PROPERTY ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE PART

The provisions of the Property Coverage Form apply except as otherwise provided in this endorsement. The coverage extensions and amendments of coverage are added to the policy if the applicable policy coverage is specifically identified in the Declarations. These extension of coverage will apply, where available:

1. Separately to each of your "premises" described in the Declarations unless otherwise stated in an extension of coverage; and
2. Only if the policy coverage(s) that correspond to each extension of coverage scheduled below are shown in the Declarations as covered by your policy.

Please read the entire endorsement for complete explanation of the coverages provided.

As respects any coverage provided by this endorsement, if higher limits are provided on any other Schedule, Declarations or endorsement attached to this policy, then the limits and coverage provided by this endorsement will not apply for that coverage.

SCHEDULE	
HONOR ROLL ELITE DEDUCTIBLE	\$ 1,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the deductible. The deductible provisions do not preclude the imposition of any applicable coverage waiting period, as stated in a specific coverage section of this endorsement.

The policy deductible will apply unless:

1. A separate deductible amount is indicated within a specific coverage extension of this endorsement; or
2. Reference to the Honor Roll Elite Deductible, shown in the above Schedule, is indicated within a specific coverage extension of this endorsement.

HONOR ROLL ELITE PROPERTY ENHANCEMENT ENDORSEMENT		
SCHEDULE COVERAGE EXTENSIONS		
<u>Coverages</u>	<u>Limit Of Insurance</u>	<u>Type Of Amendment</u>
Accounts Receivable	\$250,000	Increased Limit
Automated External Defibrillators	\$15,000	Additional Coverage Extension
Broadened Water Damage (Not Flood Related)	\$100,000	Additional Coverage Extension

Claim Expense	\$25,000	Increased Limit
Contractual Penalties	\$25,000 Per Occurrence; \$100,000 Annual Aggregate	Additional Coverage Extension
Debris Removal Expense	\$250,000	Increased Limit
Emergency Vacating Expense	\$15,000	Additional Coverage Extension
Fine Arts	\$100,000 Per Occurrence \$ 5,000 Per Item	Increased Limit
Fire Department Service Charge	Actual Loss Sustained	Change In Limit
Kidnap and Ransom Expense	\$50,000 Annual Aggregate	Additional Coverage Extension
Money and Securities	\$50,000	Additional Coverage Extension
Newly Acquired or Under Construction Real Property and Related Personal Property		Increased Limit and Time Period
Real Property	\$1,000,000	
Personal Property	\$1,000,000	
Construction Materials	\$ 100,000	
Period of Coverage	180 Days	
Personal Effects and Property of Others	\$50,000	Increased Limit
Pollution Remediation Expenses	\$100,000	Increased Limit
Preservation of Property	180 Days	Increased Time Period
Processors' Coverage	\$25,000	Additional Coverage Extension
Property of Your Students	\$50,000 Per Occurrence \$ 5,000 Per Student Personal Property	Additional Coverage Extension
Real Property or Personal Property in Transit or Off Premises	\$100,000	Increased Limit
Salesperson's Samples	\$25,000	Additional Coverage Extension
Trees, Shrubs, Plants and Lawns	\$25,000 Per Occurrence \$ 2,500 Per Tree, Shrub or Plant	Increased Limit
Utility Service Interruption Coverage	\$100,000	Additional Coverage Extension
Valuable Papers and Records	\$250,000	Increased Limit

SCHEDULE AMENDMENTS TO CONDITIONS		
<u>Coverages</u>	<u>Limit Of Insurance</u>	<u>Type Of Amendment</u>
Exhibitions and Displays	*	Amended Condition
Vacancy Condition	*	Additional Condition

SCHEDULE AMENDED DEFINITIONS		
<u>Coverages</u>	<u>Limit Of Insurance</u>	<u>Type Of Amendment</u>
Broadened Definition of Personal Property	*	Extension of Covered Personal Property
Broadened Definition of Real Property	*	Extension of Covered Real Property

*A sublimit does not apply to this coverage. Coverage is included within the applicable "Real Property" or "Personal Property" limit.

If 2 or more of this endorsement's coverages apply to the same loss, the most that we will pay for that loss is the actual amount of loss or damage, but no more than the highest limit of insurance for the coverages that applies.

A. The following coverage extensions are revised under Section II - Coverage Extensions:

1. Extension 1. Accounts Receivable is replaced by the following:

Accounts Receivable

- a.** We will pay for "accounts receivable costs" you incur as a result of direct physical loss or damage to your accounts receivable records caused by or resulting from any "covered cause of loss", including those arising from loss or damage to software, or from mechanical breakdown of "computer equipment", or from a "computer virus".
- b.** We will not pay for:
 - (1)** Any loss or cost that results from mistakes made in bookkeeping, accounting, or billing;
 - (2)** Any loss or cost if its existence can be shown only by an inventory count or an audit. However, if the existence of a loss can be shown by other means, you may use an inventory count or audit to support your claim for that loss;
 - (3)** Any loss or cost resulting from any dishonest act or omission of either you or your "volunteer workers" or "employees", or anyone authorized to act for you. But we will cover loss that results if someone falsifies, alters or destroys your accounts receivable records in order to conceal any such action;
 - (4)** Any loss arising out of bad debts; or
 - (5)** Any loss arising out of aged accounts receivables greater than 180 days.
- c.** If you recover any amounts after we have paid you for a loss, you have to turn the recoveries over to us until we have been repaid. If you recover more than the amount we paid you, the excess over our payment is yours. Also, you must help us collect amounts customers owe you, if we request your help.
- d.** Coverage provided under this extension is not restricted to your "premises".
- e.** The most we will pay under this extension in any one occurrence is the Accounts Receivable Limit Of Insurance shown in the Schedule of this endorsement.
- g.** We will determine the valuation of receivables as follows:
 - (1)** If you cannot accurately establish the amount of accounts receivables outstanding as of the time of loss or damage, the following method will be used:
 - (a)** Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (b)** Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
 - (2)** The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (a)** The amount of the accounts for which there is no loss or damage;
 - (b)** The amount of the accounts that you are able to re-establish or collect;

- (c) An amount to allow for probable bad debts that you are normally unable to collect; and
- (d) All unearned interest and service charges.

To the extent that coverage for accounts receivable is provided under this extension, "accounts receivable costs" is deleted from **Section VI. Definitions, 23.** "Personal property" does not include.

The Honor Roll Elite Deductible shown in the Schedule of this endorsement applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

2. The first paragraph of Extension **3. Debris Removal Expenses** is replaced by the following:

Debris Removal Expenses

We will pay your debris removal expenses if they are reported to us within 180 days after the date of direct physical loss or damage. Debris removal expense means expense you incur in removing debris of covered "real property" or covered "personal property" from a "premises" after direct physical loss or damage caused by or resulting from any "covered cause of loss". Debris removal expense does not include "remediation expense" or any expense related to the removal of "fungus", wet rot, dry rot, virus, bacteria or asbestos. The most we will pay for debris removal expense under this extension is 25% of the amount we pay for direct physical loss or damage of covered property. However, this debris removal expense and the amount of loss or damage will not exceed the applicable Limit of Insurance. In the event that such an amount does exceed the applicable Limit of Insurance or the debris removal expense exceeds 25% of the loss amount, we will pay up to an additional amount shown in the Schedule of this endorsement for incurred debris removal expenses.

3. Extension **5. Fine Arts** is replaced by the following:

Fine Arts

- a. We will pay for loss or damage to your "fine arts" and "fine arts" owned by others that are in your care, custody or control caused by or resulting from a "covered cause of loss".

We will not pay for loss or damage caused by or resulting from any of the following:

- (1) Delay, loss of use, loss of market or any other consequential loss.
- (2) Dishonest or criminal acts (including theft) committed by:
 - (a) You, any of your partners, "employees" (including temporary "employees" and leased workers), officers, directors, trustees or authorized representatives;
 - (b) A manager or a member, if you are a limited liability company; or
 - (c) Anyone else with an interest in the property, or their "employees" (including temporary employees and leased workers) or authorized representatives;

Whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of "operation".

This exclusion does not apply to acts of destruction by your "employees" (including temporary "employees" and leased workers) or authorized representatives; but theft by your "employees" (including temporary "employees" and leased workers) or authorized representatives is not covered.

- (3) Any repairing, restoration or retouching process.
- (4) Wear and tear, any quality in the property that causes it to damage or destroy itself, damage by "pollutants", gradual deterioration, or damage from insects, vermin or rodents.

But if loss by a “covered cause of loss” results, we will pay for the loss or damage caused by that “covered cause of loss”.

- (5) Theft by any person (except "carriers" for hire) to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party. This exclusion applies whether or not an act occurs during your normal hours of “operation”.
- b. The value of “fine arts” will be the least of the following amounts:
 - (1) The fair market value of the object at the time of loss;
 - (2) The cost of reasonably restoring the object to its condition immediately before loss;
 - (3) The cost of replacing the object with a substantially identical object; or
 - (4) Amount of insurance stated in the Schedule of this endorsement for “fine arts”.
- c. Fair market value means the cash value that the object of “fine arts” would bring in an open and unrestricted market between a willing buyer and a willing seller who are both knowledgeable, informed and prudent, and who are acting independently of each other.
- d. In the event of loss, the value of the object will be determined as of the time of loss or damage.

To the extent that coverage for “fine arts” is provided under this extension, “fine arts” is deleted from **Section VI. Definitions, 23.** “Personal property” does not include.

The most we will pay for loss or damage under this extension is the Fine Arts Limit Of Insurance shown in the Schedule of this endorsement in any one occurrence.

The Honor Roll Elite Deductible shown in the Schedule of this endorsement applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

- 4. Extension **6. Fire Department Charges** is replaced by the following:

Fire Department Service Charge

- a. We will pay the actual amount charged for fire department service in any one occurrence to save or protect your “real property” or “personal property” due to a “covered cause of loss”. We will pay the actual amount charged regardless of the number of responding fire departments or fire units and regardless of the number or type of service performed.
- b. No deductible applies to this extension.

- 5. Extension **9. Newly Acquired or Under Construction Real Property and Related Personal Property** is replaced by the following:

Newly Acquired or Under Construction Real Property and Related Personal Property

- a. “Real property” you buy, lease, rent, or construct, including temporary structures such as scaffolding, construction forms, falsework, or cribbing at the job site, will be covered under Coverage **A** as provided in this extension. “Personal property” you acquire in connection with the “real property” described above will be covered under Coverage **B** as provided in this extension.
- b. Coverage **A or B** applies only if your newly acquired or under construction “real property” is intended for use in your “operations” and you acquired it or began construction of it after this policy period began.
- c. The most we will pay under this extension is:
 - (1) The Limit Of Insurance shown in the Schedule of this endorsement in any one occurrence under Coverage **A**; and

- (2) The Limit Of Insurance shown in the Schedule of this endorsement in any one occurrence under Coverage B.
- d. In addition to the limit available for “real property” under construction, we will also pay up to the Limit Of Insurance shown in the Schedule of this endorsement for loss or damage to construction materials and equipment that will become a permanent part of the project, while such property is held temporarily away from the construction site, or while in transit or awaiting delivery to the construction site. This property may be your property or, at your option, the property of others for which you are responsible.
- e. You agree to notify us as soon as possible of the value of:
- (1) Your newly acquired or under construction “real property” and to pay additional premium from the date you acquired or began construction of it; and
 - (2) “Personal property” at the site of newly acquired or under construction “real property” and to pay additional premium from the date you place such “personal property” at the site of newly acquired or under construction “real property”.

Coverage provided under this extension will cease at the later of the number of days shown in the Schedule of this endorsement after you acquire the property or begin construction, or the end of the policy period. However, coverage will cease when this coverage part is cancelled or nonrenewed.

For the purposes of this extension, “premises”, as used in the definition of “real property”, means any location not described in the Declarations that is owned or legally occupied by you and used to conduct your “operations”.

6. Extension 12. Personal Effects is replaced by the following:

Personal Effects and Property of Others

- a. At your request we will pay up to the “replacement cost” for direct physical loss or damage to “personal effects” owned by you, your officers, your partners or members, or your “employees” or “managers” caused by or resulting from a “covered cause of loss”.
- b. “Personal property” of others in your care, custody, or control, excluding “personal property” belonging to your “students”, except as provided in the coverage extension, Property Of Your Students.

Our payment for loss of or damage to “personal property” of others will only be for the account of the owner of the property. We can settle all losses with you and make all payments to you at our option.

The most we will pay for loss or damage is the Personal Effects and Property of Others Limit Of Insurance shown in the Schedule of this endorsement, at each described “premises”.

This coverage is excess over any other valid and collectible insurance.

The Honor Roll Elite Deductible shown in the Schedule of this endorsement does not apply to this coverage extension. Instead, a \$500 per person deductible applies to this coverage, regardless of the number of people involved in an occurrence. We will not pay for loss to each person in any one occurrence until the amount of loss exceeds the per person deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

7. Extension 13. **Pollution Remediation Expenses** is replaced by the following:

Pollution Remediation Expenses

We will pay “remediation expenses” you incur as a result of the actual, alleged, or threatened presence of “pollution conditions” at a “premises” described in the policy Declarations, but only if the “pollution conditions” result from a “covered cause of loss” occurring during the policy period.

However, we will not pay for any expense related to the removal of "fungus", wet rot, dry rot, virus, bacteria or asbestos.

- a. You must notify us within 180 days after the date of the "covered cause of loss".
 - b. The most we will pay under this extension for each described "premises" is the Pollution Remediation Expenses Limit Of Insurance shown in the Schedule of this endorsement.
8. Paragraph **b.** under **Extension 14. Preservation of Property** is replaced by the following:
- b. Only if loss or damage occurs within the number of days shown in the Schedule of this endorsement after the property is first moved.
9. **Extension 15. Real Property or Personal Property in Transit or Off Premises** is replaced by the following:

Real Property or Personal Property in Transit or Off Premises

- a. If there is a direct physical loss or damage to your covered "real property" or covered "personal property" either in transit or while temporarily off "premises" caused by a "covered cause of loss", we will pay that covered loss.
- b. If there is direct physical loss or damage to your covered "personal property" while the "personal property" is temporarily located outside the "policy territory" caused by a "covered cause of loss" we will pay that covered loss.
- c. If there is direct physical loss or damage to your covered computer hardware while off "premises" caused by a "covered cause of loss" we will pay that covered loss.
- d. The most we will pay under this extension in any one occurrence is the Real Property or Personal Property in Transit or Off Premises Limit Of Insurance shown in the Schedule of this endorsement.

The Honor Roll Elite Deductible shown in the Schedule of this endorsement applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

10. **Extension 18. Trees, Shrubs, Plants and Lawns** is replaced by the following:

Trees, Shrubs, Plants and Lawns

- a. We will pay for direct physical loss or damage to trees, shrubs, plants, and lawns at a "premises" on a "replacement cost" basis only if they are damaged or destroyed by fire, lightning, explosion, riot or civil commotion, aircraft, "vehicles", vandalism, theft or attempted theft, sonic shock waves, falling objects, windstorm or hail. Replacement of trees, shrubs or plants shall be with trees, shrubs or plants of comparable size and kind, but shall not exceed the cost of replacing them with the largest commonly available transplantable like species of tree, shrub or plant that is usually available or listed in catalogs by nurseries or suppliers for the region in which the covered loss occurred and which can be legally transported on public roads without special permits. The costs of removing the existing tree, shrub or plant and associated cleanup is also included. Diminution of "real property" or "personal property" values resulting from the loss of trees shall not be recoverable as part of the loss settlement.
- b. The most we will pay under this extension is the Trees, Shrubs, Plants and Lawns Limit Of Insurance shown in the Schedule of this endorsement in any one occurrence. This is subject to a maximum payable amount shown in the schedule of this endorsement for any single tree, plant or shrub, regardless of the number of "premises" described in the Declarations.

The Honor Roll Elite Deductible shown in the Schedule of this endorsement applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

11. Extension **19. Valuable Papers and Records** is replaced by the following:

Valuable Papers and Records

- a. We will pay the costs you incur in restoring, researching, replacing, or reproducing your “valuable papers and records” that suffer direct physical loss or damage caused by or resulting from any “covered cause of loss”.
- b. We will not pay for:
 - (1) Irreplaceable “valuable papers and records” unless they are specifically described in the Declarations or in an endorsement made a part of this coverage part, and a limit for them is shown there;
 - (2) Any cost that results directly from processing or copying the records; or
 - (3) Any cost that results directly from work performed on papers or records, such as filing or binding.
- c. Coverage provided under this extension is not restricted to your “premises”.
- d. The most we will pay under this extension is the Valuable Papers and Records Limit Of Insurance shown in the Schedule of this endorsement.

To the extent that coverage for “valuable papers and records” is provided under this extension, “valuable papers and records” is deleted from **Section VI. Definitions, 23**. “Personal property” does not include.

The Honor Roll Elite Deductible shown in the Schedule of this endorsement applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

12. Paragraph **c.** under Extension **22. Claim Expense** is replaced by the following:

- c. The most we will pay in any one occurrence under this extension is the Claim Expense Limit Of Insurance shown in the Schedule of this endorsement.

B. The following coverage extensions are added under **Section II - Coverage Extensions:**

1. Automated External Defibrillators

If this policy covers your “personal property”, you may extend that insurance to apply to loss or damage to your automated external defibrillators caused by or resulting from a “covered cause of loss”.

The most we will pay for loss or damage in any one occurrence under this extension is the Automated External Defibrillators Limit Of Insurance shown in the Schedule of this endorsement.

2. Broadened Water Damage (Not Flood-related)

We will pay for direct physical loss or damage to covered property caused by or resulting from:

- a. Discharge of water or waterborne material from a sewer, drain, or sump located on the described “premises”; or
- b. Water under the ground surface pressing on, or flowing or seeping through:
 - (1) Foundations, wall, floors, or paved surfaces;
 - (2) Basements, whether paved or not; or
 - (3) Doors, windows, or other openings;

provided the conditions of Paragraphs **2.a.** and **2.b.** above are not induced by flood or flood-related conditions.

The aforementioned references to flood include surface water, waves (including tidal wave and tsunami), tides, tidal water, and overflow of any body of water, including storm surge.

For the purpose of this extension, the term drain includes a roof drain and related fixtures.

c. The following applies to “Loss of Income” and “Extra Expense”:

If “loss of income” or “extra expense” is provided by this policy we will pay for “loss of income” sustained and “extra expense” incurred in accordance with the terms of the “loss of income” or “extra expense” coverage applicable to such “premises” under the policy, when such loss or expense arises out of the direct physical loss or damage described in Paragraphs **2.a.** and **2.b.** above.

- d.** There is no coverage under this extension if the discharge results from an insured's failure to perform routine maintenance or repair necessary to keep a sewer, drain, sump, sump pump or related equipment free from obstruction and in proper working condition. This limitation does not apply to sudden mechanical breakdown of a sump pump or its related equipment, provided the breakdown is not the result of an insured's negligence.
- e.** The Flood or Water exclusion does not apply to the extent that it conflicts with the coverage provided under this extension.
- f.** We will not pay the cost of repairing or replacing a sewer, drain, sump, sump pump or any related parts or equipment.
- g.** The most we will pay for loss or damage in any one occurrence under this extension is the Broadened Water Damage (Not Flood related) Limit Of Insurance shown in the Schedule of this endorsement, regardless of the number of buildings, structures or “premises” involved.
- h.** All policy provisions apply to the coverage provided under this extension unless otherwise indicated, including the deductible for direct physical loss or damage and the “period of restoration” for “loss of income” and “extra expense”. If an occurrence results in loss payable only under this extension, the policy deductible will apply to this extension. But if an occurrence also causes other loss or damage that is paid under this policy, the largest applicable deductible for that “covered cause of loss” will apply.

3. Contractual Penalties

We will pay for contractual penalties imposed by written contract between you and your customer. These penalties must:

- a.** Result from your failure to deliver your product on time according to contract terms;
- b.** Result from direct physical loss or damage to covered property by a “covered cause of loss”; and
- c.** Have been paid by you to your customer.

The most we will pay under this extension is the Contractual Penalties Limit Of Insurance shown in the Schedule of this endorsement.

4. Emergency Vacating Expense

We will pay for reasonable expenses that you incur in the “emergency” vacating of the “premises” of your facility.

We will not pay any expenses under this extension arising out of:

- a.** A strike, bomb, threat or false fire alarm, unless vacating is ordered by civil authority;
- b.** A planned vacating drill;
- c.** The vacating of one or more of your customers, residents, “students”, campers or users of your facility that is due and confined to their individual medical condition; or
- d.** Any of the following to the extent these causes of loss are excluded in **Section III** of the Coverage Form:

- (1) "Government activity";
- (2) "Nuclear activity"; and
- (3) War.

No other exclusions in the policy apply to this Emergency Vacating Expense coverage.

The most we will pay in any one occurrence under this extension is the Emergency Vacating Expense Limit Of Insurance shown in the Schedule of this endorsement, regardless of the number of buildings, structures or "premises" involved.

The Honor Roll Elite Deductible shown in the Schedule of this endorsement applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

5. Kidnap and Ransom Expense

We will pay reasonable fees and expenses incurred as a result of the kidnapping of your director or officer, or the spouse, parent, child or "student" of the director or officer, provided the kidnapping occurs during the policy period. Coverage will not apply to any kidnapping by or at the direction of any present or former family member of the victim.

Reasonable fees and expenses include:

- a. Fees and expenses of independent negotiators or consultants retained with our prior approval;
- b. Interest on any loan taken by you to pay a ransom demand provided; however, that we will not be liable for any interest accruing prior to 30 days preceding the date of such payment, nor subsequent to the date of reimbursement from us for any portion of loss recoverable under this extension
- c. Costs of travel and accommodations incurred by you which become necessary due to the kidnapping;
- d. Reward "money" paid by you, which is preapproved by us, to an informant for information not otherwise available, which leads to the arrest and conviction of persons responsible for loss covered under this extension; and
- e. The current salary of the kidnapped director or officer provided; however, that the director or officer is held for more than 30 days. Salary will be paid for a period commencing upon kidnapping and ceasing upon the earliest of the following:
 - (1) The director's or officer's release;
 - (2) Discovery of the death of the director or officer;
 - (3) 120 days after we receive the last credible evidence that the director or officer is still alive;
 - (4) 12 months after the date of kidnapping; or
 - (5) The exhaustion of the Kidnap And Ransom Expense limit.

The most we will pay under this extension is the Kidnap and Ransom Expense Limit Of Insurance shown in the Schedule of this endorsement.

6. Money and Securities

- a. We will pay for loss of "money" and "securities" used in your business while inside the described "premises" or "financial institution premises", within your living quarters or the living quarters of your partners or any "employee" having use and custody of the property, or in transit between any of these places:

- (1) Resulting directly from "theft" committed by a person present inside the described "premises" or "financial institution premises"; or
 - (2) Resulting directly from disappearance or destruction.
- b. We will not pay for:
- (1) Loss resulting from "theft" or any other dishonest act committed by you or any of your partners or "members", whether acting alone or in collusion with other persons.
 - (2) Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:
 - (a) Whether acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.
 - (3) Loss resulting from accounting or arithmetical errors or omissions.
 - (4) Loss resulting from the giving or surrendering of property in any exchange or purchase.
 - (5) Loss of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
 - (6) Loss of "money" or "securities" that is owned by your "students".
- c. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- d. This insurance does not cover:

(1) Confidential Or Personal Information

Loss resulting from:

- (a) The disclosure or use of another person's or organization's confidential or personal information; or
- (b) The disclosure of your confidential or personal information. However, this Paragraph **d.(1)(b)** does not apply to loss otherwise covered under this insurance that results directly from use of your confidential or personal information.

For the purpose of this exclusion, confidential or personal information includes, but is not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

(2) Data Security Breach

Fees, costs, fines, penalties and other expenses incurred by you which are related to the access to or disclosure of another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

(3) Virtual Currency

Loss involving virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency.

e. Conditions

- (1) All loss or damage caused by one or more persons or involving a single act or series of related acts is considered one occurrence.
- (2) We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains

in force or the number of premiums paid, no limit of insurance cumulates from year to year or period to period.

- (3) We will pay only for covered loss or damage "discovered" no later than one year from the end of the policy period.
- (4) If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to "discover" loss or damage had expired, we will pay for it under this coverage extension, provided:
 - (a) This coverage extension became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss or damage would have been covered by this coverage extension had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (5) Valuation Settlement

The value of any loss for the purposes of coverage under this insurance will be determined as follows:

- (a) Loss of "money", but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:
 - (1) At face value in the "money" issued by that country; or
 - (2) In the United States of America's dollar equivalent, determined by the rate of exchange published by the Wall Street Journal on the day the loss was "discovered"
- (b) Loss of "securities", but only up to and including their value at the close of business on the day the loss was "discovered". We may, at our option:
 - (1) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
 - (2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the market value of the "securities" at the close of business on the day the loss was "discovered" or the limit of insurance applicable to the "securities".

To the extent that coverage for "money" and "securities" is provided under this extension, "money" and "securities" is deleted from **Section VI. Definitions, 23**. "Personal property" does not include.

The most we will pay for loss in any one occurrence under this extension is the Money and Securities Limit Of Insurance shown in the Schedule of this endorsement.

The Honor Roll Elite Deductible shown in the Schedule of this endorsement applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

7. Property of Your Students

- a. Coverage B. is extended to apply to loss of or damage to the following property in your care, custody or control caused by a resulting from a "covered cause of loss" or theft:

Your "student's" "personal property" other than "money" or "securities" including, but not limited to, art supplies, athletic equipment, photographic equipment, band uniforms and musical instruments, while:

- (1) At or within 1,000 feet of the building, structure or "premises" described in the Declarations, whichever distance is greater;
- (2) In the due course of transit;
- (3) Temporarily at a location you do not own, rent or regularly use in the "operation" of your facility; or
- (4) At any location you acquire but only for 120 days after you acquire the location or until more specific insurance applies to the location, whichever occurs first.

Coverage for this property applies only while your "student" is under your supervision or the supervision of your "employees", independent contractors or "volunteer workers".

b. This extension does not apply to:

- (1) A mysterious disappearance or shortage of property except as a result of theft. If loss is a result of theft, the theft must be reported to the police within 24 hours and you must reasonably cooperate with the police and other law enforcement agencies in providing information concerning the theft; or
- (2) Any property described in Paragraph a. above while in any "student" housing facility that is owned or controlled by the institution, or is located on property that is owned or controlled by the institution, and is within the reasonably contiguous geographic area that makes up the campus.

c. Exclusion 4. Dishonesty in **Section III – Covered Causes Of Loss** does not apply to this extension.

d. Our payment under this Extension for loss of or damage to "personal property" of your "students" will only be for the account of the owner of the "personal property".

e. All theft loss caused by one or more persons or involving a single act or series of related acts is considered a single theft loss for the purposes of this extension.

f. This Extension does not apply to any theft loss as soon as:

(1) You; or

(2) Any of your partners, officers or directors not in collusion with the "employee";

learn of any "employee's" theft committed by the "employee" before or after becoming employed by you and related to such loss.

This extension applies only to the extent no coverage is available under a policy of insurance available to your "student".

The most we will pay for loss or damage in any one occurrence to your "student's" "personal property" under this extension is the Per Occurrence limit shown in the Schedule of this endorsement, subject to the Per Student Personal Property Limit Of Insurance shown in the Schedule of this endorsement. The Per Occurrence limit is the maximum amount we will pay regardless of the number of "students" involved in the occurrence.

The Honor Roll Elite Deductible shown in the Schedule of this endorsement does not apply to this coverage extension. Instead, a \$500 per "student" deductible applies to this coverage, regardless of the number of "students" involved in an occurrence. We will not pay for loss to each "student" in any one occurrence until the amount of loss exceeds the per "student" deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

8. Processors' Coverage

- a. We will pay for direct physical loss of or damage to covered property caused by or resulting from a “covered cause of loss”.

For the purposes of this extension, covered property means property that is owned by you or the property of others for which you are legally liable; but only while such property is:

(1) In the care, custody or control of a processor; or

(2) In due course of transit to or from a processor;

for the purpose of performing work upon the property.

- b. For the purposes of this extension, **Section VI Definitions, 23.** “Personal property” does not include means:

(1) Accounts, bills, currency, deeds, evidences of debt, "money", notes or "securities";

(2) Property at, or in transit to or from, a processor that you own, lease or operate;

(3) Property while in the mail; or

(4) Contraband, or property in the course of illegal transportation or trade.

- c. Valuation will be determined as follows:

The value will be the least of:

(1) The “actual cash value” of the property;

(2) The cost of reasonably restoring that property to its condition immediately before loss or damage;

(3) The cost of replacing that property with substantially identical property;

(4) The value of property that is unfinished at the time of loss which may include the value of labor, materials or services furnished by the processor, if you have paid the processor for such labor, materials or services. However, the value of the property will not exceed the cost to replace such property; or

(5) The amount of insurance stated in this coverage extension.

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

The most we will pay under this extension is the Processors’ Coverage Limit Of Insurance shown in the Schedule of this endorsement.

9. Salespersons’ Samples Coverage

- a. We will pay for direct physical loss of or damage to covered property caused by or resulting from a “covered cause of loss”.

For the purposes of this extension, covered property means samples that are owned by you or are the property of others, for which you are legally liable; but only while such property is:

(1) In the custody of your salespersons or authorized sales representatives;

(2) In your custody while acting as a salesperson, if you are an individual; or

(3) In the due course of transit to or from your “premises” and the location of your salespersons or authorized sales representatives.

- b. For the purposes of this extension, **Section VI Definitions, 23.** “Personal property” does not include means:

(1) Property that you loan, lease or rent to others;

(2) Property held for sale;

(3) Property while at a “premises” that is owned, leased or operated by you or your salespersons or authorized sales representatives;

- (4) Accounts, bills, currency, deeds, "money", notes, "securities" or evidences of debt;
- (5) Jewelry, costume jewelry, precious or semiprecious stones, gold, silver, platinum or other precious metals or alloys;
- (6) Furs or garments trimmed with fur;
- (7) Property while waterborne. However, we will cover property while aboard vessels on inland waterways when the waterborne transportation is incidental to the land portion of the journey; or
- (8) Contraband, or property in the course of illegal transportation or trade.

c. Valuation will be determined as follows:

The value will be the least of the following:

- (1) The "actual cash value" of the property;
- (2) The cost of reasonably restoring that property to its condition immediately before loss or damage;
- (3) The cost of replacing that property with substantially identical property; or
- (4) The amount of insurance stated in this coverage extension.

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

The most we will pay under this extension is the Salespersons' Samples Coverage Limit Of Insurance shown in the Schedule of this endorsement.

Salespersons' Samples Coverage And Processors' Coverage – Exclusions

The following exclusions apply to Salespersons' Samples Coverage and Processors' Coverage.

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 or damage.

- 1. Theft from any unattended "vehicle" unless, at the time of theft, its windows, doors and compartments were closed and locked and there are visible signs of forced entry. But this exclusion does not apply to property in the custody of a "carrier" for hire.
- 2. Delay, loss of use, loss of market or any other consequential loss.
- 3. Unexplained disappearance.
- 4. Shortage found upon taking inventory.
- 5. Dishonest or criminal act (including theft) committed by:
 - (a) You, any of your partners, "employees" (including temporary "employees" and leased workers), officers, directors, trustees or authorized representatives;
 - (b) A manager or a member, if you are a limited liability company; or
 - (c) Anyone else with an interest in the property, or their "employees" (including temporary "employees" and leased workers) or authorized representatives;

whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of "operation".

This exclusion does not apply to acts of destruction by your "employees" (including temporary "employees" and leased workers) or authorized representatives; but theft by your "employees" (including temporary "employees" and leased workers) or authorized representatives is not covered.

6. Artificially generated electrical, magnetic or electromagnetic energy that damages, disrupts or otherwise interferes with any:

(a) Electrical, or electronic wire, device, appliance, system or network; or

(b) Device, appliance, system or network utilizing cellular or satellite technology;

creating a short circuit or other electric disturbance within an article covered under this Coverage Form.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes, but is not limited to, electrical current including arcing, electrical charge produced or conducted by a magnetic or electromagnetic field, pulse of electromagnetic energy, or electromagnetic waves or microwaves.

But if artificially generated electrical, magnetic or electromagnetic energy, as described above, results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

7. 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.

8. Unauthorized instructions to transfer property to any person or to any place.

9. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss or damage.

10. Wear and tear, depreciation, any quality in the property that causes it to damage or destroy itself, latent or hidden defect, gradual deterioration, damage from "pollutants", breakdown of covered property, malfunction or failure of covered property to operate, insects, vermin, rodents, corrosion, dust, dampness, or extremes of temperature.

But if loss or damage by a "covered cause of loss" results, we will pay for the loss or damage caused by that "covered cause of loss".

11. Processing or work upon the property. But if processing or work upon the property results in fire or explosion, we will pay for direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.

12. Improper packing or stowage, or rough handling.

13. Theft by any person (except "carriers" for hire) to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion applies whether or not an act occurs during your normal hours of "operation".

The following Utility Service Interruption Coverage is added if "Loss of Income" or "Extra Expense" coverage is provided by this policy.

10 Utility Service Interruption Coverage

a. Coverage

Your "loss of income and "extra expense" as provided and limited in the policy is extended to apply to a suspension of "operations" at the described "premises" caused by an interruption in utility service to that "premises". The interruption in utility service must result from direct physical loss or damage by a "covered cause of loss" to the types of property described in Paragraph c. Utility Services below:

b. Exception

Coverage under this section does not apply to “loss of income or “extra expense” related to interruption in utility service which causes loss or damage to “electronic data”, including destruction or corruption of “electronic data”.

c. Utility Service

(1) Water Supply Property, meaning the following types of property supplying water to the described “premises”:

- (a)** Pumping stations; and
- (b)** Water mains.

(2) Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described “premises”, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities.

Coverage under this endorsement does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

(3) Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described “premises”, such as:

- (a)** Communication transmission lines;
- (b)** Coaxial cables;
- (c)** Microwave radio related, except satellites;
- (d)** Internet access;
- (e)** Wide area networks; and
- (f)** Data transmission.

Communication Supply Property includes overhead transmission lines.

(4) Power Supply Property, meaning the following types of property supplying electricity, steam or gas to the described “premises”:

- (a)** Utility generating plants;
- (b)** Switching stations;
- (c)** Substations;
- (d)** Transformers; and
- (e)** Transmission lines.

Power Supply Property includes overhead transmission lines.

(5) Compressed Air Supply Property, meaning a property supplying compressed air to the described “premises”.

- d.** As used in this coverage extension Utility Services Interruption Coverage, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.
- e.** We will only pay for loss you sustain after the first 12 hours following the direct physical loss or damage to the utility service property to which the endorsement applies.

The most we will pay under this extension is the Utility Service Interruption Coverage Limit Of Insurance shown in the Schedule of this endorsement regardless of the number of buildings, structures or “premises” involved. This limit is the only limit which applies to the coverage provided under this section.

No deductible applies to this coverage extension.

C. Paragraph 4. of **G. Other Conditions Affecting Property Losses** under **Section IV – What We Will Pay** is replaced by the following:

4. **Exhibitions and Displays:** The most we will pay for exhibitions and displays will be the least of:
- a. The “actual cash value” of the property;
 - b. The cost of reasonably restoring that property to its condition immediately before loss or damage;
 - c. The cost of replacing that property with substantially identical property; or
 - d. If there is an agreed consigned value for property of others in your care, custody or control, the value of such property will be the lowest agreed consigned value.
- The value will be determined as of the time of loss or damage.

D. The following is added to **Section V – Conditions:**

1. **Vacancy**

As used in this Vacancy Condition:

- a. For occupancies that are not seasonal, the term building and the term vacant have the following meanings:
 - (1) 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 “personal property” to conduct customary “operations”.
 - (2) 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:
 - (a) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary “operations”; and/or
 - (b) Used by the building owner to conduct customary “operations”.
- b. For seasonal “operations”, a building will not be considered vacant if the contents have been removed to another building, provided that the contents removed were of a seasonal nature, or if the building vacated is part of an ongoing seasonal “operation”.
- c. Buildings under construction or renovation are not considered vacant.

2. Exclusion 23. Vacancy in **Section III – Covered Causes Of Loss** is deleted and replaced by the following:

Vacancy

Freezing, leakage or overflow from plumbing, heating, air conditioning or any other equipment or appliance in a vacant or unoccupied building unless:

- a. You have taken reasonable steps to maintain heat in the building; or
- b. Water was drained from the system or appliance involved, and the water supply was shut off while the building was vacant or unoccupied.

Also, we will not cover damage to plumbing systems located outside the perimeter of building walls or off the “premises” that results from freezing.

3. With respect to this Vacancy Condition, Definition **38**. "Vacant" in **Section VI – Definitions** is deleted.

E. For the purposes of the coverage provided by this endorsement, the following definitions are revised in **Section VI – Definitions**:

1. The first paragraph of Definition **23**. "personal property" is replaced by the following:
"Personal property" means all property used in your "operations", other than "real property", including but not limited to, furnishings and office equipment, building contents, "computer equipment", communication systems, materials, supplies, (including your inventory of "vehicle" parts and supplies) while held on your "premises" awaiting installation) base stations and dispatching systems, provided the property is on or within 1,000 feet of your "premises" and also provided you own the property or the property is in your custody or control, and you are responsible for it, even though it belongs to someone else.
2. Notwithstanding any other provision in this policy, the following are added to Definition **23**. "personal property":

a. Equipment And Personal Property (Including Athletic Equipment And Uniforms And Musical Instruments And Band Uniforms)

Special types of "personal property", including:

- (1) Athletic and sports equipment, waterfront and pool equipment and supplies, and arts and crafts supplies;
- (2) Maintenance equipment and tools, office equipment and supplies, first aid and infirmary supplies, dry groceries, kitchen supplies and utensils and inventory from the insured's supply store;
- (3) Canoes, kayaks, windsurfers and boats under 21 feet in length, whether in or out of the water, and related equipment and outboard motors 30 horsepower and under;
- (4) Tents, beds and bedding and camping equipment;
- (5) Personal property that is owned by you in dwellings or living quarters furnished by you to staff members;
- (6) Your musical instruments, band uniforms and athletic uniforms; and
- (7) Other similar "personal property" that is owned by you and used in your business.

With respect to the types of "personal property" or property of others described in Paragraph **E.2.a.** above, the distance from "premises" limitation does not apply.

b. Animals Used For School Teaching Activities

Owned and non-owned animals in your care, custody or control which are used as part of your school teaching activities on the described "premises".

The following exclusions apply in addition to those exclusions contained in this policy:

- (1) Sickness or disease;
- (2) Theft; or
- (3) Death arising out of, resulting from, or in any way related to testing or experiments.

3. Notwithstanding any other provision in this policy, the following is added to Definition **28**. "real property":

Miscellaneous structures and outdoor fixtures, including:

- a. Tent platforms;
- b. Pavilions and shelters;

- c. Docks, piers, floats, beach and diving platforms and appurtenances;
- d. Boats and canoe racks;
- e. Athletic backstops, artificial surfaces and enclosures;
- f. Climbing walls, climbing structures and climbing towers; however, the following is not covered: adventure courses, which are defined as rope courses, including the ropes, poles supporting structures, cables and pulleys;
- g. Swimming pools;
- h. Pumps, filters and metal smoke stacks;
- i. Above ground transmission lines;
- j. Roadways;
- k. Awnings and canopies, whether or not attached to a building; and
- l. Antennas, including satellite dishes.

F. For the purposes of the coverage provided by this endorsement, the following definitions are added to Section VI – Definitions:

- 1. "Carrier" means a person or organization that provides motor, rail or air transportation for compensation.
- 2. "Emergency" means imminent danger arising from an external event or a condition in the facility which would cause loss of life or harm to your customers, residents, "students", campers or users of your facility.
- 3. "Student" means a person who is enrolled in your school and is a direct recipient of the services provided by your school.

G. With respect to the Money And Securities Coverage Extension provided in this endorsement, Definition 9. "employees" in Section VI – Definitions is replaced by the following:

- 9. "Employees":
 - a. Means:
 - (1) Any natural person:
 - (a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any dishonest act committed by the "employee";
 - (b) Whom you compensate directly by salary, wages or commissions; and
 - (c) Whom you have the right to direct and control while performing services for you;
 - (2) Any natural person who is furnished temporarily to you to:
 - (a) Substitute for a permanent "employee" as defined in Paragraph a.(1), who is on leave; or
 - (b) Meet seasonal or short-term workload conditions; while that person is subject to your direction and control and performing services for you;
 - (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary "employee" as defined in Paragraph a.(2);
 - (4) Any natural person who is:

- (a) A trustee, officer, "employee", administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; or
- (b) Your director or trustee while that person is engaged in handling "money", "securities" or "other property" of any "employee benefit plan";
- (5) Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained by you as a consultant while performing services for you;
- (6) Any natural person who is a guest "student" or intern pursuing studies or duties;
- (7) Any natural person employed by an entity merged or consolidated with you prior to the effective date of this policy;
- (8) Any natural person who is your "manager", director or trustee while:
 - (a) Performing acts within the scope of the usual duties of an "employee"; or
 - (b) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf; and
- (9) Any non-compensated natural person:
 - (a) Other than one who is a fund solicitor, performing acts within the scope of the usual duties of an "employee"; or
 - (b) Acting as fund solicitor during fundraising campaigns;
- b. Does not mean:

Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph a. of this definition.

H. With respect to the Money And Securities Coverage Extension provided in this endorsement, the following definitions are added to **Section VI – Definitions**:

1. "Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this insurance.
2. "Employee benefit plan" means any welfare or pension benefit plan that you sponsor and that is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.
3. "Financial institution" means:
 - a. A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution; or
 - b. An insurance company.
4. "Financial institution premises" means the interior of that portion of any building occupied by a "financial institution".
5. "Manager" means a natural person serving in a directorial capacity for a limited liability company.
6. "Member" means an owner of a limited liability company represented by its membership interest who, if a natural person, may also serve as a "manager".

7. "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, "electronic data" or any property specifically excluded under this insurance.
8. "Theft" means the unlawful taking of property to the deprivation of the insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCOME LOSS CHANGES – EDUCATIONAL INSTITUTIONS

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE PART

SCHEDULE

See Schedule In Pages That Follow

A. The **Definition** of "period of restoration" is replaced by the following:

21. "Period of restoration" means the period of time that:

- a.** Begins with the date of direct physical loss or damage caused by or resulting from any "covered cause of loss" at a "premises"; and:
- a.** Ends on the earlier of:
 - (1)** The day before the opening of the next school term following the date when, with reasonable speed and similar quality, the property at the "premises" should be repaired, rebuilt or replaced; or
 - (2)** The date when the school term is resumed at a new permanent location.

"Period of restoration" includes any increased period required to repair or reconstruct the property to comply with the minimum standards due to the enforcement of any ordinance or law in force at the time of loss that regulates the construction, use or repair or requires the tearing down of any property.

However, coverage is not extended to include loss caused by or resulting from the enforcement of or compliance with any ordinance or law which requires:

- (1)** The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by pollutants or asbestos, or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (2)** 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, bacteria or asbestos. The expiration of this policy will not cut short the "period of restoration".

B. The **Supplemental Provisions for Coverage C. "Loss of Income" and Coverage D. "Extra Expense"**, Paragraph **f.** is replaced by the following. However, if the Extension Of Recovery Period Option applies, in accordance with Section **C.** of this endorsement, then the following Extended Loss of Income Supplemental Provision does not apply.

f. Extended Loss of Income

If the necessary "suspension" of your "operations" produces a "loss of income" payable under this policy, we will pay for the actual "loss of income" you sustain during the school term following the date the property is actually repaired, rebuilt or replaced, if that date is 30 days or less before the scheduled opening of the next school term.

However, Extended Loss of Income does not apply to "loss of income" incurred as a result of unfavorable business conditions caused by the impact of the "covered cause of loss" in the area where the "premises" are located.

"Loss of income" must be caused by direct physical loss or damage at the "premises" caused by or resulting from any "covered cause of loss".

- C.** If the Extension Of Recovery Period Option is indicated as applicable in the Schedule, then the following applies (instead of the Extended Loss of Income Supplemental Provision in Section **B.** of this endorsement):

Extension Of Recovery Period

If the necessary "suspension" of your "operations" produces a "loss of income" payable under this policy, we will pay for the actual "loss of income" you sustain during the number of months (as indicated in the Schedule) following the end of the "period of restoration".

However, the Extension Of Recovery Period does not apply to "loss of income" incurred as a result of unfavorable business conditions caused by the impact of the "covered cause of loss" in the area where the "premises" are located.

"Loss of income" must be caused by direct physical loss or damage at the "premises" caused by or resulting from any "covered causes of loss".

- D.** If Limited Coverage is indicated by an "X" or other notation in the Schedule, the definition of "operations" is replaced by the following: "Operations" means:

- a.** Your business activities, occurring at the "premises", which generate tuition and related fees from students, including fees from room, board, laboratories and other similar sources. "Operations" does not include:

- (1)** Bookstores;
- (2)** Athletic events;
- (3)** Activity related to research grants; or
- (4)** Business activities other than those which generate tuition and related fees from students.

- b.** The tenantability of the "premises", if coverage for "loss of income" applies to rental value.

SCHEDULE

Premises Number: 001 001

Description Of Each School Term In An Annual Period:

Per Insured's School Term

Limited Coverage

Extension Of Recovery Period Option

Premises Number: 003 001

Description Of Each School Term In An Annual Period:

Per Insured's School Term

Limited Coverage

Extension Of Recovery Period Option

Premises Number: 004 001

Description Of Each School Term In An Annual Period:

Per Insured's School Term

Limited Coverage

Extension Of Recovery Period Option

Premises Number: 006 001

Description Of Each School Term In An Annual Period:

Per Insured's School Term

Limited Coverage

Extension Of Recovery Period Option

Premises Number: 010 001

Description Of Each School Term In An Annual Period:

Per Insured's School Term

Limited Coverage

Extension Of Recovery Period Option

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

EXCLUSION — UTILITY SERVICES

This endorsement modifies insurance provided under the following:

PROPERTY COVERAGE PART

The following exclusion is added to **SECTION III. COVERED CAUSES OF LOSS, Exclusions:**

Utility Services

The failure of power, communication, water or other utility service supplied to the “premises”, however caused, if the failure originates away from the “premises”; or originates at the “premises”, but only if such failure involves equipment used to supply the utility service to the “premises” from a source away from the “premises”.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water 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”.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

Named Insured: The Pennsylvania Cyber Charter
As per Schedule of Named Insureds

Policy Number: 7NA6CP0002002-00
Policy Period: From 06/30/2024
To 06/30/2025

INLAND MARINE COVERAGE PART DECLARATIONS

SCHEDULE OF COVERAGES

<u>Description</u>	<u>Limit</u>	<u>Deductible</u>
<u>Coverage A</u>		
Blanket Tools and Equipment	not to exceed	per item
<u>Coverage B</u>		
Scheduled Equipment	See Scheduled Items	\$500
<u>Coverage C</u>		
Blanket Emergency Services Equipment		

Estimated Coverage Part Premium: \$7,457

INLAND MARINE FORMS

See Schedule of Forms and Endorsements.

Named Insured: The Pennsylvania Cyber Charter
As per Schedule of Named Insureds

Policy Number: 7NA6CP0002002-00
Policy Period: From 06/30/2024
To 06/30/2025

SCHEDULED EQUIPMENT

Actual Cash Value = ACV Replacement Cost = RC

<u>Item Description</u>	<u>Serial Number</u>	<u>Limit</u>	<u>Deductible</u>	<u>Valuation</u>
EDP	N/A	\$2,868,223	\$500	RC

INLAND MARINE COVERAGE FORM

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

Throughout this coverage part 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 **VI** - Definitions.

SECTION I - COVERAGES

Coverage A - Blanket “Tools and Equipment”

We will pay for direct physical loss or damage caused by or resulting from any “covered cause of loss” to “tools and equipment” owned by you. The most we will pay is described under Section **IV** - What We Will Pay.

Coverage B - Scheduled Equipment

We will pay for direct physical loss or damage caused by or resulting from any “covered cause of loss” to equipment owned by you that is specifically listed in the Declarations or in a schedule attached to this coverage form. The most we will pay is described under Section **IV** - What We Will Pay.

Coverage C - Blanket “Emergency Services Equipment”

We will pay for direct physical loss or damage caused by or resulting from any “covered cause of loss” to “emergency services equipment” owned by you. The most we will pay is described under Section **IV** - What We Will Pay.

SECTION II - COVERAGE EXTENSIONS

This section adds to or extends the coverage under Section **I** - Coverages. Each separately numbered provision is referred to as an extension. Except to the extent specifically stated otherwise in an extension:

- a. Each extension is limited to direct physical loss or damage caused by or resulting from any “covered cause of loss”;
- b. The limits in each extension are in addition to the limits applicable to Section **I** - Coverages; and
- c. All other applicable terms and conditions of this coverage form apply to each extension.

1. Debris Removal Expenses

- a. We will pay your debris removal expenses if they are reported to us within 180 days after the date of direct physical loss or damage. Debris removal expense means expense you incur in removing debris of covered “tools and equipment”, “emergency services equipment”, or scheduled equipment after direct physical loss or damage caused by or resulting from any “covered cause of loss”. Debris removal expense does not include “remediation expense” or any expense related to the removal of “fungus”, wet rot, dry rot, bacteria or asbestos.
 - b. The most we will pay under this extension in any one occurrence is \$15,000.
- 2. “Tools and Equipment” Owned by Your “Employees”**
- a. **Coverage A - Blanket “Tools and Equipment”** is extended to include direct physical loss or damage to “tools and equipment” belonging to your “employees” or volunteers caused by or resulting from any “covered cause of loss”, provided the loss or damage occurs during the course of your “operations”. This coverage will only apply if no other insurance coverage is available to the owner of the “tools and equipment”.
 - b. The most we will pay under this extension in any one occurrence is \$25,000.
 - c. No deductible will apply under this extension.
- 3. Emergency Services and Law Enforcement “Personal Effects”**
- a. **Coverage C - Blanket “Emergency Services Equipment”** is extended to include direct physical loss or damage to “personal effects” belonging to your emergency service or law enforcement “employees” or volunteers caused by or resulting from any “covered cause of loss”, provided the loss or damage occurs while such individuals are away from your premises and enroute to, performing, or returning from any official emergency service or law enforcement duty authorized by you.
 - b. The most we will pay under this extension in any one occurrence is the actual “replacement cost” for the lost or damaged “personal effects”.
 - c. This coverage is primary and will apply regardless of any other insurance coverage which may be available to the owner of the “personal effects”.
 - d. No deductible will apply under this extension.
- 4. Rented or Borrowed Equipment**
- a. **Coverage A - Blanket “Tools and Equipment”** and **Coverage C - Blanket “Emergency Services Equipment”** are extended to include direct physical loss or damage to “tools and equipment” and “emergency services equipment” not owned by you, but that is temporarily in your possession, caused by or resulting from any “covered cause of loss”.
 - (1) The most we will pay under extension **4.a.** in any one occurrence is the lesser of the replacement cost of the item(s) or \$10,000.
 - (2) A \$1,000 deductible applies to extension **4.a.**
 - b. **Coverage B - Scheduled Equipment** is extended to include direct physical loss or damage to equipment not owned by you, but that is temporarily in your possession, caused by or resulting from any “covered cause of loss”. For the purpose of this extension only, such equipment will be considered as scheduled equipment while in your possession.
 - (1) The most we will pay under extension **4.b.** in any one occurrence is the lesser of the “actual cash value” of the damaged equipment or \$100,000.
 - (2) A \$1,000 deductible applies to extension **4.b.**
 - c. The coverage provided by this extension is primary.

5. Newly Acquired Scheduled Equipment

- a. **Coverage B - Scheduled Equipment** is extended to include direct physical loss or damage caused by or resulting from any “covered cause of loss” to newly acquired equipment for use in your “operations”.
- b. This automatic extension of coverage will apply for a period of 30 days from the date of acquisition on a “replacement cost” basis, not to exceed the purchase price of the newly acquired equipment. Coverage will cease for the newly acquired equipment at the earliest of 30 days from the date of acquisition, or when this coverage part is cancelled or nonrenewed.
- c. A \$1,000 deductible applies to this extension.

6. “Personal Watercraft” and “Watercraft”

- a. **Coverage A - Blanket “Tools and Equipment”** and **Coverage C - Blanket “Emergency Services Equipment”** are extended to include direct physical loss or damage to “personal watercraft” or “watercraft” owned by you, caused by or resulting from a “covered cause of loss”.
- b. This extension applies to all such “personal watercraft” or “watercraft” that is either not powered by a motor or engine or is powered by a motor or combination of motors of 100 horsepower or less, regardless of whether the motor is inboard, outboard, or inboard/outboard.
- c. This extension does not apply to any “personal watercraft” or “watercraft” that is listed under **Coverage B - Scheduled Equipment**.
- d. We will pay up to the “replacement cost” of any “personal watercraft” or “watercraft”, but the most we will pay under this extension is \$25,000 in any one occurrence.

7. Rental Reimbursement for Scheduled Equipment

- a. **Coverage B - Scheduled Equipment Coverage** is extended to reimburse you for the expenses you incur to rent substitute equipment while your scheduled equipment is inoperable due to direct physical loss or damage caused by or resulting from a “covered cause of loss”.

This coverage will only apply if:

- (1) You make every reasonable effort to repair, replace, or rebuild such equipment; and
 - (2) You are unable to continue or resume your operations with similar equipment that is available to you at no additional expense to you.
- b. We will pay your rental expenses incurred during the period of time that:
 - (1) Begins 72 hours after the loss occurs; and
 - (2) Ends the soonest of the following:
 - (a) when the damaged equipment has been replaced;
 - (b) when the damaged equipment has been repaired; or
 - (c) when the damaged equipment is no longer required.
 - c. If this policy expires before we have paid you all the rental reimbursement to which you are entitled, we will continue to make payments after the expiration date.
 - d. The most we pay under this extension in any one occurrence is \$10,000.
 - e. No deductible applies to this coverage.

8. “Unmanned Aircraft”

- a. We will pay for direct physical loss or damage to “unmanned aircraft” owned by you or furnished to you for your regular use, resulting from a “covered cause of loss”.
- b. Coverage is not provided:
 - (1) While “unmanned aircraft” is rented, leased, or loaned to others without an operator who is your “employee” or volunteer; or
 - (2) While being used in any professional or organized racing or demolition contest or stunting activity, or while practicing or preparing for such contest or activity; or
 - (3) While not used in the insured’s “operations”.
- c. Subject to the limit shown in **8.d.**, below, we will pay the “replacement cost” of the lost or damaged “unmanned aircraft” in excess of the deductible, but not more than the lesser of:
 - (1) The amount which you actually spend to repair or replace the lost or damaged “unmanned aircraft” with “unmanned aircraft” of comparable kind and quality; or
 - (2) The “replacement cost” of the lost or damaged “unmanned aircraft”.
- d. The most we will pay under this extension in any one occurrence is \$25,000.
- e. A \$500 deductible applies to this extension.

9. Fire Department Charges

- a. We will pay up to \$1,000 in any one occurrence for fire department charges as a result of direct physical damage to your “tools and equipment”, scheduled equipment or “emergency services equipment” due to a “covered cause of loss”.
- b. No deductible applies to this extension.

10. Fire Extinguishing Equipment Recharge Costs

- a. We will pay the necessary and reasonable cost to recharge or refill your fire extinguishing equipment, including both hand-held extinguishers and fixed automatic extinguishing systems, as a result of:
 - (1) Their discharge as a result of a “covered cause of loss”; or
 - (2) Their accidental discharge in the absence of a “covered cause of loss”.
- b. This extension applies regardless of whether the fire extinguishing equipment itself is damaged.
- c. The fire extinguishing equipment must be for the protection of your “tools and equipment”, scheduled equipment or your “emergency services equipment”.
- d. No deductible applies to this extension.

SECTION III - COVERED CAUSES OF LOSS

“Covered cause of loss” means any cause of direct physical loss or damage except as excluded below.

Exclusions

This coverage part does not apply to loss or damage caused by or resulting directly or indirectly from the following causes, or occurring in the following situations. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently with or before, during, or after the loss or damage.

But we will cover resulting fire or explosion, meaning a fire or explosion that results from any cause of loss other than “war”, whether or not that cause of loss itself is covered under this coverage part.

1. Asbestos

Loss or damage resulting from asbestos or asbestos-containing materials, unless the damage from asbestos is caused by or results from your “emergency operations” conducted away from premises owned or occupied by you.

2. Delay, Loss of Use

Delay and loss of use or because you can no longer sell or use property.

3. Dishonesty

Dishonest acts or omissions of you or your elected or appointed public officials, “employees”, or volunteers, or anyone authorized to act for you, or anyone to whom you entrust property, whether an individual is acting alone or in collusion with others.

4. Faulty Design

Faulty, inadequate, or defective design, specifications, workmanship and material including the cost of correcting any faulty design, workmanship, material, manufacture or installation, alteration, repair or work on covered “tools and equipment”, “emergency services equipment” or scheduled equipment. This exclusion does not apply to loss or damage that results from any of these, if the loss or damage occurs in connection with any cause of loss not otherwise excluded by this policy.

5. “Fungus”, Wet Rot, Dry Rot or Bacteria

The presence, growth, proliferation, spread or any activity of “fungus”, wet rot, dry rot or bacteria, including loss, damage or “remediation expenses” resulting from any of these.

6. Inherent Vice

A natural condition of property that causes it to deteriorate or become damaged. Examples of inherent vice are the yellowing and cracking of old paper, patina that forms on old bronze and the swelling of wood under moist conditions.

7. Latent Defects

Faults or defects in the property itself.

8. Mechanical Breakdown

Mechanical Breakdown.

9. Mysterious Disappearance

Mysterious disappearance of property or an inventory shortage.

10. Neglect

Neglect means your failure to take all reasonable steps to protect your “tools and equipment”, “emergency services equipment”, or scheduled equipment when it is threatened with loss or damage and to take all reasonable steps to protect your “tools and equipment”, “emergency services equipment” or scheduled equipment from further loss after loss or damage occurs. This exclusion does not apply to the use of your “tools and equipment”, “emergency services equipment” or scheduled equipment used in “emergency operations”.

11. “Nuclear Activity”

12. Pollution

Pollution or contamination including the actual, alleged or threatened presence, discharge, seepage, migration, release or escape of “pollutants” unless caused by a “specified cause of loss” or by your

“training operations”, or by your “emergency operations” conducted away from premises owned or occupied by you.

13. “War”

14. Wear and Tear

Wear and tear, deterioration, rust, corrosion, marring or scratching, erosion, decomposition, and decay.

SECTION IV - WHAT WE WILL PAY

A. Limits of Insurance

1. For **Coverage A - Blanket “Tools and Equipment”**, the most we will pay for loss or damage in any one occurrence is the applicable blanket Limit of Insurance shown in the Declarations. However, the most we will pay for any single item including its attached devices and accessories, is \$10,000.
2. For **Coverage B - Scheduled Equipment**, the most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations or in an attached schedule for the scheduled item.
3. For **Coverage C - Blanket “Emergency Services Equipment”**, the most we will pay for loss or damage in any one occurrence is the applicable blanket Limit of Insurance shown in the Declarations.
4. If an item is scheduled under **Coverage B - Scheduled Equipment**, there is no coverage for such item under **Coverage A** or **Coverage C**.

B. Deductible

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the applicable deductible for each coverage as indicated in the declarations. We will then pay the amount of loss or damage in excess of the deductible, up to the applicable Limit of Insurance.
 - a. If loss under both **Coverage A** and **Coverage C** applies to any one occurrence, only one deductible, the largest, will apply to the **Coverage A** and **Coverage C** loss.
 - b. If loss under **Coverage B** involves more than one scheduled item in any one occurrence, only one deductible, the largest, will apply to the **Coverage B** loss.
2. **Deductible Waiver.** If a loss covered under **Coverage A** and/or **Coverage C** of this coverage form also involves a loss under a Property Coverage Form or a Business Auto Policy issued to you by us, only one deductible, the largest, will be applied to the loss. The deductible under the other coverage form or policies will be waived. This provision does not include any **Coverage B** loss.

C. Valuation

1. Coverage A Valuation - Replacement Cost

In the event of loss or damage, we will determine the value of property under **Coverage A - Blanket “Tools and Equipment”** as follows:

- a. We will pay the “replacement cost” of the lost or damaged “tools and equipment” in excess of the deductible, but not more than the smallest of the following:
 - (1) The amount which you actually spend to repair or replace the lost or damaged “tools and equipment” with “tools and equipment” of comparable kind and quality;
 - (2) The “replacement cost” of the lost or damaged “tools and equipment”; or
 - (3) The limit shown in the Declarations for “tools and equipment”.
- b. You may substitute “tools and equipment” of a different kind or quality and still comply with the “replacement cost” provision, but we will not pay more than the cost to repair or replace the lost or damaged “tools and equipment” with “tools and equipment” of comparable kind and quality.

2. Coverage B Valuation - Replacement Cost or Actual Cash Value

In the event of loss or damage, we will determine the value of property under **Coverage B - Scheduled Equipment** as follows:

- a. If “replacement cost” valuation is indicated in the Schedule, we will not pay more than the limit applicable to the lost or damaged scheduled equipment. Subject to that limit, we will pay the “replacement cost” of any loss or damage to the scheduled equipment in excess of the deductible, so long as:
 - (1) The loss or damage to the scheduled equipment is actually repaired or replaced;
 - (2) The repairs to or replacement of the scheduled equipment are made within one year of the loss or damage;
 - (3) The repairs or replacements restore the scheduled equipment to the same use; and
 - (4) The repairs to or replacement of the scheduled equipment are of the same kind and quality as the scheduled equipment suffering the loss or damage. You may substitute equipment of a different kind or quality, but we won't pay more than what it would cost to repair or replace the loss or damage to the scheduled equipment with equipment of comparable kind and quality.
- b. If “replacement cost” does not apply, we will pay for loss or damage on the basis of the “actual cash value” of the scheduled equipment at the time of loss. The most we will pay for loss or damage to the scheduled equipment valued by the “actual cash value” method is the smallest of the following:
 - (1) The coverage limit which applies to the scheduled equipment;
 - (2) The “actual cash value” of the lost or damaged scheduled equipment; or
 - (3) The amount which you actually spend to repair or replace the lost or damaged scheduled equipment with equipment of comparable kind or quality. You may substitute equipment of a different kind or quality, but we won't pay more than what it would cost to replace the lost or damaged equipment with equipment of comparable kind and quality.
- c. If “replacement cost” valuation is indicated in the Schedule, 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. If you elect to have loss or damage settled on an “actual cash value” basis, you may still make a claim on a “replacement cost” basis at any time within one year after the loss. However, you will only have this privilege if you comply with all the requirements of the “replacement cost” provisions.

3. Coverage C Valuation - Guaranteed Replacement Cost

In the event of loss or damage under **Coverage C - Blanket "Emergency Services Equipment"**, we will determine the value of property on a guaranteed "replacement cost" basis, as follows:

- a. We will pay the entire "replacement cost" of the lost or damaged "emergency services equipment", or the cost to repair or replace the damaged "emergency services equipment", whichever is smaller, in excess of the deductible, provided you accurately report to us at policy inception and within 30 days after acquisition, the number and "types of vehicles" which carry "emergency services equipment" owned by you.
- b. You may substitute "emergency services equipment" of a different kind or quality, but we won't pay more than the cost to repair or replace the lost or damaged "emergency services equipment" with "emergency services equipment" of comparable kind and quality.
- c. Our estimated value of the total "replacement cost" of all "emergency services equipment" is based on the number and "types of vehicles" reported by you which carry "emergency services equipment" owned by you.
- d. If you do not accurately report the number and "types of vehicles" set forth in paragraph **3.a.** above, we will determine the most we will pay using the following steps:
 - (1) Calculate the estimated value of your "emergency services equipment" based on the number and "types of vehicles" you reported to us.
 - (2) Calculate the estimated value of your "emergency services equipment" had the number and "types of vehicles" been accurately reported to us.
 - (3) Divide the amount calculated in step (1) by the amount calculated in step (2).
 - (4) Multiply the resulting proportion by the total amount of the loss.
 - (5) Subtract the applicable deductible.

We will pay the amount determined in step (5). For the remainder of any loss, you will have to rely on other insurance or absorb the loss.

SECTION V - CONDITIONS

The following apply in addition to the Common Policy Conditions.

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we cannot agree with you on the amount of the loss, either of us can demand that the following procedure be used to settle the amount.

- a. You or we will request in writing that the dispute be submitted to appraisal within 60 days from the time we receive your proof of loss. Each will then select an appraiser and notify the other of that choice within 20 days of the initial request.
- b. The appraisers will select an impartial umpire. If they cannot agree on an umpire within 15 days, either you or we can ask that an umpire be appointed by a judge of a court having jurisdiction in the county where the property is located.
- c. The appraisers will appraise each item for its value at the time of loss and the amount of loss. If they can't agree, they will submit any differences to the umpire. An agreement in writing by any two of these three will determine the amount of the loss.

- d. You will pay your appraiser and we will pay ours. Each will share equally any other costs of the appraisal and the umpire.
- e. We will not surrender our rights by any act we take relating to an appraisal.

3. 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:

- a. This coverage part;
- b. The covered property;
- c. Your interest in the covered property; or
- d. A claim under this coverage part.

4. 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.

5. 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 property insured under this coverage part:

- (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 property from further damage by a "covered cause of loss". If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses for emergency and temporary repairs, for consideration in the settlement of the claim. This will not increase the Limit of Insurance.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values, and amount of loss claimed. However, if the total claim for any loss is less than \$10,000, you are not required to provide an inventory of the undamaged property.
- (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.

6. Insurance Under Two or More Coverages

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

7. Legal Action Against Us

No one may bring a legal action against us under this coverage part unless:

- a. There has been full compliance with all of the terms of this coverage part; and
- b. The action is brought within two years after the date on which the direct physical loss or damage occurred.

8. Loss Payment

- a. In the event of loss or damage covered by this coverage part, 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;
 - (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.
- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the property.
- d. 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 property.
- e. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- f. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if:
 - (1) You have complied with all of the terms of this coverage part; and
 - (2) We have reached agreement with you on the amount of loss, or an appraisal award has been made.

9. No Benefit to Bailee

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

10. Other Insurance

- a. 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.
- b. If there is other insurance covering the same loss or damage, other than that described in **a.** 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 it or not. But we will not pay more than the applicable Limit of Insurance.

11. Policy Period, Policy Territory

We will cover loss or damage commencing:

- a. During the policy period shown in the Declarations; and
- b. Within the policy territory. Policy territory means the United States, its territories and possessions, Puerto Rico and Canada.

12. 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.

13. 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:

- a. Prior to a loss to your covered property;
- b. After a loss to your covered property only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) An organization owned by or controlled by you;
 - (3) An organization that owns you or controls you; or
 - (4) Your tenant.

This will not restrict your insurance.

SECTION VI – DEFINITIONS

1. "Aircraft" means aircraft, other than "unmanned aircraft", except those that are:
 - a. On the ground for display or instructional purposes;
 - b. Not self-propelled; and
 - c. Not certified for flight.

However, this does not include detached aircraft engines, parts, accessories and equipment.

2. "Actual cash value" is calculated as the amount it would cost to repair or replace damaged or destroyed equipment, at the time of loss or damage, with equipment of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. "Actual cash value" applies to the valuation of equipment regardless of whether that equipment has sustained partial or total loss or damage. The "actual cash value" of such equipment may be significantly less than its "replacement cost".
3. "Computer equipment" means your programmable electronic equipment that is used to store, retrieve and process "electronic data". It includes their component parts and air conditioning, fire suppression equipment and electrical equipment used exclusively in your computer operations as well as associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as "electronic data" transmission.
4. "Covered cause of loss" is defined in Section III - Covered Causes Of Loss.
5. "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.
6. "Emergency operations" means actions performed by members of law enforcement, a fire department, hazardous materials unit, or first aid, ambulance or rescue squad, which are urgent responses for the protection of property, human life, health or safety.

7. "Emergency services equipment" means portable law enforcement, firefighting, ambulance, rescue, and communications equipment commonly used in law enforcement, firefighting, or rescue operations away from your premises. This term includes equipment specific to law enforcement, firefighting, or rescue related activities, such as firearms, radar speed timing units, training videos, manuals and mannequins, including trailers whose primary purpose is to transport covered "emergency services equipment".

"Emergency services equipment" does not include:

- a. "Tools and equipment" that are not commonly used in activities specified above;
 - b. "Aircraft", its parts or accessories;
 - c. Animals;
 - d. "Computer equipment" or software or other "electronic data" processing equipment except when such equipment is intended for use off your premises in actual "emergency operations" or in training for "emergency operations";
 - e. "Fine arts or property that is rare or that has historic or artistic value, including antiques or rare articles;
 - f. Jewelry (except watches);
 - g. "Money" and "securities";
 - h. "Personal effects" belonging to you or your officers, managers, elected or appointed officials, "employees", or volunteers, other than individually owned portable law enforcement, firefighting, ambulance, or rescue related equipment;
 - i. "Personal property" including contents and building fixtures;
 - j. Televisions, video cassette recorders, and other audio-visual equipment except when such equipment is intended for use off your premises in actual "emergency operations" or in training for "emergency operations";
 - k. "Unmanned aircraft";
 - l. "Valuable papers and records";
 - m. "Vehicles";
 - n. "Watercraft" or "personal watercraft" except as provided for in **Extension 6**. for **Coverage C**, or in an attached schedule for **Coverage B**; or
 - o. Property or equipment covered under another coverage form of this or any other policy in which it is more specifically described.
8. "Employees" are people who work for you in the conduct of your ordinary activities, in return for a salary, wages or commissions. In order to be considered an "employee", a person must be subject to your exclusive direction in the performance of his or her activities. Contractors and agents are not considered to be "employees".
9. "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.
10. "Money" means currency, coins, bank notes, bullion, traveler's checks, registered checks and money orders held for sale.
11. "Nuclear activity" means loss from nuclear reaction, nuclear radiation or radioactive contamination, whether deliberate or accidental, controlled or uncontrolled, and whether or not the loss is direct or indirect, proximate or remote, or is contributed to or aggravated by a "covered cause of loss". But it does not include explosion, fire or smoke.

12. "Operations" means your business activities or your activities as a local government unit including law enforcement, firefighting, ambulance or rescue services.
13. "Personal effects" means property that belongs to an individual and is devoted primarily to that individual's personal use; for example, clothing, eyeglasses, or individually owned portable law enforcement, firefighting, ambulance, or rescue related equipment.
- "Personal effects" does not include:
- a. "Aircraft" or its parts, accessories and equipment or "unmanned aircraft";
 - b. Animals;
 - c. Fine arts or property that is rare or that has historic or artistic value, including antiques or rare articles;
 - d. Jewelry, (except watches);
 - e. "Money" and "securities";
 - f. "Vehicles"; or
 - g. "Watercraft" and "personal watercraft".
14. "Personal property" means all property used in your "operations", other than "real property", including but not limited to furnishings and office equipment, materials, supplies (including your inventory of "vehicle" parts and supplies) while held on your premises awaiting installation, building contents, "computer equipment", communication systems, base stations and dispatching systems.
15. "Personal watercraft" means a vessel used in your "operations" which uses an inboard motor powering a water jet pump as its primary source of motive power, and which is designed to be operated by a person sitting, standing, or kneeling on the vessel, rather than the conventional manner of sitting or standing inside the vessel.
16. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including vapor, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
17. "Real property" means "items" at a "premises" including:
- a. Aboveground piping;
 - b. Aboveground and belowground "penstock";
 - c. Additions under construction;
 - d. Air cascade units that are not designed to be used off "premises";
 - e. All appurtenant buildings or structures other than playground equipment, park shelters, pedestrian-only bridges, picnic tables, water fountains or coolers, benches, dugouts, bleachers, or scoreboards;
 - f. Alterations and repairs to the buildings or structures;
 - g. Completed additions;
 - h. Exterior signs, meaning neon, automatic, mechanical, electric or other signs either attached to the outside of a building or structure, or standing free in the open;
 - i. Foundations;
 - j. Materials, equipment, supplies and temporary structures you own or for which you are responsible, on the "premises" or in the open (including property inside "vehicles") within 1,000 feet of the "premises", used for making additions, alterations or repairs to buildings or structures at the "premises";
 - k. Outdoor fixtures;

- l. Paved surfaces such as sidewalks, bike paths, walkways, patios or parking lots;
- m. Permanently installed fixtures, machinery, and equipment;
- n. "Personal property" used for the maintenance and service of buildings or structures, including tools, lawn care equipment, and free standing appliances for refrigerating, ventilating, cooking, dishwashing and laundering;
- o. Submersible pumps, pump motors and engines; or
- p. Underground piping located on or within 100 feet of a "premises" described in the Declarations.

"Real property" does not include:

- a. Canals, ditches, flumes or aqueducts;
- b. Dams, locks, levees, or reservoirs;
- c. Docks, wharves, piers, pilings or bulkheads;
- d. Electric utility power transmission and distribution lines, poles and related equipment;
- e. Excavations, grading, or filling;
- f. Foundations of machinery or boilers if the foundations are below the lowest basement floor or the surface of the ground, if there is no basement;
- g. Land, including land on which the property is located;
- h. Pump motors and engines exceeding 1,000 horsepower capacity;
- i. Roadways or bridges;
- j. "Tools and equipment";
- k. Trees, shrubs, plants and lawns except as described in Section II - Coverage Extensions;
- l. Underground flues, drains or well structures;
- m. Underground piping located more than 100 feet from the "premises" described in the Declarations; or
- n. Water.

18. "Remediation expenses" are expenses incurred for or in connection with the investigation, monitoring, removal, disposal, treatment, or neutralization of pollution conditions to the extent required by:

- a. Federal, state or local laws, regulations or statutes, or any subsequent amendments thereof, enacted to address pollution conditions; or
- b. A legally executed state voluntary program governing the cleanup of pollution conditions.

Pollution conditions means the discharge, dispersal, release, seepage, migration, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, hazardous materials, waste materials (including medical, infectious and pathological wastes) or electromagnetic fields into or upon land or any structures thereon, the atmosphere, or any watercourse or body of water including groundwater.

19. "Replacement cost" is calculated as the amount it would cost, following direct physical loss or damage, to replace covered equipment with equipment of the same kind and quality, determined at the time of loss, without deduction for deterioration, depreciation or obsolescence.

20. "Securities" means negotiable and non-negotiable instruments or contracts that represent property or obligations to pay "money". Stamps, including revenue stamps, are "securities"; so are tokens and tickets. However, stamps are covered only for their face value. "Money" is not considered to be "securities".

21. "Sinkhole collapse" means sudden sinking or collapse of land into underground empty space created by the action of water on limestone or similar rock formations. "Sinkhole collapse" does not include the cost of filling sinkholes.
22. "Specified cause of loss" means fire, lightning, windstorm or hail, explosion, riot or civil commotion, "vehicles" or aircraft, smoke, sonic boom, vandalism and malicious mischief, "sprinkler leakage", "sinkhole collapse", "volcanic action", falling objects, or weight of ice, snow or sleet.
23. "Sprinkler leakage" means leakage or discharge of any substance from an automatic sprinkler system. It includes the collapse or fall of a tank that is part of a plumbing or an automatic sprinkler system. It also includes damage caused by breakage or freezing to parts of an automatic sprinkler system installed in a building, if "sprinkler leakage" results from such damage.
24. "Tools and equipment" means all tools and equipment, together with attached devices, accessories and trailers that are used in your "operations". "Tools and equipment" includes, but is not limited to, hand tools, mechanics tools, power tools, meter readers, generators, air compressors, welders, trash pumps, trenchers, saws, jack hammers, maintenance or diagnostic equipment including specialized audio-visual equipment and its associated laptop, as well as recreational equipment, such as outdoor portable seating, temporary stands, food service trailers not licensed for road use, or portable restrooms.

"Tools and equipment" also includes mobile equipment such as, but not limited to, bulldozers, mobile equipment that travels on crawler treads, tractors, loaders, backhoes, excavators, graders, or road surfacing equipment, and equipment whether self propelled or not, maintained primarily to provide mobility to permanently mounted cranes, shovels, loaders, diggers, and drills.

"Tools and equipment" also includes snow plows, salt spreaders, and other similar equipment when not attached to a "vehicle".

"Tools and equipment" does not include the following:

- a. "Aircraft", its parts and accessories and "unmanned aircraft", except "unmanned aircraft" as provided for in **Extension 8** for **Coverage A**;
- b. Animals;
- c. "Emergency services equipment";
- d. Fine arts;
- e. Jewelry;
- f. "Money" and "securities";
- g. "Personal effects" belonging to you or your officers, managers, elected or appointed officials, "employees", or volunteers;
- h. "Personal property", other than laptops as described above;
- i. "Real property";
- j. Scheduled equipment listed under **Coverage B**;
- k. Televisions, video cassette recorders, and other audio-visual equipment other than the specialized audio-visual equipment described above;
- l. "Valuable papers and records";
- m. "Vehicles";
- n. "Watercraft" or "personal watercraft" except as provided for in **Extension 6** for **Coverage A**, or in an attached schedule for **Coverage B**; or
- o. Property or equipment covered under another coverage form of this or any other policy in which it is more specifically described.

25. "Training operations" means activities used to prepare, train, or instruct members of law enforcement, a fire department, hazardous materials unit, or first aid, ambulance or rescue squad in accepted and recognized emergency procedures, including municipal, state and federal standards.
26. "Types of vehicles" means various categories of vehicles commonly used in law enforcement, firefighting, ambulance or rescue operations, such as pumpers, brush trucks, aerial devices, rescue trucks, law enforcement vehicles or advanced life support ambulances.
27. "Unmanned aircraft" means an aircraft weighing 15 pounds or less, that is not:
- Designed;
 - Manufactured; or
 - Modified after manufacture;
- to be controlled directly by a person from within or on the aircraft.
- "Unmanned aircraft" includes equipment used with such "unmanned aircraft", provided such equipment is attached to or essential for its operation. Payload (camera) is included only when in connection to, stored with, or in use with the drone.
28. "Valuable papers and records" are documents that are written, printed, or otherwise inscribed. These include:
- Books, manuscripts, abstracts, maps and drawings;
 - Film and other photographically produced records, such as slides and microfilm; and
 - Legal and financial agreements such as deeds and mortgages.
29. "Vehicle" means vehicles or their parts, accessories, and equipment if the vehicles are required by law to be licensed for highway use.
30. "Volcanic action" means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:
- Airborne volcanic blast or airborne shock waves;
 - Ash, dust or particulate matter; or
 - Lava flow.
- All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.
- But "volcanic action" does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to covered property.
31. "War" means any of the following:
- War, including undeclared or civil war;
 - Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
32. "Watercraft" means any watercraft used in your "operations", including its motor, parts, accessories and equipment, but does not include "personal watercraft".

Named Insured: The Pennsylvania Cyber Charter Policy Number: 7NA6CP0002002-00
As per Schedule of Named Insureds Policy Period: From 06/30/2024
To 06/30/2025

GENERAL LIABILITY COVERAGE PART DECLARATIONS

LIMITS OF INSURANCE

Each Occurrence	\$1,000,000
Damage to Premises Rented to You	\$1,000,000
Medical Expense	\$10,000
Personal and Advertising Injury	\$1,000,000
General Aggregate	\$3,000,000
Products – Completed Operations Aggregate	\$3,000,000

Coverage A – Bodily Injury and Property Damage Liability
Coverage B – Personal and Advertising Injury Liability

Estimated Coverage Part Premium: \$97,223.00

GENERAL LIABILITY FORMS

See Schedule of Forms and Endorsements.

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.

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 coverage part 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 coverage part. The words “we”, “us” and “our” refer to the company providing this insurance. The words “policy period” mean the term of duration of the policy shown in the Declarations.

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 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 “bodily injury” or “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., Paragraph 2.a., or Paragraph 2.f. of Section II - Who Is An Insured and no insured authorized by you to give or receive notice of an “occurrence” or claim, knew or had reason to know that the “bodily injury” or “property damage” had occurred in whole or in part. If any such persons knew or had reason to know, prior to the policy period, that the “bodily injury” or “property damage” occurred in whole or part, 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 to have occurred 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., Paragraph 2.a., or Paragraph 2.f. of Section II - Who Is An Insured or any insured 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 when any insured listed under Paragraph 1., Paragraph 2.a., or Paragraph 2.f. of Section II - Who Is An Insured or any insured 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 Applicable to Coverage A

This insurance does not apply to:

a. Aircraft, Auto Or Watercraft

“Bodily injury” or “property damage” arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than “unmanned 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 (other than “unmanned 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 not being used to carry persons or property for a charge;
- (3) Liability assumed under any “insured contract” for the ownership, maintenance or use of aircraft or watercraft;
- (4) A watercraft you own that is:
 - (a) Powered by a motor or combination of motors of 100 horsepower or less;
 - (b) Not powered by a motor; or
 - (c) A “personal watercraft”.
- (5) 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; or
- (6) “Bodily injury” or “property damage” arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of “mobile equipment” if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
 - (b) The operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of “mobile equipment”.

b. Asbestos

Any injury, damage, expense, cost, loss, liability or legal obligation arising out of or in any way related to asbestos or asbestos-containing materials, or exposure thereto, or for the costs of abatement, mitigation, removal, elimination or disposal of any of them.

This exclusion does not apply to:

(1) "Bodily injury" or "property damage" arising from; or

(2) The costs of abatement, removal or disposal of;

asbestos released as a result of "emergency service activity" or "training operations" away from premises which are either owned by, rented to, or occupied by any insured.

c. Chromated Copper Arsenate (CCA)

"Bodily injury" or "property damage" arising from any loss, cost or expense arising out of or resulting from, either directly or indirectly, chromated copper arsenate (CCA).

However, this exclusion does not apply if all of the following conditions have been met:

(1) There is a maintenance program in place and operating that includes the annual sealing of all CCA treated wood surfaces with a weather resistant polyurethane or oil-based semi-transparent stain; and

(2) An absorbent ground cover is in place under the CCA treated wood structures; and

(3) Records of when the work was performed and the type of sealant utilized are maintained.

d. 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.

e. Dam, Reservoir Or Levee Structural Failure Or Collapse

"Bodily injury" or "property damage", loss, cost or expense arising directly or indirectly out of the structural failure, collapse, bursting, flooding, cracking, settling, seepage, underseepage, spillage, subsidence, landslide or other earth movement of any dam, reservoir, levee, or dike owned, operated, maintained, constructed or controlled by any insured.

This exclusion does not apply to "bodily injury" or property damage", loss, cost or expense arising directly or indirectly out of the structural failure, collapse, bursting, flooding, cracking, settling, spillage, subsidence, landslide or other earth movement of any dam, reservoir, levee or dike which is scheduled in the coverage Declarations.

f. 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.

g. 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 “specified perils”) to premises, including the contents of such premises, rented or loaned to you for a period of 30 or fewer consecutive days. The Each Occurrence Limit shown in the Declarations will apply to this coverage.

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.

Paragraphs (3) and (4) of this exclusion do not apply to “mobile equipment” borrowed or commandeered by you in connection with emergency operations.

Paragraph (4) of this exclusion does not apply to “property damage” to personal property belonging to anyone receiving service from any insured during an “emergency service activity” because of loss by theft, physical damage or disappearance of such property during the period beginning when “volunteer workers” or “employees” of the insured arrive on the scene or while they are rendering service to others and ending when they either leave the scene, complete their service, or transfer care of a transported patient to others. This insurance does not apply to that portion of any loss for which the Named Insured has other valid and collectible insurance. The limit of the company’s liability is the Each Occurrence Limit stated in the Declarations, subject to a \$100 deductible each “occurrence”.

Paragraphs (5) and (6) of this exclusion do not apply to “property damage” resulting from actions taken to protect persons or property during an “emergency service activity” or “law enforcement activity”.

Paragraph (6) of this exclusion does not apply to “property damage” included in the “products-completed operations hazard”.

h. Damage To Your Product

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

i. 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.

j. Distribution and Recording 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 Transactions 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.

k. 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.

However, this exclusion does not apply to liability for damages because of “bodily injury”.

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.

l. Employer’s Liability

“Bodily injury” to:

- (1) An “employee” of the insured arising out of or in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's operations;
- (2) A “volunteer worker”, if you provide or are required to provide benefits for such “volunteer worker” under any workers' compensation, disability benefits, or unemployment compensation law, or any similar law; or
- (3) The spouse, child, parent, brother or sister of that “employee” or “volunteer worker” as a consequence of (1) or (2) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and 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”.

m. Employment Practices And Employee Benefit Plans

“Bodily injury” or “property damage” arising out of your “employment practices” or the “administration” of your “employee benefit plans”.

n. 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 reasonable actions taken to protect persons or property.

o. Fungi Or Bacteria

(1) Any injury or damage which would not have occurred or 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 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.

(3) This exclusion does not apply:

(a) To any “fungi” or bacteria that are, are on, or are contained in a good or product intended for consumption; or

(b) To any injury or damage arising out of or caused by your water or wastewater treatment process or sewage operations.

p. Law Enforcement Activity

Damages arising out of any “law enforcement activity”.

q. Lead, Electromagnetic Radiation, Nuclear Material

(1) Any injury, damage, expense, cost, loss, liability or legal obligation arising out of or in any way related to:

(a) The toxic properties of lead, or any material or substance containing lead with the exception of “potable water” which you supply to others; or

(b) Electromagnetic radiation;

or exposure thereto, or for the costs of abatement, mitigation, removal, elimination, or disposal of any of them.

(2) Any loss, cost or expense arising out of any actual, alleged or threatened injury or damage to any person or property from any radioactive matter or nuclear material.

r. 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.

s. Personal And Advertising Injury

“Bodily injury” arising out of “personal and advertising injury”.

t. Pollution

Any injury, damage, expense, cost, loss, liability or legal obligation arising out of or in any way related to pollution, however caused. Pollution includes the actual, alleged, or potential

presence in or introduction into the environment of any substance if such substance has, or is alleged to have, the effect of making the environment impure, harmful or dangerous. Environment includes any air, land, structure (or the air within), watercourse or other body of water, including underground water.

(1) This exclusion does not apply:

- (a)** To “bodily injury” if sustained within a building which is or was at any time owned or occupied by, or rented or loaned to, any insured and is caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests.
- (b)** To “bodily injury” or “property damage” arising out of heat, smoke or fumes from a “hostile fire” unless that “hostile fire” occurred or originated:
 - i.** At any premises, site or location which is or was at any time used by any insured or others for the handling, storage, disposal, processing or treatment of waste; or
 - ii.** At 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 to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, “pollutants” except to the extent coverage is provided in Paragraph **(c)** below.
- (c)** To “bodily injury” or “property damage” which occurs as a result of your operations provided the “bodily injury” or “property damage” is not otherwise excluded in whole or in part and arises out of the following:
 - i.** “Potable water” which you supply to others;
 - ii.** Chemicals you use in your water or wastewater treatment process;
 - iii.** Chemicals you use or store in your classrooms and laboratories;
 - iv.** Chemicals you use, apply or store for your ownership, maintenance, or operation of swimming pools;
 - v.** The use, application or storage of road salt or similar substances designed and used for snow and ice removal from road and similar surfaces;
 - vi.** Natural gas or propane gas you use in your water or wastewater treatment process;
 - vii.** Urgent response for the protection of property, human life, health or safety conducted away from premises owned by, rented to or regularly occupied by you;
 - viii.** “Training operations” by you;
 - ix.** Water runoff from the cleaning of equipment used in an “emergency service activity”;
 - x.** Storage and/or application of pesticides or herbicides if such storage and/or application meets all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government; or
 - xi.** Fuels, lubricants or other operating fluids needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of “mobile equipment” or its parts, but only if:
 - (aa)** The fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them; and
 - (bb)** The fuels, lubricants or other operating fluids are not:
 - (i)** Intentionally discharged; or

- (ii) Brought on or to a premises, site or location with the intent to be discharged as part of the operations being performed by an insured, contractor or subcontractor.
- (d) To “bodily injury” or to “property damage” if such “bodily injury” or “property damage” is caused by the escape or back-up of sewage or waste water from any sewage treatment facility or fixed conduit or piping that you own, operate, lease or control, or for which you have the right of way, but only if “property damage” occurs away from land you own or lease.
- (e) Paragraphs (1)(c) and (1)(d) of this exclusion only apply:
 - (i) To “bodily injury” or “property damage” arising out of a “short-term pollution event”;
 - (ii) You notify us of the “short-term pollution event” as soon as practicable but no more than fourteen (14) days after its ending; and
 - (iii) The discharge is accidental, unintended and stopped as soon as possible. The entirety of any discharge or series of related discharges will be deemed a single discharge regardless of the length of time over which the “pollutants” are released. The entirety of any discharge or series of related discharges will be deemed to have only occurred at the date the earliest discharge commenced.
- (2) This insurance does not apply to 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.

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

u. Professional Health Care Services

Damages arising out of providing or failing to provide “professional health care services”.

v. Professional Services

Damages arising out of the rendering of or failure to render any architectural, engineering, surveying or legal professional services by you or any engineer, architect, surveyor, or lawyer performing work on your behalf in such capacity.

w. Public Use Of Property

“Bodily injury” or “property damage” arising out of the principles of eminent domain, condemnation, inverse condemnation or adverse possession.

x. 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.

y. Riot, Civil Commotion Or Mob Action

“Bodily injury” or “property damage” arising out of:

(1) Riot, civil commotion or mob action; or

(2) Any act or omission in connection with the prevention or suppression of a riot, civil commotion or mob action.

This exclusion does not apply to injury or damage arising out of your “emergency service activity”, except “professional health care services”, in response to a riot, civil commotion or mob action.

z. Sexual Abuse

“Bodily injury” arising out of the “sexual abuse” of any person. However, this exclusion shall not apply to the Named Insured if no elected or appointed official, “executive officer”, officer, director, or trustee of the Named Insured knew or had reason to know of the “sexual abuse”. Also, we will defend an insured for a covered civil action subject to the other terms of this coverage part until either a judgment or final adjudication establishes such an act, or the insured confirms such act.

aa. Specific Operations

“Bodily injury” or “property damage” arising from the ownership, operation, maintenance, entrustment to others, or use of any:

(1) Hospital or medical clinic;

(2) Nursing home, convalescent home, or home for the aged, handicapped or orphaned;

(3) Mental or psychiatric institution or institution for the restraint or treatment of substance abusers;

(4) Airport or similar facility;

(5) Port or similar facility;

(6) Public housing authority or project;

(7) Gas or electric generation facility; or

(8) Sanitary landfill, dump, or other permanent waste disposal facility.

bb. Water Or Wastewater Professional Activity

Damages arising out of an act, error or omission from your “water or wastewater professional activities”.

cc. War

“Bodily injury” or “property damage”, however caused, arising, directly or indirectly, out of:

(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.

dd. Workers' Compensation And Similar Laws

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

ee. Trampolines

"Bodily injury" and "property damage" arising out of the ownership, maintenance or use of trampolines greater than 48 inches in diameter.

ff. Unmanned Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance or use of an "unmanned aircraft" while:

- (1) Rented, leased or loaned to others without an operator who is your "employee" or "volunteer worker";
- (2) Used in any professional or organized racing or demolition contest or stunting activity, or while practicing or preparing for such contest or activity; or
- (3) Not used in the insured's operations.

Exclusions **a.** through **c.**, **e.** through **m.**, **o.** through **z.**, and **bb.** through **ff.** do not apply to damage by "specified perils" to premises while rented to you or temporarily occupied by you with permission of the owner. The Each Occurrence Limit shown in the Declarations will apply to this coverage.

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 coverage applies to "personal and advertising injury" only if:

- (1) The "personal and advertising injury" is caused by an offense arising out of your operations; and
- (2) The offense is committed in the "coverage territory" during the policy period.

2. Exclusions Applicable To Coverage B

This insurance does not apply to:

a. Asbestos

Any injury, damage, expense, cost, loss, liability or legal obligation arising out of or in any way related to asbestos or asbestos-containing materials, or exposure thereto, or for the costs of abatement, mitigation, removal, elimination or disposal of any of them.

b. 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”.

c. 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.

d. Criminal Acts

“Personal and advertising injury” arising out of a criminal act committed by or at the direction of the insured.

e. Distribution and Recording 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 Transactions 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.

f. 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.

g. Employment Practices And Employee Benefit Plans

“Personal and advertising injury” arising out of your “employment practices” or “administration” of your “employee benefit plans”.

h. Fungi Or Bacteria

- (1) Any injury which would not have occurred or 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 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”.

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. Under this exclusion, such other intellectual property rights do not include the use of another’s advertising idea in your “advertisement”.

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 websites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **22.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. Knowing Violation Of The 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”.

l. Law Enforcement Activity

Damages arising out of any “law enforcement activity”.

m. Lead, Electromagnetic Radiation Or Nuclear Material

(1) Any injury, expense, cost, loss, liability or legal obligation arising out of or in any way related to:

- (a) The toxic properties of lead, or any material or substance containing lead; or
- (b) Electromagnetic radiation;

or exposure thereto, or for the costs of abatement, mitigation, removal, elimination or disposal of any of them.

(2) Any loss, cost or expense arising out of any actual, alleged or threatened injury to any person or property from any radioactive matter or nuclear material.

n. Material Published Prior To Policy Period

“Personal and advertising injury” arising out of the oral or written publication of material whose first publication took place before the beginning of the policy period.

o. 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.

p. Pollution

“Personal and advertising injury” arising out of or in any way related to pollution, however caused. Pollution includes the actual, alleged, or potential presence in or introduction into the environment of any substance if such substance has, or is alleged to have, the effect of making the environment impure, harmful or dangerous. Environment includes any air, land, structure (or the air therein), watercourse or other body of water, including underground water.

q. Pollution-Related

Any loss, cost or expense arising out of any:

(1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, “pollutants”; or

(2) 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”.

r. Professional Health Care Services

Damages arising out of providing or failing to provide “professional health care services”.

s. Professional Services

Damages arising out of the rendering of or failure to render any architectural, engineering, surveying or legal professional services by you or any engineer, architect, surveyor, or lawyer performing work on your behalf in such capacity.

t. Public Use Of Property

“Personal and advertising injury” arising out of the principles of eminent domain, condemnation, inverse condemnation, or adverse possession.

u. Quality Or Performance Of Goods

“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”.

v. Sexual Abuse

“Personal and advertising injury” arising out of the “sexual abuse” of any person.

w. Specific Operations

“Personal and advertising injury” arising from the ownership, operation, maintenance, entrustment to others, or use of any:

- (1) Hospital or medical clinic;
- (2) Nursing home, convalescent home, or home for the aged, handicapped or orphaned;
- (3) Mental or psychiatric institution or institution for the restraint or treatment of substance abusers;
- (4) Airport or similar facility;
- (5) Port or similar facility;
- (6) Public housing authority or project;
- (7) Gas or electric generation facility; or
- (8) Sanitary landfill, dump, or other permanent waste disposal facility.

x. 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.

y. War

“Personal and advertising injury”, however caused, arising directly or indirectly, out of:

- (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.

z. Water Or Wastewater Professional Activity

Damages arising out of an act, error or omission from your “water or wastewater professional activities”.

aa. 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”.

COVERAGE C - MEDICAL EXPENSE

1. Insuring Agreement

- a. At your written request, 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;
 - (3) On that portion of a right-of-way, easement, or similar interest in property which you do not own or rent, upon which water, sewer, or other utility fixtures are installed as part of your operations, including any surface feature which directly results from the presence of such water, sewer or other utility fixture, but does not include any other portion of a right-of-way, easement or similar interest in property; or
 - (4) Because of your operations;
- provided that:
- (a) The accident takes place in the “coverage territory” and during the policy period;
 - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (c) 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 Applicable To Coverage C

We will not pay expenses for “bodily injury”:

a. Any Insured

To any insured, except “volunteer workers” not performing an “emergency service activity” or a “law enforcement activity”.

b. Athletic Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

c. Coverage A Exclusions

Excluded under Coverage A - Bodily Injury And Property Damage Liability.

d. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

e. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

f. Products – Completed Operations Hazard

Included within the “products-completed operations hazard”.

g. 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.

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 \$5,000 for the 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 \$500 a day because of time off from work.
 - e. All court costs taxed against the insured in the “suit”. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - 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 underlying basis for the “suit” 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 any contractual liability exclusions or exceptions to exclusions, such payments will not be deemed to be damages 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:

- (1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (2) 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. However, if you are a public entity, you are insured as a partner in a partnership or as a joint venturer in a joint venture, but only if the partnership or joint venture is between you and another governmental organization or non-profit entity. Coverage does not extend to a partnership or joint venture that operates, controls, or funds a hospital or medical clinic, nursing home, airport, port, public housing, or a gas or electric generation facility.
- 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 directors, trustees or members of your school board or your governing board by whatever name are insureds but only with respect to their duties as your directors, trustees or board members. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e. A public entity, you are an insured. Your operating authorities, boards, commissions, districts or any other governmental units are insureds, provided that you operate, control, and fund the authority, board, commission, district, or other governmental unit. Coverage does not extend to an authority, board, commission, district, or other governmental unit that operates, controls, or funds a hospital or medical clinic, nursing home, airport, port, public housing, or a gas or electric generation facility.
- f. 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. **Elected Or Appointed Officials.** Your elected or appointed officials, including elected or appointed officials of your operating authorities, boards, commissions, districts, or other governmental units but only for acts within the course and scope of their duties for the

- insured public entity or its operating authorities, boards, commissions, districts or other governmental units.
- b. Employees And Volunteer Workers.** “Employees” and “volunteer workers”, but only for acts within the course and scope of their employment or volunteer activities for you.
 - c. Real Estate Managers.** Any person (other than your “employee” or “volunteer worker”) or any organization while acting as your real estate manager.
 - d. Temporary Custodians.** 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.
 - e. Legal Representatives.** 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.
 - f. Medical Directors.** Physicians who are your medical directors, but only for acts within the course and scope of their medical director duties on behalf of your “emergency service activity”.
 - g. Mutual Aid Agreements.** Any persons or organizations providing service to you under any mutual aid or similar agreement, but only for acts within the scope of that mutual aid or similar agreement.
 - h. Good Samaritans.** “Employees” and “volunteer workers” while acting as a Good Samaritan independently of his or her activities on your behalf, but only when he or she encounters the scene of an emergency requiring sudden action. In no event will such person who responds to the scene of an emergency with or for any other emergency service organization be an insured.
 - i. Owners Of Commandeered Equipment.** The owner of commandeered equipment other than an “auto” is an insured while the equipment is in your temporary care, custody or control and is being used as part of an “emergency service activity”.
 - j. Blanket Additional Insureds.** Any person or organization required to be an additional insured under an “insured contract”, if agreed to by you prior to the “bodily injury”, “property damage”, or “personal and advertising injury”, caused in whole or in part by your acts or omissions or the acts or omissions of those acting on your behalf:
 - (1) In the performance of your operations; or
 - (2) In connection with premises owned or rented by you.
 - k. Student Teachers.** Any of your student teachers who are teaching as part of their educational requirements are insureds, but only with respect to their duties in connection with their position as such.
 - l. Student Body Organizations.** Any student body organization acting under the jurisdiction of your governing board is an insured, but only while under the supervision required by the governing board.
 - m. Parent Teacher Organizations Or Associations.** Any parent teacher organization or association acting under the jurisdiction of your governing board is an insured, but only while under the supervision required by the governing board.
- 3.** 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 Paragraph **2.** above, the Personal and Advertising Injury Liability 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 Paragraph **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 damages arising out of the same or related “occurrence”.
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 “specified perils”, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph **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 - CONDITIONS

The following conditions apply in addition to the Common Policy 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 An 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 or "suit". 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.
- e. If you report an "occurrence" or offense, to an insurer providing other than General Liability insurance which later develops into a General Liability claim covered under this coverage part, failure to report such "occurrence" or offense to us at the time of the "occurrence" or offense shall not be deemed in violation of these conditions. However, you shall give notification to us, as soon as is reasonably possible, that the "occurrence" or offense is a General Liability claim.
- f. Knowledge of an "occurrence" or offense by any of your agents, "volunteer workers" or "employees" shall not constitute knowledge by you unless one of your officers or anyone responsible for administering your insurance program has received a notification from the agent, "volunteer worker" or "employee".

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 "volunteer worker", "employee", elected or appointed officer, director, commissioner, trustee, medical director or owner of commandeered equipment for a loss we cover under Coverages **A or B** of this form, our insurance is primary, with no consideration for contribution with other insurance, except with respect to any medical malpractice liability insurance available to a physician who is acting on your behalf by providing medical treatment of a person. With respect to said medical malpractice liability insurance, our insurance is excess over that coverage.

If other valid and collectible insurance is available to the insured, other than "volunteer workers", "employees", elected or appointed officers, directors, commissioners, trustees, medical directors or owners of commandeered equipment, for a loss we cover under Coverages **A or B** of this form, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph **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 Paragraph **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 "specified perils" 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;
 - (d) That is insurance covering your liability for "bodily injury" or "property damage" arising out of the providing, serving or selling of alcoholic beverages to others;
 - (e) That is insurance covering your liability for "bodily injury" or "property damage" arising out of the igniting or discharging of fireworks, including but not limited to firecrackers, aerial or ground displays, in conjunction with any demonstration or show conducted or sponsored by you. However, this coverage shall not be excess should the "bodily injury" or "property damage" result from an emergency response you provide in response to an emergency arising out of fireworks;
 - (f) If the loss arises out of the maintenance or use of aircraft or watercraft to the extent not subject to exclusion **a.** of Coverage **A.** Bodily Injury And Property Damage Liability;
 - (g) That is liability insurance available to an independent commission, board, or authority or to an individual serving on such independent commission, board, or authority at your request;
 - (h) That is liability insurance available to participants in a mutual aid or similar agreement;
 - (i) That is liability insurance available to a partnership or joint venture; or
 - (j) That is liability insurance available to any student body organization or parent teacher organization or association.

- (2) Any other primary insurance, including pools or self-insurance, covering your liability for damages arising out of the premises or operations for which you have been added as an additional insured.

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:

- (i) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (ii) 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. Representations

By accepting this policy, you agree:

- a. The information in the Declarations is accurate and complete;
- b. The information is based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

Your failure to disclose all hazards existing as of the inception date of the policy shall not prejudice you with respect to the coverage afforded, provided such failure or omission is not intentional. This coverage part is void if any material fact or circumstance relating to this insurance is intentionally omitted or misrepresented.

6. 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.

7. 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.

8. 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. "Administration" means any of the following acts that you do or authorize a person to do:
 - a. Counseling "employees" or "volunteer workers", other than giving legal advice, on "employee benefit plans";
 - b. Interpreting your "employee benefit plans";
 - c. Handling records for your "employee benefit plans"; and
 - d. Effecting enrollment, termination or cancellation of "employees" or "volunteer workers" under your "employee benefit plans".
2. "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 in the Internet or on similar electronic means of communication; and
 - b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
3. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. However, "auto" does not include "mobile equipment".
4. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death or mental anguish, mental injury, shock or fright resulting from any of these at any time.
5. "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 Paragraph 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 Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but who 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 Paragraph a. above or in a settlement we agree to.
6. "Emergency service activity" means:
 - a. All operations conducted by your firefighting, emergency medical services, or rescue squad units; and
 - b. Which are sanctioned by you.
7. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
8. "Employee benefit plans" means a formal program or programs of employee benefits you maintain, such as group life insurance plans, group accident or health insurance plans, savings plans, or vacation plans, provided that no one other than an "employee" or "volunteer worker" or their dependents may subscribe to or benefit from such plans. This term also includes unemployment insurance, social security, workers' compensation, statutory disability benefits, or similar statutorily required plans.

9. "Employment practices" means an actual or alleged improper employment-related practice, policy, act or omission involving an actual, prospective, or former "volunteer worker" or "employee", including:
 - a. Failing to hire or refusing to hire;
 - b. Wrongful dismissal, discharge, or termination of employment or membership, whether actual or constructive;
 - c. Wrongful deprivation of a career opportunity, or failure to promote;
 - d. Wrongful discipline of "volunteer workers" or "employees";
 - e. Negligent evaluation of "volunteer workers" or "employees";
 - f. Retaliation against "volunteer workers" or "employees" for the exercise of any legally protected right or for engaging in any legally protected activity;
 - g. Failure to adopt adequate workplace or employment-related policies and procedures;
 - h. Harassment, including "sexual harassment"; or
 - i. Violation of any federal, state or local laws (whether common law or statutory) concerning employment or discrimination in employment.
10. "Executive Officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
11. "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".
12. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
13. "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.
14. "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 "specified perils" 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 operations (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. 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 of or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

15. “Law enforcement activity” means the activities of any insured while acting as a law enforcement official, officer, auxiliary officer, “employee”, or “volunteer worker” of the law enforcement agency or department of the Named Insured. “Law enforcement activity” also includes the activities of an armed school security “employee” or “volunteer worker” while performed on behalf of the insured. “Law enforcement activity” does not include:

- a. Your operations related to any building, code, license, permit, health, sanitation, animal control, safety, planning or zoning enforcement; or
- b. The activities of an unarmed school security “employee” or “volunteer worker”.

As used in this definition, armed means a person who possesses a firearm. Unarmed means a person who does not possess a firearm.

16. “Law enforcement wrongful act” means any actual or alleged error, act, omission, neglect, or breach of duty, including violation of any civil rights law, while performing a “law enforcement activity”. All claims arising from a series of related errors, acts, omissions, neglects, or breaches of duty while performing “law enforcement activities” will constitute a single “law enforcement wrongful act”.

17. “Leased worker” means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your operations. “Leased worker” does not include a “temporary worker”.

18. “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”.

19. “Medical incident” means any act, error or omission in the rendering of or failure to render “professional health care services” by you or by anyone for whose “professional health care services” you are legally responsible. Any such act, error or omission, together with all related acts, errors or omissions in the furnishing of such services to any one person, shall be considered one “medical incident”.

20. “Mobile equipment” means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises 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 Paragraph 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 Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

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

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

- 21. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- 22. "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".

- 23.** “Personal watercraft” means a vessel you own, rent, or borrow which uses an inboard motor powering a water jet pump as its primary source of motive power, and which is designed to be operated by a person sitting, standing, or kneeling on the vessel, rather than the conventional manner of sitting or standing inside the vessel.
- 24.** “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.
- 25.** “Potable water” means water intended and provided for human consumption.
- 26.** “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.** With respect to “bodily injury” or “property damage” arising out of “your products” manufactured, sold, handled or distributed on, from or in connection with your premises or in the conduct of your operations, includes all “bodily injury” and “property damage” that arises out of “your products” if the “bodily injury” or “property damage” occurs after you have relinquished possession of those products.
 - c.** 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.
 - d.** The “products-completed operations hazard” does not apply to any “auto” used for snow plow operations.
- 27.** “Professional health care services” means:
- a.** Providing medical or nursing services;
 - b.** Providing professional services of any other health care professional, including emergency medical technicians and paramedics;
 - c.** Furnishing or dispensing drugs or medical, surgical or dental supplies or appliances;
 - d.** Handling of patients:
 - (1)** From the place where they are accepted for movement into or onto the means of transport;
 - (2)** During transport; and

- (3) From the means of transport to the place where they are finally delivered;
- e. Dispatching of, including the failure or refusal to dispatch, personnel to provide any of the above services;
- f. Serving on, or carrying out the orders of, a health care accreditation board or similar professional board or committee; and
- g. Establishing medical protocol, creating medical training curricula, providing medical training, conducting medical quality assurance programs, and carrying out similar duties.

“Professional health care services” does not include the rendering of first aid or emergency medical care or assistance by an insured whose primary duties or responsibilities do not include items a. through g. above.

28. “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.

29. “Sexual abuse” means any actual, attempted or alleged sexual conduct by a person, or by persons acting in concert, which causes injury. “Sexual abuse” includes sexual molestation, sexual assault, sexual exploitation, or sexual injury, but does not include “sexual harassment”.

30. “Sexual harassment” means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature by a person, or by persons acting in concert, which causes injury, but only when:

- a. Submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person’s employment, or a basis for employment decisions affecting a person; or
- b. Such conduct has the purpose or effect of interfering with a person’s work performance or creating an intimidating, hostile or offensive work environment.

31. “Specified perils” means fire, lightning, explosion, smoke, riot or civil commotion.

32. “Suit” means a civil proceeding in which damages because of “bodily injury”, “property damage”, “personal and advertising injury”, “medical incident”, “law enforcement wrongful act”, or a “water or wastewater professional activity” 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 civil alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

33. “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. A substitute teacher is not a “temporary worker”.

34. “Training operations” means activities used to prepare, train, or instruct members of a fire department, emergency medical services unit, or rescue squad in accepted and recognized emergency procedures, including municipal, state and federal standards.

35. “Unmanned aircraft” means an aircraft weighing 15 pounds or less that is not:

- a. Designed;
- b. Manufactured; or

c. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

“Unmanned aircraft” includes equipment used with such “unmanned aircraft”, provided such equipment is attached to or essential for its operation.

36. “Volunteer worker” means a person who is not your “employee”, and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you. “Volunteer worker” includes:

a. Any trustee, official, or member of the board of directors or the governing board of your parent-teacher organization or association, or of a parent support group, but only with respect to their duties as such; or

b. Any members of your parent-teacher organization or association, or of your parent support group, but only with respect to their liability for activities they perform on your behalf.

37. “Water or wastewater professional activity” means an act, error or omission which arises from your activities as a water or wastewater district, water utility, or any other entity whose primary duty is the treatment and distribution of “potable water”, or the collection and treatment of wastewater.

38. “Your product” means:

a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(1) You;

(2) Others trading under your name; or

(3) A person or organization whose business or assets you have acquired; and

b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

“Your product” includes:

a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of “your product”; and

b. The providing of or failure to provide warnings or instructions.

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

39. “Your work” means:

a. Work or operations performed by you or on your behalf; and

b. Materials, parts or equipment furnished in connection with such work or operations.

“Your work” includes:

a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of “your work”; and

b. The providing of or failure to provide warnings or instructions.

40. “Short-term pollution event” means a discharge, dispersal, release or escape of “pollutants” which:

a. Begins during the policy period;

b. Begins at an identified time and place;

c. Ends, in its entirety, at an identified time within forty-eight (48) hours of the beginning of the discharge, dispersal, release or escape of the “pollutants”; and

- d.** Does not originate from an “underground storage tank”, except for storage tanks used to hold or process water, wastewater or sewage.

To be a “short-term pollution event”, the discharge of pollutants need not be continuous. However, if the discharge is not continuous, then all discharges of the same pollutants from essentially the same source, considered together, must satisfy Provisions **a.** through **d.** of this definition to be considered a “short-term pollution event”.

- 41.** “Underground storage tank” means any storage tank, including any attached pumps, valves or piping, buried below the surface of the ground or water, or which at any time, had been buried under the surface of the ground or water and then subsequently exposed by any means. For the purposes of this definition, buried means that at least 10% of it is below the surface of the ground or water.

EXCLUSION – ELECTRONIC INFORMATION SECURITY EVENT – WITH LIMITED BODILY INJURY EXCEPTION

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART

1. The following exclusion applies to **Coverage A – Bodily Injury And Property Damage Liability**, **Coverage B – Personal And Advertising Injury Liability**, and any additional coverage that is provided under this General Liability Coverage Part:

This insurance does not apply to:

Any injury, damage, expense, cost, loss, liability, or legal obligation arising out of or in any way related to an "electronic information security event".

However, unless damages arise out of any "personal identity event" or "corporate privacy event", this exclusion does not apply to damages because of "bodily injury".

2. The following definitions are added:

"Electronic information security event" means:

- (1) Transmission of malware from your "computer system" to a third party.
- (2) The inability of an authorized user to access your web site or your "computer system" because of a denial of service attack.
- (3) A "personal identity event", but this is limited to information that is obtained or released directly from:
 - (a) Your "computer system"; or
 - (b) The "computer system" of an entity that has such information under a formal agreement with you.
- (4) A "corporate privacy event", but this is limited to information that is obtained or released directly from:
 - (a) Your "computer system"; or
 - (b) The "computer system" of an entity that has such information under a formal agreement with you.

As used in this definition, a denial of service attack means an intentional attack on a web site or a computer network that prevents or slows down access to the web site or computer network.

"Computer system" means the following:

- (1) Computers, including Personal Digital Assistants (PDAs) and other transportable or hand held devices, electronic storage devices and related peripheral components;
- (2) Systems and applications software;
- (3) Communications networks (including the internet, intranets, extranets or virtual private networks) to the extent used by the items in (1) and (2) above; by which "electronic data" is collected, transmitted, processed, stored or retrieved; and
- (4) "Computer system" includes "electronic data" that is:
 - (1) Stored on any of the items described in item (1) above; or
 - (2) Temporarily outside of the "computer system" for use by an insured or an employee of an entity that has such information under a formal agreement with you.

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“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. This includes such information, facts or programs only while they are in an electronic format.

“Personal identity event” means:

- (1) Unauthorized disclosure by you of “personally identifiable information” or your failure to protect “personally identifiable information” from misappropriation.
- (2) Failure by you to disclose or warn of an actual or potential disclosure or misappropriation of “personally identifiable information”, but only if this policy applies to such disclosure or misappropriation and it resulted directly from (1) above; or
- (3) Violation of any federal or state privacy statute addressing disclosure or misappropriation of “personally identifiable information”, but only if:
 - (a) This policy applies to such disclosure or misappropriation and it resulted directly from (1) or (2) above; and
 - (b) The violation is not willful.

“Personally identifiable information” means any of the following in your care, custody or control:

- (1) Information from which an individual may be uniquely and reliably identified or contacted, including an individual’s name, telephone number, social security number, drivers license number, state identification number, account relationships, account numbers, account balances, account histories, access codes, and passwords;
- (2) Information concerning an individual that would be considered nonpublic personal information within the meaning of Title V of the Gramm-Leach Bliley Act of 1999 as implemented and amended; and
- (3) Information concerning an individual that would be considered protected health information within the Health Insurance Portability and Accountability Act of 1996 as implemented and amended.

“Corporate privacy event” means:

- (1) Unauthorized disclosure by you of “confidential corporate information” or your failure to protect “confidential corporate information” from misappropriation;
- (2) Failure by you to disclose or warn of an actual or potential disclosure or misappropriation of “confidential corporate information”, but only if this policy applies to such disclosure or misappropriation and it resulted directly from (1) above; or
- (3) Violation of any federal or state privacy statute addressing disclosure or misappropriation of “confidential corporate information”, but only if:
 - (a) This policy applies to such disclosure or misappropriation and it resulted directly from (1) or (2) above; and
 - (b) The violation is not willful.

“Confidential corporate information” means any commercial trade secret, data, design, interpretation, forecast, formula, method, practice, process record, report or other item of information of a non-insured third party, and which is:

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

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- (2)** Not available to the general public; and
- (3) (a)** Provided to you under a mutually agreed to written confidentiality/non-disclosure agreement; or
 - (b)** Marked confidential or otherwise specifically designated in writing as confidential by such third party.

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EMPLOYEE BENEFITS LIABILITY ENDORSEMENT

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

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART

SCHEDULE

Coverage	Limit Of Insurance		Deductible		Premium
Employee Benefits Programs	\$1,000,000	each "employee"	\$0	each "employee"	\$76
	\$2,000,000	aggregate			
Retroactive Date:	06/30/2023				

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 **D.** (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 **F.** 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 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 **3.** 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.
 - 3. 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, **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.

E. 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. 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 b. below.

b. 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 to the total applicable limits of insurance of all insurers.

- F. 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 **D.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 **D.1.c.**

- G.** For the purposes of the coverage provided by this endorsement, the following definitions are added to the Definitions Section:

1. "Cafeteria plans" means plans authorized by applicable law to allow "employees" to elect to pay for certain benefits with pre-tax dollars.
2. "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.
3. "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.

- H.** For the purposes of the coverage provided by this endorsement, Definitions **1**, **7**, and **32** in the **Definitions** Section are replaced by the following:

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.

7. "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".
32. "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.

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ABUSE OR MOLESTATION LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART

SCHEDULE

Abuse Or Molestation Liability	\$1,000,000	Each Act Limit
	\$3,000,000	Aggregate Limit
Special Supplementary Payment Limit	\$10,000	
Abuse or Molestation Alleged Participant Coverage	\$500,000	Each Act Limit
	\$1,000,000	Aggregate Limit

A. Exclusion – Coverages A and B

1. Exclusion **z.**, **Sexual Abuse** in paragraph **2. Exclusions** of **Coverage A - Bodily Injury And Property Damage Liability** and exclusion **v.** **Sexual Abuse** in paragraph **2. Exclusions** of **Coverage B - Personal And Advertising Injury Liability** in **Section I - Coverages** are deleted.
2. The following exclusion is added to paragraphs **2. Exclusions** of **Coverage A - Bodily Injury And Property Damage Liability** and **Coverage B - Personal And Advertising Injury Liability** in **Section I – Coverages**:

Abuse Or Molestation

This insurance does not apply to any injury arising out of:

- a. The actual, attempted or alleged “abuse or molestation” of any person by another person. This includes “sexual abuse”;
- b. Any other acts, errors, omissions, “occurrences” or offenses that contribute to the acts described in **a.** above; or
- c. Any acts to which **Coverage – Abuse Or Molestation Liability** applies.

However, if specific coverage for “law enforcement activity” has been endorsed to the General Liability Coverage Form, paragraphs **1.** and **2.** do not apply to that coverage for “law enforcement activities”.

B. The following is added to Section I - Coverages

1. Abuse Or Molestation Liability

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of 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 injury to which this insurance does not apply. We may at our discretion investigate any act of “abuse or molestation” 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.

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 injury only if:
 - (1) The injury is caused by an act of “abuse or molestation” that takes place in the “coverage territory”; and
 - (2) The act of “abuse or molestation” occurs during the policy period.

c. **Related Acts**

All acts of “abuse or molestation”, including any acts that contribute to an act of “abuse or molestation”, that:

- (1) Are causally connected by common facts, circumstances, transactions, events and/or decisions; or
 - (2) The same person commits or is a participant in committing, or multiple persons acting together commit or are participants in committing, regardless of the number of times the same person is abused or molested or the number of persons that are abused or molested by the same person(s);
- will be treated as one act of “abuse or molestation” and will be considered to have occurred on the date the first of those acts of “abuse or molestation” or contributing acts occurred. This provision applies regardless of the number of injured parties, persons or organizations making claims or acts of “abuse or molestation”.

2. Abuse Or Molestation Alleged Participant Coverage

- a. We will pay “defense expenses” because of injury resulting from an act of “abuse or molestation” caused by an “alleged participant” to which this insurance applies. We will have the right and duty to defend the “alleged participant” against any claim for injury resulting from the act of “abuse or molestation”, and we will pay “defense expenses” with respect to any such claim we defend. However, we will have no duty to defend the “alleged participant” against any claim for injury to which this insurance does not apply. We may, at our discretion, settle any claim for an act of “abuse or molestation”.
- b. This insurance applies to “defense expenses” because of injury resulting from an act of “abuse or molestation” only if:
 - (1) The injury is caused by an act of “abuse or molestation” that takes place in the “coverage territory”; and
 - (2) The act of “abuse or molestation” occurs during the policy period.
- c. But:
 - (1) The amount we will pay for “defense expenses” on behalf of any “alleged participant” is limited as described in Section III - Limits Of Insurance; and
 - (2) Any obligation or liability to pay “defense expenses” on behalf of any “alleged participant” ends when any of the following first occurs:
 - (a) The “alleged participant” is convicted of a criminal offense arising out of an act of “abuse or molestation” in any criminal proceeding, even if such determination does not constitute a final and appealable judgment;
 - (b) The “alleged participant” pleads guilty or no contest to a criminal charge or charges arising out of the act of “abuse or molestation”;
 - (c) The “alleged participant” admits to his or her personal participation in or condoning of the act of “abuse or molestation”;
 - (d) The “alleged participant's” personal participation in or condoning of the act of “abuse or molestation” is determined to have occurred by a court of competent jurisdiction in a civil action, even if such determination does not constitute a final and appealable judgment; or

- (e) The Alleged Participant Abuse or Molestation Each Act Limit or the Alleged Participant Abuse or Molestation Aggregate Limit shown in the Schedule of this endorsement is exhausted.

We have no other obligation or liability to pay “defense expenses”.

3. Exclusions applicable to Abuse or Molestation Liability

This insurance does not apply to:

a. Perpetrator

Any insured who participated in, conspired with, knowingly allowed, or directed a participant in any act of “abuse or molestation”. We will defend such insured in connection with a “suit” subject to the terms of this coverage until either a judgment or final adjudication establishes that such insured committed the act of “abuse or molestation” or such insured confirms that they committed the act of “abuse or molestation”.

b. Knowledge Of Prior Acts

Any claim or “suit” arising from a person’s act of “abuse or molestation” that occurs after the Named Insured, its “executive officers”, directors, trustees, partners or managers (if it is a limited liability corporation) or an “employee” authorized by you to give and receive notice of an act of “abuse or molestation” or claim has knowledge of any prior act of “abuse or molestation” committed by such person, whether that act of “abuse or molestation” occurred before or after such person was hired by you or became your responsibility.

For the purposes of this exclusion:

- (1) Knowledge of an allegation of an act of “abuse or molestation” is not knowledge of an act of “abuse or molestation”; and
- (2) Related acts that occur after entities have the knowledge described above will not be considered to have occurred on the date of the first act.

This exclusion does not apply if:

- (1) The knowledge of a prior act of “abuse or molestation” is possessed only by an insured or “employee” described above who committed or allegedly committed such act of “abuse or molestation”; or
- (2) You are prohibited by law from terminating, discharging or refusing to hire or admit the person who committed the act of “abuse or molestation”, but only if you took other reasonably adequate measures to prevent another act of “abuse or molestation” from occurring.

c. Failure To Report Abuse Or Molestation

Any insured with knowledge of the act of “abuse or molestation” who intentionally fails to report such act to the proper authorities. Proper authorities include those persons authorized to receive notification within your organization and when required by your organization’s notification rules or state or federal guidelines, any governmental, legal or regulatory bodies.

d. Material Published With Knowledge Of Falsity

Any 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.

e. Material Published Prior To Policy Period

Any injury arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

f. Contractual Liability

Any injury 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 that the insured would have in the absence of the contract or agreement.

g. Workers Compensation And Similar Laws

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

h. Employers' Liability

Any injury to:

- (1) An "employee" 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 obligations to share damages with or repay someone else who must pay damages because of the injury.

i. Employment Practices

Any 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, discrimination or malicious prosecution directed at that person; or
- (2) The spouse, child, parent, brother or sister of a person as a consequence of any injury to that person at whom any of the employment-related practices described in Paragraphs i.(1)(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.

j. Aircraft, Auto Or Watercraft

Any injury arising out of the ownership, maintenance, use or entrustment to others of any aircraft, auto or watercraft.

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 with respect to any aircraft, auto or watercraft.

k. War

Any injury however caused, arising, directly or indirectly, out of:

- (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.

I. Damage To Property

Any damage to or loss of use of property owned by, rented to, leased by, in the care, custody or control of, or entrusted to, any insured.

m. Financial

- (1) Gain, profit or advantage to which any insured is not legally entitled;
- (2) Any injury resulting from fraud or theft;
- (3) Any injury caused by financial, investment, insurance or fiduciary advice or services;
- (4) Any injury resulting from tax assessments or regulatory actions;
- (5) Any injury arising out of the operation of the principles of eminent domain, condemnation, inverse condemnation or adverse possession; or
- (6) Any injury arising out of the failure to adequately provide utilities or other governmental services.

n. Services

Any injury caused by deficient, inadequate or faulty services.

o. Fines Or Penalties

Fines or penalties.

p. Americans With Disabilities Act (ADA)

Any injury arising out of your failure to comply with any of the accommodations for the disabled required of you by, or any expenses incurred as the result of physical modifications made to accommodate any person pursuant to, the Americans With Disabilities Act, or any amendments thereto, or any similar state or local statutes, rules or regulations to the extent that they prescribe responsibilities or duties concerning accommodations for the disabled.

q. Discrimination

“Abuse or molestation” arising out of “discrimination”.

4. Exclusions applicable to Abuse Or Molestation Alleged Participant Coverage

All exclusions applicable to **Abuse or Molestation Liability** shall apply to **Abuse Or Molestation Alleged Participant Coverage**, except Exclusion **a. Perpetrator** shall not apply.

5. Supplementary Payments

For the purposes of the **Abuse Or Molestation Liability** and **Abuse Or Molestation Alleged Participant Coverage** provided by this endorsement:

- a. All references to **Supplementary Payments – Coverages A and B** will include **Abuse Or Molestation Liability Coverage** and **Abuse Or Molestation Alleged Participant Coverage**.
- b. Paragraph **2.** of **Supplementary Payments – Coverages A and B** does not apply.
- c. The following is added to **Supplementary Payments** for **Abuse Or Molestation Liability** only (this supplementary payment does not apply to **Abuse Or Molestation Alleged Participant Coverage**):

3. Special Supplementary Payments

We will reimburse you, only with respect to any claim for an act of “abuse or molestation” to which this insurance applies, for the following expenses you incur:

- a. Your reasonable expenses incurred in conducting an internal investigation of or counseling relating to allegations of an act of “abuse or molestation”; and
- b. Your reasonable expense in retaining the services of a media consultant or public relations professional in response to allegations of an act of “abuse or molestation”.

The most we will reimburse you for the sum of all such expenses, regardless of the number of acts of “abuse or molestation”, claimants, claims or insureds, is the Special Supplementary Payment

Limit shown in the Schedule of this endorsement. We have no obligation to arrange for any of these services or pay any of the service providers on your behalf.

C. LIMITS OF INSURANCE

For the purposes of the coverage provided by this endorsement, **Section III - Limits Of Insurance** is replaced by the following:

Limits Of Insurance

- a. The Limits of Insurance shown in the above 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 or organizations making claims or bringing "suits".
- b. The Abuse Or Molestation Aggregate Limit is the most we will pay for all damages arising out of acts of "abuse or molestation".
- c. Subject to the Abuse Or Molestation Aggregate Limit, the Abuse Or Molestation Each Act Limit is the most we will pay for all damages because of all injury arising out of any one act of "abuse or molestation". All contributing acts that are connected with or committed by or participated in by the same person(s) will be considered one act in accordance with Paragraph **B.1.c.** of this endorsement.
- d. The Abuse or Molestation Alleged Participant Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for the sum of all "defense expenses" because of injury for all claims made in each policy year, regardless of the number of acts of "abuse or molestation" or claims.
- e. Subject to Paragraph **d.** above, the Abuse or Molestation Alleged Participant Each Act Limit shown in the Schedule of this endorsement is the most we will pay for the sum of all "defense expenses" because of injury for any one claim resulting from any one act of "abuse or molestation" caused by one or more "alleged participants".

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.

D. CONDITIONS

For the purposes of the coverage provided under **B.1. Abuse Or Molestation Liability** and **B.2. Abuse Or Molestation Alleged Participant Coverage**, Condition **2. Duties In The Event Of An Occurrence, Offense, Claim Or Suit** in **Section IV – Conditions** is revised as follows:

1. When used in Condition **2 - Duties In The Event Of An Occurrence, Offense, Claim Or Suit**, the term "occurrence" includes an act of "abuse or molestation".
2. The following is added to Paragraph **2.c.**:
 - (5) Notify any other insurer whose coverage is available to the "alleged participant";
 - (6) Cooperate with us with respect to the coordinating of other applicable insurance available to the "alleged participant"; and
 - (7) Provide us with written authorization to:
 - (a) Obtain records and other information related to any claim; and
 - (b) Conduct and control the defense of the "alleged participant" in such claim.
3. Other Insurance
 - a. The following is added to Condition **4 - Other Insurance**, Paragraph **b.**:

This insurance is excess over:

- (3) Any other primary insurance available to you covering liability for damages arising out of acts of "abuse or molestation" for which you have been added as an additional insured by attachment of an endorsement.
 - (4) Any of the other insurance, whether primary, excess, contingent or on any other basis, that applies to damages arising out of acts of "abuse or molestation". This does not include other insurance purchased specifically by you to apply in excess of the limits of insurance of this policy.
- b. When used in Paragraph **b.** of Condition **4 - Other Insurance**, the term **Coverage A** includes **Abuse Or Molestation Liability**.

E. DEFINITIONS

1. For the purposes of the coverage provided under **B.1. Abuse Or Molestation Liability** and **B.2. Abuse Or Molestation Alleged Participant Coverage**, the following definitions are added to **Section V - Definitions**:
 - a. "Abuse or molestation" means actual, attempted or alleged abuse or molestation, including acts of bullying, of any person by another person. This includes "sexual abuse". "Abuse or molestation" does not include "sexual harassment".

However, as respects "law enforcement activity", "abuse or molestation" means only actual, attempted or alleged "sexual abuse" of any person by another person. "Abuse or molestation" does not include "sexual harassment".
 - b. "Alleged participant" means any insured who allegedly participated in, directed or knowingly allowed an act of "abuse or molestation".
 - c. "Defense expenses" means reasonable costs, attorney's fees, charges and expenses incurred by us in the defense of a claim or investigation, including:
 - (1) All court costs taxed against the insured by a court of law in a civil proceeding, but these court costs do not include attorney's fees or attorney's expenses taxed against the insured;
 - (2) Prejudgment interest awarded against the insured on that part of the judgment we pay. However, 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;
 - (3) All interest on the full amount of the judgment or award that accrues after entry of the judgment or award and before we have paid, offer to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance; and
 - (4) The costs of attachment or similar bonds, but only for bond amounts within the applicable limit of insuranceand excluding salaries, wages, overhead or benefit expenses associated with any insured and further excluding any amount paid by any other insurer. We do not have to furnish bonds.
 - d. "Discrimination" means violation of a person's civil rights with respect to such person's race, color, national origin, religion, gender, marital status, age, sexual orientation or preference, physical or mental condition, or any other protected class or characteristic established by any federal, state or local statutes, rules or regulation.
 - e. "Settlement" means an agreed resolution of a disputed claim by payment of money. However, "settlement" does not include any payment of a civil judgment or award, or any payment of criminal costs, fees, expenses or penalties.
2. For the purposes of the coverage provided under Paragraph **B.1. Abuse Or Molestation Liability** of this endorsement, the following definition replaces the definition of the same term in **Section V - Definitions**:

"Suit" means a civil proceeding in which damages because of injury to which this insurance applies are alleged. "Suit" includes:

 - (1) An arbitration proceeding in which such damages are claimed and to which the insured must submit or

does submit with our consent; or

- (2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

All other terms and conditions remain unchanged

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HONOR ROLL ELITE GENERAL LIABILITY ENHANCEMENT

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE FORM

The following coverages and extensions are added to this policy as detailed below. As respects any coverage provided by this endorsement, if higher limits are provided on any other schedule, declarations or endorsement attached to this policy, then the limits and coverage provided by this endorsement would not apply for that coverage.

SCHEDULE

Limited Product Withdrawal Expense	\$10,000 All Product Withdrawal Expenses
Limited Pollution Coverage	Included
Watercraft	
Non-Owned	Increased To 51 Feet Long
Non-Motorized	Less Than 76 Feet Long
Non-Owned Aircraft	If Rented Or Loaned With A Paid Crew
Property Damage To Borrowed Equipment	\$10,000 Each Occurrence
Property Damage To Customers' Goods	\$10,000 Each Occurrence
Property Damage From Elevator Use	Included
Personal And Advertising Injury	
From Televised Or Videotaped Material	Included
For Insureds In Media And Internet Type Businesses	Included
From Electronic Chatrooms or Bulletin Boards	Included
Supplementary Payments	
Bail Bonds	Up To \$5,000
Loss Of Earnings	Up To \$500 A Day
Legal And Media Expense	\$10,000 Each Event / \$50,000 Annual Aggregate
Broadened Definition Of Insured	Included
Automatic Additional Insureds	
When Required By Contract Or Agreement	Included
Managers Or Lessors Of Premises	Included
Mortgagees, Assignees Or Receivers	Included
Vendors	Included
Each Location And Each Project Aggregates	Equal To The General Aggregate Limit
Duties In The Event Of Occurrence, Offense, Claim Or Suit	Included
Unintentional Failure To Disclose All Hazards	Included
Waiver Of Transfer Of Rights Of Recovery Against Others To Us	Included
Expanded Coverage Territory	Included
Liberalization	Included
Mental Anguish Resulting From Bodily Injury	Included
Broadened Definition Of Mobile Equipment	Included
Products Liability Redefined	Included
Broadened Liability Coverage for Restraint or Removal of Students	Included

LIMITED PRODUCT WITHDRAWAL EXPENSE

THIS COVERAGE ONLY PROVIDES REIMBURSEMENT TO YOU FOR EXPENSES INCURRED BECAUSE OF A COVERED "PRODUCT WITHDRAWAL". THIS COVERAGE DOES NOT PROVIDE ANY LIABILITY COVERAGE OR COVERAGE FOR THE COST OR EXPENSE OF DEFENDING ANY CLAIM OR "SUIT".

1. The following is added to Section I – Coverages:

LIMITED PRODUCT WITHDRAWAL EXPENSE COVERAGE

Insuring Agreement

- a. We will reimburse you for "product withdrawal expenses" incurred by you because of a "product withdrawal" to which this insurance applies.

The amount of such reimbursement is limited as described in Section III – Limits Of Insurance, as amended by this endorsement. No other obligation or liability to pay sums or perform acts or services is covered.

- b. This insurance applies to a "product withdrawal" only if the "product withdrawal" is initiated in the "coverage territory" during the policy period because:
 - (1) You determine that the "product withdrawal" is necessary; or
 - (2) An authorized government entity has ordered you to conduct a "product withdrawal".
- c. We will reimburse "product withdrawal expenses" only if:
 - (1) The expenses are incurred within one year of the date the "product withdrawal" was initiated;
 - (2) The expenses are reported to us within one year of the date the expenses were incurred; and
 - (3) The product that is the subject of the "product withdrawal" was produced during the policy period.
- d. The initiation of a "product withdrawal" will be deemed to have been made only at the earliest of the following times:
 - (1) When you first announced, in any manner, to the general public, your vendors or to your "employees" (other than those "employees" directly involved in making the determination) your decision to conduct or participate in a "product withdrawal". This applies regardless of whether the determination to conduct a "product withdrawal" is made by you or is requested by a third party; or
 - (2) When you first received, either orally or in writing, notification of an order from an authorized government entity to conduct a "product withdrawal".
- e. "Product withdrawal expenses" incurred to withdraw "your products" which contain the same or substantially similar "defects" will be deemed to have arisen out of the same "product withdrawal".

Exclusions

This insurance does not apply to "product withdrawal expenses" arising out of:

- a. **Breach Of Warranty And Failure To Conform To Intended Purpose**

Any "product withdrawal" initiated due to the failure of "your product" to accomplish its intended purpose, including any breach of warranty of fitness, whether written or implied. This exclusion does not apply if such failure has caused or is reasonably expected to cause "bodily injury" or physical damage to tangible property other than "your product".

- b. **Infringement Of Copyright, Patent, Trade Secret, Trade Dress Or Trademark**

Any "product withdrawal" initiated due to copyright, patent, trade secret, trade dress or trademark infringements.

- c. **Chemical Transformation, Deterioration Or Decomposition**

Any "product withdrawal" initiated due to transformation of a chemical nature, deterioration or decomposition of "your product". This exclusion does not apply if transformation of a chemical nature, deterioration or decomposition is caused by:

- (1) An error in manufacturing, design or processing;

(2) Transportation of “your product”; or

(3) “Product tampering”.

d. Goodwill, Market Share, Revenue, Profit Or Redesign

The costs of goodwill, market share, revenue or “profit” or the costs of redesigning “your product”.

e. Expiration Of Shelf Life

Any “product withdrawal” initiated due to expiration of the designated shelf life of “your product”.

f. Known Defect

A “product withdrawal” initiated because of a “defect” in “your product” known to exist by the Named Insured or the Named Insured’s “executive officers” prior to the policy period or the time “your product” leaves your control or possession.

g. Otherwise Excluded Products

A recall of any specific products for which “bodily injury” or “property damage” is excluded under Coverage A – Bodily Injury And Property Damage Liability.

h. Governmental Ban

A recall when “your product” or a component contained within “your product” has been:

(1) Banned from the market by an authorized government entity prior to the policy period; or

(2) Distributed or sold by you subsequent to any governmental ban.

i. Defense Of Claim

The defense of a claim or “suit” against you for liability arising out of a “product withdrawal”.

j. Third Party Damages, Fines And Penalties

Any compensatory damages, fines, penalties, punitive or exemplary or other non-compensatory damages imposed upon the insured. Exemplary or punitive damages are only excluded in jurisdictions where allowable by statute.

k. Pollution-Related Expenses

Any loss, cost or expense due to any:

(1) Request, demand, order, statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of, “pollutants”; or

(2) 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”.

2. The following is added to Section III – Limits Of Insurance:

The most that we will reimburse you for the sum of all “product withdrawal expenses” incurred for all “product withdrawals” initiated during the policy period is the amount shown in the Schedule of this endorsement, regardless of the number of:

a. Insureds;

b. “Product withdrawals” initiated; or

c. “Your products” withdrawn.

3. Section IV –Conditions is amended as follows:

a. Paragraph 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit is replaced by the following:

2. Duties In The Event Of A Defect Or A Product Withdrawal

- a. You must see to it that we are notified as soon as practicable of any actual, suspected or threatened “defect” in “your product”, or any governmental investigation, that may result in a “product withdrawal”. To the extent possible, notice should include:
 - (1) How, when and where the “defect” was discovered;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature, location and circumstances of any injury or damage arising out of use or consumption of “your product”.

Your obligation to notify us as soon as practicable is satisfied if you send us written notice as soon as practicable after any of your "executive officers", directors, partners, insurance managers or legal representatives become aware of or should have become aware of such actual, suspected or threatened “defect” in “your product”, or any governmental investigation, that may result in a “product withdrawal”.

- b. If a “product withdrawal” is initiated, you must:
 - (1) Immediately record the specifics of the “product withdrawal” and the date where it was initiated; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the “product withdrawal” as soon as practicable.

- c. You must promptly take all reasonable steps to mitigate the expenses associated with a “product withdrawal”. Any “profit” that you receive from mitigating the expenses will be deducted from the amount of reimbursement that you will receive for “product withdrawal expenses”.
- d. You and any other involved insured must:
 - (1) Immediately send us copies of pertinent correspondence received in connection with the “product withdrawal”;
 - (2) Authorize us to obtain records and other information; and
 - (3) Cooperate with us in our investigation of the “product withdrawal”.

- b. The following Conditions are added:

Concealment Or Fraud

We will not provide “product withdrawal expense” coverage to you or any other insured who, at any time:

- a. Engaged in fraudulent conduct; or
- b. Intentionally concealed or misrepresented a material fact concerning a “product withdrawal” or “product withdrawal expenses” incurred by you.

Product Tampering Limitation

When “product tampering” is known, suspected or threatened, a “product withdrawal” will be limited to those batches of “your product” which are known or suspected to have been tampered with.

4. The following definitions are added:

- a. “Defect” means a flaw, deficiency or inadequacy that creates a dangerous condition.
- b. “Product tampering” means an act of intentional alteration of “your product” which has caused or is reasonably expected to cause “bodily injury” or physical injury to tangible property other than “your product”.

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

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and application software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- c. “Product withdrawal” means the recall or withdrawal:

- (1) From the market; or

(2) From use by any other person or organization;

of “your products” or products which contain “your products”, because of known or suspected “defects” in “your product” or known or suspected “product tampering” which has caused or is reasonably expected to cause “bodily injury” or physical injury to tangible property other than “your product”.

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

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices, or any other media which are used with electronically controlled equipment.

d. “Product withdrawal expenses” means those reasonable and necessary extra expenses, listed below, paid and directly related to a “product withdrawal”:

- (1) Costs of notification;
- (2) Costs of stationery, envelopes, production of announcements and postage or facsimiles;
- (3) Costs of overtime paid to your regular non-salary “employees” and costs incurred by your “employees”, including costs of transportation and accommodations;
- (4) Costs of computer time;
- (5) Costs of hiring independent contractors and other temporary employees;
- (6) Costs of transportation, shipping or packaging;
- (7) Costs of warehouse or storage space; or
- (8) Costs of proper disposal of “your products” or products that contain “your products” that cannot be reused, not exceeding your purchase price or your costs to produce the products.

e. “Profit” means the positive gain from business operation after subtracting all expenses.

B. LIMITED POLLUTION COVERAGE

Exclusion 2.t. Pollution of Section I – Coverages, Coverage A – Bodily Injury And Property Damage Liability does not apply to materials used by an insured as part of an educational curriculum or educational program.

C. WATERCRAFT AND NON-OWNED AIRCRAFT

Exclusion 2.a. Aircraft, Auto Or Watercraft under Section I – Coverages, Coverage A – Bodily Injury And Property Damage Liability is amended as follows:

1. Transportation Of Students

With respect to the transportation of your students, this exclusion also applies to any aircraft, “auto” or watercraft that is hired by an insured, including claims against the insured that 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 any aircraft, “auto” or watercraft that is hired by the insured.

For the purpose of this exclusion, the word hired includes any contract to furnish transportation of your students to and from schools.

2. Non-Owned Watercraft

Paragraph (2) is replaced by the following:

- (2) A watercraft you do not own that is:
- (a) Less than 51 feet long; and
 - (b) Not being used by You to carry persons or property for a charge.

3. Non-Motorized Watercraft And Non-Owned Aircraft

The following is added:

This exclusion also does not apply to:

- (a) A non-motorized watercraft that is:
 - (i) Less than 76 feet long; and

(ii) Not being used to carry persons or property for a charge.

(b) Aircraft not owned by any insured that is rented or loaned to you with a paid crew.

4. If other insurance applies to a loss because of “property damage” to non-owned watercraft or aircraft as described in Paragraphs 2. or 3. above, the insurance provided by this endorsement does not apply, whether the other insurance is primary, excess, contingent or issued on any other basis.

D. PROPERTY DAMAGE TO BORROWED EQUIPMENT

1. The following is added to Exclusion 2.g. Damage To Property under Section I – Coverages, Coverage A – Bodily Injury And Property Damage Liability:

Paragraph (4) of this exclusion does not apply to “property damage” to borrowed equipment while that equipment is:

- a. Not being used to perform operations; and
- b. Away from an insured’s premises.

2. The following is added to Section III – Limits Of Insurance:

Subject to the General Aggregate limit, the most we will pay for “property damage” to borrowed equipment is the amount shown in the Schedule of this endorsement for each “occurrence”.

3. The insurance afforded by Paragraph 1. above is excess over any valid and collectible property insurance (including any deductible) available to the insured, whether primary, excess, contingent or issued on any other basis.

E. PROPERTY DAMAGE TO CUSTOMERS’ GOODS

1. The following is added to Exclusion 2.g. Damage To Property under Section I – Coverages, Coverage A – Bodily Injury And Property Damage Liability:

Paragraphs (3), (4) and (6) of this exclusion do not apply to “property damage” to “customers’ goods” while on your premises.

2. The following is added to Section III – Limits Of Insurance:

Subject to the General Aggregate limit, the most we will pay for “property damage” to “customers’ goods” is the amount shown in the Schedule of this endorsement for each “occurrence”.

3. The insurance afforded by Paragraph 1. above is excess over any valid and collectible property insurance (including any deductible) available to the insured, whether primary, excess, contingent or issued on any other basis.

4. The following definition is added:

“Customers’ goods” means tangible personal property belonging to your customers and left with you for storage, service or repair. “Customers’ goods” does not include:

- a. Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals;
- c. Contraband, or property in the course of illegal transportation or trade;
- d. Personal property while airborne or waterborne;
- e. 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;
- f. Vehicles or self-propelled machines that are licensed for use on public roads; aircraft; or watercraft;

This paragraph does not apply to:

- (1) Vehicles or self-propelled machines, other than “autos”, you hold for sale; or
- (2) Rowboats or canoes out of water at your premises; or

g. The following property while outside of buildings:

(1) Grain, hay, straw or other crops; and

(2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants held for sale).

F. PROPERTY DAMAGE FROM ELEVATOR USE

1. The following is added to Exclusion **2.g.** Damage To Property under Section **I – Coverages, Coverage A – Bodily Injury And Property Damage Liability**:

Paragraphs **(3)**, **(4)** and **(6)** of this exclusion do not apply if such “property damage” arises out of the use of elevators at premises you own, rent, lease or occupy.

2. The insurance afforded by Paragraph **1.** above is excess over any other valid and collectible insurance which applies to a loss because of “property damage” arising out of the use of elevators, whether such other insurance is primary, excess, contingent or issued on any other basis.

G. PERSONAL AND ADVERTISING INJURY FROM TELEVISED OR VIDEOTAPED MATERIAL

(1) Exclusions **2.n.** and **2.o.** under Section **I – Coverages, Coverage B – Personal And Advertising Injury Liability** are replaced by the following:

n. Material Published Prior To Policy Period

“Personal and advertising injury” arising out of oral, written or professionally produced televised or videotaped publication, in any manner, of material whose first publication took place before the beginning of the policy period.

o. Material Published With Knowledge Of Falsity

“Personal and advertising injury” arising out of oral, written or professionally produced televised or videotaped publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

(2) Paragraphs **d.** and **e.** of the definition of “personal and advertising injury” are replaced by the following:

d. Oral, written or professionally produced televised or videotaped 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, written or professionally produced televised or videotaped publication, in any manner, of material that violates a person’s right to privacy;

H. PERSONAL AND ADVERTISING INJURY FOR INSUREDS IN MEDIA AND INTERNET TYPE BUSINESSES

Exclusion **2.j.** under Section **I – Coverages, Coverage B – Personal And Advertising Injury Liability** is amended to include the following: However, paragraph **(1)** does not apply to advertising, broadcasting, publishing or telecasting within the scope of the Named Insured’s activities as an educational institution.

I. PERSONAL AND ADVERTISING INJURY FROM ELECTRONIC CHATROOMS OR BULLETIN BOARDS

Exclusion **2.f.** Electronic Chatrooms or Bulletin Boards of Section **I – Coverages, Coverage B -Personal And Advertising Injury Liability** is deleted.

J. SUPPLEMENTARY PAYMENTS – BAIL BONDS, LOSS OF EARNINGS, LEGAL AND MEDIA EXPENSE

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

(1) Paragraphs **1.b.** and **1.d.** are replaced by the following:

b. Up to the amount shown in the Schedule of this endorsement 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.

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 the amount shown in the Schedule of this

endorsement because of time off from work.

(2) The following is added:

Legal And Media Expense

a. We will reimburse you for “legal and media expense” you actually incurred and paid because of a “legal or media event” during the policy period. However:

- (1)** We will have no liability to reimburse you for fines, penalties, assessments of costs or other financial awards associated with any such “legal or media event”; and
- (2)** We will only reimburse you for “legal and media expense” actually incurred and paid within 90 days of the “legal or media event”.

b. The maximum we will reimburse you is:

- (1)** The Each Event amount shown in the Schedule of this endorsement for any one “legal or media event”; and
- (2)** The Annual Aggregate amount shown in the Schedule of this endorsement for the sum of all “legal or media events” during the policy period.

c. If any other coverage provides reimbursement of similar legal expenses or medical expenses, the coverage provided by this endorsement will apply as excess over such other coverage.

d. The following definitions are added:

(1) “Legal or media event” means any criminal investigation, criminal complaint, indictment, administrative hearing, licensing hearing or regulatory agency proceeding relating to the alleged violation or infringement of one or more state or federal statutes or regulations regarding:

- (a)** Child abuse;
- (b)** Premises contamination at your facility;
- (c)** Closure of your facility by order of the Board of Health due to discovery or suspicion of contaminated food that has been served to your clients;
- (d)** An actual, attempted, or threatened violent act committed on your premises that results in physical injury or death, including sexual assault, kidnapping, criminal use of weapons on your premises, and stalking of your clients;
- (e)** An actual incident occurring at your premises involving an explosion, fire, construction accident, or equipment failure; or
- (f)** Your operations intended to protect the rights or safety of children and/or children in child care facilities.

“Legal or media event” includes significant adverse local, regional or national news media coverage of you relating to the adverse “legal or media event”.

However, “legal or media event” does not include any actual or threatened “suit” or claim.

(2) “Legal and media expense” means reasonable fees and necessary costs incurred by you for:

- (a)** Attorneys, experts, and consultants used in your investigation or defense of a “legal or media event”; and
- (b)** Media consultants and management of public relations used in your investigation or defense of a “legal or media event”.

“Legal and media expense” does not include:

- (a)** Damages;
- (b)** Fines, taxes, sanctions, or penalties;
- (c)** Any uninsurable amount;
- (d)** Any expense reimbursed or covered by any other entity or carrier or for which another entity is liable or obligated to pay; or
- (e)** Any of your remuneration, salaries, overhead, fees, loss of earning reimbursement, or benefit expenses.

K. BROADENED DEFINITION OF INSURED

Section II – Who Is An Insured is amended as follows:

1. Paragraph 1.b is replaced by the following:

- 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. However, if you are a public entity, you are insured as a partner in a partnership or as a joint venturer in a joint venture, but only if the partnership or joint venture is between you and another governmental organization or non-profit entity. Coverage does not extend to a partnership or joint venture that operates, controls, or funds a hospital or medical clinic, nursing home, airport, port, public housing, or a gas or electric generation facility. For the purpose of this paragraph 1.b an “educational organization: is not a public entity.

2. Paragraph 1.e is replaced by the following:

- e. A public entity, you are an insured. Your operating authorities, boards, commissions, districts or any other governmental units are insureds, provided that you operate, control, and fund the authority, board, commission, district, or other governmental unit. Coverage does not extend to an authority, board, commission, district, or other governmental unit that operates, controls, or funds a hospital or medical clinic, nursing home, airport, port, public housing, or a gas or electric generation facility. For the purpose of this paragraph 1.e an “educational organization” is not a public entity.

3. Paragraph 2. is replaced by the following:

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), at the supervisory level or above, your "executive officers" (if you are an organization other than a 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:

(3) "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);
- (b) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) above; or
- (c) Arising out of his or her providing or failing to provide professional health care services, provided that this subparagraph does not apply to any person who is employed or contracted by the Named Insured as a registered nurse, licensed practical nurse, or licensed or certified athletic trainer providing healthcare services on your behalf at:
 - i. A dispensary, clinic, infirmary, student health center, athletic facility or other similar facility maintained by the Named Insured principally for the use of its students or “employees”; or
 - ii. Any other incidental location that is not a medical emergency facility, in the event of a medical emergency.

(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.
- e. Any student body or parent-teacher organizations authorized by the Named Insured, but only while:
 - (1) Under the supervision required by your governing board; and
 - (2) Performing services or activities authorized by you.
- f. Any student teacher while teaching as part of their educational requirements and acting within the scope of their duties.
- g. Spouses of your directors and trustees, but only to the extent that they are involved in a claim or “suit” solely because of their status as a spouse and such claim or “suit” seeks to recover from marital community property, jointly held property or property transferred from an insured to the spouse. No coverage is provided for any “occurrence” or offense caused or committed by a spouse.
- h. Any affiliated organizations, boards, commissions, foundations or endowments, or any other current or former controlled organization or subsidiary, provided the Named Insured owns or controls at least 51% of such entity.

This insurance shall not apply to any entity that is already insured under any other insurance provided by any company or that would be an insured but for the exhaustion of its limits of insurance.

4. Paragraph 3.a. is replaced by the following:

- a. Coverage for your newly acquired or formed organization shall be:
 - (1) Effective on the date of acquisition or formation; and
 - (2) Afforded until the end of the policy period of this Coverage Form.

L. AUTOMATIC ADDITIONAL INSUREDS

The following paragraphs are added to Section II – Who Is An Insured:

1. The following are also insureds under this policy, subject to the following provisions:

a. When Required By Contract Or Agreement

Any person or organization to whom you are required by written contract, agreement, permit or authorization to provide insurance, but only if the contract, agreement, permit or authorization is in effect during the policy period shown in the Declarations and was executed prior to the “bodily injury”, “property damage” or “personal and advertising injury”. However:

- (4) The person or organization is an insured only to the extent you are held liable due to:
 - (a) The ownership, maintenance or use of that part of premises you own, rent, lease or occupy, subject to the following additional provisions:
 - (i) This insurance does not apply to any “occurrence” which takes place after you cease to be a tenant in any premises leased to or rented to you; and
 - (ii) This insurance does not apply to any structural alterations, new construction or demolition operations performed by or on behalf of the person or organization;
 - (b) Your ongoing operations for that insured, whether the work is performed by you or for you;
 - (c) The maintenance, operation or use by you of equipment leased to you by such person or organization, subject to the following additional provisions:
 - (i) This insurance does not apply to any “occurrence” which takes place after the equipment lease expires or you cease to lease that equipment; and
 - (ii) This insurance does not apply to “bodily injury” or “property damage” arising out of the sole negligence of such person or organization;
 - (d) Permits or authorizations issued by any state or political subdivision with respect to operations performed by you or on your behalf, subject to the following additional provision:

This insurance does not apply to “bodily injury”, “property damage” or “personal and advertising injury” arising out of operations performed for that state or municipality.

- (5) The insurance with respect to any architect, engineer or surveyor does not apply to “bodily injury”, “property damage” or “personal and advertising injury” arising out of the rendering of or failure to render any professional services by or for you, including:
 - (a) The preparing, approving or failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; and
 - (b) Supervisory, inspection or engineering services.
 - (6) This insurance does not apply to “bodily injury” or “property damage” included within the “products-completed operations hazard”.
 - (7) This insurance does not apply to “bodily injury”, “property damage” or “personal and advertising injury” arising out of the rendering of or failure to render any professional services.
 - (8) This insurance does not apply to any insured person or organization if the loss, cost, injury or damage is otherwise excluded from coverage under this insurance, including any endorsements made a part of this policy.
 - (9) A person’s or organization’s status as an insured under this endorsement ends when your operations for that insured are completed.
 - (10) This insurance does not apply to any person or organization included as an insured by an endorsement issued by us or otherwise made part of this insurance.
 - (11) No coverage will be provided if, in the absence of this endorsement, no liability will be imposed by law on you. Coverage will be limited to the extent of your negligence or fault according to the applicable principles of comparative fault.
- This Additional Insured provision does not apply to managers or lessors of premises; mortgagees, assignees or receivers; or vendors.

b. Managers Or Lessors Of Premises

Any person or organization who leases to you or manages property you rent or lease, but only with respect to liability for “bodily injury”, “property damage” or “personal and advertising injury” caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in connection with that part of the premises leased or rented to you and shown on the Declarations.

The following additional exclusions apply to such managers or lessors of premises:

This insurance does not apply to:

- (1) Any “occurrence” which takes place after you cease to be a tenant in that premises.
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of the person(s) or organization(s) who leases to you or manages property you rent or lease.

c. Mortgagees, Assignees Or Receivers

Any person or organization with respect to their liability as mortgagee, assignee or receiver and arising out of the ownership, maintenance or use of premises by you. However, this insurance does not apply to structural alterations, new construction or demolition operations performed by or for that person or organization.

d. Vendors

Any vendor with whom you have agreed in a written contract or agreement to provide insurance, but only if the contract or agreement is in effect during the policy period shown in the Declarations and was executed prior to the “bodily injury” or “property damage”, and 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.

- (1) The following additional exclusions apply to such vendors:

This insurance does not apply to:

- (a) “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;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;

- (d) 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;
- (e) 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;
- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- (g) 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;
- (h) Any failure to maintain the product in a merchantable condition; or
- (i) "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:
 - (i) The exceptions contained in subparagraphs (d) or (f); or
 - (ii) 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.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container entering into, accompanying or containing such products.
- (3) This insurance does not apply to any vendor included as an insured by an endorsement issued by us or otherwise made a part of this insurance.
- (4) This insurance does not apply if "bodily injury" or "property damage" included in the "products-completed operations hazard" is excluded either by the provisions of this insurance or by endorsement.

2. The insurance provided to such automatic additional insureds:

- a. Only applies to the extent permitted by law; and
- b. Will not be broader than that which you are required by the contract or agreement to provide for such additional insureds.

3. With respect to the insurance afforded to such automatic 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.

The insurance afforded to the additional insured does not increase the applicable limits of insurance shown in the Declarations.

M. EACH LOCATION AND EACH PROJECT AGGREGATES

The following is added to Section III – Limits Of Insurance:

- 2. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under Coverage A, and for all medical expenses caused by accidents under Coverage C, which can be attributed only to operations at a single designated covered "location" or covered construction project:
 - a. A separate Each Location or Each Project Aggregate limit applies to each covered "location" or covered construction project, and that limit is equal to the General Aggregate limit shown in the Declarations.
 - b. The Each Location or Each Project Aggregate limit is the most we will pay for the sum of all damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Coverage C, 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 Coverage **A** for damages or under Coverage **C** for medical expenses shall reduce the Each Location or Each Project Aggregate limit for each covered “location” or covered project for which payment is made. Such payments shall not reduce the General Aggregate limit shown in the Declarations nor shall they reduce any other covered “location” or covered project’s general aggregate.

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 Each Location or Each Project Aggregate limit.

3. For all sums which the insured becomes legally obligated to pay as damages caused by “occurrences” under Coverage **A**, and for all medical expenses caused by accidents under Coverage **C**, which cannot be attributed only to ongoing operations at a covered “location” or covered project:

a. Any payments made under Coverage **A** for damages or under Coverage **C** 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 Each Location or Each Project Aggregate limit.

4. 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 Each Location or Each Project Aggregate limit.

5. If the applicable covered construction project has been abandoned, delayed, or abandoned and then restarted, or if the authorized contracting parties deviate from plans, blueprints, designs, specifications or timetables, the project will still be deemed to be the same construction project.

6. For the purposes of this section of this endorsement, “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.

7. The provisions of Section **III** – Limits Of Insurance not otherwise modified by this endorsement shall continue to apply as stipulated.

N. DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT

The following is added to Condition 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit under Section **IV** –Conditions:

Your obligation to notify us as soon as practicable of an “occurrence”, offense, claim or “suit” is satisfied if you send us written notice as soon as practicable after any of your “executive officers”, directors, partners, insurance managers or legal representatives become aware of or should have become aware of such “occurrence”, offense, claim or “suit”.

O. UNINTENTIONAL FAILURE TO DISCLOSE ALL HAZARDS

The following is added to Condition 5. Representations under Section **IV** –Conditions:

If you unintentionally fail to disclose all hazards prior to the beginning of the policy period of the Coverage Form, we shall not deny coverage under this Coverage Form because of such failure.

P. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

The following is added to Condition 7. Transfer Of Rights Of Recovery Against Others To Us under Section **IV** – Conditions:

We waive any right of recovery we may have against any 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”. This waiver applies only to the person or organization with whom you have agreed in a written contract prior to an “occurrence” to waive such rights.

Q. EXPANDED COVERAGE TERRITORY

1. The following is added to Section **IV** –Conditions

Expanded Coverage Territory

- a. If a “suit” is brought in a part of the “coverage territory” that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law, or otherwise, from defending the insured, the insured will initiate a defense of the “suit”. We will reimburse the insured, under Supplementary Payments, for any reasonable and necessary expenses incurred for the defense of a “suit” seeking damages to which this insurance applies, that we would have paid had we been able to exercise our right and duty to defend.

If the insured becomes legally obligated to pay sums because of damages to which this insurance applies in a part of the “coverage territory” that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law, or otherwise, from paying such sums on the insured’s behalf, we will reimburse the insured for such sums.

- b. All payments or reimbursement we make for damages because of judgments or settlements will be made in United States 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 Supplementary Payments will be made in United States currency at the prevailing exchange rate at the time the expenses were incurred.
- c. Any disputes between you and us as to whether there is coverage under this policy must be filed in the courts of the United States of America (including its territories and possessions), Puerto Rico or Canada.
- d. The insured must fully maintain any coverage 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 coverage required by law, regulation or other governmental authority will not invalidate this insurance. However, this insurance will apply as if the required coverage by law, regulation or other government authority was in full effect.
- e. This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis:
 - (1) If the insured’s liability to pay damages is determined in a “suit” brought outside the United States of America (including its territories and possessions), Puerto Rico or Canada; or
 - (2) That is coverage required by law, regulation or other governmental authority in a part of the “coverage territory” that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada.

8. Definition 5. “Coverage territory” in Section V- Definitions is replaced with the following:

- 5. “Coverage territory” means any part of 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.

R. LIBERALIZATION CLAUSE

The following is added to Section IV –Conditions:

Liberalization Clause

If we adopt any revision that would broaden coverage under this Coverage Form without additional premium, the broadened coverage will immediately apply to this Coverage Form as of the day the revision is effective in your state.

S. MENTAL ANGUISH RESULTING FROM BODILY INJURY

Definition 4. “bodily injury” is replaced by the following:

4. Bodily injury” means:

- a. Bodily injury, sickness or disease sustained by a person, including mental anguish or emotional distress resulting from any of these; and
- b. Death resulting from bodily injury, sickness or disease.

T. BROADENED DEFINITION OF MOBILE EQUIPMENT

The following is added to Paragraph f.(1) of Definition 20. “mobile equipment”:

This shall not apply to self-propelled vehicles of less than 1,000 pounds gross vehicle weight.

U. EDUCATIONAL ORGANIZATION DEFINITION

The following definition is added:

“Educational organization” means the entity or association shown as a Named Insured in the Declarations of the policy to which this endorsement is attached.

V. PRODUCTS LIABILITY REDEFINED

With respect to "bodily injury" or "property damage" arising out of "your products" manufactured, sold, handled or distributed:

1. On, from or in connection with the use of any insured premises; or
2. In connection with the conduct of any insured operation, when conducted by you or on your behalf, Paragraph a. of the definition of “Products-completed operations hazard” is replaced by the following:

“Products-completed operations hazard”

a. Includes all “bodily injury” and “property damage” that arises out of “your products” if the “bodily injury” or “property damage” occurs after you have relinquished possession of those products.

W. BROADENED LIABILITY COVERAGE FOR RESTRAINT OR REMOVAL OF STUDENTS

The following is added to Exclusion **2.n.** Expected Or Intended Injury under Section **I** – Coverages, Coverage **A** – Bodily Injury And Property Damage Liability:

This exclusion also does not apply to “bodily injury” resulting from the use of reasonable force to restrain or remove a student whose behavior is interfering with the orderly exercise and performance of your functions, duties and powers, if that student has refused to comply with a request to refrain from further disruptive acts.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

AMERICAN SOUTHERN HOME INSURANCE COMPANY

LIMITED EXCLUSION – LIQUOR LIABILITY

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART

The following is added to Paragraph 2. **Exclusions** of **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

Liquor Liability

This insurance does not apply to “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 even if the claims against any insured allege negligence or other wrongdoing in:

- (a)** The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b)** Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol; if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

All other terms and conditions remain unchanged.

AMERICAN SOUTHERN HOME INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED EXCLUSION – PROFESSIONAL SERVICES WITH EXCEPTIONS FOR STUDENT INTERNS AND CERTAIN MEDICAL SERVICES

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE FORM

- A. Paragraph 2. Exclusions of Coverage A – Bodily Injury And Property Damage Liability and Coverage B – Personal And Advertising Injury Liability under Section I – Coverages is amended as follows:**

Exclusion v. **Professional Services** of Coverage **A – Bodily Injury And Property Damage Liability** and Exclusion s. **Professional Services** of Coverage **B – Personal And Advertising Injury Liability** are deleted and replaced by the following:

Professional Services

This insurance does not apply to:

“Bodily injury”, “property damage”, or “personal and advertising injury” arising out of the rendering of or failure to render any professional services. However, this exclusion does not apply to:

- (1) “Bodily injury” or “property damage” caused by a student intern while participating in any:

- (a) Supervised practicum;
- (b) Field work experience; or
- (c) Internship program

that may be legally performed by a student who does not yet hold a professional license;

- (2) “Bodily injury” or “property damage” arising out of the rendering of or failure to render any “professional healthcare services” by a person who is employed or contracted by the “educational organization” as a registered nurse, licensed practical nurse, licensed or certified athletic trainer, or other allied health professional other than a physician, physician’s assistant or nurse practitioner, but only if such service is performed on your behalf at:

- (a) A dispensary, clinic, infirmary, student health center, athletic facility or other similar facility maintained by the “educational organization” principally for the use of its students or “employees”; or
- (b) Any other incidental location that is not a medical emergency facility in the event of a medical emergency; or

- (3) The “educational organization’s” liability for “bodily injury” or “property damage” arising out of the rendering of or failure to render any “professional healthcare service” by any physician, physician’s assistant, or nurse practitioner on behalf of the “educational organization”.

- B. The following is added to Section II – Who Is An Insured:**

Any student intern of the “educational organization” while participating in any supervised practicum, field work experience or internship program which is a required part of the student’s curriculum at the “educational organization” is an insured.

C. Exclusion **u. Professional Health Care Services of Coverage A** – Bodily Injury And Property Damage Liability and Exclusion **r. Professional Health Care Services of Coverage B** – Personal And Advertising Injury Liability do not apply to “bodily injury”, “property damage” or “personal and advertising injury” arising out of the rendering of or failure to render any “professional health care services” included in Paragraph A. above.

D. The following definition is added to Section V- Definitions :

“Educational organization” means the entity or association shown as a Named Insured in the Declarations of the policy to which this endorsement is attached.

All other terms and conditions remain unchanged.

American Southern Home Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COUNSELING PROFESSIONAL LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE FORM

SCHEDULE	
LIMITS OF INSURANCE	
\$1,000,000	Each Wrongful Act
\$3,000,000	Aggregate

The following changes apply only to the coverage provided by this endorsement. **A.**

The following is added to Section I – Coverages:

COUNSELING PROFESSIONAL LIABILITY 1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "injury" arising out of a "wrongful act" 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 any insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of a "wrongful act" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph **D.** of this endorsement; 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 – Coverages **A, B** And Counseling Professional Liability. **b.** This insurance applies to "injury" only if:

- (1) The "injury" is caused by a "wrongful act" that takes place in the "coverage territory";
- (2) The "injury" occurs during the policy period;
- (3) Prior to the policy period, no insured listed under Paragraph **1.** of Section **II** – Who Is An Insured, and no "employee", "professional counselor", "pastoral counselor" or "lay counselor" authorized by you to give or receive notice of a "wrongful act", knew that the "injury" had occurred, in whole or in part. If such an authorized "employee", "professional counselor", "pastoral counselor" or "lay counselor" knew, prior to the policy period, that the "injury" occurred, then any continuation, change or resumption of such "injury" during or after the policy period will be deemed to have been known prior to the policy period; and
- (4) The "wrongful act" constitutes, or arises directly out of, a professional counseling service undertaken on your behalf by a "professional counselor", "pastoral counselor" or "lay counselor".

- c. "Injury" 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 a "wrongful act" or "claim", includes any continuation, change or resumption of that "injury" after the end of the policy period.
- d. "Injury" 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 a "wrongful act" or "claim":
 - (1) Reports all, or any part, of the "injury" to us or any other insurer;
 - (2) Receives a written or verbal demand or "claim" for damages because of the "injury"; or
 - (3) Becomes aware by any other means that "injury" 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. Actions Of Unauthorized Counselors

Loss of any kind arising out of the acts of any "employee", "volunteer worker", "professional counselor", "pastoral counselor" or "lay counselor" unless such person is authorized by you to engage in a professional counseling service covered by this endorsement. We will, however, cover your legal liability and the legal liability of your managers and "executive officers" in connection with the unauthorized professional counseling service if such service is otherwise covered by this endorsement.

b. Advertising Injury

"Personal and advertising injury" arising out of:

- (1) The publication, in any manner, of material if done by or at the direction of the insured with knowledge of its falsity; or
- (2) The publication, in any manner, of information through any advertising, publishing, broadcasting or telecasting business which is owned or operated by you.

c. Commitment To Psychiatric Hospital

Liability resulting from commitment of any person to a psychiatric hospital or mental health institution. **d.**

Contractual Liability

Liability assumed by the insured under any contract or agreement. This exclusion does not apply to liability for damages that:

- (1) Are assumed by the insured in a written contract or agreement and arise out of professional counseling services the "professional counselor", "pastoral counselor" or "lay counselor" provided subsequent to the execution of the contract or agreement, provided that the contractually assumed liability results solely from the negligence of the insured; or
- (2) The insured would have in the absence of the contract or agreement.

e. Custodial Care Or Responsibility

Liability resulting from accepting or undertaking custodial care or responsibility of any person pursuant to the request, instruction, authorization or direction of any governmental agency, authority, board or officer having such authority or responsibility.

f. Discrimination

Discrimination because of age, race, creed, color, sex, disability, national origin, marital status or sexual preference.

g. Employer's Liability "Bodily

injury" to:

- (1) An "employee", "volunteer worker", "professional counselor", "pastoral counselor" or "lay counselor" 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", "volunteer worker", "professional counselor", "pastoral counselor" or "lay counselor" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the "bodily injury". **h.**

Employment-Related Practices Liability Any claim made by:

- (1) A person because 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, sister or any other legal relative or legal guardian of that person as a consequence of any damages or "injury" to that person against 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.

i. Fines Or Penalties

Fines or non-compensatory penalties, or any exemplary or punitive damages awarded in any legal proceeding if the legal proceeding is based in whole or in part upon any professional counseling service. Exemplary or punitive damages are only excluded in the jurisdictions where allowable by statute. **j. Fraud**

Any dishonest, fraudulent or criminal act or omission by or at the direction of any insured. **k.**

Intoxication

Any claim for damages caused by any insured listed under Paragraph 1. of Section II – Who Is An Insured while under the influence of intoxicants or narcotics.

l. Loss To Any Insured

Loss sustained by any insured or any person who is employed by you (or who has been hired by you) at the time that the "wrongful act" takes place.

m. Medical Professional Services

Liability resulting from the rendering of medical, radiological, surgical, dental or nursing treatments, including shock therapy, and the prescribing, utilization, furnishing or dispensing of drugs or medical, radiological, surgical, dental or nursing supplies or appliances, or any other professional services other than professional counseling services. 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 "wrongful act" which caused the "injury" involved the rendering of or failure to render such professional services other than professional counseling services.

n. Molestation, Sexual Misconduct Or Abuse

Liability resulting from any actual, threatened or alleged molestation, sexual misconduct or abuse of any type. 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 "wrongful act" which caused the "injury" involved the rendering of or failure to render professional counseling services. **o. Other Activities**

Any claim arising out of any "professional counselor's", "pastoral counselor's" or "lay counselor's" acts or services as a member of a formal accreditation or similar professional board or committee of any hospital, mental health institution or professional society.

p. Professional Advice

Loss of any kind arising directly or indirectly out of the rendering of professional advice that is outside the scope of psychological or spiritual counseling.

q. Unrelated Injury

Any claim for damages because of "injury" not resulting from a "wrongful act". **r.**

Violation Of Statute

"Injury" arising out of willful violation of a penal statute or ordinance committed by or with the knowledge or consent of any insured.

s. Workers' Compensation

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

B. The heading for Supplementary Payments, Coverages **A** And **B** under Section **I** – Coverages is amended to read Supplementary Payments, Coverages **A**, **B** And Counseling Professional Liability. **C.** Section **II** – Who Is An Insured is amended as follows:

1. Paragraph **2.** is replaced by the following:
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 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 organization;
 - b. Your "professional counselors", "pastoral counselors" and your "lay counselors", but only for acts within the scope of their duties related to the conduct of your organization;
 - 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 Coverage Form.

However, no "employee", "volunteer worker", "professional counselor", "pastoral counselor" or "lay counselor" is an insured for:

- (1) "Bodily 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), or to a co-"employee", "professional counselor", "pastoral counselor" or "lay counselor" while in the course of his or her employment or while performing duties related to the conduct of your organization, 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", "volunteer worker" "professional counselor", "pastoral counselor" or "lay counselor" as a consequence of Paragraph **(1)(a)** above; or
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the "bodily injury" described in Paragraphs **(1)(a)** or **(1)(b)** above; or

(2) "Property damage" to property:

(a) Owned, occupied by, or used by; or

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you or any of your "employees", "volunteer workers", "professional counselors", "pastoral counselors" or "lay counselors". **2.** The following is added to Paragraph **3.**:

d. Counseling Professional Liability Coverage does not apply to a "wrongful act" that occurred before you acquired or formed the organization.

D. Section **III** – Limits Of Insurance is replaced by the following:

SECTION III – LIMITS OF INSURANCE

1. The limits of insurance shown in the Schedule of this endorsement and the rules below fix the most we will pay regardless of the number of:
 - a.** Insureds;
 - b.** Claims made or "suits" brought;
 - c.** Persons or organizations making claims or bringing "suits".
2. The Aggregate limit shown in the Schedule of this endorsement is the most we will pay for the sum of all damages because of "injury" arising out of all "wrongful acts" during the policy period.
3. Subject to Paragraph **2.** above, the Each Wrongful Act limit shown in the Schedule of this endorsement is the most we will pay for the sum of all damages because of all "injury" arising out of any one "wrongful act" or "related wrongful acts".
4. The limits of insurance provided by this endorsement are in addition to the limits of insurance provided by the Commercial General Liability Coverage Form.

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 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.

The coverage provided by the endorsement does not provide any duplication or overlap of coverage for the same claim or "suit". Two or more claims arising out of a single "wrongful act" or "related wrongful acts" shall be treated as a single claim. All such claims, whenever made, shall be considered to be first made on the date on which the earliest claim arising out of such "wrongful act" was first made. All such claims are subject to the same limit of insurance. All claims arising out of one "wrongful act" or "related wrongful acts" to the same person by one or more "professional counselor", "pastoral counselor" or "lay counselor" shall be deemed to be one claim and to have been made at the time the first of those claims is made against any "professional counselor", "pastoral counselor" or "lay counselor". **E.** Section **IV** – Commercial General Liability Conditions amended as follows:

1. The heading and Paragraph **a.** of Condition **2.** Duties In The Event Of Occurrence, Offense, Claim Or Suit are replaced by the following:

Duties In The Event Of A Wrongful Act, Claim Or Suit

- a.** You must see to it that we are notified as soon as practicable of a "wrongful act" which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "wrongful act" took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any "injury" arising out of the "wrongful act".
2. The following is added to Condition **4.** Other Insurance:

Counseling Professional Liability coverage is excess over any other insurance provided to any insured, whether such other insurance is provided on a primary, excess, contingent or any other basis, unless such other insurance is written to be specifically excess of this insurance.

3. The following Condition is added:

Two Or More Coverage Forms Or Policies Issued By Us

If the Coverage Form to which this endorsement is attached and any other Coverage Form or policy issued to you by us or any company affiliated with us applies to the same "claim" or "suit", the aggregate maximum limit of insurance under all of the Coverage Forms or policies will not exceed the highest applicable limit of insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over the coverage provided by this endorsement. **F.** The following definitions are added:

"Injury" means "bodily injury", "property damage" and "personal and advertising injury".

"Lay counselor" means your appointed person or your "employee" (other than a "pastoral counselor") who: **a.**

Has been trained to counsel others; and

b. Is specifically authorized by you or your managers or "executive officers" to engage in professional counseling services on behalf of your organization.

"Ordained" means an individual:

a. Officially invested with ministerial or priestly authority;

b. Officially authorized as a rabbi; or

c. Upon whom holy orders have been conferred by a church authority.

"Pastoral counselor" means an ordained person, or your appointed person or "employee" who:

a. Holds the position of pastor, minister, rabbi, or similar position within your organization; and

b. Is generally authorized by you or your managers or "executive officers" to engage in professional counseling services on behalf of your organization.

"Professional counselor" means your appointed person or your "employee" who:

a. Has been professionally trained through obtaining educational degrees to perform professional counseling services; and

b. Is generally authorized by you or your managers or "executive officers" to engage in professional counseling services on behalf of your organization.

"Related wrongful acts" means "wrongful acts" which are causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.

"Wrongful act" means any actual or alleged negligent act, error or omission in the rendering of or failure to render professional counseling services.

All other terms and conditions remain unchanged.

AMERICAN SOUTHERN HOME INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIFIC OPERATIONS AMENDMENT

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE FORM

- A.** Paragraph **2.** Exclusions of Coverage **A** – Bodily Injury And Property Damage Liability and Coverage **B** – Personal And Advertising Injury Liability under Section **I** – Coverages is amended as follows:

Exclusion aa. **Specific Operations** of Coverage **A** – Bodily Injury And Property Damage Liability and Exclusion w. **Specific Operations** of Coverage **B** – Personal And Advertising Injury Liability are deleted and replaced by the following exclusion:

Specific Operations

“Bodily injury”, “property damage”, or “personal and advertising injury” arising out of the ownership, operation, maintenance, entrustment to others, or use of any:

- (1) Hospital or medical clinic other than a dispensary, clinic, infirmary, student health center, athletic facility or other similar facility maintained by the “educational organization” principally for the use of its students or “employees”;
- (2) Nursing home, convalescent home, or home for the aged, handicapped or orphaned;
- (3) Mental or psychiatric institution or institution for the restraint or treatment of substance abusers;
- (4) Airport or similar facility;
- (5) Port or similar facility;
- (6) Public housing authority or project other than residential facilities owned or controlled by an “educational organization” to house students or employees of the “educational organization”;
- (7) Gas or electric generation facility other than facilities operated for the exclusive benefit of and located in educational institutions and owned, operated and maintained by the “educational organization”; or
- (8) Sanitary landfill, dump, or other permanent waste disposal facility, other than sewer and waste facilities owned or controlled by the “educational organization” which exists only to service the “educational organization”.

All other terms and conditions remain unchanged.

AMERICAN SOUTHERN HOME INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – FIREARMS OR CONDUCTED ENERGY DEVICES

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE FORM

- A. The following is added to Paragraph 2. Exclusions under Section I – Coverages, Coverage A – Bodily Injury And Property Damage Liability and Coverage B – Personal And Advertising Injury Liability:

This insurance does not apply to:

Firearms Or Conducted Energy Devices

"Bodily injury", "property damage" or "personal and advertising injury" arising out of, resulting from, or related to the carrying (whether or not concealed), use, misuse or discharge of, or the failure to use or discharge, a "firearm" or "conducted energy device" by any insured or the employee or contractor of any security or similar company. However, this exclusion does not apply to:

- (1) "Bodily injury", "property damage", or "personal and advertising injury" arising out of, resulting from or related to the use or discharge of, or failure to use or discharge, a "firearm" or "conducted energy device" by a police officer in the regular course and scope of his or her employment for a law enforcement agency, but only if there is no other coverage for such police officer provided by this policy; or
- (2) "Bodily injury", "property damage", or "personal and advertising injury" arising out of the use or discharge of a "firearm" by a participant or coaching staff solely in connection with such participant's or coaching staff's participation in a "firearm"-related sport sanctioned by the Named Insured.

- B. The following definitions are added to Section V - Definitions:

"Conducted energy device" means a weapon primarily designed to disrupt a subject's central nervous system by means of deploying electrical energy sufficient to cause uncontrolled muscle contractions and override an individual's voluntary motor responses.

"Firearm" means any pistol, rifle, shotgun, or other device that uses gunpowder to launch projectiles.

All other terms and conditions remain unchanged.

AMERICAN SOUTHERN HOME INSURANCE COMPANY
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – STUDENTS MEDICAL PAYMENTS

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE FORM

The following is added to Paragraph **2. Exclusions** under Section **I – Coverages**, Coverage **C – Medical Payments**:

We will not pay expenses for "bodily injury":

Students

To your students.

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY. THIS ENDORSEMENT PROVIDES CLAIMS-MADE AND REPORTED COVERAGE. CLAIMS MUST FIRST BE MADE AGAINST THE INSURED AND REPORTED TO US DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF APPLICABLE.

**LAW ENFORCEMENT LIABILITY COVERAGE
WITH OPTIONAL NON-MONETARY RELIEF COVERAGE**

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE FORM

SCHEDULE

LAW ENFORCEMENT LIABILITY COVERAGE	
Limits Of Insurance:	\$1,000,000 Each Wrongful Act \$3,000,000 Aggregate
RETROACTIVE DATE:	06/30/2023 at 12:01 A.M. at the Named Insured's mailing address shown in the Declarations
AUTHORIZED PERSONNEL NAME(S), TITLE(S), OR POSITION(S)	
NAME(S)	TITLE(S) OR POSITION(S)
NON-MONETARY RELIEF COVERAGE (Paragraph B. of this endorsement only applies if a limit is shown below)	
Aggregate Defense Expense Amount – Non-Monetary Relief:	\$100,000

The following changes apply only to the coverage provided by this endorsement.

A. The following is added to Section I – Coverages:

LAW ENFORCEMENT LIABILITY COVERAGE

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as "damages" because of "injury" arising out of a "wrongful act" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking "damages" because of a "wrongful act" to which this insurance applies. 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 a "wrongful act". We may settle any "claim" or "suit" that may result from a "wrongful act", provided you consent. But:

- (1)** The amount we will pay for "damages" is limited as described in Paragraph E. of this endorsement; and
- (2)** Our duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

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

- b.** If you refuse to consent to any settlement that we recommend and you elect to contest the "claim" or continue legal proceedings in connection with such "claim" at your own cost and without our involvement, our obligation to pay:
- (1)** "Damages" will be the lesser of the following:
- (a)** The amount in excess of the deductible, if any, we would have paid for "damages" if you had consented at the time of our recommendation;
 - (b)** The actual "damages" settlement amount; or
 - (c)** The applicable limit of insurance.
- (2)** Supplementary payments will be limited to the costs and expenses incurred with our consent up to the date of your refusal to consent.
- c.** This insurance applies to "wrongful acts" that are committed:
- (1)** In the "coverage territory"; and
- (2)** During the policy period, if a "claim" is first made against any insured during the policy period or Extended Reporting Period, if applicable; or
- (3)** Prior to the policy period and on or after the Retroactive Date, if any, shown in the Schedule of this endorsement, but only if:
- (a)** On or before the effective date of the first Law Enforcement Liability coverage issued by us and continuously renewed and maintained by the insured, the insured:
 - (i)** Did not give notice to any prior insurer of such "wrongful act"; and
 - (ii)** Had no knowledge of such "wrongful act" likely to give rise to a "claim" hereunder; and
 - (b)** A "claim" is first made against any insured during the policy period or Extended Reporting Period, if applicable.
- d.** A "claim" by a person or organization 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 a settlement in accordance with Paragraph **a.** above.
- All "claims" because of a single "wrongful act" or "related wrongful acts" 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 any "claim" or "suit", regardless of the cause of action or legal theory alleged, that is based upon, attributable to, related to, or arising out of:

a. Aircraft, Auto Or Watercraft

"Injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto", watercraft or vehicle of any type. Use includes operation and "loading or unloading".

This exclusion applies even if the "claim" against any insured alleges negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "wrongful act" which caused the "injury" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto", watercraft or vehicle of any type.

b. Contractual Liability

- (1)** Any breach of contract; or

GENERAL LIABILITY

(2) Liability assumed by the insured under any contract or agreement. This exclusion does not apply to liability the insured would have in the absence of the contract or agreement.

c. Criminal Acts

Any actual or alleged commission of, participation in, or consenting to, a "wrongful act" that is criminal, fraudulent, malicious or deliberately dishonest by an insured.

This exclusion does not affect our duty to defend an insured, in accordance with Paragraph **A.1.** above, prior to determining, through the appropriate legal processes, that such insured is responsible for a criminal, fraudulent or malicious or deliberately dishonest act.

d. Employee Benefit Plan

Any act or omission related to the administration of any employee benefit program.

e. Employer's Liability

"Bodily injury" or "personal 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 whether the insured may be liable as an employer or in any other capacity, and to any obligation to share "damages" with or repay someone else who must pay "damages" because of the "bodily injury" or "personal injury".

f. Employee Retirement Income Security Act

Any responsibilities, obligations, or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974, or amendments thereto.

g. Illegal Profit Or Advantage

Liability arising out of an insured gaining or causing another to gain personal profit or advantage to which the insured or other person was not legally entitled.

h. Intellectual Property Rights

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.

i. Labor Strike, Riot Or Civil Commotion

Any labor strike, civil disturbance, riot or civil commotion, insurrection, war or terrorism.

j. Other Professional Services

The rendering of or failure to render any professional services other than "law enforcement activities". This exclusion applies even if the "claim" against any insured alleges negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "wrongful act" which caused the "injury" involved the rendering of or failure to render such other professional services.

k. Property Damage

"Property damage" to:

(1) Property owned, rented or occupied by an insured;

(2) Property loaned to an insured; or

(3) Personal property in the care, custody or control of any insured, except property of persons in custody by virtue of arrest or detention.

l. Sexual Misconduct Or Molestation

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Any actual or alleged sexual misconduct toward 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.

m. State Of Emergency, Curfew Or Martial Law

Any proclamation of a state of emergency, curfew or martial law.

n. Unauthorized Personnel

The carrying (whether or not concealed), use, misuse or discharge of, or the failure to use or discharge, a "firearm" or "conducted energy device" by a teacher, administrator or any other "employee", other than "authorized personnel" or "law enforcement or security personnel".

o. Unrelated Injury

"Injury" not resulting from a "wrongful act".

p. Workers' Compensation

Any responsibilities, obligations or duties imposed upon any insured under a workers' compensation, unemployment compensation, disability benefits, or social security law or any similar law.

- B.** The following is added to Section I – Coverages, but only if a limit is shown in the Non-Monetary Relief Coverage section of the Schedule of this endorsement:

NON-MONETARY RELIEF COVERAGE

Insuring Agreement

1. We will pay "defense expenses" and "legal fees" 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 non-monetary relief against an insured we defend. We will have the right and duty to defend the insured against any "suit" seeking only injunctive or other non-monetary relief because of a "wrongful act" to which this insurance applies. However, 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. We may settle any "claim" that may result from a "wrongful act", provided you consent. But:
 - a. The amount we will pay for "defense expenses" and "legal fees" for "claims" or "suits" seeking only injunctive or other non-monetary relief is limited as described in Paragraph **E.** of this endorsement; and
 - b. Our duty to defend ends when the Aggregate Defense Expense Amount – Non-Monetary Relief Limit shown in the Schedule of this endorsement is used up in the payment of "defense expenses" and "legal fees".No other obligation or liability to pay sums or perform acts or services is covered under this insuring agreement, and we have no obligation to pay costs of compliance with any injunctive or non-monetary relief.
2. If you refuse to consent to any settlement that we recommend and you elect to contest the "claim" or continue legal proceedings in connection with such "claim" at your own cost and without our involvement, our obligation to pay "defense expenses" and "legal fees" will be the lesser of:
 - a. The costs and expenses incurred up to the date of such refusal;
 - b. The actual "damages" settlement amount; or
 - c. The Aggregate Defense Expense Amount – Non-Monetary Relief shown in the Schedule of this endorsement.
3. This insurance applies to "wrongful acts" that are committed:
 - a. In the "coverage territory"; and
 - b. During the policy period, if a "claim" is first made against any insured during the policy period or Extended Reporting Period, if applicable; or
 - c. Prior to the policy period and on or after the Retroactive Date, if any, shown in the Schedule of this endorsement, but only if:

GENERAL LIABILITY

- (1) On or before the effective date of the first Non-Monetary Relief coverage issued by us and continuously renewed and maintained by the insured, the insured:
 - (a) Did not give notice to any prior insurer of such "wrongful act"; and
 - (b) 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 Extended Reporting Period, if applicable.

4. A "claim" by a person or organization seeking only injunctive or other non-monetary relief will be deemed to have been made at the earlier of the following times:
 - a. When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or
 - b. When we make a settlement in accordance with Paragraph 1. above.

All "claims" because of a single "wrongful act" or "related wrongful acts" will be deemed to have been made at the time the first of those "claims" is made against any insured.

- C. Supplementary Payments – Coverages **A** And **B** under Section **I** – Coverages is replaced by the following:

Supplementary Payments – Law Enforcement Liability Coverage

We will pay, with respect to any "claim" seeking "damages" against the insured that we investigate or settle, or any "suit" seeking "damages" against any insured that we defend:

1. All expenses incurred by us.
2. The cost of appeal bonds and bonds to release attachments, but only for the bond amounts within the applicable limit of insurance. We are not obligated to furnish these bonds.
3. 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.
4. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
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 that part of the judgment that is within the limit of insurance.
6. Expense incurred by the insured for first aid to others because of "bodily injury" or "personal injury" caused by a "wrongful act" to which this insurance applies. However, we will only pay those expenses incurred for first aid that is performed at the time and location at which the "bodily injury" or "personal injury" occurs.

These payments will not reduce the limits of insurance.

- D. Section **II** – Who Is An Insured is replaced by the following:

SECTION II – WHO IS AN INSURED

1. You, the "educational organization", are an insured.
2. Each of the following is also an insured, but only for acts within the scope of their duties as such for the "educational organization":
 - a. Elected or appointed members of the "educational organization's" board of governors, board of education, school committee, board of trustees, commission or equivalent governing body.
 - b. Your "employees" and "volunteer workers", but only for acts within the scope of their "law enforcement activities" for you. However, no "employee" or "volunteer worker" is an insured for:
 - (1) "Bodily injury" or "personal injury":
 - (a) To the "educational organization", its elected or appointed members, or to another "employee" or "volunteer worker" while that "employee" or "volunteer worker" is either in the course of his or her employment or performing duties related to the conduct of the business of the "educational organization";

GENERAL LIABILITY

- (b) To the spouse, child, parent, brother or sister of the "employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above; or
- (c) For which there is any obligation to share "damages" with or repay someone else who must pay "damages" because of the "bodily injury" or "personal injury" described in Paragraph (1)(a) or (1)(b) above; or

(2) "Property damage" to property:

(a) Owned, occupied or used by; or

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any elected or appointed members of the "educational organization", or your "employees" or "volunteer workers".

3. With respect to the liability of the insureds described above, the heirs, administrators, assigns and legal representatives of each insured in the event of death, incapacity or bankruptcy.

E. Section III – Limits Of Insurance is replaced by the following:

SECTION III – LIMITS OF INSURANCE

1. Law Enforcement Liability Limits Of Insurance

a. The Limits Of Insurance shown in the Schedule of this endorsement 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, organizations making "claims" or bringing "suits".

b. The Aggregate limit shown in the Schedule of this endorsement is the most we will pay for the sum of all "damages" arising out of all "wrongful acts" to which this insurance applies and for which a "claim" is made during the policy period or Extended Reporting Period, if applicable.

c. Subject to Paragraph b. above, the Each Wrongful Act limit shown in the Schedule of this endorsement is the most we will pay for the sum of all "damages" arising out of any one "wrongful act" or "related wrongful acts" to which this insurance applies.

d. The limits of insurance provided by this endorsement are in addition to the limits of insurance provided by the Commercial General Liability Coverage Form.

The limits of insurance under 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.

The coverage provided by this endorsement does not provide any duplication or overlap of coverage for the same "claim" or "suit". Two or more "claims" arising out of a single "wrongful act" or a series of "related wrongful acts" will be treated as a single "claim". All such "claims", whenever made, will be considered to be first made on the date on which the earliest "claim" arising out of such "wrongful act" was first made. All such "claims" are subject to the same limit of insurance. All "claims" arising out of one "wrongful act" to the same person by one or more insured will be deemed to be one "claim" and to have been made at the time the first of those "claims" is made against any insured.

2. Non-Monetary Relief Limits Of Insurance

The following applies only if a limit is shown in the Non-Monetary Relief Coverage section of the Schedule of this endorsement:

a. The limit of insurance shown in the Schedule of this endorsement 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, organizations making "claims" or bringing "suits".

- b. The Aggregate Defense Expense Amount – Non-Monetary Relief limit shown in the Schedule of this endorsement 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.

If this Policy is in effect for a period of more than one year, the Aggregate Defense Expense Amount – Non-Monetary Relief limit applies separately to each consecutive annual period, and to any remaining period of less than 12 months 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 of the purposes of determining the Aggregate Defense Expense Amount – Non-Monetary Relief.

F. Section IV –Conditions is amended as follows:

- 1. The heading and Paragraph **a.** of Condition **2. Duties In The Event Of An Occurrence, Offense, Claim Or Suit** are replaced by the following:

2. Duties In The Event Of A Wrongful Act, Claim Or Suit

- a. 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:

- (1) How, when and where the "wrongful act" was committed;
- (2) The names and addresses of any persons who may sustain "injury";
- (3) The names and addresses of any witnesses; and
- (3) The nature of any "injury" that may arise out of the "wrongful act".

If, during the policy period or an Extended Reporting Period, if any, any insured becomes aware of a "wrongful act" that could reasonably be expected to give rise to a "claim" and gives written notice as soon as practicable in accordance with this condition, then any "claim" subsequently arising from such "wrongful act" will be deemed under this insurance to be a "claim" made during the policy period in which such specific "wrongful act" was first reported in writing to us.

- 3. Paragraph **(1)** under Condition **4. Other Insurance, b. Excess Insurance** is replaced by the following:

- (1) This insurance is excess over:

- (a) Any other insurance, whether primary, excess, contingent or on any other basis, 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 in the Schedule of this endorsement; or
- (ii) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this endorsement.

- (b) Any other primary insurance available to the insured as an additional insured covering liability for "damages" covered under this policy.

- 4. The following condition is added:

Two Or More Coverage Forms Or Policies Issued By Us

If the Coverage Form to which this endorsement is attached and any other Coverage Form or policy issued by us or any company affiliated with us applies to the same "claim", "suit" or loss, the aggregate maximum limit of insurance under all of the Coverage Forms or policies will not exceed the highest applicable limit of insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over the Coverage Form to which this endorsement is attached.

G. The following provision is added:

EXTENDED REPORTING PERIODS

1. We will provide one or more Extended Reporting Periods, as described below, if:
 - a. This coverage is canceled or non-renewed; or
 - b. We renew or replace this coverage 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 "wrongful acts" on a claims-made basis.
2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" made during the Extended Reporting Period because of a "wrongful act" that is committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule of this endorsement. A "claim" for "damages" will be deemed to have been made in accordance with Paragraph **A.1.d.** of this endorsement. A "claim" for only injunctive or non-monetary relief will be deemed to have been made in accordance with Paragraph **B.4** of this endorsement.

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

3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts on the date this policy expires or, if the policy is canceled or non-renewed, the effective date of the cancellation or non-renewal, and lasts for 60 days.

The Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance the insured purchases, or that would be covered but for the exhaustion of the amount of insurance applicable to such "claims".

When the Basic Extended Reporting Period applies, Paragraph **E.** of this endorsement is extended to include "claims" first made during the Basic Extended Reporting Period; however, the Aggregate limit is not reinstated or increased.

4. You may purchase a Supplemental Extended Reporting Period. This supplemental period starts when the Basic Extended Reporting Period, set forth in Paragraph **3.** above, ends.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay any additional premium promptly when due.

When the Supplemental Extended Reporting Period applies, Paragraph **E.** of this endorsement is extended to include "claims" first made during the Supplemental Extended Reporting Period; however, the Aggregate limit is not reinstated or increased.

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 exposures 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 225% of the annual premium for this endorsement and will be fully earned at inception of the Supplemental Extended Reporting Period.

H. The Definitions section is amended as follows:

1. Definitions **4.** "bodily injury", **5.** "coverage territory", **7.** "employee", **28.** "property damage" and **32.** "suit" are replaced by the following:
 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. "Bodily injury" does not include injury that is "personal injury".

GENERAL LIABILITY

5. "Coverage territory" means anywhere in the world, provided the insured's responsibility to pay loss is determined in a:
 - a. "Suit" brought on the merits in the United States of America, its territories or possessions, Puerto Rico or Canada; or
 - b. Settlement to which we agree in writing.
7. "Employee" means any person employed by the "educational organization" but does not include persons who are independent contractors.
28. "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 "wrongful act" that caused it.
32. "Suit" means a civil proceeding in which "damages" because of a "wrongful act" 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.

If a limit is shown in the Non-Monetary Relief Coverage section of the Schedule of this endorsement, "suit" includes a civil proceeding, arbitration proceeding or any other alternative dispute resolution proceeding seeking injunctive or other non-monetary relief because a "wrongful act" to which this insurance applies.

2. The following definitions are added:

"Authorized personnel" means any person specifically shown by Name or who holds the Title Or Position shown in the Schedule of this endorsement, whose duties are not solely devoted to providing security for the "educational organization".

"Claim" means:

- a. A written demand for "damages";
- b. 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; or
- c. A written demand for injunctive or other non-monetary relief, but only with respect to Non-Monetary Relief Coverage and only if a limit is shown in the Non-Monetary Relief Coverage section of the Schedule of this endorsement.

"Conducted energy device" means a weapon primarily designed to disrupt a subject's central nervous system by means of deploying electrical energy sufficient to cause uncontrolled muscle contractions and override an individual's voluntary motor responses.

"Damages" means any monetary damages, judgments (including prejudgment interest awarded against the insured on that part of any judgment paid by us), or settlements. "Damages" does not include:

- a. Cost of compliance with any injunctive or other non-monetary relief action;
- b. "Defense expenses" or "legal fees";
- c. 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, as amended, or any similar provisions of federal, state or local statutes, or common law;
- d. Punitive or exemplary damages;
- e. The multiplied portion of any damages;

- f. Fines or penalties imposed by law; or
- g. 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.

"Defense expenses" means reasonable costs, charges and fees (including but not limited to attorneys' 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:

- a. Wages, salaries, expenses or fees of the insured's trustees, committee members, "volunteer workers", directors, officers or "employees";
- b. Wages, salaries and expenses of our employees; or
- c. Fees and expense of independent adjusters hired by us.

"Educational organization" means the educational entity shown as Named Insured in the Declarations, as legally constituted at the beginning of the policy period.

"Firearm" means any pistol, rifle, shotgun, or other device that uses gunpowder to launch projectiles.

"Injury" means "bodily injury", "personal injury" and "property damage".

"Law enforcement activities" means activities, services, advice or instruction that are within the scope of the authorized security duties of the "educational organization's" "law enforcement or security guard personnel" or "authorized personnel".

"Law enforcement or security guard personnel" means any person whose is hired or retained for the sole purpose of providing security services.

"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 the cost of compliance with any injunctive or non-monetary relief action.

"Personal injury" means injury arising out of:

- a. Assault or battery;
- b. False arrest, detention or imprisonment;
- c. Malicious prosecution;
- d. Abuse of process;
- e. Unnecessary use of force;
- f. Discrimination or violation of civil rights;
- g. Oral or written publication of material that slanders or libels a person or organization;
- h. Wrongful eviction, wrongful entry or invasion of the right of private occupancy;
- i. Violation of the right to privacy; or
- j. Violation of the right to public occupancy.

"Personal injury" does not include injury that is "bodily injury".

"Related wrongful acts" means "wrongful acts" which are causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.

"Wrongful act" means any:

- a. Actual or alleged act, breach of duty, neglect, error, omission, misstatement or misleading statement committed by an insured, or any person for whom the insured is legally liable, while in the course of performing "law enforcement activities" for the "educational organization"; or
- b. Allegations that an insured negligently employed, investigated, trained, supervised, reported to the proper authorities or failed to so report, or retained a person whose conduct is included in Paragraph a. above.

GENERAL LIABILITY

"Wrongful act" does not mean any act, breach of duty, neglect, error, omission, misstatement, or misleading statement related to the protection of any computer.

All other terms and conditions remain unchanged.

COMMUNICABLE DISEASE EXCLUSION – SPECIFIED OPERATION OR LOCATION

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART

Specified Operation(s) or Location(s): Any and all operations and locations of the insured.

A. The following exclusion is added and is applicable to all Liability Coverage Parts:

The insurance under any Liability Coverage Part in this policy does not apply to:

1. Any actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other amount, that, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence;
 - a. Originates from;
 - b. Is caused by;
 - c. Arises out of;
 - d. Is contributed to by;
 - e. Results from; or
 - f. Is otherwise in connection with;
A “communicable disease” or the fear or threat (whether actual or perceived) of a “communicable disease”.
2. Any cost or expense to clean-up, detoxify, remove, monitor or test for a “communicable disease”.

This exclusion applies even if the “claim” against any “Insured” alleges negligence or other wrongdoing in the:

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

This exclusion applies only to the Operation(s) or Location(s) shown in the Schedule above, including any operations, maintenance, ownership, supervision, management, control or locations that are necessary or incidental to the Operation(s) or Location(s) shown in the Schedule above.

If a Specified Operation is designated in the Schedule above, this exclusion applies regardless of where the Specified Operation in the Schedule above is conducted, whether such Operation is conducted by you or on your behalf, or whether the Operation is conducted for yourself or for others.

If a Specified Location is designated in the Schedule above, this exclusion applies to all liability and all operations only at such Location. For the purpose of this endorsement, 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.

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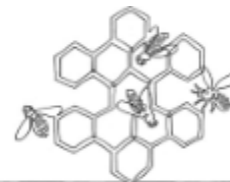
B. The following definition is added:

Communicable Disease means:

Any infection or contagious disease which can be transmitted by means of any substance or agent from any organism to another organism where:

1. The substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not;
2. Regardless of the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between humans, animals, or from any animal to any human or from any human to any animal; and
3. The disease, substance or agent can cause or threaten bodily injury, illness, emotional distress, damage to human health, human welfare or tangible or intangible property damage.

All other terms and conditions remain unchanged.



DECLARATIONS

**Beazley ECLIPSE
ENVIRO COVERED LOCATION INSURANCE POLICY (SITE ENVIRONMENTAL)**

- COVERED LOCATION POLLUTION LIABILITY - NEW POLLUTION CONDITIONS**
- COVERED LOCATION POLLUTION LIABILITY - EXISTING POLLUTION CONDITIONS,**
- TRANSPORTATION POLLUTION LIABILITY**
- NON-OWNED DISPOSAL SITE POLLUTION LIABILITY**
- CRISIS AND REPUTATION MANAGEMENT EXPENSES COVERAGE**
- BUSINESS INTERRUPTION COSTS COVERAGE**

THE COVERAGE UNDER THIS POLICY IS PROVIDED ON A DISCOVERY AND/OR CLAIMS MADE AND REPORTED BASIS.

These Declarations along with the completed and signed **Application** and the Policy with endorsements shall constitute the contract between the **Named Insureds** and the Underwriters.

Underwriters: Beazley Excess and Surplus Insurance, Inc.

Policy Number: D37886240101

Item 1. **First Named Insured:** The Pennsylvania Cyber Charter School
Address: 652 Midland Avenue
Suite A130
Midland, PA 15059

Item 2. **Policy Period:**
From: 30-Jun-2024 To: 30-Jun-2025
Both dates at 12:01 AM Local Time at the Address stated in Item 1.

Item 3. **Limit(s) of Liability:**

(a)	Each Pollution Condition - includes Claims Expenses	\$1,000,000
(b)	Aggregate for the Policy Period - includes Claims Expenses	\$2,000,000
(c)	Additional Claims Expense Limit	\$250,000
(d)	Crisis and Reputation Management Expenses Coverage - Each Pollution Condition Sublimit	\$500,000
(e)	Period of Restoration	365 Days

Item 4. **Deductible(s):**

(a) I.A through I.E. Each **Pollution Condition** -includes **Claims Expenses** \$10,000

(b) I.F. Deductible Period 7 Days

Item 5. **Premium:** \$19,350
+\$100 POLICY FEE + \$580.50 PA SL TAX + \$20 STAMPING FEE

Item 6. **Retroactive Date(s):**

(a) Retroactive Date- Coverage I.B. **Covered Location Pollution Liability Coverage - Existing Pollution Conditions** Specific Date: 20-Jun-2022

(b) Retroactive Date- Coverage I.C. **Transportation Pollution Liability Coverage** None

(c) Retroactive Date- Coverage I.D. **Non-Owned Location Pollution Liability Coverage** None

Item 7. **Extended Reporting Period:**

(a) Premium for **Extended Reporting Period:** 200% of the total annual premium for the Policy

(b) Length of **Extended Reporting Period:** 36 Months

Item 8. **Notification Under This Policy:**

(a) Notification pursuant to Clause X. shall be given to:

Beazley Excess and Surplus Insurance, Inc.
65 Memorial Road
Suite 320
West Hartford, CT 06107
Attn: Claims
Tel: (860) 677-3700
Fax: (860) 679-0247
Or by email: claims@beazley.com

If you have any questions or for additional information, please call.

(b) All other notices under this Policy shall be given to:

Beazley Excess and Surplus Insurance, Inc.
65 Memorial Road
Suite 320
West Hartford, CT 06107
Tel: (860) 677-3700
Fax: (860) 679-0247

The Insurer which has issued this insurance is not license by the Pennsylvania Insurance Department and is subject to limited regulation. This insurance is not covered by the Pennsylvania Property and Casualty Insurance Guaranty Association.
Placed by: Hull & Company LLC
220 Gibraltar Road, Suite 100
Horsham, PA 19044

Item 9. **Covered Location(s):**

Address	City	State	Zip Code
652 Midland Avenue	Midland	PA	15059
900 Midland Ave	Midland	PA	15059
617 Midland Ave	Midland	PA	15059
1200 Midland Ave	Midland	PA	15059
200 Pinewood Lane, Suite 100	Warrendale	PA	15086
735 Midland Ave	Midland	PA	15059
518 Railroad Lane	Midland	PA	15059
1553 Chester Pike	Crum Lynn	PA	19022
479 Port View Dr. Bldg C	Harrisburg	PA	17101
520 Railroad Lane	Midland	PA	15059
722 Midland Ave	Midland	PA	15059
1040 Towne Square Drive	Greenburg	PA	15601
974 Marcon Blvd., Suite 200	Allentown	PA	18109
1700, 1712 South Atherton Street	State College	PA	16801
40 East Northampton Street	Wilkes-Barre	PA	18701
1980 Edinboro Road, Ste B	Erie	PA	16509

Item 10. **Application of Terrorism Risk Insurance Extension Act:** Not Included

Item 11. **Service of process in any suit shall be made upon:**

CT Corporation System
 67 Burnside Avenue
 06108-3408, CT 06108-3408

Item 12. **Choice of Law:**

Pennsylvania

Item 13. **Coverage Provided:**

Coverage	Coverage Provided?
I.A.1. New Pollution Conditions – (BI/PD and Cleanup)	Yes
I.A.2. New Pollution Conditions – 1st Party Discovery	Yes
I.B.1. Existing Pollution Conditions – (BI/PD and Cleanup)	Yes


Coverage	Coverage Provided?
I.B.2. Existing Pollution Conditions – 1st Party Discovery	No
I.C. Transportation	Yes
I.D. Non-Owned Location	Yes
I.E. Crisis and Reputation Management Expense	Yes
I.F. Business Interruption Costs	Yes

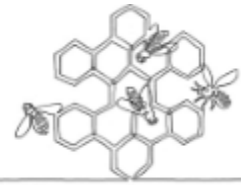
Item 14. Endorsements Effective at Inception:

1. A01863 012024 ed. Nuclear Incident Exclusion Clause-Liability-Direct (Broad) (U.S.A.)
2. A01864 012024 ed. Radioactive Contamination Exclusion Clause-Liability-Direct (U.S.A.)
3. A01866 032024 ed. War and Terrorism Exclusion Endorsement
4. E06694 082020 ed. U.S. Terrorism Risk Insurance Act of 2002 As Amended - Not Purchased Clause
5. E06671 082020 ed. Policyholder Disclosure Notice of Terrorism Insurance Coverage
6. E14455 122020 ed. Cyber Acts Clarification Endorsement
7. E12412 012019 ed. Minimum Earned Premium
8. E12453 012019 ed. Other Insurance-Primary Without Right of Contribution
9. ETP057 062024 ed. Microbial Matter, Virus and Bacteria Sublimit and Deductible
10. ETP058 062024 ed. Amend Responsible Insured Definition
11. ETP059 062024 ed. Preventive Measures and Pollution Control Exclusion
12. ETP060 062024 ed. Underground Disturbance Exclusion
13. ETP061 062024 ed. Asbestos and Lead Exclusion Amendment and Deductible And Sublimit For Lead In Drinking Water Endorsement
14. ETP062 062024 ed. Microbial Matter, Methamphetamines, Virus and Bacteria and Amendment Of Illicit Abandonment Endorsement

Dated: 28-Jun-2024

At: 65 Memorial Road, Suite 320
West Hartford
Connecticut 06107
(the office of the Correspondent)

by 
Beazley USA Services, Inc. (Correspondent)



BEAZLEY ECLIPSE
ENVIRO COVERED LOCATION INSURANCE POLICY (SITE ENVIRONMENTAL)

NOTICE: This Policy provides coverage on a Discovery and/or Claims Made and Reported Basis and the payment of **Claims Expenses** reduces the applicable Limits of Liability. Please review the coverage afforded under this Insurance Policy (hereinafter referred to as the "Policy" or "Insurance") carefully and discuss the coverage hereunder with your insurance agent or broker.

In consideration of the payment of the premium and reliance upon the statements in the **Application**, which is deemed a part of this Insurance Policy and subject to the Limit of Liability, Deductible, Exclusions, conditions and other terms of this Insurance, the Underwriters agree with the **First Named Insured** as follows:

I. INSURING CLAUSE

THE FOLLOWING COVERAGES ARE IN EFFECT ONLY IF INDICATED WITH A "YES" IN ITEM 13. OF THE DECLARATIONS.

A. Covered Location Pollution Liability Coverage - New Pollution Conditions

To pay on behalf of the **Insured**:

1. **Cleanup Costs, Damages and Claims Expenses**, in excess of the Deductible, which the **Insured** shall become legally obligated to pay because of a **Claim** for a **Pollution Condition** first made against the **Insured** and reported in writing to the Underwriters during the **Policy Period**; or within the Extended Reporting Period, if applicable; and/or
2. **Cleanup Costs**, in excess of the Deductible, because of a **Pollution Condition** first discovered by the **Insured** and reported in writing to the Underwriters during the **Policy Period**; or within the Extended Reporting Period, if applicable;

provided that, such **Pollution Condition**:

- a. first commenced on or after the Inception Date stated in Item 2. of the Declarations and before the end of the **Policy Period**; and
- b. is on, at, under or migrated from a **Covered Location**.

B. Covered Location Pollution Liability Coverage - Existing Pollution Conditions

To pay on behalf of the **Insured**:

1. **Cleanup Costs, Damages and Claims Expenses**, in excess of the Deductible which the **Insured** shall become legally obligated to pay because of a **Claim** for a **Pollution Condition** first made against the **Insured** and reported in writing to the Underwriters during the **Policy Period**; or within the Extended Reporting Period, if applicable; and/or
2. **Cleanup Costs**, in excess of the Deductible, because of a **Pollution Condition** first discovered by the **Insured** and reported in writing to the Underwriters during the **Policy Period**; or within the Extended Reporting Period, if applicable;

provided that, such **Pollution Condition**:

- a. first commenced on or after the Retroactive Date, if any, set forth in Item 6.(a) of the Declarations and before the Inception Date stated in Item 2. of the Declarations; and
- b. is on, at, under or migrated from a **Covered Location**.

C. Transportation Pollution Liability Coverage

To pay on behalf of the **Insured**:

Cleanup Costs, Damages and Claims Expenses, in excess of the Deductible, which the **Insured** shall become legally obligated to pay because of a **Claim** for a **Pollution Condition** first made against the **Insured** and reported in writing to the Underwriters during the **Policy Period**, or within the Extended Reporting Period, if applicable, wholly occurring during and resulting solely from **Transportation**; provided that such **Pollution Condition** first commenced on or after the Retroactive Date set forth in Item 6.(b) of the Declarations and before the end of the **Policy Period**.

This Insuring Clause shall not be utilized to evidence financial responsibility of any **Insured** under any federal, state, provincial or local law.

D. Non-Owned Location Pollution Liability Coverage

To pay on behalf of the **Insured**:

Cleanup Costs, Damages and Claims Expenses, in excess of the Deductible, which the **Insured** shall become legally obligated to pay because of a **Claim** for a **Pollution Condition** first made against the **Insured** and reported in writing to the Underwriters during the **Policy Period**, or within the Extended Reporting Period, if applicable, provided that such **Pollution Condition**:

1. first commenced on or after the Retroactive Date stated in Item 6.(c) of the Declarations and before the end of the **Policy Period**; and
2. is on, at, under or migrated from a **Non-Owned Location**.

E. **Crisis and Reputation Management Expenses Coverage**

To pay the **Named Insured Crisis Management Expenses** and/or **Reputation Management Expenses** in excess of the Deductible because of a **Pollution Condition** that is on, at, under or migrated from a **Covered Location** that:

1. is the subject of material adverse regional or national news media coverage for the **Named Insured**;
2. results in **Cleanup Costs** and/or **Damages** for a **Pollution Condition** that is reported to the Underwriters and covered under Insuring Clause I.A or I.B of the Policy; and
3. the **Crisis Management Expenses** and/or **Reputation Management Expenses** are reported, in writing, to the Underwriters during the **Policy Period** and within seventy-two (72) hours after the **Named Insured** incurs or assumes **Reputation Management Expenses** and/or **Crisis Management Expenses** during the **Policy Period**.

In the event that **Crisis Management Expenses** and/or **Reputation Management Expenses** are caused by a **Pollution Condition** and some other cause(s), the Underwriters shall only provide coverage for that portion of **Crisis Management Expenses** and/or **Reputation Management Expenses** caused solely by the **Pollution Condition**.

F. **Business Interruption Costs Coverage**

To pay the **Named Insured Business Interruption Costs** caused directly by a **Pollution Condition** on, at or under a **Covered Location**, provided that:

1. such **Pollution Condition** results in **Cleanup Costs** covered under Insuring Clause I.A or I.B of this Policy; and
2. the **Business Interruption Costs** are reported, in writing, to the Underwriters during the **Policy Period**.

In the event that **Business Interruption Costs** are caused by a **Pollution Condition** and some other cause(s), the Underwriters shall only provide coverage for that portion of **Business Interruption Costs** caused solely by the **Pollution Condition**.

II. **SUPPLEMENTARY PAYMENTS**

Supplementary Payments made under this Clause are not subject to the Deductible set forth in Item 4. of the Declarations and are payable by the Underwriters in addition to the Limits of Liability as set forth in Clause VII.

Defendants Reimbursement

Upon the Underwriters' request, the **Insured** shall attend mediation meetings, arbitration proceedings, hearings, depositions and trials relative to the defense of a **Claim**. Beginning on the fourth day of attendance, the Underwriters shall reimburse the **Insured**, upon written request, for actual loss of earnings and reasonable expenses that result from such attendance. The maximum aggregate amount that the Underwriters shall reimburse is \$500 total per day for all **Insureds**, subject to a maximum aggregate amount of \$10,000 for each **Claim**.

III. DEFINITIONS

Wherever used in this Policy in bold face type, the following definitions shall apply.

- A. **“Application”** means all signed applications, including all attachments and other materials submitted therewith or incorporated therein, and any other such documents submitted prior to the date the Policy, or as applicable, a post binding **Covered Location**, was bound, in connection with the underwriting of this Policy, including any endorsement or other part thereof, or any other policy issued by the Underwriters, of which this Policy is a renewal, replacement or which it succeeds in time.
- B. **“Bodily Injury”** means physical injury, sickness or disease, including death resulting therefrom, and any accompanying mental anguish, emotional distress or shock sustained by any person.
- C. **“Business Interruption Costs”** means the sum of the following:
1. the **Named Insured’s** net income, which is calculated as net profit, if any, that would have been earned before taxes (or if there is a net loss before taxes, the net loss is deducted);
 2. the **Named Insured’s** continuing normal operating expenses incurred excluding payroll not deducted in 1. above;
 3. **Extra Expense**; and
 4. **Rental Value**
- due to the reasonable and necessary suspension of the **Named Insured’s** business operations during the **Period of Restoration** at a **Covered Location**. These sums will be reduced to the extent that the **Named Insured** can resume business operations, in whole or in part, at the **Covered Location**, or by making use of other location(s).
- Business Interruption Costs** shall not include any costs associated with: 1) costs incurred as a result of unfavorable business conditions, 2) loss of market or any other consequential loss, 3) costs associated with crisis management or reputational damage, 4) revoked or modified licenses, permits or, similar types of authorizations from a governmental agency, 5) legal costs or legal expenses, or 6) any costs associated with preventing any **Pollution Condition**.
- D. **“Cargo”** means waste, materials, goods or products transported by automobile, aircraft, watercraft or rolling stock for delivery by a **Named Insured**, or a third party carrier on the **Named Insured’s** behalf, provided that the **Named Insured** or third party carrier is properly licensed to transport such waste, materials, goods or products.
- E. **“Claim”** means:
1. a written demand received by an **Insured** for money or services or alleging liability or responsibility, including, but not limited to, the service of suit or institution of arbitration proceedings; or
 2. a court or government agency order or government or regulatory action filed against the **Insured**.

F. “**Claims Expenses**” means:

1. reasonable and necessary fees charged by an attorney designated or consented to by the Underwriters, such consent not to be unreasonably withheld or delayed;
2. all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim** arising in connection therewith, if incurred by the Underwriters, or by the **Insured** with the prior written consent of the Underwriters, such consent not to be unreasonably withheld or delayed; and
3. premiums for appeal bonds for judgments or bonds to release property used to secure a legal obligation, if required for a **Claim** against any **Insured** for a **Pollution Condition** to which this Insurance applies, provided, however, that the Underwriters shall have no obligation to appeal the underlying judgment or to obtain such bonds.

Except as set forth in Clause II., **Claims Expenses** do not include any goods supplied or services performed by the staff or salaried employees of the **Insured** in connection with the investigation, adjustment, defense or appeal of a **Claim** noticed under this Insurance or in connection with the investigation or remediation of a **Pollution Condition**.

G. “**Cleanup Costs**” means:

1. reasonable and necessary costs, charges and expenses incurred (if by an **Insured**, then only with the prior written consent of the Underwriters, such consent not to be unreasonably withheld or delayed) in the investigation, assessment, removal, disposal, containment, treatment, remediation (including the associated testing and monitoring) or neutralization of a **Pollution Condition**, to the extent required by **Environmental Laws**, required by a **Licensed Site Professional** or required to satisfy the **Insured’s** obligations under a federal or state voluntary cleanup program, or with respect to **Microbial Matter**, methamphetamines or other chemicals associated with methamphetamine laboratories, and legionella pneumophilia, reasonable and necessary costs, charges and expenses required by **Indoor Air Quality Clean-Up Standards**;
2. payments for civil fines, civil penalties, punitive damages, exemplary damages or any damages which are a multiple of compensatory damages, to the extent insurable by law, but only in connection with a **Claim** for **Cleanup Costs** covered under subparagraph 1. above;
3. reasonable and necessary fees charged by an attorney designated or consented to by the Underwriters, such consent not to be unreasonably withheld or delayed, incurred in connection with any such **Cleanup Costs**;
4. reasonable and necessary **Restoration Costs**; and
5. reasonable and necessary expenses incurred to respond to an imminent and substantial endangerment to the public health or welfare or to the environment because of a **Pollution Condition**; provided that, the **Named Insured** shall forward written notice to the Underwriters of any action taken and expense incurred pursuant to this section as soon as practicable, but in no event later than seventy-two (72) hours after any such **Cleanup Costs** have been incurred or assumed.

H. “**Covered Location**” means any location specified in Item 9. of the Declarations or in a Covered Location Endorsement attached to this Policy.

I. “**Crisis Management Expenses**” means the following reasonable fees, costs, charges and expenses of a qualified and licensed crisis management firm incurred by the **Named Insured** during a **Period of Crisis** for:

1. medical expenses;
2. funeral expenses;
3. psychological counseling;
4. travel expenses;
5. temporary living expenses; and
6. security expenses;

Crisis Management Expenses do not include **Reputation Management Expenses, Damages, Cleanup Costs, Business Interruption Costs** or any **Claims Expenses**.

J. “**Damages**” means a monetary judgment, award or settlement of compensatory damages, including any pre-judgment and/or post-judgment interest thereon, incurred for **Property Damage** and/or **Bodily Injury**, including any required medical monitoring when accompanied by such **Bodily Injury**.

The term **Damages** shall not include or mean:

1. taxes or loss of tax benefits;
2. criminal fines, sanctions or criminal penalties assessed against the **Insured**;
3. civil fines, civil penalties punitive damages, exemplary damages or any damages which are a multiple of compensatory damages assessed against the **Insured**, unless insurable by law and assessed in connection with a **Claim** for **Property Damage** and/or **Bodily Injury**;
4. liquidated damages;
5. any amounts for which the **Insured** is not liable, or for which there is no legal recourse against the **Insured**;
6. matters deemed uninsurable under the law pursuant to which this Policy is construed; or
7. goods supplied or services performed by the staff or salaried employees of the **Insured** in connection with the investigation, adjustment, defense or appeal of any **Claim** noticed under this Insurance or in connection with the investigation or remediation of a **Pollution Condition**, without the prior written consent of the Underwriters and in accordance with Clause II.

K. “**Engineering Controls**” means physical modifications to a **Covered Location** to reduce or eliminate the potential for exposure to **Pollution Conditions**.

L. “**Environmental Laws**” means any federal, state, provincial or local laws, including but not limited to statutes, rules, regulations, ordinances, guidance documents, and governmental, judicial or administrative orders and directives that are applicable to **Pollution Conditions** to which this Insurance applies.

M. “**Extra Expense**” means the reasonable and necessary expenses incurred by the **Named Insured**, over and above the **Named Insured**’s continuing normal operating expenses, during the **Period of Restoration**, that the **Named Insured** would not have incurred had there been no suspension of business operations, provided that the expenses are incurred to avoid or minimize the suspension of business and to continue business operations:

1. at the **Covered Location**, or
2. at replacement or temporary location(s), including:
 - i. relocation expenses; and
 - ii. cost to equip and operate the replacement or temporary location(s).

Extra Expense shall be reduced by any salvage value of property obtained for temporary use during the **Period of Restoration** that remains after resumption of normal business operations. **Extra Expense** shall not include any amounts associated with: 1) costs, fees or expenses incurred as a result of unfavorable business conditions, 2) loss of market or any other consequential loss, 3) crisis management or reputational damage, 4) revoked or modified licenses, permits or, similar types of authorizations from a governmental agency, 5) legal and accounting costs, fees or expenses, including but not limited to any such amounts incurred in connection with defending or pursuing any litigation or in preparation for any litigation, 6) interest, including but not limited to the interest on money borrowed to finance any construction; 7) taxes, including but not limited to realty taxes and other, similar assessments; 8) advertising and promotional costs, fees or expenses; and 9) commissions and any other costs, fees or expenses resulting from the renegotiation of leases; 10) costs arising from any delay, lost opportunity, or additional overhead incurred by the contractor, 11) architect, engineering, design and consultant costs, fees and expenses and/or 12) preventing any **Pollution Condition**. Subject to the terms and conditions of this Policy, the Underwriters will pay no more for **Extra Expense** than the percentage shown below multiplied by the Limit of Liability stated in Item 3(a) of the Declarations. If the **Period of Restoration** is:

1. 30 days or less, the percentage applied to the Limit of Liability shall be 40%.
2. 31-60 days, the percentage applied to the Limit of Liability shall be 80%.
3. 61 days or more, the percentage applied to the Limit of Liability shall be 100%.

N. “**First Named Insured**” means the person or entity specified in Item 1. of the Declarations.

O. “**Indoor Air Quality Clean-Up Standards**” means standards for the investigation and remediation of **Microbial Matter**, methamphetamines or other chemicals associated with methamphetamine laboratories, and legionella pneumophilia, imposed by a federal, state, local or provincial governmental authority pursuant to a law or regulation governing the investigation and remediation of **Microbial Matter**, methamphetamines or other chemicals associated with methamphetamine laboratories and/or legionella pneumophilia. If no standards have been imposed by such authority, then the standards for investigation and remediation shall be those necessary to protect human health at the **Covered Location** which shall be determined as follows:

1. With respect to **Microbial Matter**, methamphetamines or other chemicals associated with methamphetamine laboratories, by a Certified Industrial

Hygienist, or similarly qualified health and safety professional, retained with the prior written consent of the Underwriters and experienced in performing investigation and remediation of **Microbial Matter**, methamphetamines or other chemicals associated with methamphetamine laboratories.

2. With respect to legionella pneumophilia, to the extent required in writing by the Centers for Disease Control or local health department.

The applicable standards shall be those which applied to the use of the **Covered Location** identified by the **Insured** in the statements and information contained in the **Application** submitted to the Underwriters prior to the date the Policy is bound, or prior to adding such locations as a **Covered Location** specified in Item 9 of the Declarations.

P. “**Insured**” means:

1. the **Named Insured**;
2. any other entity added as an additional **Insured** by Endorsement to the policy;
3. a present or former director or officer, or, in the case of a limited liability company, a member or manager of the **Named Insured**, but only with respect to the performance of his or her duties as such on behalf of the **Named Insured**;
4. a present or former employee of the **Named Insured**, but only for work done while acting within the scope of his or her employment and related to the conduct of the **Named Insured’s** business;
5. a present or former principal if the **Named Insured** is a sole proprietorship, or a partner if the **Named Insured** is a partnership, but only with respect to the performance of his or her duties as such on behalf of the **Named Insured**; and
6. the estate, heirs, executors, administrators, assigns and legal representatives of any **Insured** in the event of such **Insured’s** death, incapacity, insolvency or bankruptcy, but only to the extent that such **Insured** would otherwise be entitled to coverage under this Insurance.

Q. “**Institutional Controls**” means legal and administrative restrictions on the use of or access to a **Covered Location**, which are designed to reduce or eliminate the potential for exposure to **Pollution Conditions**.

R. “**Licensed Site Professional**” means a licensed environmental scientist or engineer that is in good standing with, and acting under the authority of federal, state, provincial or local laws for the purpose of addressing **Pollution Conditions** at a **Covered Location**.

S. “**Material Change in Use**” means any change in use or operations at a **Covered Location** from the use or operations identified by the **Insured**:

1. in the **Application** submitted to the Underwriters prior to the date the Policy was bound, or
2. prior to adding such location as a **Covered Location** specified in Item 9. of the Declarations

that materially increases the likelihood or severity of a **Pollution Condition**, or results in the imposition of more stringent remediation standards than those applicable to the **Covered Location** as of the date the Policy was bound or the date the **Covered Location** was added to the Policy, whichever is later.

- T. “**Microbial Matter**” means fungi, mold or mildew.
- U. “**Named Insured**” means:
1. the **First Named Insured**;
 2. any other entity added as an additional **Named Insured** by endorsement to the policy; and
 3. any corporations, partnerships, companies or other entities which, at the Inception Date of the Policy, or for such time during the **Policy Period**, the **First Named Insured** has at least 50% ownership interest, but solely with respect to liability arising out of the ownership, operation, maintenance or use of a **Covered Location**.
- V. “**Natural Resource Damage**” means physical injury to, or destruction of, and the resulting loss of use and loss of value (and the cost for assessment and replacement as a result of such injury, destruction or loss required by law to restore the natural resources to their baseline conditions as they existed immediately prior to the **Pollution Condition**) of land, fish, wildlife, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Magnuson-Stevens Fishery Conservation and Management Act, 16 U.S.C. 1801 et. seq.), any state, local or provincial government, any foreign government, any Native American Tribe or if such resources are subject to a trust restriction on alienation, any member of a Native American Tribe.
- W. “**Non-Owned Location**” means any location in the United States, its territories or possessions, which is not managed, operated, owned or leased by any **Insured** or an affiliate of any **Insured** and is used by an **Insured**:
1. for the storage, warehousing or distribution of goods or products owned by an **Insured** and which originate from a **Covered Location**, or
 2. for the treatment, storage or disposal of waste or materials generated at a **Covered Location**, provided that such location:
 - a. is properly permitted and/or licensed by the applicable federal, state, local or provincial authorities to accept such waste or materials as of the date the waste or materials are treated, stored or disposed of at such location; and
 - b. is not listed on a proposed or final Federal National Priorities List and/or any state or provincial equivalent National Priority List, Superfund or Hazardous Waste List prior to the treatment, storage or disposal of the waste or material at such location; and
 - c. is not owned or operated by a bankrupt or financially insolvent entity as of the date the waste or materials are treated, stored or disposed of at such location.

X. “**Period of Restoration**” means the period of time that begins after the Deductible Period set forth in Item 4.(b) of the Declarations and ends with the earliest of:

1. the date the **Named Insured** may reasonably resume its normal business operations at the **Covered Location**;
2. the date the **Named Insured** should have resumed its normal business operations at the **Covered Location** had it used reasonable skill, speed, and effort to do so;
3. the date the **Named Insured** may reasonably resume its normal business operations at a new location; or
4. when the number of days shown in Item 3.(e) **Period of Restoration** Sublimit have elapsed.

The **Period of Restoration** does not include any delay in time caused by the interference by a **Named Insured** with restoring the property or with the resumption or continuation of business operations. The expiration date of this Policy will not reduce the **Period of Restoration**, nor shall the Extended Reporting Period extend it.

Y. “**Policy Period**” means the period of time between the Inception Date stated in Item 2. of the Declarations and earlier of the Expiration Date stated in Item 2. of the Declarations, or any termination, expiration or cancellation of this Insurance, if applicable, and specifically excludes any Extended Reporting Period or any prior policy period or renewal period.

Z. “**Pollution Condition**” means the

1. actual or alleged discharge, dispersal, release, escape, migration, seepage, or illicit abandonment on or after the Inception Date shown in Item 2. of the Declarations, by a third party without an **Insured’s** consent,

of any solid, liquid, gaseous or thermal irritant, contaminant or pollutant, including but not limited to, smoke, vapors, soot, fumes, acids, alkalis, chemicals, toxic or hazardous substances, waste materials, including medical infectious and pathological waste, low-level radioactive waste and material into or upon land or structures thereupon, the atmosphere or any watercourse, body of water or groundwater, in concentrations or amounts in excess of those naturally occurring or present in the environment, which results in **Bodily Injury, Property Damage** or **Cleanup Costs** to which this Insurance applies; and
2. presence of legionella pneumophilia, methamphetamines or other chemicals associated with methamphetamine laboratories, and **Microbial Matter** on, at or within any structures or buildings on or at the **Covered Location**;

Pollution Condition does not include any exposure to infected humans or animals, or contact with bodily fluids or infected humans or animals.

AA. “**Property Damage**” means:

1. physical injury to or destruction of any tangible property, including the loss of use thereof;
2. loss of use of tangible property that has not been physically injured or destroyed;

3. diminished value of property owned by third parties, but only where there is physical injury to or destruction of such tangible property; or

4. **Natural Resource Damage.**

Property Damage does not include **Cleanup Costs**.

BB. “**Rental Value**” means the loss of any anticipated rental income the **Named Insured** would have earned during the **Period of Restoration** by renting all or a portion of the **Covered Location(s)** to a third party not owned by, affiliated with, or connected in any way to any **Named Insured**, less any rental income the **Named Insured** actually earned or could have earned during the **Period of Restoration** by renting all or a portion of the **Covered Location(s)** or by making use of other property. **Rental Value** does not apply to any loss included in subparagraphs (1)-(3) of the definition of **Business Interruption Costs**.

CC. “**Reputation Management Expenses**” means reasonable fees, costs, charges and expenses of, or at the direction of, a qualified public relations firm incurred by the **Named Insured** during a **Period of Crisis** to mitigate material adverse effects upon the **Named Insured’s** reputation and to maintain and/or restore public confidence in the **Named Insured**, including but not limited to amounts for advising, printing, advertising, mailing of materials, or travel by the **Named Insured’s** directors, officers, employees, or agents, or the public relations firm to the extent incurred at the direction of the public relations firm. **Reputation Management Expenses** do not include **Crisis Management Expenses, Damages, Cleanup Costs, Business Interruption Costs** or any **Claim Expenses**.

DD. “**Restoration Costs**” means costs incurred by an **Insured**, in order to restore, repair or replace real or personal property to substantially the same condition it was in prior to being damaged during the course of investigating, assessing, removing, disposing, containing, treating, remediating or neutralizing a covered **Pollution Condition**. Such costs shall not exceed the actual cash value of such real or personal property immediately prior to such damage, or include costs associated with improvements or betterments. Actual cash value shall be calculated by taking the cost to replace such real or personal property, immediately prior to such damage, minus the accumulated depreciation of the real or personal property.

EE. **Period of Crisis** means the period of time that begins on the date that a **Pollution Condition** covered under Insuring Clause I.A. or I.B. of this Policy results in material adverse regional or national news media coverage for the **Named Insured** and ends the earlier of the date: (1) the Underwriters, in their sole discretion, determine that there is no reasonable basis that the **Pollution Condition** has or will continue to result in material adverse regional or national news media coverage against the **Named Insured**; or (2) when the applicable Sublimits of Liability set forth in Item 3(d) of the Declarations have been exhausted.

FF. “**Responsible Insured**” means:

1. any director, officer, principal, partner, or, in the case of a limited liability company, member or manager of the **Named Insured**;
2. any manager or supervisor of the **Named Insured** responsible for environmental health and safety affairs, control or compliance;
3. any insurance manager or any member of the risk management or legal department of the **Named Insured**; and/or

4. any manager of a **Covered Location**.
- GG. “**Transportation**” means the movement of **Cargo** to or from (i) a **Covered Location**, and/or (ii) any location qualifying as a **Non-Owned Location** under Clause III, **DEFINITION X.1**, only, and includes the loading and unloading of **Cargo** onto or from an automobile, aircraft, watercraft or rolling stock provided that the loading and unloading is performed by or on behalf of the **Insured**. **Transportation** does not include **Cargo** that has been unloaded from the automobile, aircraft, watercraft or rolling stock transporting it.
- HH. “**Underground Storage Tank**” means any stationary container or vessel, including the associated piping and ancillary equipment connected thereto, which is:
1. ten percent (10%) or more beneath the surface of the ground;
 2. constructed primarily of non-earthen materials; and
 3. designated to contain any substance.

IV. **DEFENSE, SETTLEMENT AND INVESTIGATION**

- A. The Underwriters shall have the right and duty to defend, subject to the Limit of Liability, exclusions and other terms and conditions of this Policy, any **Claim** against the **Insured** seeking **Cleanup Costs** and/or **Damages** to which this Insurance applies, even if any of the allegations of the **Claim** are groundless, false or fraudulent.
- B. The Underwriters shall have the right to make any investigation they deem necessary, including, without limitation, any investigation with respect to the **Application**, statements made in the **Application** and with respect to coverage.
- C. If the **Insured** refuses to consent to any settlement or compromise of a **Claim** recommended by the Underwriters and acceptable to the claimant, the Underwriters’ liability associated with such **Claim** shall not exceed the amount for which the **Claim** could have been settled, less the remaining Deductible, plus the **Claims Expenses** incurred up to the time of such refusal, or the applicable Limit of Liability, whichever is less, and the Underwriters shall have the right to withdraw from the further defense of the **Claim** by tendering control of the defense to the **Insured**.
- D. The Underwriters shall not be obligated to pay any **Cleanup Costs, Damages, Claims Expenses, Business Interruption Costs, Crisis Management Expenses** or **Reputation Management Expenses** or to undertake or continue defense of any suit or proceeding after the applicable Limit of Liability has been exhausted by payment of **Cleanup Costs, Damages, Claims Expenses, Business Interruption Costs, Crisis Management Expenses** and/or **Reputation Management Expenses**.
- E. If an **Insured** and the Underwriters jointly agree to utilize mediation as a means to resolve a **Claim** made against the **Insured**, and if such **Claim** is resolved as a direct result of the mediation, the applicable Each **Pollution Condition** deductible shall be reduced by 50% subject to a maximum reduction of \$50,000. Mediation means a formal alternative dispute resolution process involving a neutral third party.

V. **TERRITORY**

Subject to Clause III.W., this Policy applies to any **Claim** made and any **Pollution Condition** arising anywhere in the world where permitted by applicable law.

VI. EXCLUSIONS

The coverage under this Insurance does not apply to any amounts:

A. **Intentional Acts**

arising out of or resulting from any actual or alleged **Pollution Condition** that results from a **Responsible Insured's** intentional disregard of, or wilful, deliberate, or dishonest non-compliance with, any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, order or instruction by or on behalf of any governmental agency or representative.

B. **Prior Knowledge**

arising out of or resulting from any actual or alleged **Pollution Condition** existing prior to the Inception Date stated in Item 2. of the Declarations, or the date on which a post binding **Covered Location** was added by Endorsement, if applicable, and known by a **Responsible Insured**, except to the extent specifically disclosed in the **Application** for this Policy or specifically disclosed in a document listed on a Disclosed Document Endorsement scheduled to this Policy. Any **Pollution Condition** disclosed and not otherwise excluded under this Policy or by endorsement shall be deemed to have been first discovered as of the date the **Covered Location** was added to this Policy.

C. **Insured Versus Insured**

arising out of or resulting from a **Claim** made by or on behalf of any **Insured** against any other person or entity who is also an **Insured**. This exclusion does not apply to:

1. any **Claim** involving a **Named Insured** and any other person or entity who is also an **Insured**, in which the underlying action is initiated by a third party who is not an **Insured**, such as an action for contribution or cross claim; or
2. any **Claim** that arises out of an indemnification given by one **Insured** to another **Insured** as specified in a contract approved by the Underwriters and identified on a Schedule of Insured Contracts Endorsement attached to this Policy.

D. **Assumption of Contractual Liability of Others**

arising out of or resulting from the liability of others assumed by the **Insured** under any contract or agreement either oral or written, including any hold harmless or indemnity agreements, except to the extent:

1. the **Insured** would have been liable in the absence of such contract or agreement; or
2. provided under contracts approved by the Underwriters and identified on a Schedule of Insured Contracts Endorsement attached to this Policy.

E. **Asbestos / Lead**

arising out of or resulting from asbestos or lead; provided, that this exclusion does not apply to:

1. any **Claim** for **Damages**, except for **Natural Resource Damages**, and **Claims Expenses** arising therefrom, under Insuring Clause I.A. or I.B. of this Policy;

2. Insuring Clause I.A. or I.B. of this Policy to the extent of asbestos or lead, or any materials containing asbestos or lead, in soil or in any surface water or in groundwater; or
3. Insuring Clause I.C. or I.D. of this Policy.

F. **Employers Liability and Workers Compensation**

arising out of or resulting from:

1. **Bodily Injury** to any employee of any **Insured** arising out of and in the course of:
 - a. employment by an **Insured**; or
 - b. performing duties related to the conduct of an **Insured's** business; or
2. **Bodily Injury** to any spouse (or person living together as spouse), child, parent, brother, sister or dependent of the employee as a consequence of 1. above; or
3. any **Insured's** employment obligations, decisions, practices or policies as an employer; or
4. any obligation for which the **Insured** or its insurance carrier(s) may be liable under any workers compensation, unemployment compensation or disability benefits law or similar law.

G. **Products Liability**

arising out of or resulting from any goods or products designed, manufactured, sold, handled, distributed, installed, altered or repaired, including any container thereof, any failure to warn, or any reliance upon a representation or warranty made at any time with respect thereto, by (i) the **Insured**, (ii) others trading under the **Insured's** name; or (iii) a person or organization whose business or assets an **Insured** has acquired.

This exclusion only applies to the extent the **Pollution Condition** took place away from a **Covered Location** and after physical possession of such goods or products has been relinquished by the **Insured** to others.

This exclusion shall not apply to **Non-Owned Locations** under subparagraph X.1. provided that the **Insured** has retained uninterrupted ownership of such goods or products, or to Insuring Clause I.C. of this Policy.

H. **Property Damage to an Insured's Property**

arising out of or resulting from, any **Property Damage** to any property owned, leased or operated by, or in the care, custody or control of an **Insured**, even if such **Property Damage** is incurred to avoid or mitigate **Damages, Cleanup Costs, Business Interruption Costs, Crisis Management Expenses** or **Reputation Management Expenses**, to which this Insurance applies.

I. **New Pollution Conditions at Divested Property**

arising out of or resulting from a **Pollution Condition** on, at, under or migrating from a **Covered Location**, where such **Pollution Condition** first commences after such **Covered Location** was sold, given away or abandoned by the **Insured** or condemned during the **Policy Period**.

J. **Aircraft, Auto or Watercraft**

arising out of or resulting from the ownership, operation, maintenance, use, loading and unloading, or entrustment to others of any aircraft, automobile or watercraft beyond the boundaries of a **Covered Location**.

This exclusion shall not apply to Insuring Clause I.C. of this Policy.

K. **Material Change In Use**

arising out of or resulting from a **Material Change In Use**.

L. **Failure to Maintain Institutional Controls or Engineering Controls**

arising out of or resulting from:

1. the failure to monitor, maintain or enforce the **Institutional Controls** or **Engineering Controls** for a **Covered Location**; or
2. costs associated with implementing, designing, installing, operating, monitoring, maintaining or enforcing the existing **Institutional Controls** or **Engineering Controls** in place on or before the Inception Date stated in Item 2. of the Declarations.

M. **Underground Storage Tank**

arising out of or resulting from the existence of any **Underground Storage Tank** at a **Covered Location**. This exclusion shall not apply to:

1. an **Underground Storage Tank** at a **Covered Location** that is closed, abandoned in place or removed prior to the Inception Date stated in Item 2. of the Declarations, in accordance with all applicable federal, state, local or provincial regulations in effect at the time of closure, abandonment or removal;
2. an **Underground Storage Tank** identified and described in a Schedule of Underground Storage Tank Endorsement attached to the Policy;
3. an **Underground Storage Tank** at a **Covered Location**, the existence of which is not known to any **Responsible Insured** as of the Inception Date stated in Item 2. of the Declarations or the date on which a post binding **Covered Location** was added by Endorsement, if applicable;
4. a flow-through process tank, including oil/water separators and/or septic tanks at a **Covered Location**; or
5. a storage tank situated in a man-made underground area (such as a basement, cellar, mine shaft or tunnel) at a **Covered Location** if the storage tank is situated upon or above the surface of the floor.

VII. **LIMIT OF LIABILITY**

- A. The Each **Pollution Condition** Limit of Liability stated in Item 3.(a) of the Declarations is the limit of the Underwriters' liability for all covered amounts arising out of any single **Pollution Condition**, except as set forth in Paragraph G. below.

- B. The Aggregate Limit of Liability for the **Policy Period** stated in Item 3.(b) of the Declarations is the Underwriters' total Limit of Liability for all covered amounts arising out of all **Pollution Conditions** covered by this Policy, except as set forth in Paragraph F. below.
- C. The Limit of Liability available to pay **Damages, Cleanup Costs, Business Interruption Costs, Crisis Management Expenses** and **Reputation Management Expenses** shall be reduced and may be completely exhausted by payment of **Claims Expenses**. **Cleanup Costs, Damages, Claims Expenses Business Interruption Costs, Crisis Management Expenses** and **Reputation Management Expenses** shall be applied against the applicable Deductible.
- D. Neither the inclusion of more than one **Insured** under this Policy, nor the making of **Claims** by more than one person or entity shall increase the applicable Limit of Liability.
- E. The **Crisis and Reputation Management Expenses Coverage Aggregate Pollution Condition** Sublimit stated in Item 3.(d) of the Declarations, if any, is the limit of the Underwriters' liability for all **Crisis Management Expenses** and/or **Reputation Management Expenses** under the Policy.

The Sublimit of Liability stated in Item 3.(d) is part of, reduces and is subject to the Limit of Liability stated in Item 3.(a) and (b) of the Declarations.

If the remaining Limit of Liability stated in Item 3.(a) and (b) is less than the applicable Sublimit of Liability, the remaining Each **Pollution Condition** Limit or Aggregate for the **Policy Period** Limit is the most that will be available for payment of coverage provided under the Policy subject to the Sublimit of Liability.

- F. The Limit of Liability for the Extended Reporting Period shall be part of, and not be in addition to, the Limit of Liability of the Underwriters for the **Policy Period**.
- G. The Additional **Claims Expenses** Limit of Liability stated in Item 3.(c) of the Declarations, if any, is separate and in addition to the Each **Pollution Condition** Limit of Liability.

Payments of **Claims Expenses** by Underwriters shall first reduce the Additional **Claims Expenses** Limit of Liability in Item 3.(c) of the Declarations, if applicable. If the Additional **Claims Expenses** Limit of Liability is fully eroded, then any additional payments of **Claims Expenses** shall reduce the applicable Each **Pollution Condition** and Aggregate Limits of Liability. The Underwriter's total liability for all **Pollution Conditions** under this Policy, inclusive of **Claims Expenses**, shall not exceed the sum of the aggregate limit amounts shown in in Items 3.(b) and 3.(c) of the Declarations.

VIII. RELATED POLLUTION CONDITIONS

- A. The same, continuous repeated or related **Pollution Conditions** shall be considered a single **Pollution Condition**, irrespective of the number of claimants or **Insureds** involved in the **Claim** or the number of **Claims** made, subject to the Limit of Liability applicable in the Policy Period when the first such **Pollution Condition** was reported to the Underwriters.
- B. If an **Insured**:
 1. first discovered a **Pollution Condition** during the policy period of a policy issued by the Underwriters prior to the Inception Date stated in Item 2. of the

Declarations, and reported it to the Underwriters in accordance with the terms of that prior policy; and/or

2. reported a **Claim** to the Underwriters during the policy period of a policy issued by the Underwriters prior to the Inception Date stated in Item 2. of the Declarations, in accordance with the terms of that prior policy,

and this Policy provides coverage on substantially the same basis as such prior policy, then all of the same, continuous repeated or related **Pollution Conditions**, and/or all **Claims** arising from the same, continuous, repeated or related **Pollution Conditions**, shall be subject only to the applicable Limits of Liability under the first such policy issued by the Underwriters.

IX. DEDUCTIBLE

- A. Except with respect to Insuring Clause I.F., the Deductible stated in Item 4.(a) of the Declarations applies separately to each **Pollution Condition** and one Deductible shall apply to all coverage under the Policy arising from the same, continuous, repeated or related **Pollution Conditions**.

The **First Named Insured** shall satisfy the Deductible by payment of amounts covered by this Policy to third parties designated by the Underwriters, with Underwriters' prior written consent (not to be unreasonably withheld). Payments of any amounts not covered by this Policy or without Underwriters' prior written consent shall not satisfy the applicable Deductible. Payments made by any **Insured** in satisfaction of deductible obligations under any other insurance shall not satisfy the applicable Deductible under this Policy.

- B. With respect to Insuring Clause I.F, the Deductible stated in Item 4.(b) of the Declarations applies separately to each **Pollution Condition** with respect to all **Business Interruption Costs** covered under the Policy arising from the same, continuous, repeated or related **Pollution Conditions**.
- C. Full payment of the Deductible is a condition precedent to the payment by the Underwriters of any amounts under the Policy. Underwriters shall be liable only for the amounts in excess of the Deductible, subject to the Underwriters total liability not exceeding the applicable Limits of Liability. The Deductible amount does not reduce the Limit of Liability.

X. NOTICE OF CLAIM AND DISCOVERY OF POLLUTION CONDITION

- A. With respect to Insuring Clauses I.A.1., I.B.1., I.C. and I.D., if any **Claim** is made against an **Insured**, the **Insured** shall forward written notice as soon as practicable to the Underwriters but in no event shall such notice be provided after the expiration of the **Policy Period** or the time allowed, if applicable, under Section XI. Notice shall be forwarded via facsimile, email or express or certified mail to the persons identified in Item 8.(a) of the Declarations. Such notice should include a copy of every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative.
- B. With respect to Insuring Clauses I.A.2. and I.B.2., the **Insured** shall forward written notice to the Underwriters as soon as practicable after a **Responsible Insured** becomes aware of any **Pollution Condition**, but in no event shall such notice be provided after the expiration of the **Policy Period** or the time allowed, if applicable, under section XI. Notice shall be forwarded via facsimile, email or express or certified mail to the persons identified in Item 8.(a) of the Declarations. Notice shall include, at a minimum, information

sufficient to identify the **Insured**, the **Covered Location** affected, the names of persons with knowledge of the **Pollution Condition**, and all known and reasonably obtainable information regarding the time, place, cause, nature of and other circumstances of the **Pollution Condition**, and any resulting injuries or damages and remedial steps proposed to be undertaken by the **Insured**.

- C. With respect to Insuring Clause I.E., the **Named Insured** shall forward written notice to the Underwriters of any action taken and expenses incurred as soon as practicable, but in no event later than seventy-two (72) hours after the **Named Insured** incurs or assumes **Reputation Management Expenses** and/or **Crisis Management Expenses**. The **Underwriters** reserve the right in their sole discretion after the first seventy-two (72) hours following the commencement of the **Pollution Condition** to determine (1) if the **Pollution Condition** has or will result in material adverse regional or national news media coverage against the **Named Insured**, or (2) the reasonable type and scope of services, and rates and charges associated with **Crisis Management Expenses** and/or **Reputation Management Expenses** and thereafter the **Named Insured** shall not incur or assume any further or additional **Crisis Management Expenses** and/or **Reputation Management Expenses** without the written consent of the Underwriters.

Written notice of a **Pollution Condition** that gives rise to **Reputation Management Expenses** and/or **Crisis Management Expenses** shall be forwarded via facsimile, email or express or certified mail to the persons identified in Item 8.(a) of the Declarations. Such notice should include:

1. a description of the **Pollution Condition**;
2. the **Named Insured's** basis for a good faith opinion of material adverse regional or national news media coverage;
3. reasonably obtainable and available information regarding any **Claim** or requests for **Cleanup Costs**; and
4. a description of any **Crisis Management Expenses** and/or **Reputation Management Expenses** incurred or planned to be incurred including identification of service providers.

Any payment under Insuring Clause I.E. shall not determine or waive any of the Underwriters' rights or obligations or create a duty to defend any **Claim** or to pay any **Cleanup Costs** under any other provision of the Policy; nor shall it waive the **Insured's** obligations to provide notice of **Claim** and/or discovery of **Pollution Condition** under the Policy as set forth in Clause X.A or X.B. of the Policy.

- D. With respect to Insuring Clause I.F., the **Named Insured** shall forward written notice to the Underwriters as soon as practicable after the **Named Insured** becomes aware of any **Business Interruption Costs** loss but in no event shall such notice be provided after the expiration of the **Policy Period**. Notice shall be forwarded via facsimile, email or express or certified mail to the persons identified in Item 8.(a) of the Declarations.

Notice shall include, at a minimum, information sufficient to identify the **Named Insured**, the **Covered Location** affected, the **Pollution Condition** covered under Insuring Clause I.A or I.B associated with the **Business Interruption Costs**, the type and amount of **Business Interruption Costs**, and all known and reasonably obtainable information regarding the time, place, cause, nature and itemization of and other circumstances of the **Business Interruption Costs**.

- E. A **Claim** or **Pollution Condition** shall be considered to be reported to the Underwriters when written notice is first received by any of the recipients identified in Item 8.(a) of the Declarations.

XI. EXTENDED REPORTING PERIOD

A. Automatic Extended Reporting Period

1. If this Policy is cancelled or non-renewed by the Underwriters or by the **First Named Insured**, then the **First Named Insured** shall have the right to an Automatic Extended Reporting Period, commencing on the last day of the **Policy Period**, with respect to:
 - a. any **Claim** first made against any **Insured** during the **Policy Period** and reported in writing to the Underwriters during the ninety (90) day Automatic Extended Reporting Period, and otherwise covered by this Policy;
 - b. any **Claim** first made against any **Insured** during the ninety (90) day Automatic Extended Reporting Period, resulting from a **Pollution Condition** first discovered and reported in writing to the Underwriters during the **Policy Period**, and otherwise covered by this Policy;
 - c. any **Pollution Condition** first discovered by any **Insured** during the **Policy Period** and reported in writing to the Underwriters during the Automatic Extended Reporting Period, and otherwise covered by this Policy.

The above Automatic Extended Reporting Period shall not apply if the Policy is canceled by the Underwriters due to fraud or non-payment of premium, or if the **Insured** has purchased other insurance to replace the insurance provided under this Policy.

B. Optional Extended Reporting Period

1. If this Policy is cancelled or non-renewed by the Underwriters or by the **First Named Insured**, then the **First Named Insured** shall have the right, upon payment of an additional premium calculated at that percentage shown in Item 7.(a) of the Declarations of the total premium for this Policy, to an Optional Extended Reporting Period with respect to any **Claim** first made against any **Insured** and reported during the period of time set forth in Item 7.(b) of the Declarations following the end of the **Policy Period**, but only with respect to any **Pollution Condition** first discovered and reported in writing to the Underwriters during the **Policy Period**, which is otherwise covered by this Policy.
2. If the Optional Extended Reporting Period is purchased, the ninety (90) day Automatic Extended Reporting Period referred to in Clause XI.A. above shall form part of, and not be in addition to the Optional Extended Reporting Period.
3. As a condition precedent to the right to purchase the Optional Extended Reporting Period, the total premium for this Policy must have been paid and that cancellation by the Underwriters, if applicable, was not due to fraud. The right to purchase such extension of coverage shall terminate unless written notice together with full payment of the premium for such extension of coverage is given to the Underwriters within sixty (60) days after the effective date of cancellation or non-renewal. If such notice and premium payment is not so given to the Underwriters, there shall be no right to purchase such extension of coverage.

4. In the event of the purchase of the Optional Extended Reporting Period, the entire premium for the Optional Extension Period shall be deemed earned at its commencement.
5. The exercise of the Optional Extended Reporting Period shall not in any way increase the Limits of Liability set forth in Item 3. of the Declarations.
6. The offer of renewal terms, conditions or premiums different from those in effect prior to renewal shall not constitute a refusal to renew for purposes of this Clause XI.

XII. REPRESENTATIONS

By acceptance of this Policy, all **Insureds** agree that the statements contained in the **Application** are their agreements and representations, that such statements shall be deemed material to the risk assumed by the Underwriters, and that this Policy is issued in reliance upon the truth thereof.

This entire Policy shall be void if, whether before or after a **Claim** or **Pollution Condition** is first reported to the Underwriters, any **Insured** has concealed or misrepresented any fact or circumstance material to the granting of coverage under this Policy.

XIII. OTHER INSURANCE

- A. Except as set forth in Clause XIII.C and D. below, this Insurance is primary, and the Underwriters' obligations are not affected unless any other insurance is also primary. In that case, the Underwriters will share with all such other insurance by the method described in Clause XIII.C. below.
- B. When this Insurance is excess, the Underwriters will pay only its share of the amounts covered under the Policy, if any, that exceeds the total amount of such other insurance.
- C. When both this Insurance and other insurance apply to amounts covered under the Policy on the same basis, whether primary or excess, the Underwriters shall not be liable under this Policy for a greater proportion of any amounts covered by this Policy than the amount resulting from the following contribution methods, whichever is lesser:
 1. contribution by equal shares where each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the amounts covered by this Policy remains, whichever occurs first; or
 2. contribution by limits where 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.
- D. Solely with respect to a **Pollution Condition** due to **Microbial Matter** Legionella pneumophila and/or methamphetamines, this insurance is excess of any other valid and collectable insurance. The Underwriters will pay only its share of the amounts covered by this Policy, if any, that exceeds the total amount of such other valid and collectible insurance. Where other insurance may be available for amounts covered by this Policy as noted above, the **Insured** shall promptly, upon request, provide the Underwriters with copies of all such policies.

XIV. ASSIGNMENT

This Policy may be assigned by the **First Named Insured** with the prior written consent of the Underwriters, which shall not be unreasonably withheld or delayed. Assignment of the Policy shall not be effective until such assignment is endorsed to the Policy. Notwithstanding the foregoing, if an **Insured** shall die or be adjudged incompetent, such insurance shall cover that **Insured's** legal representative to the extent that the **Insured** would be covered by this Policy.

XV. CANCELLATION

This Insurance may be cancelled by the **First Named Insured** by surrender of this Policy to the Underwriters or by mailing to the Underwriters written notice stating when thereafter cancellation shall be effective.

This Insurance may be cancelled by the Underwriters by mailing the **First Named Insured** at the address set forth in Item 1. of the Declarations, a notice stating when thereafter such cancellation shall be effective. The Underwriters may only cancel this Insurance for the following reasons:

1. fraud on the part of the **Named Insured** in the **Application**; or
2. any **Insured's** material failure to comply with the terms, conditions or contractual obligations under this Policy, including the failure to pay any premium or Deductible when due, however, the **Insured** shall have the ability, within the first sixty (60) days (ten (10) days for failure to pay any premium when due) of the ninety (90) day notice period, to cure such failure to comply with the material terms, conditions or contractual obligations under this Policy to the satisfaction of the Underwriters.

The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice either by the **Named Insured** or by the Underwriters shall be the equivalent of mailing. Notice of pending cancellation will be provided not less than: (a) ninety (90) days prior to the effective date of cancellation for any **Insured's** failure to comply with the terms, conditions or contractual obligations under this Policy including failure to pay the Deductible when due; (b) thirty (30) days prior to the effective date of cancellation for fraud; or (c) ten (10) days prior to the effective date of cancellation for non-payment of premium.

If the Underwriters cancel, subject to any minimum earned premium that may apply, the return premium will be calculated on a pro rata basis. If the **First Named Insured** cancels, subject to any minimum earned premium that may apply, the return premium will be calculated in accordance with the customary short rate table and procedure.

XVI. ASSISTANCE AND COOPERATION OF THE INSURED

The **Insured** shall cooperate with the Underwriters and provide all reasonable assistance in the investigation and defense of any **Claim**, **Pollution Condition**, the **Application**, **Business Interruption Cost**, **Crisis Management Expense**, **Reputation Management Expense**, and any other matters relating to coverage under this Policy.

The **Insured** shall execute or cause to be executed all papers and render all assistance as is reasonably requested by the Underwriters and related to the defense of any **Claim**, the cleanup of any **Pollution Condition**, **Business Interruption Cost**, **Crisis Management Expense** and **Reputation Management Expense**. The Underwriters may require that the **Insured** submit to examination under oath, attend hearings, depositions and trials and assist in securing and giving evidence and obtaining the attendance of witnesses in connection with the defense of any **Claim**, cleanup of **Pollution Condition**, **Business Interruption Cost**, **Crisis Management Expense** and **Reputation Management Expense**. In the course of investigation or defense of any **Claim**,

the Underwriters may require written statements or the **Insured's** attendance at meetings with the Underwriters.

Upon the Underwriters request, the **Insured** shall assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured** because of any **Pollution Condition** covered under this Policy.

The **Insured** shall not admit liability, enter into any settlement, stipulate to any judgment or award or dispose of any **Claim**, or, except as provided in Clause I.E. and/or III.G.5, make any payment, assume any obligations, incur any expense (including, but not limited to, any **Claims Expenses** or **Cleanup Costs**), without the written consent of the Underwriters, such consent not to be unreasonably withheld or delayed. Except as provided for in Clause II., expenses incurred by the **Insured** in assisting and cooperating with the Underwriters, as described above, do not constitute **Claims Expenses** and are not reimbursable under this Policy.

XVII. ACTION AGAINST THE UNDERWRITERS

No action shall lie against the Underwriters unless the **Insured** shall have fully complied with all of the terms of this Policy, nor until the amount of the **Insured's** obligation to pay shall have been fully and finally determined either by judgment against them or by written agreement between them, the claimant and the Underwriters. Nothing contained herein shall give any person or organization any right to join the Underwriters as a party to any **Claim** against the **Insured** to determine their liability, nor shall the Underwriters be impleaded by the **Insureds** or their legal representative in any **Claim**.

XVIII. SUBROGATION

In the event of any payment under this Insurance, the Underwriters shall be subrogated to all the **Insureds'** rights of recovery therefore against any person or organization, and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing to prejudice such rights. Any recoveries shall be applied first to subrogation expenses, second to the **Named Insured** to the extent of any payments in excess of the Limit of Liability, third to amounts covered by this Policy and paid by the Underwriters, and fourth to the Deductible. Any additional amounts recovered shall be paid to the **Named Insured**.

XIX. ENTIRE AGREEMENT

By acceptance of this Policy, all **Insureds** agree that this Policy embodies all agreements existing between them and the Underwriters relating to this Insurance. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or estop the Underwriters from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by written endorsement issued to form a part of this Policy, signed by the Underwriters.

XX. VALUATION AND CURRENCY

All premiums, limits, deductibles, and any amounts covered by this Policy are expressed and payable in the currency of the United States. If judgment is rendered, settlement is denominated, or another element of **Damages** under this Policy is stated in a currency other than United States dollars or if any other amounts covered by this Policy are paid in a currency other than United States dollars, payment under this Policy shall be made in United States dollars at the rate of exchange published in the *Wall Street Journal* on the date on which a relevant final judgment becomes incapable of appeal or payment of the settlement or other element of **Damages** is due or the date such other amounts covered by this Policy are paid.

XXI. BANKRUPTCY

Bankruptcy or insolvency of the **Insured** shall not relieve the Underwriters of its obligations nor deprive the Underwriters of its rights or defenses under this Policy.

XXII. AUTHORIZATION

By acceptance of this Policy, the **Insureds** agree that the **Named Insured** will act on their behalf with respect to the giving and receiving of any notice provided for in this Policy, the payment of premiums and the receipt of any return premiums that may become due under this Policy, and the agreement to and acceptance of endorsements.

XXIII. RIGHT OF ACCESS AND INSPECTION

The **Named Insured** agrees to provide the Underwriters with access to any information developed or discovered by an **Insured** concerning a **Claim, Pollution Condition, Business Interruption Costs, Crisis Management Expenses** or **Reputation Management Expenses** to which this Insurance applies, whether or not deemed by an **Insured** to be relevant and to provide the Underwriters with access to interview any **Insured** and review any documents of an **Insured**. Further, to the extent that an **Insured** has such rights, any of the Underwriters representatives shall have the right and opportunity but not the obligation to inspect at any reasonable time, during the **Policy Period** or thereafter, a **Covered Location** associated with a **Claim, Pollution Condition, Business Interruption Costs, Crisis Management Expenses, or Reputation Management Expenses** reported to the Underwriters. Neither the Underwriters nor its representatives shall assume any responsibility or duty to the **Insured** or to any other person or entity, by reason of such right of inspection. Neither the Underwriters right to make inspections, sample and monitor, nor the actual undertaking thereof nor any report thereon shall constitute an undertaking on behalf of the **Insured** or others, to determine or warrant that the property or operations are safe, healthful or conform to acceptable engineering practices or are in compliance with any law, rule or regulation. The **Named Insured** agrees to provide appropriate personnel to assist the Underwriters' representatives during any inspection.

XXIV. HEADINGS

The descriptions in the headings and subheadings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

XXV. SERVICE OF SUIT

It is agreed that in the event of the failure of the Underwriters to pay any amount claimed to be due under this Insurance, the Underwriters, at the request of the **Insured**, will submit to the jurisdiction of any court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of the Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon Underwriters representative, designated in Item 11. of the Declarations, and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The Underwriters' representative designated in Item 11. of the Declarations is authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the **Insured** to give a written undertaking to the **Insured** that they will enter a general appearance upon Underwriters behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, the Underwriters designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his or her successor in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the **Insured** or any beneficiary hereunder arising out of this contract of Insurance, and hereby designate the Underwriters representative, designated in Item 11. of the Declarations, as the person to whom the said officer is authorized to mail such process or a true copy thereof.

XXVI. CHOICE OF LAW

Any disputes involving this Policy shall be resolved applying the law designated in Item 12. of the Declarations.

XXVII. SOLE AGENT

The **First Named Insured** shall act on behalf of all **Insureds** for all purposes, including but not limited to the payment of Deductible amounts, payment or return of premium, receipt and acceptance of any endorsement issued to form a part of this Policy, giving and receiving notice of cancellation or nonrenewal and the exercise of the rights stated in Clause XI.

XXVIII. SANCTION LIMITATIONS

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any **Claim** or provide any benefit hereunder to the extent that the provision of such cover, payment of such **Claim** or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, law or regulations of the European Union, United Kingdom or United States of America.

XXIX. SEVERABILITY OF INTEREST

Except with respect to the Limit of Liability, Clause XII. and any rights and duties assigned in this Policy to the **First Named Insured**, this Insurance applies as if each **Insured** were the only **Insured** and separately to each **Insured** against whom a **Claim** is made.

Effective date of this Endorsement: 30-Jun-2024

This Endorsement is attached to and forms a part of Policy Number: D37886240101

Beazley Excess and Surplus Insurance, Inc. referred to in this endorsement as either the "Insurer" or the "Underwriters"

NUCLEAR INCIDENT EXCLUSION CLAUSE-LIABILITY-DIRECT (BROAD) (U.S.A.)

This endorsement modifies insurance provided under the following:

BEAZLEY ECLIPSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

For attachment to insurances of the following classifications in the U.S.A., its Territories and Possessions, Puerto Rico and the Canal Zone:

Owners, Landlords and Tenants Liability, Contractual Liability, Elevator Liability, Owners or Contractors (including railroad) Protective Liability, Manufacturers and Contractors Liability, Product Liability, Professional and Malpractice Liability, Storekeepers Liability, Garage Liability, Automobile Liability (including Massachusetts Motor Vehicle or Garage Liability),

not being insurances of the classifications to which the Nuclear Incident Exclusion Clause-Liability-Direct (Limited) applies.

This Policy* does not apply:

1. Under any Liability Coverage, to injury, sickness, disease, death or destruction:
 - (a) 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 or Nuclear Insurance Association of Canada, or would be an 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. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
3. Under any Liability Coverage, to injury, sickness, disease, death or destruction 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 injury, sickness, disease, death or destruction 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 (c) applies only to injury to or destruction of property at such nuclear facility.

4. As used in this endorsement:

"hazardous properties" include 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 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 (1) containing by-product material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof;

"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. With respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

It is understood and agreed that, except as specifically provided in the foregoing to the contrary, this clause is subject to the terms, exclusions, conditions and limitations of the Policy to which it is attached.

* NOTE: As respects policies which afford liability coverages and other forms of coverage in addition, the words underlined should be amended to designate the liability coverage to which this clause is to apply.

All other terms and conditions of this Policy remain unchanged.

A handwritten signature in black ink, appearing to be "N. J. [unclear]", written over a horizontal line.

Authorized Representative

Effective date of this Endorsement: 30-Jun-2024

This Endorsement is attached to and forms a part of Policy Number: D37886240101

Beazley Excess and Surplus Insurance, Inc. referred to in this endorsement as either the "Insurer" or the "Underwriters"

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE-LIABILITY-DIRECT (U.S.A.)

This endorsement modifies insurance provided under the following:

BEAZLEY ECLIPSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

For attachment (in addition to the appropriate Nuclear Incident Exclusion Clause-Liability-Direct) to liability insurances affording worldwide coverage.

In relation to liability arising outside the U.S.A., its Territories or Possessions, Puerto Rico or the Canal Zone, this Policy does not cover any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

Effective date of this Endorsement: 30-Jun-2024

This Endorsement is attached to and forms a part of Policy Number: D37886240101
Beazley Excess and Surplus Insurance, Inc. referred to in this endorsement as either the "Insurer"
or the "Underwriters"

WAR AND TERRORISM EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BEAZLEY ECLIPSE

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. any act of terrorism.


For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1 and/or 2 above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

Effective date of this Endorsement: 30-Jun-2024

This Endorsement is attached to and forms a part of Policy Number: D37886240101

Beazley Excess and Surplus Insurance, Inc. referred to in this endorsement as either the "Insurer" or the "Underwriters"

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

This endorsement modifies insurance provided under the following:

BEAZLEY ECLIPSE

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

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

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

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

All other terms, exclusions and conditions of the policy remain unchanged.

(LMA 5390)



Authorized Representative

**POLICYHOLDER DISCLOSURE NOTICE OF
TERRORISM INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended ("TRIA"), that you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, **as defined in Section 102(1) of the Act, as amended:** The term "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, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Any coverage you purchase for "acts of terrorism" shall expire at 12:00 midnight December 31, 2027, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates.

YOU SHOULD KNOW THAT COVERAGE PROVIDED BY THIS POLICY FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES PAYS 80% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER(S) PROVIDING THE COVERAGE. YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A USD100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS USD100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED USD100 BILLION, YOUR COVERAGE MAY BE REDUCED.

THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

<input type="checkbox"/>	I hereby elect to purchase coverage for acts of terrorism for a prospective premium of 1%.
<input checked="" type="checkbox"/>	I hereby elect to have coverage for acts of terrorism excluded from my policy. I understand that I will have no coverage for losses arising from acts of terrorism.

Matthew M. Schulte

Policyholder/Applicant's Signature

Beazley Excess and Surplus Insurance, Inc

Matthew Schulte

Print Name

Policy Number

06/13/2024

Date

(LMA 9184)

E06671

Page 1 of 1

082020 ed.

Effective date of this Endorsement: 30-Jun-2024

This Endorsement is attached to and forms a part of Policy Number: D37886240101

Beazley Excess and Surplus Insurance, Inc. referred to in this endorsement as either the "Insurer" or the "Underwriters"

CYBER ACTS CLARIFICATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BEAZLEY ECLIPSE

It is hereby understood and agreed that this Policy does not contain a specific exclusion for cyber acts or cyber incidents.

Subject to all the terms and conditions of this Policy, coverage shall be provided under this Policy for any **Pollution Condition** in connection with a cyber act or cyber incident, whether involving malicious or non-malicious events.

Nothing in this Endorsement creates coverage not otherwise provided under this Policy.

A handwritten signature in black ink, appearing to read 'N. [unclear]', written over a horizontal line.

Authorized Representative

Effective date of this Endorsement: 30-Jun-2024

This Endorsement is attached to and forms a part of Policy Number: D37886240101

Beazley Excess and Surplus Insurance, Inc. referred to in this endorsement as either the "Insurer" or the "Underwriters"

MINIMUM EARNED PREMIUM

This endorsement modifies insurance provided under the following:

BEAZLEY ECLIPSE

In consideration of the premium charged for this Policy, it is hereby understood and agreed that in the event of cancellation pursuant to Cause **XV. CANCELLATION**, this Policy shall be subject to a minimum earned premium pursuant to the schedule below:

25% at the Inception Date of the Policy;

All percentages above are percentages of the amount shown in Item 5. of the Declarations.

However, in the event a **Claim** or a **Pollution Condition** has been reported to the Underwriters pursuant to the terms of this Policy, then the Policy will be subject to a minimum earned premium of 100% at the Inception Date of the Policy.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

Effective date of this Endorsement: 30-Jun-2024

This Endorsement is attached to and forms a part of Policy Number: D37886240101
Beazley Excess and Surplus Insurance, Inc. referred to in this endorsement as either the "Insurer"
or the "Underwriters"

OTHER INSURANCE – PRIMARY WITHOUT RIGHT OF CONTRIBUTION

This endorsement modifies insurance provided under the following:

BEAZLEY ECLIPSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that Clause **XIII. OTHER INSURANCE** is deleted in its entirety and replaced with the following:

XIII. OTHER INSURANCE

Where other valid and collectible insurance is available to any **Insured** for any **Pollution Condition**, this insurance shall apply as primary insurance versus any other valid and collectable insurance, and the Underwriters will have no right of contribution against any other insurance company providing insurance for a **Pollution Condition** on a primary basis.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

Effective date of this Endorsement: 30-Jun-2024

This Endorsement is attached to and forms a part of Policy Number: D37886240101
Beazley Excess and Surplus Insurance, Inc. referred to in this endorsement as either the "Insurer"
or the "Underwriters"

MICROBIAL MATTER, VIRUS AND BACTERIA SUBLIMIT AND DEDUCTIBLE

This endorsement modifies insurance provided under the following:

BEAZLEY ECLIPSE

In consideration of the premium charged for the Policy, and solely with respect to **Pollution Conditions** relating to **Microbial Matter**, viruses or bacteria, it is hereby understood and agreed that:

1. Items 3. of the Declarations is amended with the addition of the following paragraph (f):

(f)	\$500,000	Microbial Matter , viruses and bacteria Aggregate Sublimit-includes Claims Expenses
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2. Item 4.(a) of the Declarations is deleted in its entirety and replaced with the following:

(a)	\$25,000	Microbial Matter , viruses and bacteria- Each Pollution Condition - includes Claims Expenses
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3. The following is added to **IX. DEDUCTIBLE**:

If more than one Deductible amount applies to the same, continuing or series of related or repeated **Pollution Conditions** then only the highest applicable Deductible amount shall apply.

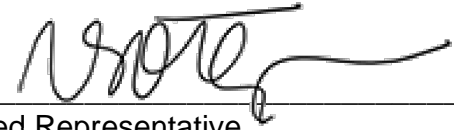
4. The following is added to **VII. LIMIT OF LIABILITY**

The **Microbial Matter**, Viruses and Bacteria Aggregate Sublimit of Liability stated in Item 3.(f) of the Declarations is the Underwriters' total limit of liability for all covered amounts arising out of all **Pollution Conditions** relating to **Microbial Matter**, viruses or bacteria covered by this Policy.

The **Microbial Matter**, Viruses and Bacteria Aggregate Sublimit of Liability stated in Item 3.(f) is part of, reduces and is subject to the Limit of Liability stated in Item 3.(a) and (b) of the Declarations.

If the remaining Limit of Liability stated in Item 3.(a) and (b) is less than the applicable **Microbial Matter**, Viruses and Bacteria Aggregate Sublimit of Liability, the remaining Each **Pollution Condition** Limit or Aggregate for the Policy Period Limit is the most that will be available for payment of coverage provided under the Policy subject to the **Microbial Matter**, Viruses and Bacteria Aggregate Sublimit of Liability.

All other terms and conditions of this Policy remain unchanged.

A handwritten signature in black ink, appearing to be 'N. J. ...', written over a horizontal line.

Authorized Representative

Effective date of this Endorsement: 30-Jun-2024

This Endorsement is attached to and forms a part of Policy Number: D37886240101
Beazley Excess and Surplus Insurance, Inc. referred to in this endorsement as either the "Insurer"
or the "Underwriters"

AMEND RESPONSIBLE INSURED DEFINITION

This endorsement modifies insurance provided under the following:

BEAZLEY ECLIPSE

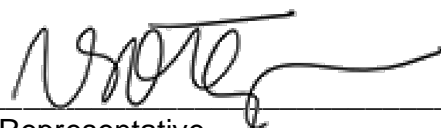
In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. Clause **III. DEFINITIONS**, FF. "**Responsible Insured**" is deleted in its entirety and replaced with the following:

FF. "**Responsible Insured**" means:

1. any manager or supervisor of an **Insured** responsible for environmental health and safety affairs, control or compliance;
2. any officer, director, partner, or member of the **Insured**; and
3. any principal, headmaster, or a person employed by an **Insured** in a position which is equivalent to principal or headmaster.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

Effective date of this Endorsement: 30-Jun-2024

This Endorsement is attached to and forms a part of Policy Number: D37886240101
Beazley Excess and Surplus Insurance, Inc. referred to in this endorsement as either the "Insurer"
or the "Underwriters"

PREVENTIVE MEASURES AND POLLUTION CONTROL EXCLUSION

This endorsement modifies insurance provided under the following:

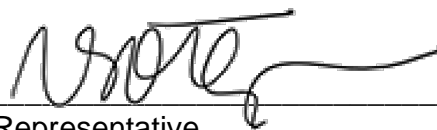
BEAZLEY ECLIPSE

In consideration of the premium charged for this Policy, it is hereby understood and agreed that the following is added to **VI. EXCLUSIONS**:

Preventive Measures and Pollution Control Exclusion

for **Cleanup Costs**, and **Claims Expenses** arising therefrom, arising out of or resulting from any faulty workmanship, assembly, construction, fabrication, improvement, maintenance, upgrade, installation, demolition, or dismantling of any preventive measure or pollution control to any property, equipment or processes on, at, under, within or beyond the boundaries of a **Covered Location**.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

Effective date of this Endorsement: 30-Jun-2024

This Endorsement is attached to and forms a part of Policy Number: D37886240101

Beazley Excess and Surplus Insurance, Inc. referred to in this endorsement as either the "Insurer" or the "Underwriters"

UNDERGROUND DISTURBANCE EXCLUSION

This endorsement modifies insurance provided under the following:

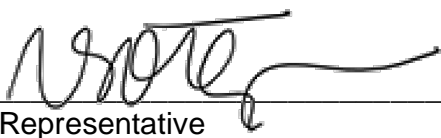
BEAZLEY ECLIPSE

In consideration of the premium charged for this Policy, it is hereby understood and agreed that the following is added to Clause VI. **EXCLUSIONS**:

Underground Disturbance

for **Cleanup Costs**, and **Claims Expenses** arising therefrom, arising out of or resulting from a **Pollution Condition** which is discovered either during or as a direct or indirect result of any disturbance, grading, excavation, dredging, removal or demolition to, into or underneath the ground at a **Covered Location**, including but not limited to soil, groundwater, sediment, dredge materials, building pads/slabs, foundations, buildings, structures, piping, sumps, pits, vaults, **Underground Storage Tank(s)**, debris and waste. This exclusion shall not apply to disturbance, grading, excavation, dredging or removal which was solely performed as a part of routine maintenance at the **Covered Location**. For purposes of this exclusion, "routine maintenance" shall be defined as the maintenance work planned and performed at regular intervals and based on testing or other evidence indicating the maintenance work is necessary to extend the life or prevent the premature failure of structures or fixtures.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

Effective date of this Endorsement: 30-Jun-2024

This Endorsement is attached to and forms a part of Policy Number: D37886240101
Beazley Excess and Surplus Insurance, Inc. referred to in this endorsement as either the "Insurer"
or the "Underwriters"

**ASBESTOS AND LEAD EXCLUSION AMENDMENT AND DEDUCTIBLE
AND SUBLIMIT FOR LEAD IN DRINKING WATER ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BEAZLEY ECLIPSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. Clause **VI. EXCLUSIONS**, Exclusion E. **Asbestos / Lead** is deleted in its entirety and replaced with the following:

E. **Asbestos / Lead**

arising out of or resulting from asbestos or lead; provided, that this exclusion shall not apply to:

1. **Claims for Damages**, except for **Natural Resource Damages**, and **Claims Expenses** arising therefrom, under Insuring Clause I.A. or I.B. of this Policy;
2. Insuring Clause I.A. or I.B. of this Policy to the extent of asbestos or lead, or any materials containing asbestos or lead, in soil or in any surface water or in groundwater;
3. Insuring Clause I.C. or I.D. of this Policy; or
4. **Damages** arising from lead in drinking water.

2. Solely with respect to **Damages** arising from lead in drinking water, Items 3. of the Declarations is amended with the addition of the following paragraph (f):

(f)	\$500,000	Damages Arising From Lead in Drinking Water Aggregate Sublimit
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3. Solely with respect to **Damages** arising from lead in drinking water, Item 4.(a) of the Declarations is deleted in its entirety and replaced by the following:

(a)	\$25,000	Damages Arising From Lead in Drinking Water Deductible
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4. The following is added to Clause **IX. DEDUCTIBLE**:

If more than one Deductible amount applies to the same, continuing or series of related or repeated **Pollution Conditions** then only the highest applicable Deductible amount shall apply.

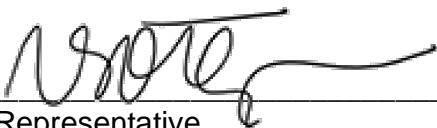
5. The following is added to Clause **VII. LIMIT OF LIABILITY**

The **Damages** Arising From Lead in Drinking Water Aggregate Sublimit of Liability stated in Item 3.(f) of the Declarations is the Underwriters' total limit of liability for all covered **Damages** arising from lead in drinking water covered by this Policy.

The **Damages** Arising From Lead in Drinking Water Aggregate Sublimit of Liability stated in Item 3.(f) is part of, reduces and is subject to the Limit of Liability stated in Item 3.(a) and (b) of the Declarations.

If the remaining Limit of Liability stated in Item 3.(a) and (b) is less than the applicable **Damages** Arising From Lead in Drinking Water Aggregate Sublimit of Liability, the remaining Each **Pollution Condition** Limit or Aggregate for the Policy Period Limit is the most that will be available for payment of coverage provided under the Policy subject to the **Damages** Arising From Lead in Drinking Water Aggregate Sublimit of Liability.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

Effective date of this Endorsement: 30-Jun-2024

This Endorsement is attached to and forms a part of Policy Number: D37886240101

Beazley Excess and Surplus Insurance, Inc. referred to in this endorsement as either the "Insurer" or the "Underwriters"

MICROBIAL MATTER, METHAMPHETAMINES, VIRUS AND BACTERIA AND AMENDMENT OF ILLICIT ABANDONMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

BEAZLEY ECLIPSE

In consideration of the premium charged for the Policy, it is hereby understood and agreed that:

1. Clause **III. DEFINITIONS**, Definition AA.. "**Pollution Condition**", is deleted in its entirety and replaced with the following:

AA. "**Pollution Condition**" means

1. The actual or alleged discharge, dispersal, release, escape, migration, seepage, or illicit abandonment on or after the Retroactive Date shown in Item 6.(a) of the Declarations, by a third party without an **Insured's** consent, of any solid, liquid, gaseous or thermal irritant, contaminant or pollutant, including but not limited to, smoke, vapors, soot, fumes, acids, alkalis, chemicals, toxic or hazardous substances, waste materials, including medical infectious and pathological waste, low-level radioactive waste and material into or upon land or structures thereupon, the atmosphere or any watercourse, body of water or groundwater, in concentrations or amounts in excess of those naturally occurring or present in the environment, which results in **Bodily Injury, Property Damage or Cleanup Costs** to which this Insurance applies; and
2. the presence of legionella pneumophilia, methamphetamines or other chemicals associated with methamphetamine laboratories, and **Microbial Matter** on, at or within any structures or buildings on or at the **Covered Location**; and
3. solely with respect to **Cleanup Costs**, the presence of viruses or bacteria on, at or within any structures at the **Covered Location**.

Pollution Condition does not include any exposure to infected humans or animals, or contact with bodily fluids or infected humans or animals.

2. Clause **III. DEFINITIONS**, Definition G. "**Cleanup Costs**", Subparagraph 1., is deleted in its entirety and replaced with the following:

1. reasonable and necessary costs, charges and expenses incurred (if by an **Insured**, then only with the prior written consent of the Underwriters, such consent not to be unreasonably withheld or delayed) in the investigation, assessment, removal, disposal, containment, treatment, remediation (including the associated testing and monitoring) or neutralization of a **Pollution Condition**, to the extent required by **Environmental Laws**, required by a **Licensed Site Professional** or required to satisfy the **Insured's** obligations under a federal or state voluntary cleanup program, or with respect to **Microbial Matter**, methamphetamines or other chemicals associated with methamphetamine laboratories, legionella pneumophilia, viruses and


3. Clause **III. DEFINITIONS**, Definition O. "**Indoor Air Quality Clean-Up Standards**" is deleted in its entirety and replaced with the following:

O. "**Indoor Air Quality Clean-Up Standards**" means standards for the investigation and remediation of **Microbial Matter**, methamphetamines or other chemicals associated with methamphetamine laboratories, legionella pneumophilia, viruses and bacteria imposed by a federal, state, local or provincial governmental authority pursuant to a law or regulation governing the investigation and remediation of **Microbial Matter**, methamphetamines or other chemicals associated with methamphetamine laboratories, legionella pneumophilia, viruses and/or bacteria. If no standards have been imposed by such authority, then the standards for investigation and remediation shall be those necessary to protect human health at the **Covered Location** which shall be determined as follows:

1. With respect to **Microbial Matter**, methamphetamines or other chemicals associated with methamphetamine laboratories, by a Certified Industrial Hygienist, or similarly qualified health and safety professional, retained with the prior written consent of the Underwriters and experienced in performing investigation and remediation of **Microbial Matter**, methamphetamines or other chemicals associated with methamphetamine laboratories.
2. With respect to legionella pneumophilia, viruses and bacteria, to the extent required in writing by the Centers for Disease Control or local health department.

The applicable standards shall be those which applied to the use of the **Covered Location** identified by the **Insured** in the statements and information contained in the **Application** submitted to the Underwriters prior to the date the Policy is bound, or prior to adding such locations as a **Covered Location** specified in Item 9 of the Declarations.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative



**BEAZLEY ECLIPSE
ENVIRO COVERED LOCATION INSURANCE POLICY (SITE ENVIRONMENTAL)
NEW BUSINESS APPLICATION**

Beazley USA, Inc.
30 Batterson Park Road
Farmington, CT 06032-2579

THIS APPLICATION IS FOR A POLICY PROVIDING COVERAGE ON A DISCOVERY AND/OR CLAIMS-MADE AND REPORTED BASIS DEPENDING UPON COVERAGE AS PROVIDED IN THE DECLARTIONS. PAYMENT OF COSTS FOR DEFENSE ERODES THE LIMITS OF LIABILITY.

Fully answer all questions and submit all requested information. Terms appearing in bold face in this **Application** are defined in the Policy and have the same meaning in this **Application** as in the Policy. The terms 'you' and 'your' mean(s) **Named Insured** and "Applicant." If you do not have a copy of the Policy, request it from your agent or broker. This **Application**, including all materials submitted herewith, shall be held in confidence.

NOTICE TO NEW YORK APPLICANTS: The Policy, for which this Application is made, is a **claims made policy**. Upon termination of coverage for any reason, a **90-day automatic extension period** will apply. For an additional premium, a **three year optional extension period** can be purchased as indicated in the Declarations, except as otherwise provided herein, this Policy only applies to claims first made or incidents reported during the Policy Period, the automatic extension period or, if applicable, the optional extension period. No coverage exists for claims made after termination of coverage and the automatic extension period unless, and to the extent, the optional extension period applies. No coverage will exist after the expiration of the automatic extension period or, if purchased, the optional extension period, which may result in a potential coverage gap if prior acts coverage is not subsequently provided by another insurer. During the first several years of a claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and the Insured can expect substantial annual premium increases, independent of overall rate increases, until the claims-made relationship reaches maturity. The limit of liability available to pay damages or settlements shall be reduced and may be exhausted by claims expenses and claims expenses shall be applied to the deductible. The Insurer is not obligated to pay any damages and claims expenses after the limit of liability has been exhausted by payment of damages and claims expenses. Read this Policy carefully.

READ APPLICATION CAREFULLY AND FILL IT OUT COMPLETELY

1. Applicant Name (**Named Insured**): *The Pennsylvania Cyber Charter School*

Mailing Address: *652 Midland Avenue, Midland, PA 15059*

Contact: *Matthew Schulte*

Title: *Chief Financial Officer*

Telephone: *724-888-7775*

Email: *matthew.schulte@pacyber.org*

2. **Covered Location(s)** (attach or include Statement of Values):
3. Anticipated student count:
4. Does your school have any overnight or dormitory exposure? x No Yes

If yes, how many beds? (including faculty housing)

5. Has any Insurance Company denied, cancelled or non-renewed pollution liability coverage?
x No Yes - If yes, please provide details. _____
6. Does this location(s) have any aboveground or underground storage tanks? No Yes - If yes, please provide details (content, capacity, year installed, construction, type of containment).

7. Are there any changes in operations planned or known plans for the current or future development, improvement, betterment, demolition or plans for changes in operations at or uses of any location(s) listed herein? No x Yes - If yes, please provide details. ____developing vacant land in Midland in August_____
8. Is the "Applicant" aware of any reportable spills, releases or discharges of any hazardous or regulated substances, hazardous waste, or any other pollutants on, at, under, or emanating from or adjacent to the **Covered Location(s)**? x No Yes- If yes, please provide details.

9. Has there been any claims made against the "Applicant" as a result of the alleged or actual release of any pollutants on, at, under or emanating from the **Covered Location(s)**? x No Yes- If yes, please provide details. _____
10. Has the "Applicant" been prosecuted, cited or named, or is currently being prosecuted, cited or named, for any violation of any standard or law relating to the release or threatened release of a pollutant on, at, under or emanating from the **Covered Location(s)**? x No Yes- If yes, please provide details. _____
11. At the time of signing this Application, do you know any facts or circumstances which may reasonably be expected to result in a claim arising from the release of pollutants into the environment and/or on, at, under or emanating to or from the **Covered Location(s)**? No, Yes - If yes, please provide details. _____ -no claims

The undersigned declares that the statements set forth herein are true. For New Hampshire Applicants, the foregoing statement is limited to the best of the undersigned's knowledge, after reasonable inquiry. The signing of this **Application** does not bind the undersigned to complete the insurance. It is represented that the statements contained in this **Application** and the materials submitted herewith are the basis of the contract should a policy be issued and have been relied upon by the Insurer in issuing any policy. The Insurer is authorized to make any investigation and inquiry in connection with this **Application** as it deems necessary. Nothing contained herein or incorporated herein by reference shall constitute notice of a claim or potential claim so as to trigger coverage under any contract of insurance.

This **Application** and materials submitted with it shall be retained on file with the Insurer and shall be deemed attached to and become part of the policy if issued. For North Carolina, Utah and Wisconsin and Applicants, such **Application** and materials are part of the policy, if issued, only if attached at issuance.

It is agreed in the event there is any material change in the answers to the questions contained in this **Application** prior to the effective date of the policy, the "Applicant" will immediately notify the Insurer in writing and any outstanding quotations may be modified or withdrawn at the Insurer's discretion.

FRAUD WARNINGS

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT (S)HE IS FACILITATING A FRAUD AGAINST THE UNDERWRITER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT MAY BE GUILTY OF INSURANCE FRAUD.

NOTICE TO COLORADO APPLICANTS: IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.

NOTICE TO FLORIDA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY IN THE THIRD DEGREE.

NOTICE TO LOUISIANA AND MARYLAND APPLICANTS: ANY PERSON WHO KNOWINGLY AND WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY AND WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

NOTICE TO MAINE, TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

NOTICE TO OKLAHOMA APPLICANTS: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

NOTICE TO PENNSYLVANIA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO NEW YORK AND KENTUCKY APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIMS CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND NEW YORK APPLICANTS SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

Signed: Matthew Schutte

Date: 5-20-24

Print Name: Matthew Schutte

Title: CFO

(Owner, Partner, Authorized Officer)

Provide the Insurance Agent's name and license number as designated.

Name of Insurance Agent

License Identification No.

Authorized Representative



Freeman
Mathis & Gary LLP



Ascot Employment Practices Liability Risk Management

FMG risk management services offers personalized access to the Ascot Employment Practices Liability Risk Management Hotline for policyholders. This hotline is only for insureds of Ascot with an active management liability policy of insurance. Through this service, our policyholders are able to take a deep breath as they receive a complimentary legal consultation from a team of superior attorneys with extensive experience in Employment Practices Liability risk management. FMG provides best in class legal work coupled with a commitment to service and accountability to all clients.



855-EPL-ASCT
(855-375-2728)



AscotEPLriskmanagement
@fmglaw.com



fmglaw.com/ascot-insureds/



1 Hour

Up to one (1) hour of complimentary legal consultation.



Informative Response

Quick and informative responses tailored to your situation to mitigate loss and potential exposure.



Confidential Assistance

Confidential assistance, including but not limited to, exposure analysis, data preservation and document retention instructions, etc.

Service Overview

- Up to one (1) hour of complimentary legal consultation
- Quick and informative responses tailored to your situation to mitigate loss and potential exposure
- Confidential and professional assistance, including but not limited to, exposure analysis, data preservation and document retention instructions, etc.
- Online tools skillfully created by FMG attorneys that cover a variety of topics related to Employment Practices Liability Risk Management

Sample Topics

- Sexual and General Harassment
- Investigations
- Discrimination
- COVID and Remote Workplace Policies
- Termination and Retaliation
- Policies and Procedures
- Family and Medical Leave Act



Please note, the hotline is not intended for reporting the filing of notices of claims or responding to inquiries regarding coverage under an Ascot Insurance policy.

Surplus Lines Policyholder Notice

PENNSYLVANIA:

The insurer which has issued this insurance is not licensed by the Pennsylvania Insurance Department and is subject to limited regulation. This insurance is NOT covered by the Pennsylvania Property and Casualty Insurance Guaranty Association.”

SERVICE OF PROCESS CLAUSE

It is agreed that in the event of the failure of the Insurer(s) or Underwriter(s) herein to pay any amount claimed to be due hereunder, the Insurer(s) or Underwriter(s) herein, at the request of the Insured (or reinsured), will submit to the jurisdiction of any court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give such court jurisdiction, and all matters arising hereunder shall be determined in accordance with the law and practice of such court. It is further agreed that in any such action instituted against any one of them upon this contract, Insurer(s) or Underwriter(s) will abide by the final decision of such court or of any appellate court in the event of an appeal. Service of process shall be made pursuant to the procedures provided by 42 Pa. C.S. Ch. 53

Subch. B (relating to interstate and international procedure). When making service of process by mail, such process shall be mailed to John Gill, Claims, 55 West 46th Street, Floor 26, New York, New York, 10036. The above-named is authorized and directed to accept service of process on behalf of the Insured(s) or Underwriter(s) in any such action or upon the request of the insured (or reinsured) to give a written undertaking to the insured (or reinsured) that it or they will enter a general appearance for the Insurer(s) or Underwriter(s) in the event such an action shall be instituted.”

Further, pursuant to any statute of any state, territory or district of the United States of America, which makes provisions therefore, the Insured(s) or Underwriter(s) hereby designates the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute or his successor or successors in office, as the true and lawful attorney upon whom any lawful process may be served in any action, suit or proceeding instituted by or on behalf of the insured (or reinsured) or any beneficiary hereunder arising out of his contract of insurance (or reinsurance), and hereby designates the above-named as the person on whom such process or a true copy thereof shall be served.



**NON-PROFIT COMPANY
MANAGEMENT LIABILITY POLICY
DECLARATIONS**

NOTICE:

THE LIABILITY **COVERAGE PARTS** OF THIS POLICY AFFORD CLAIMS-MADE COVERAGE WHICH APPLIES ONLY TO **CLAIMS** FIRST MADE DURING THE **POLICY PERIOD** OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE, AND TIMELY REPORTED TO THE **INSURER**. **DEFENSE COSTS** SHALL BE APPLIED AGAINST THE RETENTION, IF APPLICABLE. **DEFENSE COSTS** PAID BY THE **INSURER** SHALL REDUCE AND MAY COMPLETELY EXHAUST THE LIMIT(S) OF LIABILITY UNDER THE POLICY. PLEASE READ THIS POLICY CAREFULLY AND DISCUSS IT WITH YOUR INSURANCE AGENT OR BROKER.

Named Insured and Address		Insurer
Item 1.	The Pennsylvania Cyber Charter School 653 Midland Avenue Suite A130 Midland, PA 15059	Ascot Specialty Insurance Company (Non-Admitted)
Policy Number		Producer
MLNP2410001016-03		Hull & Company - Pittsburgh

Item 2. **Policy Period:** From: 6/30/2024 To: 6/30/2025
12:01 a.m. local standard time at the address shown in Item 1.

Item 3. **Notice to Insurer:**

- A. Notice of **Claim** or Circumstance:
Attention: Claims Department
Email: USClaims@AscotGroup.com
- B. All Other Notices:
Ascot Specialty Insurance Company
55 W. 46th Street, 26th Floor
New York, NY 10036
Telephone: 646-356-8101

Item 4. **Limits and Retentions:**

A. **Coverage Part** Limit(s) of Liability, Additional Limits of Liability, Sublimits, and Retentions:

Included	Directors and Officers Liability Coverage Part	Shared Limit	Limit of Liability	Retention
<input checked="" type="checkbox"/>	Directors and Officers Liability	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$1,000,000	
			Insuring Agreement A	\$0
			Insuring Agreement B	\$50,000
			Insuring Agreement C	\$50,000

Included	Employment Practices Liability Coverage Part	Shared Limit	Limit of Liability	Retention
<input checked="" type="checkbox"/>	Employment Practices Liability	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$1,000,000	\$100,000
<input checked="" type="checkbox"/>	Third Party Claim Coverage		\$1,000,000	\$100,000

B. Policy Aggregate Limit of Liability for all **Coverage Parts** (including **Defense Costs**), not inclusive of Directors and Officers Side-A Excess Limit (if included): \$2,000,000

Item 5. Prior and/or Pending Litigation Dates:

Directors and Officers Liability	6/30/2022
Employment Practices Liability	6/30/2022

Item 6. Extended Reporting Period Premium:

Additional Premium: 100% of Annual Premium for 1 Year(s)

Item 7. Total Policy Premium for all **Coverage Parts**: \$75,000
 +\$2,250 SL TAX + \$20 STAMPING FEE
 TRIA Premium: \$0

Item 8. Endorsement(s) Effective at Inception: See Schedule of Forms / Endorsements

These Declarations, together with the completed and signed **Application**, the policy form, and any endorsements attached hereto, complete the above numbered Policy.



John Gill
 Corporate Secretary
DATED: 6/18/2024



Matthew Kramer
 Chief Executive Officer
COUNTERSIGNED AT: New York, NY

The Insurer which has issued this insurance is not license by the Pennsylvania Insurance Department and is subject to limited regulation. This insurance is not covered by the Pennsylvania Property and Casualty Insurance Guaranty Association.
 Placed by: Hull & Company LLC
 220 Gibraltar Road, Suite 100
 Horsham, PA 19044

**NO FLAT CANCELLATIONS
 NON-PAYMENT—REQUEST OF BROKER
 OR PREMIUM FINANCE—COMPUTED SHORT RATE**



SCHEDULE OF FORMS /ENDORSEMENTS

Named Insured	Policy Number	Effective Date
The Pennsylvania Cyber Charter School	MLNP2410001016-03	6/30/2024

Schedule of Forms		
Endorsement No.	Form Name	Form Number
	PENNSYLVANIA SURPLUS LINES NOTICE	INT N0001 PA 01 23
	Management Liability Declarations (Non-Profit)	NFP-D001-0920-00
	Schedule of Forms / Endorsements (Non-Profit)	NFP-S001-0920-00
	General Terms and Conditions (Non-Profit)	NFP-GTC-0921-00
	Directors and Officers Liability Coverage Part (Non-Profit)	NFP-DOL-0921-00
	Employment Practices Liability Coverage Part (Non-Profit)	NFP-EPL-0122-00
1	Service of Suit - ASIC	PNP-C009-1020-00
2	TRIA - Policy Disclosure	PNP-C047-1220-00
3	Economic Sanctions Endorsement	PNP-C007-1120-00
4	Exclusion - Communicable Disease	PNP-E146-0821-00
5	Coverage Extension – Crisis Management	PNP-E031-0321-00
6	Coverage Extension – Federal Immigration and Nationality Act	PNP-E032-0321-00
7	Coverage Extension – Educational Institution	NFP-E003-0621-00
8	Exclusion - Broadcasting, Advertising and Publishing Activities	PNP-E041-0920-00
9	Choice of Counsel - Employment Practices Liability	PNP-E169-0821-00
10	Exclusion - Specific Litigation / Event	PNP-E067-0920-00
11	Exclusion - Failure To Maintain Insurance	PNP-E046-0321-00
12	Absolute Exclusion - Sexual Abuse	PNP-E003-0920-00
	ASIC Signature Page	PNP-C002-1020-00



ASCOT APEX™

**NON-PROFIT COMPANY
MANAGEMENT LIABILITY POLICY
GENERAL TERMS AND CONDITIONS**

NOTICE:

THE LIABILITY **COVERAGE PARTS** OF THIS POLICY AFFORD CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO **CLAIMS** FIRST MADE DURING THE **POLICY PERIOD** OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE, AND TIMELY REPORTED TO THE **INSURER**. **DEFENSE COSTS** SHALL BE APPLIED AGAINST THE RETENTION, IF APPLICABLE. **DEFENSE COSTS** PAID BY THE **INSURER** SHALL REDUCE AND MAY COMPLETELY EXHAUST THE LIMIT(S) OF LIABILITY UNDER THE POLICY. PLEASE READ THIS POLICY CAREFULLY AND DISCUSS IT WITH YOUR INSURANCE AGENT OR BROKER.

GENERAL TERMS AND CONDITIONS (NON-PROFIT)

In consideration of the payment of premium and in reliance on all statements made and information contained in the **Application** or provided to the **Insurer** in connection with the underwriting of this Policy, and subject to all of the terms, conditions and exclusions of this Policy, the **Insurer** and the **Named Insured** agree as follows:

I. **GENERAL TERMS AND CONDITIONS APPLICABLE TO ALL COVERAGE PARTS**

These General Terms and Conditions will apply to each and all of the **Coverage Parts** of this Policy. All additional terms and conditions separately set forth in each **Coverage Part**, including any endorsement applicable to such **Coverage Part**, apply only to such **Coverage Part** and will in no way be construed to apply to any other **Coverage Part** of this Policy. If any term or condition in these General Terms and Conditions is inconsistent or in conflict with the terms and conditions of any **Coverage Part**, including any endorsement applicable to such **Coverage Part**, the terms and conditions of such **Coverage Part** or applicable endorsement will apply for the purposes of that **Coverage Part**.

II. **COVERAGE EXTENSIONS**

A. **Spouses, Domestic Partners, Estates, Heirs, Legal Representatives, and Assigns**

Coverage under this Policy extends to **Loss** arising from a **Claim** made against:

- (1) the lawful spouse or legally recognized domestic partner of an **Insured Person**, solely where the **Claim** is made because of the spouse's or domestic partner's status as such or because of the spouse's or domestic partner's ownership interest in property from which the claimant seeks recovery; and
- (2) the estates, heirs, legal representatives, or assigns of an **Insured Person** who is deceased, or against the legal representatives or assigns of an **Insured Person** who is legally incompetent, bankrupt, or insolvent, but solely for the **Wrongful Act** of such **Insured Person**.

The terms and conditions of this Policy, including, but not limited to, the Limit of Liability and Retention applicable to **Loss** incurred by an **Insured Person**, also apply to any spouse, domestic partner, estate, heir, legal representative, or assign covered by this Coverage Extension.

This Coverage Extension does not apply to any **Claim** alleging, arising from, or attributable to any actual or alleged **Wrongful Act** of the spouse, domestic partner, estate, heir, legal representative, or assign.

B. Extended Reporting Period

- (1) If the **Insurer** refuses to renew this Policy, or if the **Named Insured** cancels or refuses to renew this Policy or any **Coverage Part** of this Policy, then, with respect to the Policy or the **Coverage Part** which was canceled or non-renewed, the **Named Insured** will have the right, upon payment of the Additional Premium identified in Item 6. of the Declarations, to purchase an Extended Reporting Period for coverage granted by this Policy or the **Coverage Part**, for one year following the effective date of such cancellation or nonrenewal.
- (2) The Extended Reporting Period will only apply to **Claims** first made against any **Insured** during the Extended Reporting Period, but (a) only for any **Wrongful Act** occurring before the effective date of the Extended Reporting Period and (b) only to the extent otherwise covered by this Policy. The Limit of Liability for the Extended Reporting Period will be part of and not in addition to the **Coverage Part** Limits of Liability, Sublimits, Policy Aggregate Limit of Liability, or Directors and Officers Side-A Excess Limit identified in Items 4. of the Declarations.
- (3) As a condition precedent to the right to purchase the Extended Reporting Period, the total premium of this Policy must have been paid.
- (4) The rights contained in this Extended Reporting Period Coverage Extension shall terminate unless written notice of such election together with the Additional Premium due is received by the **Insurer** within thirty (30) days of the effective date of cancellation or non-renewal.
- (5) If an Extended Reporting Period is purchased, it may not be canceled by the **Insurer** or by the **Named Insured** except for non-payment of premium.
- (6) The Additional Premium for the Extended Reporting Period shall be fully earned at the inception of the Extended Reporting Period.
- (7) In the event of a Change in Control pursuant to Section V.J of these General Terms and Conditions, paragraphs B(1)-(6) above shall not apply. In the event of a Change in Control, the **Named Insured** will have the right to request an Extended Reporting Period with respect to **Wrongful Acts** occurring before the effective time of the Change in Control, and the **Insurer** will offer such Extended Reporting Period pursuant to the terms, conditions, exclusions, and additional premium as the **Insurer** may reasonably decide.

III. DEFINITIONS

The following bolded terms, whether used in this Policy in the singular or plural form, shall have the meanings indicated below. Each **Coverage Part**, including any endorsement applicable to such **Coverage Part**, may have additional definitions applicable solely to that **Coverage Part** and not any other **Coverage Part**.

- A. **Application** means all application forms, any documents and materials included with or attached or incorporated by reference to any application forms, any materials submitted to or requested by the **Insurer** for such application, any publicly available documents filed by the **Named Insured** and any **Subsidiary** with any governmental agency, entity, or body in the twelve (12) months prior to the inception of the Policy Period, and any other representations made to the **Insurer** in connection with the underwriting of this Policy or any other policy of which this Policy is a renewal or replacement, all of which are deemed attached to and form a part of this Policy.
- B. **Claim** will have the meaning separately set forth in each **Coverage Part**, including any endorsement applicable to such **Coverage Part**.
- C. **Coverage Part** means each **Coverage Part** purchased by the **Named Insured**, which is check-marked as "Included" in Item 4.A of the Declarations.
- D. **Defense Costs** means reasonable and necessary legal fees and costs, charges or expenses, consented to by the **Insurer**, incurred solely in connection with the investigation and defense or appeal of any **Claim**, including the premium for an appeal bond, attachment bond or similar bond arising out of a covered judgment, but without any obligation for the **Insurer** to apply for or furnish such bond.

Defense Costs does not include:

- (1) wages, salary, fees, benefits or other compensation of any **Insured Person** or employee of any **Insured**; or
- (2) the overhead expenses of the **Named Insured** or any **Subsidiary**.

Defense Costs are part of and not in addition to the **Coverage Part** Limits of Liability, Sublimits, Policy Aggregate Limit of Liability, or Directors and Officers Side-A Excess Limit identified in Items 4. of the Declarations.

- E. **D&O Wrongful Act** will have the meaning separately set forth in the Directors and Officers Liability Coverage Part, whether purchased or not.
- F. **Employment Practices Wrongful Act** will have the meaning separately set forth in the Employment Practices Liability Coverage Part, whether purchased or not.
- G. **Fiduciary Wrongful Act** will have the meaning separately set forth in the Fiduciary Liability Coverage Part, whether purchased or not.
- H. **Insured** means:
- (1) the **Named Insured** and any **Subsidiary**, including any such entity as a debtor-in-possession under the United States Bankruptcy Code or the equivalent status under the law of any other jurisdiction; and
 - (2) an **Insured Person**.
- I. **Insured Person** will have the meaning separately set forth in each **Coverage Part**, including any endorsement applicable to such **Coverage Part**.
- J. **Insurer** means the entity designated as the Insurer in Item 1. of the Declarations.
- K. **Interrelated Wrongful Act** means **Wrongful Acts** which are based upon, arise from, or are logically or causally connected by a common nexus of fact, circumstance, situation, event, transaction, or cause or a series of connected facts, circumstances, situations, events, transactions, or causes. **Claims** can allege **Interrelated Wrongful Acts** regardless of whether such **Claims** involve the same or different claimants, **Insureds**, legal causes of action or time periods.
- L. **Loss** will have the meaning separately set forth in each **Coverage Part**, including any endorsement applicable to such **Coverage Part**.
- M. **Named Insured** means the entity designated as the **Named Insured** in Item 1. of the Declarations.
- N. **Policy Period** means the period of time identified in Item 2. of the Declarations.
- O. **Pollutant** means any substance located anywhere in the world exhibiting hazardous characteristics as defined by, or identified on, any list of hazardous substances issued by the United States Environmental Protection Agency or any similar foreign, state, county, municipal or local governmental agency. **Pollutant** also includes any other waste water, emission, odor, oil or oil product, infectious or medical waste, asbestos or asbestos products, silica, noise, fungus (including mold, mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi) and any other contaminants released into the atmosphere and electric or magnetic or electromagnetic field. **Pollutant** includes, without limitation, solids, liquids, gaseous, thermal, biological, nuclear or radiological irritants, contaminants or smoke, fumes, soot, acids, alkalis, chemicals or waste materials.
- P. **Subsidiary** means any non-profit entity, other than an entity whose securities are publicly traded:
- (1) for which the **Named Insured**, on or before the inception date of the **Policy Period**:
 - a) owns more than fifty percent (50%) of the voting interest; or

- b) has the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an organization, to elect or appoint a majority of the voting directors or trustees;
- (2) that is acquired or created by the **Named Insured** or any other **Subsidiary** during the **Policy Period**, and whose assets total less than twenty-five percent (25%) of the total consolidated assets of the **Named Insured** as of the inception date of the Policy; or
- (3) that becomes a **Subsidiary** or that is acquired or created during the **Policy Period** (other than a **Subsidiary** described in sub-paragraph (2) above); provided that, within ninety (90) days of the creation or acquisition of such entity:
 - a) the **Named Insured** provides the **Insurer** with written notice of the new **Subsidiary**;
 - b) the **Named Insured** provides the **Insurer** with full particulars of the new **Subsidiary** and any additional information the **Insurer** may request;
 - c) the **Named Insured** agrees to and does pay any additional premium and any amendment of or addition to the provisions of this Policy required by the **Insurer** relating to such new **Subsidiary**; and
 - d) the **Insurer**, at its sole discretion, agrees in writing to extend coverage to the newly created or acquired **Subsidiary**.

A **Subsidiary** ceases to be a **Subsidiary** when the **Named Insured** no longer owns more than fifty percent (50%) of the voting interest or no longer has the right to elect or appoint a majority of the voting directors or trustees.

Coverage as is afforded with respect to any **Claim** made against a **Subsidiary** or an **Insured Person** acting in their capacity in connection with a **Subsidiary** will apply solely for **Wrongful Acts** committed or allegedly committed after the effective time that such **Subsidiary** became a **Subsidiary** and before the time that such **Subsidiary** ceased to be a **Subsidiary**.

Q. **Wrongful Act** will have the meaning separately set forth in each **Coverage Part**, including any endorsement applicable to such **Coverage Part**.

IV. EXCLUSIONS

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured**:

A. Prior Notice

Alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, the same or substantially the same **Wrongful Act**, fact, act, circumstance or situation which has been the subject of any written notice given before the inception of the **Policy Period** under any policy.

B. Bodily Injury or Property Damage

Alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving:

- (1) any bodily injury, sickness, death, emotional distress, mental anguish, assault, molestation, or fear of bodily injury, sickness, death, emotional distress, mental anguish, assault, molestation or;
- (2) any damages to, destruction of, or loss of use of any tangible property;

provided, this exclusion shall not apply to any portion of **Loss** attributed to emotional distress or mental anguish for any **Claim** otherwise covered under the **Employment Practices Liability Coverage Part** (if purchased).

C. Biometric Information Privacy Act

Alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any actual or alleged violation of the Illinois Biometric Information Privacy Act (BIPA), California Consumer Privacy Act (CCPA) or any similar foreign, national, federal, state, provincial, or local statute or ordinance, regulation, decree or common law anywhere in the world.

D. Cyber

Alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, in whole or in part, any cyber, network security or data breach event or violation of privacy resulting from a failure or violation of the security of any computer, server, electronic hardware, electronic portable device, software, electronic network system, internet, intranet, website or confidential paper documents under the ownership, operation or control of, or leased by, the **Insured** including but not limited to:

- (1) any unauthorized access, unauthorized use or transmission of corruptive, destructive, harmful or malicious software code, script, viruses, worms, Trojan horses, cookies, spyware, adware, malware or ransomware;
- (2) any release or transmission whether intentional or unintentional of confidential, private, non-public or sensitive facts, information or intellectual property;
- (3) the compliance or failure to comply with any federal, state, local or foreign statutes, rules, regulations or ordinances that require an entity to provide notice of any actual or potential unauthorized access, data breach, or violation of privacy, data or security of confidential information of others in the **Insured's** care, custody or control or for which the **Insured** is legally responsible;
- (4) any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information in the **Insured's** care, custody or control or for which the **Insured** is legally responsible; or
- (5) any ensuing electrical, mechanical or physical failures, malfunctions or interruptions of services, structures or infrastructure including any water, sewer or utility provider, telecommunications provider or any electrical interruption, surge, brownout or blackout resulting therefrom;

provided, this exclusion shall not apply to a non-indemnifiable **Claim** against an **Insured Person** under the **Directors and Officers Coverage Part** (if purchased), in connection with the foregoing.

E. Telephone Consumer Protection Act, Fair Debt Collection Practices Act, and Controlling the Assault of Non-Solicited Pornography And Marketing Act

Alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any actual or alleged violation of the Telephone Consumer Protection Act (TCPA), Fair Debt Collection Practices Act (FDCPA), the Controlling the Assault of Non-Solicited Pornography And Marketing Act (CAN-SPAM), or any similar foreign, national, federal, state, provincial, or local statute or ordinance, regulation, decree or common law anywhere in the world.

F. Nuclear Incident

Alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any nuclear reaction, nuclear radiation, or radioactive contamination, or any related act or incident.

G. Pollution Incident

Alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving:

- (1) the actual, alleged, or threatened discharge, release, escape, seepage, migration or disposal of any **Pollutant** into or on real or personal property, water or the atmosphere; or

- (2) any direction or request that the **Insureds** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **Pollutant**, or any voluntary decision to do so.

V. CONDITIONS

A. Notice of **Claim** or Circumstance

(1) Notice of **Claim**

As a condition precedent to the coverage afforded under this Policy, an **Insured** shall provide the **Insurer** written notice of any **Claim** first made against an **Insured** during the **Policy Period** as soon as practicable after the **Named Insured's** or **Subsidiary's** Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Risk Manager, Chief Human Resource Officer or General Counsel (or equivalent position) becomes or should have reasonably become aware of the **Claim**, but in no event later than sixty (60) days after the expiration of the **Policy Period** or, with respect to **Claims** first made during the Extended Reporting Period, if applicable, no later than the end of the Extended Reporting Period.

(2) Notice of Circumstance

If during the **Policy Period** any **Insured** becomes aware of any act, error, omission, fact, circumstance or situation which may reasonably be expected to give rise to a **Claim** against any **Insured** and provides written notice to the **Insurer** of the circumstance as soon as practicable but in no event later than the expiration or cancellation date of this Policy, then any **Claim** subsequently made which arises out of such circumstance will be deemed to have been made when notice was first given to the **Insurer**.

(3) Particular Information to be Given With Notice

The **Insured's** written notice of any **Claim** or circumstance must include, at a minimum:

- a) the names or other identifying information of the claimant(s) or potential claimant(s); and
- b) a detailed description of the specific alleged **Wrongful Act**; and
- c) the circumstances by which any **Insured** first became aware of the specific alleged **Wrongful Act**.

B. Defense Provisions

The **Insurer** has the right and duty to defend any **Claim** against any **Insured**, even if such **Claim** is false, fraudulent or groundless. The **Insurer** has the right to appoint defense counsel of its own choosing. The **Insurer's** duty to defend will cease upon exhaustion of the applicable Limit of Liability.

C. Consent and Settlement

(1) **Insurer** Consent Required

The **Insureds** shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment, incur any **Defense Costs**, or otherwise assume any obligation with respect to any **Claim** that is covered in whole or in part by this Policy without the **Insurer's** prior written consent, such consent not to be unreasonably withheld.

(2) **Insured** Consent Required

The **Insurer** shall have the right to investigate any **Claim** or circumstance and to conduct negotiations and, with the consent of the **Insured**, enter into a settlement of any **Claim** that the **Insurer** deems appropriate. If the **Insured** refuses to consent to a settlement acceptable to the claimant and recommended by the **Insurer**, the **Insurer's** liability for all **Loss** on account of such **Claim** shall not exceed:

- a) the amount for which the **Insurer** could have settled or resolved the **Claim**, together with **Defense Costs** for the **Claim**, as of the date the **Insurer** recommends in writing the settlement; plus
- b) subject to the Policy's Limits of Liability, seventy percent (70%) of covered **Loss** in excess of the amount for which the **Insurer** could have settled or resolved the **Claim**, together with **Defense Costs** for the **Claim**, as of the date the **Insurer** recommends in writing the settlement.

D. Cooperation

The **Insureds** shall provide the **Insurer** with full and complete cooperation and agree to provide the **Insurer** with all information, assistance and cooperation that the **Insurer** reasonably requests with respect to any **Claim**. The **Insureds** agree that they will do nothing to prejudice the **Insurer's** position or its potential or actual rights of recovery with respect to **Loss** paid under this Policy. The failure of any **Insured Person** to provide full and complete cooperation will not be imputed to any other **Insured Person**.

E. Single **Claims**

- (1) All **Claims** that arise out of the same **Wrongful Act** or **Interrelated Wrongful Acts** will be deemed to be one single **Claim**, and such single **Claim** will be deemed to be first made on the date the earliest of such **Claims** is first made against any **Insured**, regardless of whether such date is before or during the **Policy Period**.
- (2) In the event a single **Claim** is covered, in whole or in part, under more than one **Coverage Part**:
 - a) the terms and conditions of each applicable **Coverage Part** will apply to such **Claim**; and
 - b) subject to all other terms and conditions herein with regard to the Limit of Liability, the **Insurer** will not be liable for more than the largest applicable **Coverage Part** Limit of Liability.

F. Allocation

In the event that both **Loss** covered by this Policy and amounts not covered by this Policy are incurred by an **Insured**, either because a **Claim** is made against the **Insured** containing both covered and uncovered matters or because a **Claim** is made against both the **Insured** and others who are not insured, the **Insurer** and the **Insured** will use their best efforts to determine a fair and appropriate allocation between covered **Loss** and other uncovered amounts incurred in the **Claim**. In determining a fair and appropriate allocation, the **Insurer** and the **Insured** will take into account the relative legal and financial exposures and relative benefits of the covered and uncovered matters and parties involved in the **Claim**.

Any allocation of **Loss** on account of a **Claim** shall not apply to or create any presumption with respect to the allocation of other **Loss** on account of such **Claim**.

G. Limits of Liability

(1) Policy Aggregate Limit of Liability

The Policy Aggregate Limit of Liability set forth in Item 4.B of the Declarations is the maximum limit of the **Insurer's** liability for all **Loss**, inclusive of **Defense Costs**, for all **Coverage Parts** combined arising out of all **Claims** first made against the **Insured** during the **Policy Period** and any Extended Reported Period (if applicable), regardless of the time of payment, the number of **Claims** or the number of claimants.

The **Insurer** shall have no obligation to pay any **Loss** or to defend or continue to defend any **Claim** after the Aggregate Limit of Liability has been exhausted by the payment of **Loss**.

(2) **Coverage Part** Limits of Liability

The **Coverage Part** Limits of Liability identified in Item 4.A of the Declarations for each **Coverage Part** purchased will be the maximum limit of the **Insurer's** liability for all **Loss** under each such **Coverage Part**, inclusive of all **Defense Costs**, for all **Claims** first made against the **Insured** during the **Policy**

Period and any Extended Reported Period (if applicable) regardless of the time of payment, the number of **Claims** or the number of claimants. If the **Coverage Part** Limit of Liability for a particular **Coverage Part** is exhausted by the payment of **Loss**, or tendered to or on behalf of an **Insured**, then the **Insurer's** obligations with respect to payment of **Loss** under that **Coverage Part** shall be completely fulfilled and extinguished.

(3) Sublimits of Liability

In the event any coverage granted by this Policy, or by endorsement to the Policy, is subject to a Sublimit of Liability, such Sublimit of Liability will be the maximum liability of the **Insurer** for all **Loss** subject to such Sublimit inclusive of all **Defense Costs**. If a Sublimit of Liability is exhausted by the payment of **Loss**, or tendered to or on behalf of an **Insured**, then the **Insurer's** obligations with respect to any coverage subject to such Sublimit will be completely satisfied and extinguished. Unless otherwise specifically provided in the **Coverage Part**, a Sublimit of Liability will be part of and not in addition to the applicable **Coverage Part** Limit of Liability or the Policy Aggregate Limit of Liability.

(4) Limit of Liability for Extended Reporting Period

The Limit of Liability for the Extended Reporting Period will be part of and not in addition to the **Coverage Part** Limits of Liability, Sublimits, Policy Aggregate Limit of Liability, or Directors and Officers Side-A Excess Limit identified in Items 4. of the Declarations.

H. Retention

(1) Retention Applied

The **Insured** will pay the applicable Retention identified in Item 4.A of the Declarations for each **Claim** under the applicable **Coverage Part**. The **Insurer** will only be liable for the amount of **Loss** in excess of the applicable Retention identified in Item 4.A of the Declarations. Such Retention will be borne by the **Insured** and will be uninsured.

(2) Retention for Single **Claim** Under Multiple **Coverage Parts** or Limits of Liability

In the event that a single **Claim** implicates, in whole or in part, more than one **Coverage Part**, Limit of Liability, or Sublimit of Liability, whether included within a **Coverage Part** or any endorsement applicable to such **Coverage Part**, and therefore more than one Retention, then as to such **Claim**, the highest Per Claim Retention as identified in Item 4.A of the Declarations or the applicable **Coverage Part** or endorsement will apply. But in no event will more than one Retention be applied to a **Claim**.

(3) No Retention Where No Indemnification

Where the **Named Insured** or **Subsidiary** is permitted or required to indemnify or advance costs to or on behalf of an **Insured Person**, the applicable Retention for a **Claim** will apply. The certificate of incorporation, by-laws and resolutions of any **Named Insured** or **Subsidiary** shall be deemed to provide indemnification or advancement to the **Insured Person** to the fullest extent permitted by law.

Where the **Named Insured** or **Subsidiary** does not indemnify or advance costs to or on behalf of an **Insured Person**, by reason of such entity's financial insolvency, no Retention will apply to such **Claim** against the **Insured Person**.

I. Other Insurance

The insurance provided by this Policy will apply only as excess over any other valid and collectible insurance whether such other insurance is stated to be primary, contributory, excess, contingent, or otherwise, unless such other insurance is written only as specific excess insurance over the Limit of Liability provided in this Policy by reference to its policy number.

J. Change in Control

If during the **Policy Period**:

- (1) the **Named Insured** consolidates or merges with or into, or sells all or substantially all of its assets to any other person or entity, or group of persons or entities acting in concert, such that the **Named Insured** is not the surviving entity; or
- (2) any person or entity or group of persons or entities acting in concert acquires:
 - a) more than fifty percent (50%) of the voting interest of, or the right to elect or appoint a majority of the voting directors or trustees of, the **Named Insured**; or
 - b) all or substantially all of the assets of the **Named Insured**;

(either of the above events referred to as a "Change in Control")

then, this Policy shall continue in full force and effect until the expiration of the **Policy Period** solely with respect to any **Wrongful Acts** that take place before the effective date of the Change in Control. This Policy may not be cancelled following a Change in Control and the entire premium for this Policy shall be deemed fully earned as of the effective date of the Change in Control.

The **Named Insured** is required to provide the **Insurer** written notice of the Change in Control as soon as practicable but not later than thirty (30) days after the Change in Control.

K. Application Representations and Severability

(1) Representations

In connection with the issuance of this Policy, the **Insurer** has relied upon the accuracy and completeness of the statements, warranties, and representations contained in the **Application**. The **Application** is the basis of the coverage granted under this Policy and is incorporated into this Policy, and all information forming part of the **Application** shall be deemed to be attached hereto as if physically attached.

(2) Severability

The **Application** shall be construed as a separate **Application** for coverage by each **Insured Person**. With respect to the **Application**, no knowledge or information possessed by any **Insured Person** will be imputed to any other **Insured Person**.

If the statements, warranties, and representations contained in the **Application** are inaccurate or incomplete and materially affect either the acceptance of the risk or the hazard assumed by the **Insurer**, then this Policy will not afford coverage with respect to:

- a) **Loss** of any **Insured Person** who knew, as of the Policy inception date, the facts that were not accurately or completely disclosed; and
- b) **Loss** of the **Named Insured** or **Subsidiary** if any **Insured Person** who is or was a Chief Executive Officer, Chief Financial Officer or Chief Operating Officer or any equivalent position of the **Named Insured** or **Subsidiary**, and solely as respects the Employment Practices Liability Coverage Part, the head of the **Named Insured's** or **Subsidiary's** Human Resources department, knew, as of the Policy inception date, the facts that were not accurately or completely disclosed.

L. Cancellation and Non-Renewal

(1) Cancellation

- a) This Policy or any individual **Coverage Part** may be cancelled at any time by the **Named Insured** by surrendering the Policy to the **Insurer** or its authorized agent, or by mailing written notice to the **Insurer** as to which **Coverage Part** is to be cancelled or that the entire Policy is to be canceled and the effective date and time for such cancellation. The Policy will terminate at the date and hour specified in the cancellation notice.

- b) This Policy may be cancelled by or on behalf of the **Insurer** only in the event of non-payment of premium, by delivering to the **Named Insured** or by mailing to the **Named Insured** by registered, certified, or other first class mail at the last known principal address of the **Named Insured**, written notice stating when the cancellation will be effective. The **Insurer** will provide at least ten (10) days written notice to the **Named Insured** before cancellation for non-payment of any premium. The mailing of notice will be sufficient proof of notice.
- c) If the Policy or any **Coverage Part** is canceled by the **Named Insured**, the **Insurer** has the right to retain the premium amount for the portion of the premium paid for the Policy or for the **Coverage Part**, on a pro rata basis. Payment of unearned premium will be made as soon as practicable, but such payment is not a condition precedent to the effectiveness of termination.

(2) Non-Renewal

The **Insurer** has no obligation to renew this Policy or any **Coverage Part**. In the event the **Insurer** elects not to renew this Policy or any **Coverage Part**, the **Insurer** will deliver or mail to the **Named Insured** written notice of non-renewal at least sixty (60) days before the expiration of the **Policy Period**.

M. Subrogation

In the event the **Insurer** makes any payment under this Policy, the **Insurer** shall be subrogated to the extent of such payment to all of the **Insured's** rights of recovery. The **Insured** shall execute all papers required and shall do everything that may be necessary to secure such subrogation rights including, but not limited to, the execution of such documents necessary to enable the **Insurer** to effectively bring suit in the name of the **Insured**.

N. Action Against Insurer

No action may be brought against the **Insurer** unless, as a condition precedent to such action, there has been full compliance with all the terms of this Policy by the **Insureds**. Neither the **Insureds** nor any claimant or their legal representatives shall have the right to join the **Insurer** as a party to any action against an **Insured** to determine the **Insured's** liability.

O. Governing Law

To the extent permitted by applicable law or regulation, this Policy shall be construed in accordance with the laws of the State of New York without giving effect to any conflicts or choice of law principles.

P. No Oral Modification

No change or modification of any of the terms, rights or obligations under this Policy shall be effective except by written endorsement to this Policy issued by the **Insurer**.

Q. No Assignment Without Prior Written Consent

This Policy and all rights hereunder are not assignable without the prior written consent of the **Insurer**, which consent shall be at the sole discretion of the **Insurer**.

R. Authorization of **Named Insured** to Act on Behalf of All **Insureds**

All **Insureds** agree that the **Named Insured** shall act on behalf of all **Insureds** with respect to notice of **Claims** or circumstances, the giving or receiving of any notice of cancellation or non-renewal, the payment of premiums and the receipt of any return premiums that may become due, the acceptance of any endorsements, the exercise of any right to an Extended Reporting Period, and agreeing to any changes under the Policy.

S. Notices

Except as otherwise may be specifically provide herein, all notices under this Policy shall be in writing and provided as follows:

- (1) Notice to the **Insureds** will be directed to the **Named Insured** and sent in writing by prepaid courier or certified mail to the address identified in Item 1. of the Declarations.
- (2) Notice to the **Insurer** shall be sent:
 - a) for notice of **Claim** or circumstance, to the email address identified in Item 3.A of the Declarations; and
 - b) for all other notices, by prepaid courier or certified mail to the **Insurer** address identified in Item 3.B. of the Declarations.

T. Territory and Currency

(1) Territory

Coverage provided by this Policy will apply to **Wrongful Acts** occurring or **Claims** made anywhere in the world.

(2) Currency

All premium, **Loss**, Limits of Liability, Retention and any other amounts stated in this Policy are expressed and payable in the currency of the United States of America. If any **Loss** under the Policy is incurred, stated, determined or adjudicated in a currency other than United States dollars, payment under this Policy will be made in United States dollars at the rate of exchange published in the *Wall Street Journal* on the date the obligation of the **Insurer** to pay such **Loss** is established.

U. Headings

The headings and subheadings used in this Policy, including the titles of any endorsement, are solely for convenience and are not part of the terms and conditions of coverage.



ASCOT APEX™

**NON-PROFIT COMPANY
MANAGEMENT LIABILITY POLICY
DIRECTORS AND OFFICERS LIABILITY
COVERAGE PART**

NOTICE:

THE LIABILITY **COVERAGE PARTS** OF THIS POLICY AFFORD CLAIMS-MADE COVERAGE WHICH APPLIES ONLY TO **CLAIMS** FIRST MADE DURING THE **POLICY PERIOD** OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE, AND TIMELY REPORTED TO THE **INSURER**. **DEFENSE COSTS** SHALL BE APPLIED AGAINST THE RETENTION, IF APPLICABLE. **DEFENSE COSTS** PAID BY THE **INSURER** SHALL REDUCE AND MAY COMPLETELY EXHAUST THE LIMIT(S) OF LIABILITY UNDER THE POLICY. PLEASE READ THIS POLICY CAREFULLY AND DISCUSS IT WITH YOUR INSURANCE AGENT OR BROKER.

**DIRECTORS AND OFFICERS LIABILITY COVERAGE PART
(NON-PROFIT)**

In consideration of the payment of premium and in reliance on all statements made and information contained in the **Application** or provided to the **Insurer** in connection with the underwriting of this Policy, and subject to all of the terms, conditions and exclusions of this Policy, the **Insurer** and the **Named Insured** agree as follows:

I. INSURING AGREEMENTS

A. Insured Person Non-Indemnifiable Loss Coverage

The **Insurer** will pay on behalf of an **Insured Person** all **Non-Indemnifiable Loss** resulting from any **Claim**, first made against the **Insured Person** during the **Policy Period** or the Extended Reporting Period (if applicable), and reported to the **Insurer** under the terms and conditions of this Policy, for any actual or alleged **Wrongful Act** which takes place before the end of the **Policy Period**.

B. Insured Person Indemnifiable Loss Coverage

The **Insurer** will pay on behalf of the **Named Insured** or **Subsidiary** all **Loss** resulting from any **Claim**, first made against the **Insured Person** during the **Policy Period** or the Extended Reporting Period (if applicable), and reported to the **Insurer** under the terms and conditions of this Policy, for any actual or alleged **Wrongful Act** which takes place before the end of the **Policy Period**, for which the **Named Insured** or **Subsidiary** has indemnified an **Insured Person**.

C. Non-Profit Organization Liability Coverage

The **Insurer** will pay on behalf of the **Named Insured** or **Subsidiary** all **Loss** resulting from any **Claim**, first made against the **Named Insured** or **Subsidiary** during the **Policy Period** or the Extended Reporting Period (if applicable), and reported to the **Insurer** under the terms and conditions of this Policy, for any actual or alleged **Wrongful Act** which takes place before the end of the **Policy Period**.

II. COVERAGE EXTENSIONS

A. Outside Charitable or Non-Profit Organization Board Coverage

Subject to the applicable **Coverage Part** Limits of Liability identified in Item 4.A of the Declarations, the **Insurer** will pay on behalf of any **Insured** all **Loss** arising from an **Insured Person** having served, at the direction of and with the consent of the **Named Insured** or any **Subsidiary**, as director, officer, or trustee for any charitable

or other non-profit organization where such **Insured Person** is entitled to indemnification by the **Named Insured** or **Subsidiary**.

The coverage provided by this Coverage Extension will be excess of any indemnification or other insurance that may be permitted or provided by such charitable or other non-profit organization, regardless of payment made by or on behalf of such charitable or other non-profit organization, including, but not limited to, any other directors and officers liability insurance or similar insurance provided for, to, or by any such charitable or other non-profit organization.

B. Directors and Officers Side-A Excess Coverage

Subject to the terms of Section V.A(5) (LIMIT OF LIABILITY – Directors and Officers Side-A Excess Limit), the **Insurer** will pay on behalf of an **Insured Person** all **Non-Indemnifiable Loss**, up to the Directors and Officers Side-A Excess Limit identified in Item 4.A of the Declarations, resulting from any **Claim**, first made against the **Insured Person** during the **Policy Period** or the Extended Reporting Period (if applicable), and reported to the **Insurer** under the terms and conditions of this Policy, for any actual or alleged **Wrongful Act** which takes place before the end of the **Policy Period**.

III. DEFINITIONS

The following bolded terms, whether used in this **Coverage Part** in the singular or plural form, shall have the meanings indicated below.

A. **Claim** means:

- (1) a written demand for monetary, non-monetary or injunctive relief, including any demand for mediation, arbitration, or any other alternative dispute resolution process;
- (2) a formal civil, criminal, administrative or regulatory proceeding for monetary, non-monetary, or injunctive relief which is commenced by:
 - a) receipt or service of a complaint or similar pleading;
 - b) return of an indictment, information or similar document; or
 - c) receipt of a notice of charges;
- (3) A written request received by an **Insured** to toll or waive any statute of limitations, statute of repose, or other period of limitation on bringing a suit or action for any actual or alleged **Wrongful Act**.

A **Claim** will be deemed to have been first made at the time notice of the **Claim** is first received by any **Insured**.

B. **D&O Wrongful Act** means any actual or alleged act, error, omission, neglect, breach of duty, misstatement, or misleading statement:

- (1) by any **Insured Person** in their capacity as such, or any matter claimed against them by reason of their status as an **Insured Person**; or
- (2) by the **Named Insured** or **Subsidiary**.

C. **Employee** means any natural person, other than an **Executive** of the **Named Insured** or **Subsidiary**, whose past, present or future labor or service the **Named Insured** or **Subsidiary** has the right to direct, while acting solely in his or her capacity as such, including any full-time, part-time, seasonal or temporary employee, or volunteers of the **Named Insured** or **Subsidiary**, but only for **Wrongful Acts** committed or allegedly committed while employed by the **Named Insured** or **Subsidiary**. **Employee** also means an independent contractor, but only to the extent that the **Named Insured** or **Subsidiary** provides indemnification to such independent contractor, and only while such independent contractor is performing work for or on behalf of the **Named Insured** or **Subsidiary** pursuant to a written contract.

- D. **Executive** means a natural person who is a duly elected or appointed director, officer, trustee, advisory director, controller, in-house general counsel or member of a duly constituted committee or board of the **Named Insured** or **Subsidiary**, or the functional equivalent of any of the foregoing.
- E. **Financial Impairment** means the status of the **Named Insured** or **Subsidiary** as a result of the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official by any federal or state official, agency or court to supervise, control, manage or liquidate the **Named Insured** or **Subsidiary**, or the **Named Insured** or **Subsidiary** becoming a debtor-in -possession.
- F. **Insured Person** means a natural person who was, now is, or will become an **Executive** or **Employee** of the **Named Insured** or any **Subsidiary** in his or her capacity as such.
- G. **Loss** means damages, judgments, settlement amounts, and **Defense Costs** for which an **Insured** is legally obligated to pay. **Loss** will include any punitive or exemplary damages or the multiple portion of a multiplied damage award, where insurable by law. In determining the insurability of any punitive or exemplary damages or the multiple portion of a multiplied damage award, the law of an applicable jurisdiction most favorable to the insurability of such amount will apply.

Loss, other than **Defense Costs**, does not include:

- (1) taxes, whether owed to or by any **Insured**;
 - (2) civil or criminal fines or penalties;
 - (3) any costs to comply with an injunction or any other non-monetary or equitable relief or the costs to comply with any agreement to provide such relief;
 - (4) any amount claimed or determined to be owed under any partnership, stock or other ownership agreement;
 - (5) any amount claimed or determined to be owed as:
 - a) wages, compensation, severance or benefits previously incurred or vested;
 - b) disability, social security, workers compensation, medical insurance, retirement or pension benefit;
 - c) settled employment benefit payments; or
 - d) the cost of reinstating employment;
 - (6) any amount for which an **Insured** is not financially liable or which are without legal recourse to an **Insured**;
 - (7) amounts, including **Defense Costs**, arising out of, based upon, or attributable to actual or alleged liability or costs incurred by any **Insured** to modify any building or property in order to make such building or property more accessible or accommodating to any disabled person; or
 - (8) matters which are uninsurable under the laws pursuant to which this Policy is construed.
- H. **Non-Indemnifiable Loss** means **Loss** of an **Insured Person** for which the **Named Insured** or any **Subsidiary** is not permitted to indemnify under applicable law or for which the **Named Insured** or **Subsidiary** refuses or is unable to indemnify due to **Financial Impairment**.
- I. **Personal Injury Wrongful Act** means any actual or alleged:
- (1) false arrest, wrongful detention or imprisonment, or malicious prosecution;
 - (2) libel, slander, defamation of character or invasion of privacy; or
 - (3) wrongful entry, eviction or other invasion of the right of occupancy.

However, a **Personal Injury Wrongful Act** does not include:

- (1) any publication or utterance concerning any organization or business enterprise or its products or services made by or at the direction of any **Insured** with knowledge of the falsity thereof; or
- (2) The printing of periodicals, advertising materials, or other printing jobs taken by any **Insured** for a third party when the periodical, advertising matter or other printing is not regularly part of the **Insured's** own activities.

J. **Wrongful Act** means any **D&O Wrongful Act** or **Personal Injury Wrongful Act**.

IV. EXCLUSIONS

A. The following exclusions will apply to any **Claim** made against any **Insured** under this Directors and Officers Liability Coverage Part:

- (1) Conduct Exclusions

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured**:

- a) alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any criminal or deliberate fraudulent act or intentional or knowing violation of law by any **Insured** if established by any judgment or other non-appealable final adjudication adverse to any **Insured** in the **Claim**; or
- b) alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, the gaining of any remuneration, profit or other advantage to which an **Insured** was not legally entitled if established by any judgment or other non-appealable final adjudication adverse to any **Insured** in the **Claim**.

- (2) Prior and/or Pending Litigation

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured** as of the applicable Prior and/or Pending Litigation Dates identified in Item 5. of the Declarations regarding this **Coverage Part**:

- a) alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any prior or pending **Claim**, litigation, administrative or arbitration proceeding, or investigation; or
- b) alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any **Wrongful Act** or **Interrelated Wrongful Act**, fact, circumstance, situation, transaction or event underlying or alleged in such prior or pending **Claim**, litigation, administrative or arbitration proceeding, or investigation.

- (3) Outside Entity Service

Except as provided in Coverage Extension A. of this Directors and Officers Liability Coverage Part, the **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any **Wrongful Act** of an **Insured Person** allegedly committed while serving in such **Insured Person's** capacity as an executive or employee of any entity other than the **Named Insured** or a **Subsidiary** or by reason of such **Insured Person's** status as an executive or employee of such other entity.

- (4) Insured v. Insured

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** brought by or on behalf of one **Insured** against another **Insured**; provided, however this exclusion will not apply to:

- a) any **Claim** brought by an **Insured Person** in the form of a cross-claim or a third-party claim for contribution or indemnity, if such contribution or indemnity directly results from a **Claim** covered under this Policy;
- b) any **Claim** brought by any past **Executive** of the **Named Insured** or **Subsidiary**, provided such **Executive** has not served as an **Executive** during the three (3) years before the **Claim** being first made against any **Insured**, and only if such **Claim** is brought and maintained entirely independently of and without the solicitation, assistance, active participation or intervention of the **Named Insured** or **Subsidiary**;
- c) any **Claim** brought by any **Employee** of the **Named Insured** or **Subsidiary** who is not or was not an **Executive** of the **Named Insured** or **Subsidiary** and where such **Claim** is brought and maintained entirely independently of and without the solicitation, assistance, active participation or intervention of the **Named Insured** or **Subsidiary**;
- d) any **Insured Person** engaging in any whistleblowing activity, including the solicitation, assistance, active participation or intervention under any whistleblowing statute and any rules and regulations promulgated thereunder, or any similar national, federal, state, provincial, or local statute or ordinance, regulation, decree or common law anywhere in the world; or
- e) any **Claim** brought on behalf of the **Named Insured** or **Subsidiary** by the debtor in possession (or foreign equivalent) or by any trustee, receiver, liquidator, rehabilitator or examiner of the **Named Insured** or **Subsidiary** or any creditors committee in the event of a bankruptcy of the **Named Insured** or **Subsidiary**.

(5) Professional Services

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, the performance or rendering of, or failure to perform or render, professional services for others for a fee.

(6) Labor Related Laws

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any actual or alleged violation of any federal, state or local statute or common law governing payroll practices or policies, including, but not limited to, the Fair Labor Standards Act (FLSA), as amended and any rules and regulations promulgated thereunder (other than the Equal Pay Act); the Employee Retirement Income Security Act (ERISA) of 1974, as amended and any rules and regulations promulgated thereunder; the National Labor Relations Act, as amended and any rules and regulations promulgated thereunder; the Worker Adjustment and Retraining Notification (WARN) Act, as amended and any rules and regulations promulgated thereunder; the Consolidated Omnibus Budget Reconciliation Act (COBRA), as amended and any rules and regulations promulgated thereunder; the Occupational Safety and Health Act (OSHA), as amended and any rules and regulations promulgated thereunder, or; any similar national, federal, state, provincial, or local statute or ordinance, regulation, decree or common law anywhere in the world, including those relating to the payment of wages, hours worked, overtime, on-call time, rest periods, minimum wage compensation, reimbursement of expenses, garnishments or withholding of deductions, employee entitlements, and classification of employees regarding eligibility for compensation and benefits.

(7) Other Employment Benefits

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any benefits or insurance for workers' compensation, disability, unemployment, retirement, social security, or laws governing such or similar employment benefits.

(8) Contractual Liability

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any liability under or pursuant to any contract or agreement, whether oral, written, express or implied, including the liability of others assumed by any **Insured**; provided, however, this exclusion will not apply to liability that would exist in the absence of such contract or agreement.

(9) Employment Practices Claim

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any:

- a) employment-related misrepresentation to an **Employee** or applicant of the **Named Insured** or **Subsidiary**;
- b) negligent hiring, retention, training or supervision;
- c) wrongful failure to employ or promote, wrongful deprivation of career opportunity, wrongful demotion, wrongful discipline, wrongful failure to grant tenure or practice privileges, or negligent employee evaluation, including the making of defamatory statements in providing a reference for any **Employee**;
- d) harassment, including sexual harassment, that interferes with performance or creates a hostile, intimidating, or offensive work environment;
- e) employment discrimination, including discrimination based on race, color, national origin, religion, gender, age, sexual orientation or preference, disability, pregnancy, or any other protected class recognized under any national, federal, state, provincial, or local statute or ordinance, regulation, decree or common law anywhere in the world;
- f) employment-related retaliation;
- g) wrongful dismissal, discharge or termination of employment, whether actual or constructive, including dismissal, discharge or termination in breach of an express or implied employment contract;
- h) employment-related defamation, libel, slander, or invasion of privacy;
- i) failure to provide or enforce adequate or consistent corporate policies and procedures relating to any of the above; or
- j) violation of Title VII of the Civil Rights Act of 1964, as amended and any rules and regulations promulgated thereunder; the Age Discrimination in Employment Act (ADEA), as amended and any rules and regulations promulgated thereunder; the Civil Rights Act of 1991, as amended and any rules and regulations promulgated thereunder; the Americans With Disabilities Act (ADA), as amended and any rules and regulations promulgated thereunder; the Family and Medical Leave Act (FMLA), as amended and any rules and regulations promulgated thereunder; the Pregnancy Discrimination Act of 1978, as amended and any rules and regulations promulgated thereunder, or; any similar national, federal, state, provincial, or local statute or ordinance, regulation, decree or common law anywhere in the world; or
- k) infliction of emotional distress, mental anguish or humiliation; defamation, including libel, slander, disparagement and false imprisonment; invasion of privacy, and; violation of an individual's civil rights, if such conduct relates to matter described in paragraphs (a) – (k),

committed or attempted against an **Employee** or applicant for employment with the **Named Insured** or **Subsidiary**.

(10) Fiduciary Claim

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any:

- a) actual or alleged violation of the obligations imposed on, or a breach of duty by, a fiduciary under ERISA, or the common or statutory law of any jurisdiction governing such employee benefit plan, in connection with an employee benefit plan; or
- b) negligent act, error or omission by an **Insured** in the administration of an employee benefit plan solely because of such **Insured's** service as a fiduciary of any employee benefit plan.

B. Solely with respect to Insuring Agreement C. (Non-Profit Organization Liability Coverage):

(1) Intellectual Property

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against the **Named Insured** or **Subsidiary** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any actual or alleged plagiarism, misappropriation, infringement or violation of copyright, patent, trademark, service mark, trade secret or any other intellectual property rights.

(2) Trade Practices

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against the **Named Insured** or **Subsidiary** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any actual or alleged violation of any law, whether statutory, regulatory or common law, respecting any of the following activities: anti-trust, business competition, unfair or deceptive trade practices or tortious interference in another's business or contractual relationship, including, but not limited to, violations of the Federal Trade Commission Act, the Sherman Anti-Trust Act, the Clayton Act or any other similar state or federal statutory provision.

C. For the purpose of determining the applicability of any of these exclusions, the **Wrongful Acts** of, facts pertaining to, and knowledge possessed by any **Insured Person** will not be imputed to any other **Insured Person**, and only the **Wrongful Acts** of, facts pertaining to, and knowledge possessed by the Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, or General Counsel (or any equivalent position to any of the foregoing) of the **Named Insured** or **Subsidiary** will be imputed to the **Named Insured** or **Subsidiary**.

V. LIMIT OF LIABILITY

A. Section V.G (CONDITIONS – Limits of Liability) of the General Terms and Conditions is amended to add the following provisions:

(5) Directors and Officers Side-A Excess Limit

Solely with respect to Coverage Extension B. of the Directors and Officers Liability Coverage Part, there will be an additional Sublimit of Liability in an amount identified in Item 4.A of the Declarations (the "Directors and Officers Side-A Excess Limit"). The Directors and Officers Side-A Excess Limit will be in excess of, and not a part of, the **Coverage Part** Limit of Liability applicable to the Directors and Officers Liability Coverage Part identified in Item 4.A of the Declarations and the Policy Aggregate Limit of Liability identified in Item 4.B of the Declarations. The Directors and Officers Side-A Excess Limit will be subject to the following terms and conditions:

- a) The Directors and Officers Side-A Excess Limit will apply solely with respect to **Non-Indemnifiable Loss** arising from any **Claim** against any **Insured Person** for which coverage

would otherwise apply under Insuring Agreement A. of this Directors and Officers Liability Coverage Part; and

- b) The Directors and Officers Side-A Excess Limit will be excess of, and will not contribute to, coverage provided under Insuring Agreement A. of this Directors and Officers Liability Coverage Part and any other insurance that is specifically excess to the coverage provided under this Policy or Insuring Agreement A. of this Directors and Officers Liability Coverage Part. Such excess insurance must be completely exhausted by the payment of loss covered thereunder before the **Insurer** will have any obligation to make any payment on account of the Directors and Officers Side-A Excess Limit.

VI. PRIORITY OF PAYMENTS

In the event of **Loss** arising from one or more covered **Claims** for which payment is due under the provisions of this **Coverage Part**, then the **Insurer** will in all events:

- A. first, pay all **Non-Indemnified Loss** of an **Insured Person** under Insuring Agreement A. (Insured Person Non-Indemnifiable Loss Coverage) for which coverage is provided under this Policy;
- B. second, pay all indemnified **Loss** of an **Insured Person**, under Insuring Agreement B. (Insured Person Indemnifiable Loss Coverage), for which coverage is provided under this Policy;
- C. third, pay all **Loss** of the **Named Insured** or **Subsidiary**, under Insuring Agreement C. (Non-Profit Organization Liability Coverage), for which coverage is provided under this Policy; and
- D. fourth, pay all **Non-Indemnified Loss** of an **Insured Person** under Coverage Extension B. – Directors and Officers Side-A Excess Coverage, for which coverage is provided under this Policy.



ASCOT APEX™

**NON-PROFIT COMPANY
MANAGEMENT LIABILITY POLICY
EMPLOYMENT PRACTICES LIABILITY
COVERAGE PART**

NOTICE:

THE LIABILITY **COVERAGE PARTS** OF THIS POLICY AFFORD CLAIMS-MADE COVERAGE WHICH APPLIES ONLY TO **CLAIMS** FIRST MADE DURING THE **POLICY PERIOD** OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE, AND TIMELY REPORTED TO THE **INSURER**. **DEFENSE COSTS** SHALL BE APPLIED AGAINST THE RETENTION, IF APPLICABLE. **DEFENSE COSTS** PAID BY THE **INSURER** SHALL REDUCE AND MAY COMPLETELY EXHAUST THE LIMIT(S) OF LIABILITY UNDER THE POLICY. PLEASE READ THIS POLICY CAREFULLY AND DISCUSS IT WITH YOUR INSURANCE AGENT OR BROKER.

**EMPLOYMENT PRACTICES LIABILITY
COVERAGE PART (NON-PROFIT)**

In consideration of the payment of premium and in reliance on all statements made and information contained in the **Application** or provided to the **Insurer** in connection with the underwriting of this Policy, and subject to all of the terms, conditions and exclusions of this Policy, the **Insurer** and the **Named Insured** agree as follows:

I. **INSURING AGREEMENTS**

A. **Employment Practices Liability Coverage**

The **Insurer** shall pay on behalf of the **Insured** all **Loss** resulting from any **Claim**, first made against the **Insured** during the **Policy Period** or the Extended Reporting Period (if applicable), and reported to the **Insurer** under the terms and conditions of this Policy, for any actual or alleged **Employment Practices Wrongful Act**.

B. **Third-Party Claim Coverage**

The **Insurer** shall pay on behalf of the **Insured** all **Loss** resulting from any **Claim**, first made against the **Insured** during the **Policy Period** or the Extended Reporting Period (if applicable), and reported to the **Insurer** under the terms and conditions of this Policy, for any actual or alleged **Third-Party Wrongful Act**.

II. **DEFINITIONS**

The following bolded terms, whether used in this **Coverage Part** in the singular or plural form, shall have the meanings indicated below.

A. **Claim** means:

- (1) a written demand for monetary, non-monetary or injunctive relief, including any demand for mediation, arbitration, or any other alternative dispute resolution process;
- (2) a civil, criminal, administrative or regulatory proceeding for monetary, non-monetary, or injunctive relief which is commenced by:
 - a) receipt or service of a complaint or similar pleading;
 - b) return of an indictment, information or similar document; or
 - c) receipt of a notice of charges;

- (3) a written request received by an **Insured** to toll or waive any statute of limitations, statute of repose, or other period of limitation on bringing a suit or action for any actual or alleged **Wrongful Act**; or
- (4) an administrative or regulatory proceeding against an **Insured Person**, or formal investigation commenced by the filing of a notice of charges, formal investigative order or similar document, including, but not limited to, a formal administrative or regulatory proceeding before, or formal investigation by, the United States Equal Employment Opportunity Commission (EEOC), the Office of Federal Contract Compliance Programs (OFCCP), or similar foreign or state government regulatory authority charged with oversight over the same or similar responsibilities.

Claim shall not include any grievance or arbitration subject to a collective bargaining agreement.

A **Claim** shall be deemed to have been first made at the time notice of the **Claim** is first received by any **Insured**.

B. **Employee** means any natural person, other than an **Executive** of the **Named Insured** or **Subsidiary**, whose past, present or future labor or service the **Named Insured** or **Subsidiary** has the right to direct, while acting solely in his or her capacity as such, including any full-time, part-time, seasonal or temporary employee, or volunteers of the **Named Insured** or **Subsidiary**, but only for **Wrongful Acts** committed or allegedly committed while employed by the **Named Insured** or **Subsidiary**. **Employee** also means an independent contractor, but only to the extent that the **Named Insured** or **Subsidiary** provides indemnification to such independent contractor, and only while such independent contractor is performing work for or on behalf of the **Named Insured** or **Subsidiary** pursuant to a written contract.

C. **Employment Practices Wrongful Act** means:

- (1) employment-related misrepresentation to an **Employee** or applicant of the **Named Insured** or **Subsidiary**;
- (2) negligent hiring, retention, training or supervision;
- (3) wrongful failure to employ or promote, wrongful deprivation of career opportunity, wrongful demotion, wrongful discipline, wrongful failure to grant tenure or practice privileges, or negligent employee evaluation, including the making of defamatory statements in providing a reference for any **Employee**;
- (4) harassment, including sexual harassment, that interferes with performance or creates a hostile, intimidating, or offensive work environment;
- (5) employment discrimination, including discrimination based on race, color, national origin, religion, gender, age, sexual orientation or preference, disability, pregnancy, or any other protected class recognized under any national, federal, state, provincial, or local statute or ordinance, regulation, decree or common law anywhere in the world;
- (6) employment-related retaliation;
- (7) wrongful dismissal, discharge or termination of employment, whether actual or constructive, including dismissal, discharge or termination in breach of an express or implied employment contract;
- (8) employment-related defamation, libel, slander, or invasion of privacy;
- (9) failure to provide or enforce adequate or consistent corporate policies and procedures relating to any **Employment Practices Wrongful Act**;
- (10) violation of Title VII of the Civil Rights Act of 1964, as amended and any rules and regulations promulgated thereunder; the Age Discrimination in Employment Act (ADEA), as amended and any rules and regulations promulgated thereunder; the Civil Rights Act of 1991, as amended and any rules and regulations promulgated thereunder; the Americans With Disabilities Act (ADA), as amended and any rules and regulations promulgated thereunder; the Family and Medical Leave Act (FMLA), as amended and any rules and regulations promulgated thereunder; the Pregnancy Discrimination Act of 1978, as amended and any rules and regulations promulgated thereunder, or; any similar national,

federal, state, provincial, or local statute or ordinance, regulation, decree or common law anywhere in the world; or

- (11) infliction of emotional distress, mental anguish or humiliation; defamation, including libel, slander, disparagement and false imprisonment; invasion of privacy; and violation of an individual's civil rights, if such conduct relates to matter described in paragraphs (1) – (10);

committed or attempted against an **Employee** or applicant for employment with the **Named Insured** or **Subsidiary**.

- D. **Executive** means a natural person who is a duly elected or appointed director, officer, trustee, advisory director, or member of a duly constituted committee or board of the **Named Insured** or **Subsidiary**, or the functional equivalent of any of the foregoing, provided such natural person is not compensated or classified as an employee by the **Named Insured** or **Subsidiary**.
- E. **Insured Person** means a natural person who was, now is, or will become an **Executive** or **Employee** of the **Named Insured** or **Subsidiary** in their capacity as such.
- F. **Loss** means damages (including back pay and front pay), judgments, settlement amounts, and **Defense Costs**. **Loss** will include any punitive or exemplary damages or the multiple portion of a multiplied damage award, where insurable by law. In determining the insurability of any punitive or exemplary damages or the multiple portion of a multiplied damage award, the law of an applicable jurisdiction most favorable to the insurability of such amount will apply.

Loss, other than **Defense Costs**, does not include:

- (1) taxes, whether owed to or by any **Insured**;
 - (2) civil or criminal fines or penalties;
 - (3) any costs to comply with an injunction or any other non-monetary or equitable relief or the costs to comply with any agreement to provide such relief;
 - (4) any amount claimed or determined to be owed under any partnership, stock or other ownership agreement or any other type of contract;
 - (5) disability, social security, workers compensation, medical insurance, retirement or pension benefits;
 - (6) compensation earned by the claimant in the course of employment but not paid by the **Named Insured** or **Subsidiary**, including, but not limited to, any unpaid salary, bonus, wages, commissions, or benefits;
 - (7) future salary, wages, commissions or benefits of a claimant who has been or will be hired promoted or reinstated to employment pursuant to a settlement of, order in, or other resolution of a **Claim**;
 - (8) any liability or costs incurred by any **Insured** to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person or any liability or costs incurred in connection with any educational, sensitivity or other corporate program policy or seminar;
 - (9) any amount for which an **Insured** is not financially liable or which are without legal recourse to an **Insured**; or
 - (10) matters which are uninsurable under the law pursuant to which this Policy is construed.
- G. **Third-Party Claim** means a **Claim** for any actual or alleged **Third-Party Wrongful Act**.
 - H. **Third-Party Wrongful Act** means any actual or alleged:
 - (1) discrimination, including discrimination based on race, color, national origin, religion, gender, age, sexual orientation or preference, disability, or pregnancy, allegedly committed or attempted by an **Insured** or an **Insured Person**, in his or her capacity as such, against any individual other than an **Insured Person** or applicant for employment with the **Named Insured** or **Subsidiary**; or

- (2) harassment, including sexual harassment or harassment based on race, color, national origin, religion, gender, age, sexual orientation or preference, disability, or pregnancy, allegedly committed or attempted by an **Insured** or an **Insured Person**, in his or her capacity as such, against any individual other than an **Insured Person** or applicant for employment with the **Named Insured** or **Subsidiary**.

- I. **Wrongful Act** means any actual or alleged **Employment Practices Wrongful Act** or a **Third-Party Wrongful Act**.

III. EXCLUSIONS

The following exclusions shall apply to any **Claim** made against any **Insured** under this Employment Practices Liability Coverage Part:

- A. Prior and/or Pending Litigation

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured** as of the applicable Prior and/or Pending Litigation Dates identified in Item 5. of the Declarations regarding this **Coverage Part**:

- (1) alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any prior or pending **Claim**, litigation, administrative or arbitration proceeding, or investigation; or
- (2) alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any **Wrongful Act** or **Interrelated Wrongful Act**, fact, circumstance, situation, transaction or event underlying or alleged in such prior or pending **Claim**, litigation, administrative or arbitration proceeding, or investigation.

- B. Conduct Exclusion

The **Insurer** shall not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any criminal or deliberate fraudulent act or intentional or knowing violation of law by any **Insured** if established by any judgment or other non-appealable final adjudication adverse to the **Insured** in the **Claim**.

- C. Labor Related Laws

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any actual or alleged violation of any federal, state or local statute or common law governing payroll practices or policies, including, but not limited to, the Fair Labor Standards Act (FLSA) (other than the Equal Pay Act); the Employee Retirement Income Security Act of 1974 (ERISA); the National Labor Relations Act; the Worker Adjustment and Retraining Notification (WARN) Act; the Consolidated Omnibus Budget Reconciliation Act (COBRA); the Occupational Safety and Health Act (OSHA); or any similar national, federal, state, provincial, or local statute or ordinance, regulation, decree or common law anywhere in the world, including those relating to the payment of wages, hours worked, overtime, on-call time, rest periods, minimum wage compensation, reimbursement of expenses, garnishments or withholding of deductions, employee entitlements, and classification of employees regarding eligibility for compensation and benefits; provided, however, this exclusion will not apply to **Loss** for any **Claim** for employment-related retaliation.

- D. Other Employment Benefits

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any benefits or insurance for workers' compensation, disability, unemployment, retirement, social security, or laws governing such or similar employment benefits; provided, however, this exclusion will not apply to **Loss** for any **Claim** for employment-related retaliation.

- E. Contractual Liability

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against the **Named Insured** or **Subsidiary** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any actual or alleged liability under or pursuant to any contract or agreement, whether oral, written, express or implied, including the liability of others assumed by an **Insured**, unless such **Insured** would have been liable in the absence of such contract or agreement; provided this exclusion will not apply to **Defense Costs** for any **Claim** alleging an **Employment Practices Wrongful Act**.

F. D&O Claim

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any actual or alleged act, error, omission, neglect, breach of duty, misstatement, or misleading statement:

- (1) by any **Insured Person** in their capacity as such, or any matter claimed against them by reason of their status as an **Insured Person**; or
- (2) by the **Named Insured** or **Subsidiary**,

that would be covered under the **Directors and Officers Coverage Part**, if purchased.

G. Fiduciary Claim

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** or **Derivative Demand** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any:

- (1) actual or alleged violation of the obligations imposed on, or a breach of duty by, a fiduciary under ERISA, or the common or statutory law of any jurisdiction governing such employee benefit plan, in connection with an employee benefit plan; or
- (2) negligent act, error or omission by an **Insured** in the administration of an employee benefit plan solely because of such **Insured's** service as a fiduciary of any employee benefit plan.

For the purpose of determining the applicability the above exclusions, the **Wrongful Acts** of, facts pertaining to, and knowledge possessed by any **Insured Person** will not be imputed to any other **Insured Person**, and only the **Wrongful Acts** of, facts pertaining to, and knowledge possessed by the Chief Executive Officer, Chief Financial Officer, General Counsel, or the head of the **Named Insured's** or **Subsidiary's** Human Resources department (or any equivalent position to any of the foregoing) of the **Named Insured** or **Subsidiary** will be imputed to the **Named Insured** or **Subsidiary**.



SERVICE OF SUIT

Named Insured	Policy Number	Effective Date	Endorsement No.
The Pennsylvania Cyber Charter School	MLNP2410001016-03	6/30/2024	1

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Solely for the purposes of coverage provided under the policy, it is hereby understood and agreed that:

It is hereby understood and agreed that *Ascot Specialty Insurance Company* may be sued upon any cause of action arising under any insurance contract made by *Ascot Specialty Insurance Company* or evidence of insurance issued or delivered by the producer, in the courts for the county(s) where the insurance provides coverage or in the courts of New York, New York where the insurer maintains its home office.

It is further agreed that service of process in such suit may be made upon the appropriate person at the state Department of Insurance, Secretary of State or other designee as provided for in specific state laws and/or regulations.

When service of process is made upon a statutory designee according to state law, such process should be provided via certified mail to:

**John Gill, Corporate Secretary
Ascot Specialty Insurance Company
55 W. 46th Street
New York, NY 10036**

The above-named individual is authorized and directed to accept service of process on our behalf in any suit. It is further agreed that in any suit instituted against any Insured under this policy or otherwise upon this policy, we will abide by the final decision of such court or of any appellate court in the event of an appeal.

All other terms and conditions remain unchanged.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Named Insured	Policy Number	Effective Date	Endorsement No.
The Pennsylvania Cyber Charter School	MLNP2410001016-03	6/30/2024	2

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Solely for the purposes of coverage provided under the policy, it is hereby understood and agreed that:

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

SCHEDULE

Premium attributable to risk of loss from certified acts of terrorism for lines of insurance subject to TRIA:

\$0

** Information required to complete this Schedule, if not shown above, will be shown in the Declarations.*

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the 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.

All other terms and conditions remain unchanged.



ECONOMIC SANCTIONS ENDORSEMENT

Named Insured	Policy Number	Effective Date	Endorsement No.
The Pennsylvania Cyber Charter School	MLNP2410001016-03	6/30/2024	3

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**NON-PROFIT COMPANY MANAGEMENT LIABILITY POLICY
PRIVATE COMPANY MANAGEMENT LIABILITY POLICY**

- A. 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.
- B. The Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, the United Kingdom or the United States of America.

All other terms and conditions remain unchanged.



EXCLUSION – COMMUNICABLE DISEASE

Named Insured	Policy Number	Effective Date	Endorsement No.
The Pennsylvania Cyber Charter School	MLNP2410001016-03	6/30/2024	4

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**NON-PROFIT COMPANY MANAGEMENT LIABILITY POLICY
PRIVATE COMPANY MANAGEMENT LIABILITY POLICY**

In consideration of the premium charged, it is hereby understood and agreed that the following is added to SECTION IV. – EXCLUSIONS of the General Terms and Conditions:

The **Insurer** will not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving any:

- (1) actual or alleged exposure to, infection by, or transmission of any communicable disease or the fear or threat (whether actual or perceived) of exposure to, infection by, or transmission of any communicable disease;
- (2) implementation of, or failure to implement, any measures to test for or prevent exposure to, infection by, or transmission of any communicable disease, including any action taken to comply with local, state, or federal mandates, designations, or guidance regarding verification of the vaccination status of any individual; or
- (3) implementation of any employment decisions, including those involving compensation, layoffs, furloughs, supervising, hiring, employing, training, or monitoring of others, based upon or influenced by any communicable disease, or any governmental response or action with respect thereto, or the vaccination status of any individual.

All other terms and conditions remain unchanged.

This endorsement may refer to multiple **Coverage Parts**; however, it is only applicable to such **Coverage Parts** if purchased by the **Insured** and selected on the Declarations page.



COVERAGE EXTENSION – CRISIS MANAGEMENT

Named Insured	Policy Number	Effective Date	Endorsement No.
The Pennsylvania Cyber Charter School	MLNP2410001016-03	6/30/2024	5

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**NON-PROFIT COMPANY MANAGEMENT LIABILITY POLICY
PRIVATE COMPANY MANAGEMENT LIABILITY POLICY**

In consideration of the premium charged, it is hereby understood and agreed that General Terms and Conditions, SECTION II. – COVERAGE EXTENSIONS is amended to include the following:

Crisis Management Coverage

The **Insurer** shall provide a \$25,000 Sublimit for **Crisis Management Costs** the **Insured** incurs during the **Policy Period** resulting directly from any **Claim** covered under this Policy. No Retention will apply to this Crisis Management Coverage. The Sublimit shall be part of and not in addition to the Aggregate Limit of Liability set forth in Item 4.B. of the Declarations.

Crisis Management Costs shall be defined as the reasonable and necessary cost of retaining, for a stipulated period of time with the prior approval of the **Insurer**, an independent public relations consultant and the cost of associated advertising and public relations media and activities.

All other terms and conditions remain unchanged.

This endorsement may refer to multiple **Coverage Parts**; however, it is only applicable to such **Coverage Parts** if purchased by the **Insured** and selected on the Declarations page.



COVERAGE EXTENSION – FEDERAL IMMIGRATION AND NATIONALITY ACT

Named Insured	Policy Number	Effective Date	Endorsement No.
The Pennsylvania Cyber Charter School	MLNP2410001016-03	6/30/2024	6

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**NON-PROFIT COMPANY MANAGEMENT LIABILITY POLICY
PRIVATE COMPANY MANAGEMENT LIABILITY POLICY**

In consideration of the premium charged, it is hereby understood and agreed that General Terms and Conditions, SECTION II. – COVERAGE EXTENSIONS is amended to include the following:

FE-A. Federal Immigration & Nationality Act Coverage Sublimit

Subject to the applicable **Coverage Part** Limit of Liability identified Item 4. of the Declarations, the amount of \$100,000 (“Sublimit”) shall be the maximum aggregate Limit of Liability of the **Insurer** for **Loss** under this Policy in connection with any **Claim** made against any **Insured** based upon, arising out of, or attributable to any actual or alleged violation of the Federal Immigration & Nationality Act, 8 U.S.C. Section 1101, et seq., as amended, including insurable fines or penalties under Section 1324a of that Act (“**FINA Claim**”). This Sublimit shall be one Sublimit only, regardless of the number of **Coverage Parts** purchased by any or all **Insureds**, and shall be part of and not in addition to the Policy Maximum Aggregate Limit of Liability set forth in Item 4.B. of the Declarations.

A Retention in the amount of \$100,000 shall apply to any **Loss** arising from a **FINA Claim**. The **Insurer** will only be liable for the amount of **Loss** in excess of the Retention. Such Retention shall be borne by the **Insured** and will be uninsured.

Notwithstanding anything contained in this endorsement to the contrary, however, solely where coverage for any **Claim** is triggered as “Side A”, or non-indemnified or **Non-Indemnifiable Loss**, in keeping with Policy terms and conditions, the Retention normally applicable in such situations shall apply to such **Claim**, and the Retention stated here shall not apply.

All other terms and conditions remain unchanged.

This endorsement may refer to multiple **Coverage Parts**; however, it is only applicable to such **Coverage Parts** if purchased by the **Insured** and selected on the Declarations page.



COVERAGE EXTENSION – EDUCATIONAL INSTITUTION

Named Insured	Policy Number	Effective Date	Endorsement No.
The Pennsylvania Cyber Charter School	MLNP2410001016-03	6/30/2024	7

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

NON-PROFIT COMPANY MANAGEMENT LIABILITY POLICY

In consideration of the premium charged, it is hereby understood and agreed as follows:

- A. SECTION III. - DEFINITIONS, F. **Insured Person** in Directors and Officers Liability Coverage Part and SECTION II. - DEFINITIONS, E. **Insured Person** in the Employment Practices Liability Coverage Part are amended by adding the following:

Insured Person shall include any past, present or future member of the faculty, student teacher, teaching assistant, representative to an education association of which the **Named Insured** or **Subsidiary** is a member, and any president, chancellor, provost, treasurer, vice president, dean, personnel director, executive director, risk manager, university counsel or other comparable senior administrator of the **Named Insured** or **Subsidiary**, regardless of whether they are considered as an **Employee** or **Executive** of the **Named Insured** or **Subsidiary** or an independent contractor.

- B. SECTION III. – DEFINITIONS, G. **Loss** in the Directors and Officers Liability Coverage Part and SECTION II. - DEFINITIONS F. **Loss** in the Employment Practices Liability Coverage Part, part (2) of what **Loss** does not include is deleted in its entirety and replaced with the following:

- (2) civil or criminal fines or penalties; except the **Insurer** will pay any otherwise covered **Excess Benefit** penalty which might be assessed by the Internal Revenue Service against any individual **Insured Person**;

- C. SECTION III. - DEFINITIONS, G. **Loss** in the Directors and Officers Liability Coverage Part and SECTION II. - DEFINITIONS, F. **Loss** in the Employment Practices Liability Coverage Part are amended to include the following:

Loss shall not include the return of tuition received by the **Named Insured** or **Subsidiary** or amounts in settlement reflecting such return of tuition.

- D. SECTION III. - DEFINITIONS, G. **Loss** in the Directors and Officers Liability Coverage Part and SECTION II. - DEFINITIONS, F. **Loss** in the Employment Practices Liability Coverage Part are amended to include the following:

- (1) IRS Fines

Defense Costs incurred in connection with a **Claim** seeking an assessment of taxes, initial taxes, additional taxes, tax deficiencies, excise taxes or penalties pursuant to the following sections of the Internal Revenue Code of 1986 (as amended):

Section 4911 (tax on excess expenditures to influence legislation);

Section 4940 (a) (tax on net investment income of tax-exempt foundations);

Section 4941 (taxes on self-dealing);
Section 4942 (taxes on failure to distribute income);
Section 4943 (taxes on excess business holding);
Section 4944 (taxes on investments which jeopardize charitable purpose);
Section 4945 (taxes on taxable expenditures);
Section 6652 (c) (1) (A) and (B) (penalties for failure to file certain information returns or registration statements);
Section 6655 (a) (1) (penalties for failure to pay estimated income tax); and
Section 6656 (a) and (b) (penalties for failure to make deposit of taxes); and

(2) Excess Benefit Penalty Coverage

(a) the ten percent (10%) **Excess Benefit** penalty assessed by the Internal Revenue Service against any individual **Insured Person** for management involvement in the award of an **Excess Benefit**; and (b) **Defense Costs** incurred by any individual **Insured Person** subject to the twenty five percent (25%) **Excess Benefit** penalty assessed by the Internal Revenue Service against any such **Insured Person** as a **Disqualified Person**.

Under no circumstances shall the **Insurer** be liable for the payment of **Loss** attributable to any two hundred percent (200%) penalty assessed by the Internal Revenue Service for failure to correct the award of an **Excess Benefit**.

Excess Benefit and **Disqualified Person** shall have the same meaning as defined in the "Taxpayer Bill of Rights II" (H.R. 2337, P.L. 104-168); and

(3) EMTALA Coverage

Defense Costs resulting from any **Claim** arising out of or in connection with an actual or alleged violation of the Emergency Medical Treatment and Active Labor Act (EMTALA), 42 U.S.C., 1395dd et seq., and any similar state or local statute; and

(4) Government Funding Defense Cost Coverage

With respect to any **Claim** arising out of, in whole or in part, a request or return of funds received from any federal, state or local governmental agency by the **Insured** and subject to a Retention amount of \$1,000,000, **Loss** shall include **Defense Costs**, up to a maximum aggregate of \$1,000,000 incurred by the **Insured** on a fifty percent (50%) coinsurance basis, with fifty percent (50%) of such **Defense Costs** to be borne by the **Insured** and to remain uninsured; and the remaining fifty percent (50%) of such **Defense Costs** to be covered by the **Insurer** subject to all other terms, conditions and exclusions of this Policy. The Retention applicable per this endorsement shall take precedence over any other Retention referenced in the Policy and the \$1,000,000 co-insured Sublimit of Liability referenced in this endorsement shall be one Sublimit only, regardless of the number of **Coverage Parts** purchased by any or all **Insureds**, and shall be part of and not in addition to the Policy's maximum Aggregate Limit of Liability.

However, **Loss** shall not include the return of such funds received from any federal, state or local governmental agency.

Notwithstanding anything contained in this endorsement to the contrary, however, solely where coverage for any **Claim** is triggered as "Side A", or non-indemnified or **Non-Indemnifiable Loss**, in keeping with Policy terms and conditions, the Retention normally applicable in such situations shall apply to such **Claim**, and the Retention stated here shall not apply.

- E. SECTION III. - DEFINITIONS, J. **Wrongful Act** in the Directors and Officers Liability Coverage Part is amended by adding the following:
- Wrongful Act** shall include any **Educators E&O Wrongful Act**.
- F. SECTION II. - DEFINITIONS, C. **Employment Practices Wrongful Act** in the Employment Practices Liability Coverage Part is amended by adding the following:
- Employment Practices Wrongful Act** shall include any alleged defect in the tenure process, including the denial or removal of tenure.
- G. SECTION III. – DEFINITIONS of the Directors and Officers Liability Coverage Part is amended by adding the following:
- Educators E&O Wrongful Act** means any alleged defect in the tenure process, including the denial or removal of tenure, educational malpractice or failure to educate, negligent instruction, failure to supervise, inadequate or negligent academic guidance or counseling, improper or inappropriate academic placement or discipline, failure to grant due process, invasion of privacy or humiliation, including violation of the Buckley Amendment, or the publication of defamatory material in a book, newspaper or other publication of the **Named Insured** or **Subsidiary**, or the broadcast of such material over a radio, cable, television or computer site owned or operated by the **Named Insured** or **Subsidiary**.
- H. SECTION IV. - EXCLUSIONS, A.5. Professional Services of the Directors and Officers Liability Coverage Part is deleted in its entirety and replaced by the following:
5. Professional Services
- The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, the performance or rendering of, or failure to perform or render, professional services for others for a fee; provided, this exclusion shall not apply to any **Claim** alleging:
- a) Any **Educators E&O Wrongful Act**, to the extent such **Claim** is alleged;
 - b) Any termination of hospital practice privileges; or
 - c) The provision of legal services by the General Counsel or other counsel employed by the **Named Insured** or **Subsidiary** where such legal services are for the **Named Insured's** or **Subsidiary's** direct benefit as the client.
- I. The following is added to SECTION III. - EXCLUSIONS, of the Employment Practices Liability Coverage Part:
- The **Insurer** shall not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, the performance or rendering of, or failure to perform or render, professional services for others for a fee; provided, this exclusion shall not apply to any **Claim** alleging:
- a) Any alleged defect in the tenure process, including the denial or removal of tenure;
 - b) Any **Employment Practices Wrongful Act**, to the extent such a **Claim** is alleged;
 - c) Any termination of hospital practice privileges; or

d) The provision of legal services by the General Counsel or other counsel employed by the **Named Insured** or **Subsidiary** where such legal services are for the **Named Insured's** or **Subsidiary's** direct benefit as the client.

All other terms and conditions remain unchanged.

This endorsement may refer to multiple **Coverage Parts**; however, it is only applicable to such **Coverage Parts** if purchased by the **Insured** and selected on the Declarations page.



EXCLUSION – BROADCASTING, ADVERTISING AND PUBLISHING ACTIVITIES

Named Insured	Policy Number	Effective Date	Endorsement No.
The Pennsylvania Cyber Charter School	MLNP2410001016-03	6/30/2024	8

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**NON-PROFIT COMPANY MANAGEMENT LIABILITY POLICY
PRIVATE COMPANY MANAGEMENT LIABILITY POLICY**

In consideration of the premium charged, it is hereby understood and agreed that the following is added to SECTION IV. – EXCLUSIONS, A. of the Directors and Officers Liability Coverage Part:

The **Insurer** will not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving:

- (1) publishing or re-publishing activities;
- (2) advertising activities;
- (3) broadcasting or re-broadcasting activities;
- (4) telecasting or re-telecasting activities;
- (5) any actual or alleged piracy;
- (6) any actual or alleged idea misappropriation under implied contract;
- (7) any actual or alleged libel, slander, or other defamation or invasion of privacy in connection with any advertisement, publicity, article, broadcast or telecast;
- (8) any actual or alleged plagiarism, infringement of patent, copyright, trademark, title or slogan; or
- (9) any actual or alleged false arrest, false imprisonment, wrongful entry or eviction or other wrongful invasion of the right to private occupancy, wrongful detention, malicious prosecution, humiliation, defamation of character or invasion of rights of privacy.

All other terms and conditions remain unchanged.

This endorsement may refer to multiple **Coverage Parts**; however, it is only applicable to such **Coverage Parts** if purchased by the **Insured** and selected on the Declarations page.



CHOICE OF COUNSEL - EMPLOYMENT PRACTICES LIABILITY

Named Insured	Policy Number	Effective Date	Endorsement No.
The Pennsylvania Cyber Charter School	MLNP2410001016-03	6/30/2024	9

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**NON-PROFIT COMPANY MANAGEMENT LIABILITY POLICY
PRIVATE COMPANY MANAGEMENT LIABILITY POLICY**

In consideration of the premium charged, it is hereby understood and agreed that solely with respect to coverage for any **Claims** under the Employment Practices Liability Coverage Part, SECTION V. – CONDITIONS, B. Defense Provisions of the General Terms and Conditions is deleted and replaced with the following:

SCHEDULE		
Firm	Billing Rates	
1. Babst Calland Clements & Zomnir, Meyer Unkovic & Scott LLP, and McKenna Snyder LLC	Partners	\$335/hr
	Associates	\$220/hr
	Paralegals	\$145/hr
	Other	/

B. Defense Provisions

- 1) The **Insurer** has the right and duty to defend any **Claim** against any **Insured**, even if such **Claim** is false, fraudulent or groundless. The **Insurer's** duty to defend will cease upon exhaustion of the applicable Limit of Liability. The **Insurer** has the right to appoint defense counsel of its own choosing; however, the **Insurer** and **Insured** agree that the **Insured** may select the counsel listed in the Schedule above without the **Insurer's** prior consent unless there is an actual conflict of interest.

- 2) The pre-approved counsel listed above shall charge in accordance with the fee schedule set forth in the Schedule. Any costs the **Insured** incurs above the rates listed above will be at the **Insured's** own expense and the **Insurer** will have no obligation to pay for such costs under the Policy. The fees, costs, charges and billings of the pre-approved counsel shall first be paid and satisfied on an ongoing basis by the **Insured** from the applicable Retention stated in Item 4. of the Declarations of this Policy.

- 3) With regard to any **Claim** for which the **Insured** seeks coverage, the **Insured** and pre-approved counsel shall regularly apprise the **Insurer** of the status of the **Claim** and/or underlying litigation, regardless of whether the Retention has been satisfied. It is further agreed that the pre-approved counsel will work closely and communicate regularly with the **Insurer** in coordinating defense efforts and that the pre-approved counsel will apprise the **Insurer** on a regular and timely basis of all case developments.

- 4) In the event pre-approved counsel is unable to represent the **Insured** due to an actual conflict of interest, a venue or jurisdictional issue, or for any other reason, or if the **Insured** would like to use other counsel for a particular **Claim**, the **Insured** shall consult with the **Insurer** and the **Insured** and the **Insurer** shall jointly agree upon which law firm and counsel shall provide legal services and defense of the **Insured** in connection with such matter or **Claim**. If the **Insurer** is unable to agree with the **Insured** upon selection of defense counsel, which agreement shall not be unreasonably withheld, the **Insurer** shall have the overriding choice of counsel.

All other terms and conditions remain unchanged.

This endorsement may refer to multiple **Coverage Parts**; however, it is only applicable to such **Coverage Parts** if purchased by the **Insured** and selected on the Declarations page.



EXCLUSION – SPECIFIC LITIGATION / EVENT

Named Insured	Policy Number	Effective Date	Endorsement No.
The Pennsylvania Cyber Charter School	MLNP2410001016-03	6/30/2024	10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**NON-PROFIT COMPANY MANAGEMENT LIABILITY POLICY
PRIVATE COMPANY MANAGEMENT LIABILITY POLICY**

In consideration of the premium charged, it is hereby understood and agreed that the following is added to SECTION IV. – EXCLUSIONS of the General Terms and Conditions:

The **Insurer** will not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, in whole or in part, or in any way involving the following litigation or event(s):

Per Liberty Mutual Loss Runs on file dated 5/11/22

All other terms and conditions remain unchanged.

This endorsement may refer to multiple **Coverage Parts**; however, it is only applicable to such **Coverage Parts** if purchased by the **Insured** and selected on the Declarations page.



EXCLUSION – FAILURE TO MAINTAIN INSURANCE

Named Insured	Policy Number	Effective Date	Endorsement No.
The Pennsylvania Cyber Charter School	MLNP2410001016-03	6/30/2024	11

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**NON-PROFIT COMPANY MANAGEMENT LIABILITY POLICY
PRIVATE COMPANY MANAGEMENT LIABILITY POLICY**

In consideration of the premium charged, it is hereby understood and agreed that the following is added to SECTION IV. – EXCLUSIONS of the General Terms and Conditions:

FA-A. Failure to Maintain Insurance

The **Insurer** shall not be liable to make payment for **Loss** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, any actual or alleged failure or omission on the part of any **Insured** to effect or maintain any form of insurance, without limitation.

All other terms and conditions remain unchanged.

This endorsement may refer to multiple **Coverage Parts**; however, it is only applicable to such **Coverage Parts** if purchased by the **Insured** and selected on the Declarations page.



ABSOLUTE EXCLUSION – SEXUAL ABUSE

Named Insured	Policy Number	Effective Date	Endorsement No.
The Pennsylvania Cyber Charter School	MLNP2410001016-03	6/30/2024	12

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

**NON-PROFIT COMPANY MANAGEMENT LIABILITY POLICY
PRIVATE COMPANY MANAGEMENT LIABILITY POLICY**

In consideration of the premium charged, it is hereby understood and agreed that the following is added to SECTION IV. – EXCLUSIONS, A. of the Directors and Officers Liability Coverage Part and to Section III. EXCLUSIONS of the Employment Practices Liability Coverage Part:

The **Insurer** will not be liable to make any payment for **Loss** in connection with that portion of any **Claim** (including but not limited to any derivative or representative class actions) made against any **Insured** alleging, arising out of, based upon or attributable to, directly or indirectly, or in any way involving, in whole or in part, any forcible physical or sexual assault, battery or molestation, including rape.

All other terms and conditions remain unchanged.

This endorsement may refer to multiple **Coverage Parts**; however, it is only applicable to such **Coverage Parts** if purchased by the **Insured** and selected on the Declarations page.



Underwritten by: **Ascot Specialty Insurance Company**

Administrative Office: 55 West 46th Street, 26th Floor • New York, New York • 10036
1-646-356-8101 • A Stock Company

In Witness Whereof, the Company has caused this policy to be executed and attested.

A handwritten signature in black ink, appearing to read "John Gill", written over a horizontal line.

John Gill
Corporate Secretary

A handwritten signature in black ink, appearing to read "Matthew Kramer", written over a horizontal line.

Matthew Kramer
Chief Executive Officer

Endorsement

Renewal

Effective Date : 06/30/2024
Policy Number : 9907-58-43
Policyholder : THE PENNSYLVANIA CYBER
CHARTER SCHOOL
Policy Period : 06/30/2024 to 06/30/2025
Name of Company : **FEDERAL INSURANCE COMPANY**
Issue Date : 04/03/2024

It is agreed that the Policy is amended as follows:

In consideration of the payment of premium of \$1,500, this Policy is renewed for a further period of 12 months beginning at 12:01 AM on 6/30/2024 and ending at 12:01 AM on 6/30/2025 standard time at the **Policyholder's** address as shown in the Insuring Agreement.

All other terms and conditions of the policy remain unchanged.



Authorized Representative

FACTS	WHAT DOES THE CHUBB GROUP DO WITH YOUR PERSONAL INFORMATION?	
Why?	Insurance companies choose how they share your personal information. Federal and state law gives consumers the right to limit some but not all sharing. Federal and state law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security number and payment history • insurance claim history and medical information • account transactions and credit scores <p>When you are no longer our customer, we continue to share information about you as described in this notice.</p>	
How?	All insurance companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons insurance companies can share their customers' personal information; the reasons the Chubb Group chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information	Does Chubb share?	Can you limit this sharing?
For our everyday business purposes - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes - to offer our products and services to you	Yes	No
For joint marketing with other financial companies	Yes	No
For our affiliates' everyday business purposes - information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes - information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share
Questions?	Call 1-800-258-2930 or go to https://www2.Chubb.com/us-en/privacy.aspx	

Who is providing this notice?	The Chubb Group. A list of these companies is located at the end of this document.
What we do	
How does Chubb Group protect my personal information?	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>We restrict access to personal information to our employees, affiliates' employees, or others who need to know that information to service the account or to conduct our normal business operations.</p>
How does Chubb Group collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> • apply for insurance or pay insurance premiums • file an insurance claim or provide account information • give us your contact information <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> • sharing for affiliates' everyday business purposes - information about your creditworthiness • affiliates from using your information to market to you • sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • Our affiliates include those with a Chubb name and other companies, such as Westchester Fire Insurance Company and Great Northern Insurance Company.
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> • Chubb does not share with nonaffiliates so they can market to you.
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> • Our joint marketing partners include categories of companies such as banks.

Other important information

For Insurance Customers in AZ, CA, CT, GA, IL, MA, ME, MN, MT, NV, NC, NJ, OH, OR, and VA only: Under state law, under certain circumstances, you have the right see the personal information about you that we have on file. To see your information, write Chubb Group Attention: Privacy Inquiries, 202 Hall's Mill Road, P.O. Box 1600, Whitehouse Station, NJ 08889-1600. Chubb may charge a reasonable fee to cover the costs of providing this information. If you think any of the information is not accurate, you may write us. We will let you know what actions we take. If you do not agree with our actions, you may send us a statement. If you want a full description of privacy rights that we will protect in accordance with the law in your home state, please contact us and we will provide it. We may disclose information to certain third parties, such as law enforcement officers, without your permission.

For Nevada residents only: We may contact our existing customers by telephone to offer additional insurance products that we believe may be of interest to you. Under state law, you have the right to opt out of these calls by adding your name to our internal do-not-call list. To opt out of these calls, or for more information about your opt out rights, please contact our customer service department. You can reach us by calling 1-800-258-2930, emailing us at privacyinquiries@Chubb.com, or writing to Chubb Group, Attention: Privacy Inquiries, 202 Hall's Mill Road, P.O. Box 1600, Whitehouse Station, NJ 08889-1600. You are being provided this notice under Nevada state law. In addition to contacting Chubb, Nevada residents can contact the Nevada Attorney General for more information about your opt out rights by calling 775-684-1100, emailing bcpinfo@ag.state.nv.us, or by writing to: Office of the Attorney General, Nevada Department of Justice, Bureau of Consumer Protection: 100 North Carson Street, Carson City, NV 89701.

For Vermont residents only: Under state law, we will not share information about your creditworthiness within our corporate family except with your authorization or consent, but we may share information about our transactions or experiences with you within our corporate family without your consent.

Chubb Group Companies Providing This Notice

This notice is being provided by the following Chubb Group companies to their customers located in the United States: ACE American Insurance Company, ACE Capital Title Reinsurance Company, ACE Fire Underwriters Insurance Company, ACE Insurance Company of the Midwest, ACE Life Insurance Company, ACE Property and Casualty Insurance Company, Agri General Insurance Company, Atlantic Employers Insurance Company, Bankers Standard Fire and Marine Company, Bankers Standard Insurance Company, Century Indemnity Company, Chubb Custom Insurance Company, Chubb Indemnity Insurance Company, Chubb Insurance Company of New Jersey, Chubb Lloyds Insurance Company of Texas, Chubb National Insurance Company, Executive Risk Indemnity Inc., Executive Risk Specialty Insurance Company, Federal Insurance Company, Great Northern Insurance Company, Illinois Union Insurance Company, Indemnity Insurance Company of North America, Insurance Company of North America, Pacific Employers Insurance Company, Pacific Indemnity Company, Penn Millers Insurance Company, Texas Pacific Indemnity Company, Vigilant Insurance Company, Westchester Fire Insurance Company and Westchester Surplus Lines Insurance Company.



Security National Insurance Company
An AmTrust Financial Company

Pennsylvania

Workers' Compensation

Notice to Policyholder

Pursuant to Pennsylvania Workers Compensation Act (77 P.S. Sec. 1038.1 and 1038.2), and in accordance with Title 34, Part VIII, Sec. 129.102, Security National Insurance Company has available to its policyholders certain accident and illness prevention services. These services include surveys, recommendations, training programs, consultations, analysis of accident and illness causes, and industrial hygiene and industrial health services.

Security National Insurance Company may grant a premium discount of 5% to a Policyholder whose Workplace Safety Committee is certified by the Department of Labor and Industry of the Commonwealth (See 77 P.S. Sec. 1038.2).

If you would like more information about accident and illness prevention services or certification of Safety Committees, call the Loss Control Department of Security National Insurance Company at 888-486-7466, or write to Security National Insurance Company, 800 Superior Avenue East, 21st Floor, Cleveland, OH 44114.



Security National Insurance Company
An AmTrust Financial Company

Texas

Workers' Compensation

Notice to Policyholder

Pursuant to Texas Labor Code §411.066, Security National Insurance Company is required to notify its policyholders that accident prevention services are available from Security National Insurance Company at no additional charge. These services may include surveys, recommendations, training programs, consultations, analyses of accident causes, industrial hygiene, and industrial health services. Security National Insurance Company is also required to provide return-to-work coordination services as required by Texas Labor Code §413.021 and to notify you of the availability of the return-to-work reimbursement program for employers under Texas Labor Code §413.022. If you would like more information, contact Security National Insurance Company at 888-486-7466 and AskLC@amtrustgroup.com for accident prevention services or 888-486-7466 and AskLC@amtrustgroup.com for return-to-work coordination services. For information about these requirements call the Texas Department of Insurance, Division of Workers' Compensation (TDI-DWC) at 1- 800-687- 7080 or for information about the return-to-work reimbursement program for employers call the TDI-DWC at (512) 804-5000. If Security National Insurance Company fails to respond to your request for accident prevention services or return-to-work coordination services, you may file a complaint with the TDI-DWC in writing at <http://www.tdi.texas.gov> or by mail to Texas Department of Insurance, Division of Workers' Compensation, MS-8, at 7551 Metro Center Drive, Austin, Texas 78744-1645.

SECURITY NATIONAL INSURANCE COMPANY

WORKERS' COMPENSATION
and
EMPLOYERS' LIABILITY INSURANCE POLICY

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



Stephen Ungar, Secretary



Christopher H. Foy, President

To obtain information, please contact your agent or Security National Insurance Company at **877-528-7878**. You may also write Security National Insurance Company Consumer Relations at:

800 Superior Avenue East, 21st Floor
Cleveland, OH 44114

SECURITY NATIONAL INSURANCE COMPANY

WORKERS' COMPENSATION
and
EMPLOYERS' LIABILITY INSURANCE POLICY

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



Stephen Ungar, Secretary



Christopher H. Foy, President

To obtain information, please contact your agent or Security National Insurance Company at **877-528-7878**. You may also write Security National Insurance Company Consumer Relations at:

800 Superior Avenue East, 21st Floor
Cleveland, OH 44114

SECURITY NATIONAL INSURANCE COMPANY

[2711 Centerville Road, Suite
400]
Wilmington, DE 19808

WORKERS' COMPENSATION
and
EMPLOYERS' LIABILITY INSURANCE POLICY

In Witness Whereof, we have caused this policy to be executed and attested.

[] []
[Stephen Ungar, Secretary] [Christopher H. Foy, President]

To obtain information, please contact your agent or Security National Insurance Company at **877-528-7878**. You may also write Security National Insurance Company Consumer Relations at:

800 Superior Avenue East, 21st Floor
Cleveland, OH 44114

WC 99 00 00 B

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165509
Insurance Company	Security National Insurance Company				

**NOTICE CONCERNING POLICYHOLDER RIGHTS IN AN INSOLVENCY UNDER
THE MINNESOTA INSURANCE GUARANTY ASSOCIATION LAW:**

The financial strength of your insurer is one of the most important things for you to consider when determining from whom to purchase a property or liability insurance policy. It is your best assurance that you will receive the protection for which you purchased the policy. If your insurer becomes insolvent, you may have protection from the Minnesota Insurance Guaranty Association as described below but to the extent that your policy is not protected by the Minnesota Insurance Guaranty Association or if it exceeds the Guaranty Association's limits, you will only have the assets, if any, of the insolvent insurer to satisfy your claim.

Residents of Minnesota who purchase property and casualty or liability insurance from insurance companies licensed to do business in Minnesota are protected, SUBJECT TO LIMITS AND EXCLUSIONS, in the event the insurer becomes insolvent. This protection is provided by the Minnesota Insurance Guaranty Association.

Minnesota Insurance Guaranty Association
4640 West 77th Street, Suite 342
Edina, Minnesota 55435
(952) 831-1908

The maximum amount that the Minnesota Insurance Guaranty Association will pay in regard to a claim under all policies issued by the same insurer is limited to \$300,000. This limit does not apply to workers' compensation insurance. Protection by the Guaranty Association is subject to other substantial limitations and exclusions. If your claim exceeds the Guaranty Association's limits, you may still recover a part or all of that amount from the proceeds from the liquidation of the insolvent insurer, if any exist. Funds to pay claims may not be immediately available. The Guaranty Association assesses insurers licensed to sell property and casualty or liability insurance in Minnesota after the insolvency occurs. Claims are paid from the assessment.

THE PROTECTION PROVIDED BY THE GUARANTY ASSOCIATION IS NOT SUBSTITUTE FOR USING CARE IN SELECTING INSURANCE COMPANIES THAT ARE WELL MANAGED AND FINANCIALLY STABLE. IN SELECTING AN INSURANCE COMPANY OR POLICY, YOU SHOULD NOT RELY ON PROTECTION BY THE GUARANTY ASSOCIATION.

THIS NOTICE IS REQUIRED BY MINNESOTA STATE LAW TO ADVISE POLICYHOLDER OF PROPERTY AND CASUALTY INSURANCE POLICIES OF THEIR RIGHTS IN THE EVENT THEIR INSURANCE CARRIER BECOMES INSOLVENT. THIS NOTICE IN NO WAY IMPLIES THAT THE COMPANY CURRENTLY HAS ANY TYPE OF FINANCIAL PROBLEMS. ALL PROPERTY AND CASUALTY INSURANCE POLICIES ARE REQUIRED TO PROVIDE THIS NOTICE.

POLICYHOLDER NOTICE**CALIFORNIA WORKERS' COMPENSATION
INSURANCE RATING LAWS**

Pursuant to Section 11752.8 of the California Insurance Code, we are providing you with an explanation of the California workers' compensation rating laws.

1. We establish our own rates for workers' compensation. Our rates, rating plans, and related information are filed with the insurance commissioner and are open for public inspection.
2. The insurance commissioner can disapprove our rates, rating plans, or classifications only if he or she has determined after public hearing that our rates might jeopardize our ability to pay claims or might create a monopoly in the market. A monopoly is defined by law as a market where one insurer writes 20% or more of that part of the California workers' compensation insurance that is not written by the State Compensation Insurance Fund. If the insurance commissioner disapproves our rates, rating plans, or classifications, he or she may order an increase in the rates applicable to outstanding policies.
3. Rating organizations may develop pure premium rates that are subject to the insurance commissioner's approval. A pure premium rate reflects the anticipated cost and expenses of claims per \$100 of payroll for a given classification. Pure premium rates are advisory only, as we are not required to use the pure premium rates developed by any rating organization in establishing our own rates.
4. We must adhere to a single, uniform experience rating plan. If you are eligible for experience rating under the plan, we will be required to adjust your premium to reflect your claim history. A better claim history generally results in a lower experience rating modification; more claims, or more expensive claims, generally result in a higher experience rating modification. The uniform experience rating plan, which is developed by the insurance rating organization designated by the insurance commissioner, is subject to approval by the insurance commissioner.
5. A standard classification system, developed by the insurance rating organization designated by the insurance commissioner, is subject to approval by the insurance commissioner. The standard classification system is a method of recognizing and separating policyholders into industry or occupational groups according to their similarities and/or differences. We can adopt and apply the standard classification system or develop and apply our own classification system, provided we can report the payroll, expenses, and other costs of claims in a way that is consistent with the uniform statistical plan or the standard classification system.
6. Our rates and classifications may not violate the Unruh Civil Rights Act or be unfairly discriminatory.
7. We will provide an appeal process for you to appeal the way we rate your insurance policy. The process requires us to respond to your written appeal within 30 days. If you are not satisfied with the result of your appeal, you may appeal our decision to the insurance commissioner.

**California Workers' Compensation Insurance
Notice of Nonrenewal**

Section 11664 of the California Insurance Code requires us, in most instances, to provide you with a notice of nonrenewal. Except as specified in paragraphs 1 through 6 below, if we elect to nonrenew your policy, we are required to deliver or mail to you a written notice stating the reason or reasons for the nonrenewal of the policy. The notice is required to be sent to you no earlier than 120 days before the end of the policy period and no later than 30 days before the end of the policy period. If we fail to provide you the required notice, we are required to continue the coverage under the policy with no change in the premium rate until 60 days after we provide you with the required notice.

We are not required to provide you with a notice of nonrenewal in any of the following situations:

1. Your policy was transferred or renewed without a change in its terms or conditions or the rate on which the premium is based to another insurer or other insurers who are members of the same insurance group as us.
2. The policy was extended for 90 days or less and the required notice was given prior to the extension.
3. You obtained replacement coverage or agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
4. The policy is for a period of no more than 60 days and you were notified at the time of issuance that it may not be renewed.
5. You requested a change in the terms or conditions or risks covered by the policy within 60 days prior to the end of the policy period.
6. We made a written offer to you to renew the policy at a premium rate increase of less than 25 percent.
 - (A) If the premium rate in your governing classification is to be increased 25 percent or greater and we intend to renew the policy, we shall provide a written notice of a renewal offer not less than 30 days prior to the policy renewal date. The governing classification shall be determined by the rules and regulations established in accordance with California Insurance Code Section 11750.3(c).
 - (B) For purposes of this Notice, "premium rate" means the cost of insurance per unit of exposure prior to the application of individual risk variations based on loss or expense considerations such as scheduled rating and experience rating.

This notice does not change the policy to which it is attached.

POLICYHOLDER NOTICE

CALIFORNIA INSURANCE GUARANTEE ASSOCIATION (CIGA) SURCHARGE

Companies writing property and casualty insurance business in California are required to participate in the California Insurance Guarantee Association. If a company becomes insolvent, the California Insurance Guarantee Association settles unpaid claims and assesses each insurance company for its fair share.

California law requires all companies to surcharge policies to recover these assessments. If your policy is surcharged, "CA Surcharge" or "CA Surcharge (CIGA Surcharge)" with an amount will be displayed on your premium notice.

This notice does not change the policy to which it is attached.

IMPORTANT NOTICE

To obtain information or make a complaint:

You may contact your Agent.

You may call AmTrust Financial's toll-free telephone number for information or to make a complaint at:

1-877-528-7878

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance at:

P.O. Box 149104
Austin, TX 78714-9104

Fax: 512-475-1771

Web: www.tdi.state.tx.us

E-mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim, you should contact the agent or the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

Puede comunicarse con su Agente.

Usted puede llamar al numero de telefono gratis de AmTrust Financial's para informacion o para someter una queja al:

1-877-528-7878

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir ai Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104

Fax: 512-475-1771

Web: www.tdi.state.tx.us

E-mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA:

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

POLICYHOLDER NOTICE
YOUR RIGHT TO RATING AND DIVIDEND INFORMATION

I. Information Available to You

A. Information Available from Us –

- (1) General questions regarding your policy should be directed to:

800 Superior Ave. E., 21st Floor
Cleveland, OH 44114
(877) 528-7878
www.amtrustfinancial.com

- (2) **Dividend Calculation.** If this is a participating policy (a policy on which a dividend may be paid), upon payment or non-payment of a dividend, we shall provide a written explanation to you that sets forth the basis of the dividend calculation. The explanation will be in clear, understandable language and will express the dividend as a dollar amount and as a percentage of the earned premium for the policy year on which the dividend is calculated.
- (3) **Claims Information.** Pursuant to Sections 3761 and 3762 of the California Labor Code, you are entitled to receive information in our claim files that affects your premium. Copies of documents will be supplied at your expense during reasonable business hours.

For claims covered under this policy, we will estimate the ultimate cost of unsettled claims for statistical purposes eighteen months after the policy becomes effective and will report those estimates to the Workers' Compensation Insurance Rating Bureau of California (WCIRB) no later than twenty months after the policy becomes effective. The cost of any settled claims will also be reported at that time. At twelve-month intervals thereafter, we will update and report to the WCIRB the estimated cost of any unsettled claims and the actual final cost of any claims settled in the interim. The amounts we report will be used by the WCIRB to compute your experience modification if you are eligible for experience rating.

B. Information Available from the Workers' Compensation Insurance Rating Bureau of California

- (1) The WCIRB is a licensed rating organization and the California Insurance Commissioner's designated statistical agent. As such, the WCIRB is responsible for administering the *California Workers' Compensation Uniform Statistical Reporting Plan—7995* (USRP) and the *California Workers' Compensation Experience Rating Plan—7995* (ERP). WCIRB contact information is: WCIRB, 1901 Harrison Street, 17th Floor, Oakland, CA 94612, Attn: Customer Service; 888.229.2472 (phone); 415.778.7272 (fax); and customerservice@wcirb.com (email). The regulations contained in the USRP and ERP are available for public viewing through the WCIRB's website at wcirb.com.
- (2) **Policyholder Information.** Pursuant to California Insurance Code (CIC) Section 11752.6, upon written request, you are entitled to information relating to loss experience, claims, classification assignments, and policy contracts as well as rating plans, rating systems, manual rules, or other information impacting your premium that is maintained in the records of the WCIRB. Complaints and Requests for Action requesting policyholder information should be forwarded to: WCIRB, 1901 Harrison Street, 17th Floor, Oakland, CA 94612, Attn: Custodian of Records. The Custodian of Records can be reached at 415.777.0777 (phone) and 415.778.7272 (fax).
- (3) **Experience Rating Form.** Each experience rated risk may receive a single copy of its current Experience Rating Form/Worksheet free of charge by completing a Policyholder Experience Rating Worksheet Request Form on the WCIRB's website at wcirb.com/ratesheet. The Experience Rating Form/Worksheet will include a Loss-Free Rating, which is the experience modification that would have been calculated if \$0 (zero) actual losses were incurred during the experience period. This hypothetical rating calculation is provided for informational purposes only.

II. Dispute Process

You may dispute our actions or the actions of the WCIRB pursuant to CIC Sections 11737 and 11753.1.

A. Our Dispute Resolution Process.

If you are aggrieved by our decision adopting a change in a classification assignment that results in increased premium, or by the application of our rating system to your workers' compensation insurance, you may dispute these matters with us. If you are dissatisfied with the outcome of the initial dispute with us, you may send us a written Complaint and Request for Action as outlined below.

You may send us a written Complaint and Request for Action requesting that we reconsider a change in a classification assignment that results in an increased premium and/or requesting that we review the manner in which our rating system has been applied in connection with the insurance afforded or offered you. Written Complaints and Requests for Action should be forwarded to:

After you send your Complaint and Request for Action, we have 30 days to send you a written notice indicating whether your written request will be reviewed. If we agree to review your request, we must conduct the review and issue a decision granting or rejecting your request within 60 days after sending you the written notice granting review. If we decline to review your

request, if you are dissatisfied with the decision upon review, or if we fail to grant or reject your request or issue a decision upon review, you may appeal to the Insurance Commissioner as described in paragraph II.C., below.

- B. Disputing the Actions of the WCIRB.** If you have been aggrieved by any decision, action, or omission to act of the WCIRB, you may request, in writing, that the WCIRB reconsider its decision, action, or omission to act. You may also request, in writing, that the WCIRB review the manner in which its rating system has been applied in connection with the insurance afforded or offered you. For requests related to classification disputes, the reporting of experience, or coverage issues, your initial request for review must be received by the WCIRB within 12 months after the expiration date of the policy to which the request for review pertains, except if the request involves the application of the Revision of Losses rule. For requests related to your experience modification, your initial request for review must be received by the WCIRB within 6 months after the issuance, or 12 months after the expiration date, of the experience modification to which the request for review pertains, whichever is later, except if the request for review involves the application of the Revision of Losses rule. If the request involves the Revision of Losses rule, the time to state your appeal may be longer. (See Section VI, Rule 7 of the ERP).

You may commence the review process by sending the WCIRB a written Inquiry. Written Inquiries should be sent to: **WCIRB, 1901 Harrison Street, 17th Floor, Oakland, CA 94612, Attn: Customer Service. Customer Service can be reached at 888.229.2472 (phone), 415.778.7272 (fax) and customerservice@wcirb.com (email).**

If you are dissatisfied with the WCIRB's decision upon an Inquiry, or if the WCIRB fails to respond within 90 days after receipt of the Inquiry, you may pursue the subject of the Inquiry by sending the WCIRB a written Complaint and Request for Action. After you send your Complaint and Request for Action, the WCIRB has 30 days to send you written notice indicating whether your written request will be reviewed. If the WCIRB agrees to review your request, it must conduct the review and issue a decision granting or rejecting your request within 60 days after sending you the written notice granting review. If the WCIRB declines to review your request, if you are dissatisfied with the decision upon review, or if the WCIRB fails to grant or reject your request or issue a decision upon review, you may appeal to the Insurance Commissioner as described in paragraph II.C., below. Written Complaints and Requests for Action should be forwarded to: **WCIRB, 1901 Harrison Street, 17th Floor, Oakland, CA 94612, Attn: Complaints and Reconsideration. The WCIRB's contact information is 888.229.2472 (phone), 415.371.5204 (fax) and customerservice@wcirb.com (email).**

- C. California Department of Insurance – Appeals to the Insurance Commissioner.** After you follow the appropriate dispute resolution process described above, if (1) we or the WCIRB decline to review your request, (2) you are dissatisfied with the decision upon review, or (3) we or the WCIRB fail to grant or reject your request or issue a decision upon review, you may appeal to the Insurance Commissioner pursuant to CIC Sections 11737, 11752.6, 11753.1 and Title 10, California Code of Regulations, Section 2509.40 et seq. You must file your appeal within 30 days after we or the WCIRB send you the notice rejecting review of your Complaint and Request for Action or the decision upon your Complaint and Request for Action. If no written decision regarding your Complaint and Request for Action is sent, your appeal must be filed within 120 days after you sent your Complaint and Request for Action to us or to the WCIRB. The filing address for all appeals to the Insurance Commissioner is:

Administrative Hearing Bureau
California Department of Insurance
1901 Harrison Street, 3rd Floor Mailroom
Oakland, CA 94612
415.538.4243

You have the right to a hearing before the Insurance Commissioner, and our action, or the action of the WCIRB, may be affirmed, modified or reversed.

III. Resources Available to You in Obtaining Information and Pursuing Disputes

- A. Policyholder Ombudsman.** Pursuant to California Insurance Code Section 11752.6, a policyholder ombudsman is available at the WCIRB to assist you in obtaining and evaluating the rating, policy, and claims information referenced in I.A. and I.B., above. The ombudsman may advise you on any dispute with us, the WCIRB, or on an appeal to the Insurance Commissioner pursuant to Section 11737 of the Insurance Code. The address of the policyholder ombudsman is WCIRB, 1901 Harrison Street, 17th Floor, Oakland, CA 94612, Attn: Policyholder Ombudsman. The policyholder ombudsman can be reached at 415.778.7159 (phone), 415.371.5288 (fax) and ombudsman@wcirb.com (email).
- B. California Department of Insurance – Information and Assistance.** Information and assistance on policy questions can be obtained from the Department of Insurance Consumer HOTLINE, 800.927.HELP (4357) or insurance.ca.gov. For questions and correspondence regarding appeals to the Administrative Hearing Bureau, see the contact information in paragraph II.C.

This notice does not change the policy to which it is attached.

COLORADO

WORKERS' COMPENSATION DISCLOSURE NOTICE

IMPORTANT NOTICE TO POLICYHOLDERS

1. Notice Of Change in Rate by Classification

If you desire information whenever there is a change in your worker's compensation insurance rate by classification, you must request such information from your insurer. This request for information must be in writing.

2. Notice Of Policyholder's Right To Appeal Classification

Your insurer can charge and collect any additional amount of money not included in the initial premium charged as a result of job misclassification.

If you have any questions regarding the employee classification assigned to calculate your workers' compensation insurance premium, you need to direct your questions to your insurer, or the insurer's authorized representative within either thirty (30) days after the anniversary date of the policy or the date of receipt by you of notice of a change in job classification. Within thirty (30) days after receipt of your request for information, your insurer or the insurer's authorized representative must explain to you why a particular employee classification was used.

If you disagree with your insurer or the insurer's authorized representative on the employee classification assignment, you may appeal to the Workers' Compensation Classification Appeal Board by filing written notice with said board within thirty (30) days after you have exhausted all appeal review procedures provided by the insurer. Your request should be sent to the:

**Secretary of the Colorado Worker's Compensation Classification Appeals Board, Michael Craddock
c/o National Council on Compensation Insurance
901 Peninsula Corporate Circle
Boca Raton, FL 33487**

Written instructions for your appearance before the Colorado Worker's Compensation Classification Appeals Board, will be furnished by the Secretary of the Board. The board will render a decision as to whether a misclassification has occurred.

A decision by the board is final and not subject to appeal unless you, the insurer or Pinnacol Assurance provides written notice of appeal within thirty (30) days after the board's decision to the office of the Commissioner of Insurance, 1560 Broadway, Suite 850, Denver, CO 80202. The Commissioner shall review any decision of the board properly appealed.

3. Notice Of Availability of Medical Case Management Services

The Medical Case Management Services to be contacted is:

**Coventry Healthcare
P. O. Box 30055
Tampa, Florida 33630**

34-1897A 0317



Security National Insurance Company
An AmTrust Financial Company

California Short-Rate Cancellation Disclosure Notice
IMPORTANT INFORMATION REGARDING YOUR POLICY

The policy for which you have applied contains a cancellation provision that permits us to refund premium on a basis other than pro rata when you cancel the policy. Under the policy for which you have applied, if you cancel the policy, your final premium will be calculated based on the time your policy was in force with us, using the percentage specified in the short-rate cancellation table listed below.

SHORT RATE CANCELLATION TABLE FOR A TERM OF ONE YEAR

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

Workers' Compensation Claim Reporting Information

24/7 Toll Free Claim Reporting for All States



(888)239-3909



WorkersCompClaimReport@AmTrustgroup.com



www.amtrustfinancial.com

Information Required for All Claims Reported



1. Name of the insured and policy number
2. Name and contact information of injured worker
3. Date, time and place of accident
4. Description of accident or incident
5. Name, phone, and/or email of person making the report
6. Any information on the injured workers lost time

Early claim reporting is essential to a better claim outcome. Don't delay reporting if you do not have all the details.

How do I help my injured worker find a doctor?



- We offer an online physician search for all states, www.talispoint.com/amtrust/external
- For California, www-lv.talispoint.com/amtrust/campn
- For CO, GA, PA & TN, please refer to the panel provided by AmTrust via mail or email

How does my injured employee receive prescription medications related to the accident/injury?



- Refer to the claims kit for your state at www.talispoint.com/amtrust/external for a First Fill card for your injured employee to use at the pharmacy to cover the cost of approved medication.

Timely Reporting

When a work-related injury occurs, it is important to act immediately. Timely reporting of a new claim helps to provide a smooth and successful claim process for both you and your injured worker.



We're Here To Help

After your claim has been filed, we may be in touch to obtain additional information. Our goal is to offer a smooth and hassle-free experience – from your first contact to the claims conclusion. Feel free to also call us with any questions. We're here to help.



Relax And Stay Positive

You have the assurance of our knowledge, expertise, and understanding of the claim process. We're with you all the way.

877.528.7878 | www.amtrustfinancial.com

This material is for informational purposes only and is not legal or business advice. Neither AmTrust Financial Services, Inc. nor any of its subsidiaries or affiliates represents or warrants that the information contained herein is appropriate or suitable for any specific business or legal purpose. Readers seeking resolution of specific questions should consult their business and/or legal advisors. Coverages may vary by location. Contact your local RSM for more information.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

FORM PP-1B

**NEW JERSEY
NOTICE OF ELECTION—PROPRIETORS AND PARTNERS
WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE**

The New Jersey Workers' Compensation Law was amended effective April 13, 2000. The amendment permits **election** by a self-employed person or partners of any partnership including partners of a limited liability partnership and members of a limited liability company actively performing services on behalf of the business to be deemed employees for the purpose of receipt of benefits and the payment of premiums. This election does not affect the insurance obligations for employees other than the self-employed person, partners or members.

The election must be made at the time the policy is purchased or renewed and must be effective at the inception date of the policy. It is important to note that the election cannot be rescinded during the policy period and that in the case of any partnership including a limited liability partnership or limited liability company, **ALL** of the partners or **ALL** of the members must elect the coverage. You will be required to pay a premium based on the remuneration and duties of the self-employed person or each partner or each member.

The insurer or insurance producer shall not be liable in an action for damages on account of the failure of a business, limited liability partnership, limited liability company or partnership to elect to obtain workers' compensation coverage for a self-employed person, limited liability partner, limited liability company member or partner, unless the insurer or insurance producer causes damage by a willful, wanton or grossly negligent act of commission or omission.

Whether electing or rejecting coverage, it will be necessary to complete all of the information requested below. This completed form must then be returned to the insurer/producer. A copy of this Notice and proof of mailing should be retained for your records. If you received this form in relation to a renewal of insurance, and fail to execute and return it to the insurer/producer, coverage will continue as per the expiring policy.

NAME OF BUSINESS _____	Always complete this Section
COVERAGE IS ELECTED <input type="checkbox"/> COVERAGE IS REJECTED <input type="checkbox"/> BUSINESS IS A CORPORATION or OTHER FORM OF ORGANIZATION <input type="checkbox"/>	

Name(s) of Proprietor or ALL Partners (please print)	Estimated Annual Wage	Duties
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

Complete this section only when coverage is elected

Signature: _____ <div style="text-align: center; margin-top: 5px;">Proprietor or a Partner</div>	Date: _____
---	-------------

Always complete this Section



Dear Policyholder,

In an effort to continue to provide AmTrust customers with a variety of billing options, we have updated our fee structure to help customers meet payment due dates, ensure that valid and properly funded payments are submitted, and provide an incentive for paid-in-full options.

Our updated fee structure is as follows:

Fee Title	Fee Amount	Description
Returned Payment Fee	\$25	A returned payment fee applied to any returned payment.
Late Fee	\$20	Late fee applied if payment not received on or before payment due date.
Installment Fee	\$15	A “paper” billing fee that is assessed for each mailed installment invoice. Excludes down payment and annual payment plans. Fee is billed at the account level.
Reinstatement Fee	\$50	Fee applied upon reinstatement of a non-payment cancellation.
EFT Fee	\$3	An “electronic” billing fee that is assessed for each ACH Direct Debit transaction. Fee is billed at the account level.

*Fee amount may vary by state and program of business

For policyholders who choose to pay their annual premium on installments, we plan to implement an installment fee, which will be displayed on your renewal invoice.

Thank you for your attention to this fee structure change. If you have any questions, feel free to contact our Customer Service Department at 877.528.7878.

We value you as a policyholder and appreciate the opportunity to serve you.

Sincerely,

AmTrust North America
Customer Service Department

Security National Insurance Company

A Stock Insurance Company

WORKERS COMPENSATION
AND EMPLOYERS LIABILITY
INSURANCE POLICY

WC990001B
1 of 5
INFORMATION PAGE

Ncci Code: 40533 MN Un. #: 003051126, ME Un. #: 0003051126

1. Insured: **Policy Number: SWC1502124**
The Pennsylvania Cyber Charter School
652 Midland Ave
Midland, PA 15059
Other workplaces not shown above: Individual Partnership
See Extension of Information Page Corporation or Other
Producer: Federal Tax ID: 233037922
Wright Specialty Insurance Agency, LLC Risk Id:
900 Stewart Avenue, Suite 600 Renewal of: SWC1451453
Garden City, NY 11530

2. The policy period is from 6/30/2024 to 6/30/2025 12:01 a.m. at the insured's mailing address.

3. A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here: California, Colorado, Connecticut, Georgia, Massachusetts, Maryland, Maine, Michigan, Minnesota, New Jersey, Nevada, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia
B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:
- | State | Bodily Injury by Accident | Bodily Injury by Disease | Bodily Injury by Disease |
|-------|---------------------------|--------------------------|---------------------------|
| | \$1,000,000 each accident | \$1,000,000 policy limit | \$1,000,000 each employee |
- C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:
All states except ND, OH, WA, WY and State(s) Designated in Item 3.A
D. This policy includes these endorsements and schedules: See Extension of Information Page

4. 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.

See Extension of Information Page

TOTAL ESTIMATED ANNUAL PREMIUM

165,509

STATE ASSESSMENT

4,069

TOTAL ESTIMATED COST

169,578

Minimum Premium

500

Deposit Premium

169,578

Issue Date: 6/14/2024

Countersigned by: _____

Authorized Representative

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

**EXTENSION OF INFORMATION PAGE FOR ITEM #1
ITEM 1: NAMED INSURED and WORKPLACES**

**NAMED INSURED:
WORKPLACES:**

The Pennsylvania Cyber Charter School

Fein: 233037922

Location Number 1.
652 Midland Ave
Midland, PA 15059
Location Number 5.
359 North Stonington Road
Stonington, CT 06378
Location Number 7.
16 Eastwood Drive
Wilbraham, MA 01095
Location Number 9.
8978 Red Kansas Ct
Las Vegas, NV 89148

Location Number 4.
19065 Rockwood Drive
Yorba Linda, CA 92886

Location Number 6.
1674 Sapphire Court
Lusby, MD 20657

Location Number 8.
994 Shamrock Lane
Traverse City, MI 49696

Location Number 10.
818 St Charles Pl
Garage Apt
Ocean City, NJ 08226

Location Number 11.
11624 Edison Drive
Knoxville, TN 37932

Location Number 12.
4301 Grand Ave Parkway
Apt 3806
Austin, TX 78728

Location Number 13.
3168 Preston Lake Blvd
Harrisonburg, VA 22801

Location Number 14.
4121 Brightway St
Weirton, WV 26062

Location Number 15.
1383 Camp Road
Unit C
Charleston, SC 29412

Location Number 16.
2701 Georgian Terrace
Marietta, GA 30068

Location Number 17.
38 Wahi Road
Divide, CO 80814

**NAMED INSURED:
WORKPLACES:**

The Pennsylvania Cyber Charter School

Fein: 233037992

Location Number 2.
4416 13th Street South
Moorhead, MN 56560

**NAMED INSURED:
WORKPLACES:**

The Pennsylvania Cyber Charter School

Fein: 233037992

Location Number 3.
405 Branch Mills Road
Palermo, ME 04354

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

EXTENSION OF INFORMATION PAGE FOR ITEM #3.D
ITEM 3.D: ENDORSEMENT SCHEDULE

State	Form Number	Description
	WC990001B	DECLARATIONS PAGE
CA	34-2005 1008	CA Important Notice
TN	LB-1111	DRUG FREE WORKPLACE PROGRAM APPLICATION
	WC000000C	WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY
	WC000313	WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT
	WC000404	PENDING RATE CHANGE ENDORSEMENT
	WC000406	PREMIUM DISCOUNT ENDORSEMENT
	WC000406A	PREMIUM DISCOUNT ENDORSEMENT
	WC000414	NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT
	WC000414A	NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT
	WC000419	PREMIUM DUE DATE ENDORSEMENT
	WC000419A	PREMIUM DUE DATE ENDORSEMENT
	WC000421E	Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement
	WC000421F	CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) PREMIUM ENDORSEMENT
	WC000422C	TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT DISCLOSURE ENDORSEMENT
	WC000424	AUDIT NONCOMPLIANCE CHARGE ENDORSEMENT
	WC000425	EXPERIENCE RATING MODIFICATION FACTOR REVISION ENDORSEMENT
CA	WC040301D	POLICY AMENDATORY ENDORSEMENT CALIFORNIA
CA	WC040306	CA WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT
CA	WC040310	CA DUTY TO DEFEND
CA	WC040360B	EMPLOYERS' LIABILITY COVERAGE AMENDATORY ENDORSEMENT - CALIFORNIA
CA	WC040421	CA OPTIONAL PREMIUM INCREASE ENDORSEMENT
CA	WC040601B	CALIFORNIA CANCELTION ENDORSEMENT
CA	WC040604A	Covid-19 Reporting Requirement Endorsement-California
CO	WC050402	COLORADO CLASSIFICATION ENDORSEMENT
CO	WC050403	COLORADO PREMIUM CREDIT FOR CERTIFIED RISK MANAGEMENT PROGRAMS ENDORSEMENT
CT	WC060301	CONNECTICUT APPLICATION OF WORKERS COMPENSATION INSURANCE ENDORSEMENT
CT	WC060303C	CONNECTICUT WORKERS COMPENSATION FUNDS ENDORSEMENT
CT	WC060601A	CONNECTICUT NONRENEWAL AND RENEWAL ENDORSEMENT
GA	WC100601C	GEORGIA CANCELTION, NONRENEWAL, AND CHANGE ENDORSEMENT
ME	WC180601	MAINE INSPECTION IMMUNITY ENDORSEMENT
ME	WC180603A	MAINE CANCELTION AND NONRENEWAL ENDORSEMENT
ME	WC180604	MAINE FINAL PREMIUM AUDIT ENDORSEMENT
ME	WC180606	MAINE NOTICE OF FILING OF FIRST REPORTS OF INJURY
ME	WC180607A	MAINE SUPPLEMENTAL BENEFITS FUND ENDORSEMENT
MD	WC190601G	MARYLAND CANCELTION AND NONRENEWAL ENDORSEMENT
MD	WC190602	MARYLAND NOTIFICATION OF 45-DAY UNDERWRITING PERIOD ENDORSEMENT
MA	WC200301	MASSACHUSETTS LIMITS OF LIABILITY ENDORSEMENT
MA	WC200302	MASSACHUSETTS - ASSESSMENT CHARGE
MA	WC200303C	MASSACHUSETTS NOTICE TO POLICYHOLDER ENDORSEMENT
MA	WC200401	MASSACHUSETTS PENDING PREMIUM CHANGE ENDORSEMENT

MA	WC200405	MASSACHUSETTS PREMIUM DUE DATE ENDORSEMENT
MA	WC200601A	MASSACHUSETTS CANCELLATION ENDORSEMENT
MA	WC200604	MASSACHUSETTS POLICY DEFINITION ENDORSEMENT
MI	WC210303A	MICHIGAN NOTICE TO POLICYHOLDER ENDORSEMENT
MI	WC210304	MICHIGAN LAW ENDORSEMENT
MN	WC220000A	MINNESOTA AMENDATORY ENDORSEMENT
MN	WC220601D	MINNESOTA CANCELLATION AND NONRENEWAL ENDORSEMENT
NV	WC270601C	NEVADA CANCELLATION AND NONRENEWAL ENDORSEMENT
NJ	WC290306B	NEW JERSEY PART TWO LIMIT OF LIABILITY ENDORSEMENT
NJ	WC290603	NJ PARTICIPATING PROVISION ENDORSEMENT
PA	WC370401	PENNSYLVANIA AUDIT NONCOMPLIANCE CHARGE ENDORSEMENT
PA	WC370404C	CERTIFIED SAFETY COMMITTEE ENDORSEMENT – PENNSYLVANIA
PA	WC370601	PA – INSPECTION OF MANUALS
PA	WC370602	PENNSYLVANIA NOTICE
PA	WC370603A	PENNSYLVANIA ACT 86-1986 ENDORSEMENT
PA	WC370604	PA - EMPLOYER ASSESSMENT ENDORSEMENT
SC	WC390601	South Carolina Cancellation and Nonrenewal Endorsement
TN	WC410402	TENNESSEE PENDING LOST COST AND ASSIGNED RISK RATE ENDORSEMENT
TX	WC420301L	TEXAS AMENDATORY ENDORSEMENT
TX	WC420304B	TEXAS WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS
VA	WC450602	VIRGINIA AMENDATORY ENDORSEMENT
WV	WC470302	WEST VIRGINIA WORKERS COMPENSATION INSURANCE RECOVERY FROM OTHERS ENDORSEMENT
WV	WC470601	WEST VIRGINIA CANCELLATION ENDORSEMENT

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

**EXTENSION OF INFORMATION PAGE FOR ITEM #4
ITEM 4: SCHEDULE OF PREMIUMS**

Classifications	# of Emps	Code No.	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remun.	Estimated Annual Premium
California					
Colleges or Schools — private — academic professionals	1	8868	82,095	1.91	<u>1,568</u>
Manual Premium					1,568
Total Manual Premium					1,568
Blanket Waiver 2% (\$250 Minimum)		0930			31
Total Premium Subject To Experience Modification					1,599
Experience Modification N/A					1,599
Premium Discount 3.9%		0063			-62
Terrorism 3%		9740			25
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total CA Premium					1,570
WCARF 2.4604%		9999			39
UEBTF 0.1505%		9999			2
SIBTF 1.5891%		9999			25
OSHAF 0.7266%		9999			11
LECF 0.7109%		9999			11
FRAUD 0.4122%		9999			6
Total CA Cost					1,664

Colorado

Clerical Telecommuter Employees	1	8871	68,657	0.04	<u>27</u>
Manual Premium					27
Total Manual Premium					27
Blanket Waiver 2% (\$250 Minimum)		0930			1
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			0
Total Premium Subject To Experience Modification					28
Experience Modification N/A					28
Premium Discount 11.1%		0063			-3
Terrorism 0.6%		9740			4
Catastrophe (other than Terrorism) 1%		9741			7
Expense Constant		0900			0
Total CO Premium					36
Total CO Cost					36

Connecticut

School—Professional Employees & Clerical Manual Premium	1	8868	72,372	0.34	<u>246</u> 246
Total Manual Premium					246
Blanket Waiver 2% (\$250 Minimum)		0930			5
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					254
Experience Modification N/A					254
Premium Discount 11.1%		0063			-28
Terrorism 3%		9740			22
Catastrophe (other than Terrorism) 1.2%		9741			9
Expense Constant		0900			0
Total CT Premium					257
Second Injury Fund Assessment 2.25%		9999			6
WC Admin Funds Assessment - Industrial Classes 2.3%		9999			6
Total CT Cost					269

Georgia

School—Professional Employees & Clerical Manual Premium	1	8868	255,550	0.27	<u>690</u> 690
Total Manual Premium					690
Blanket Waiver 2% (\$250 Minimum)		0930			14
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			8
Total Premium Subject To Experience Modification					712
Experience Modification N/A					712
Premium Discount 3.9%		0063			-28
Terrorism 0.8%		9740			20
Catastrophe (other than Terrorism) 2%		9741			51
Expense Constant		0900			0
Total GA Premium					755
Total GA Cost					755

Massachusetts

School—Professional Employees & Clerical	1	8868	76,000	0.60	456
MA Rate Deviation	0	9037		0.00	-91
Manual Premium					<u>365</u>
Total Manual Premium					365
Blanket Waiver 2%		0930			7
Premium for Increased Limits Part Two: 2% (1000/1000/1000)		9812			7
Total Premium Subject To Experience Modification					379
Experience Modification N/A					379
Loss Constant		0032			20
Premium Discount 8.5%		0063			-32
Terrorism 3%		9740			23
Catastrophe (other than Terrorism) 0%		9741			0
Expense Constant		0900			250
Total MA Premium					640
DIA Assessment 4.82%		9751			22
Total MA Cost					662

Maryland

School—Professional Employees & Clerical Manual Premium	1	8868	171,150	0.19	<u>325</u> 325
Total Manual Premium					325
Blanket Waiver 2% (\$250 Minimum)		0930			7
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			4
Total Premium Subject To Experience Modification					336
Experience Modification N/A					336
Premium Discount 11.1%		0063			-37
Terrorism 6%		9740			103
Catastrophe (other than Terrorism) 1%		9741			17
Expense Constant		0900			0
Total MD Premium					419
Total MD Cost					419

Maine

School—Professional Employees & Clerical Manual Premium	1	8868	85,685	0.28	<u>240</u> 240
Total Manual Premium					240
Blanket Waiver 2% (\$250 Minimum)		0930			5
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					248
Experience Modification N/A					248
Premium Discount 11.1%		0063			-28
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			9
Expense Constant		0900			0
Total ME Premium					235
Workers Compensation Board Assessment 2.34%		9999			6
Total ME Cost					241

Michigan

School—Professional Employees	1	8868	92,700	0.20	<u>185</u>
Manual Premium					185
Total Manual Premium					185
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Blanket Waiver 2% (\$250 Minimum)		0930			4
Total Premium Subject To Experience Modification					191
Experience Modification N/A					191
Merit Rating Credit 0%		9887			0
Premium Discount 10%		0063			-19
Terrorism 2%		9740			19
Expense Constant		0900			0
Total MI Premium					191
Total MI Cost					191

MinnesotaSCHOOL: PROFESSIONAL EMPLOYEES &
CLERICAL

1	8868	89,550	0.36	<u>322</u>
Manual Premium				322
Total Manual Premium				322
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)	9812			4
Blanket Waiver 2% (\$250 Minimum)	0930			7
Total Premium Subject To Experience Modification				333
Experience Modification N/A				333
Premium Discount 8.5%	0063			-28
Foreign Terrorism 0.7%	9740			6
Expense Constant	0900			0
Total MN Premium				311
Special Compensation Fund 3.1185%	0174			10
Total MN Cost				321

New Jersey

School—Professional Employees & Clerical Manual Premium	1	8868	217,622	1.27	<u>2,764</u> 2,764
Total Manual Premium					2,764
Premium for Increased Limits Part Two: 1.4% (\$1,000,000/\$1,000,000/\$1,000,000)		6199			39
Total Premium Subject To Experience Modification					2,803
Experience Modification N/A					2,803
Terrorism 3%		9740			65
Catastrophe (other than Terrorism) 1%		9741			22
Expense Constant		0900			0
Total NJ Premium					2,890
Second Injury Fund Surcharge 4.19%		0935			117
Uninsured Employers Fund Surcharge 0%		0936			0
Total NJ Cost					3,007

Nevada

School—Professional Employees & Clerical Manual Premium	1	8868	94,100	0.45	<u>423</u> 423
Total Manual Premium					423
Blanket Waiver 2% (\$250 Minimum)		0930			8
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			5
Total Premium Subject To Experience Modification					436
Experience Modification N/A					436
Premium Discount 11.1%		0063			-48
Terrorism 1%		9740			9
Catastrophe (other than Terrorism) 1%		9741			9
Expense Constant		0900			0
Total NV Premium					406
Total NV Cost					406

Pennsylvania

School, Trade Or Vocational Manual Premium	1094	965	57,609,248	0.44	<u>253,481</u> 253,481
Total Manual Premium					253,481
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			3,549
Blanket Waiver 2% (\$250 Minimum)		0930			5,141
Total Premium Subject To Experience Modification					262,171
Experience Modification 60.8%					159,400
Schedule Modifier -8%		9887			-12,752
Certified Safety Committee Credit 5%		9890			-7,332
Premium Discount 3.9%		0063			-5,433
Terrorism 3%		9740			17,283
Catastrophe (other than Terrorism) 1%		9741			5,761
Expense Constant		0900			0
Total PA Premium					156,927
PA Employer Assessment 2.42%		0938			3,798
Total PA Cost					160,725

South Carolina

School—Professional Employees & Clerical Manual Premium	1	8868	76,189	0.28	<u>213</u> 213
Total Manual Premium					213
Blanket Waiver 2% (\$250 Minimum)		0930			4
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					219
Experience Modification N/A					219
Premium Discount 11.1%		0063			-24
Terrorism 0.7%		9740			5
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total SC Premium					208
Total SC Cost					208

Tennessee

School—Professional Employees & Clerical Manual Premium	1	8868	82,095	0.16	<u>131</u> 131
Total Manual Premium					131
Blanket Waiver 2% (\$250 Minimum)		0930			3
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					136
Experience Modification N/A					136
Premium Discount 11.1%		0063			-15
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total TN Premium					135
Total TN Cost					135

Texas

School: Professional Employees	1	8868	84,725	0.21	<u>178</u>
Manual Premium					178
Total Manual Premium					178
Blanket Waiver 2%		0930			4
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					184
Experience Modification N/A					184
Premium Discount 10%		0063			-18
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total TX Premium					180
Total TX Cost					180

Virginia

School—Professional Employees & Clerical Manual Premium	1	8868	78,525	0.19	<u>149</u> 149
Total Manual Premium					149
Blanket Waiver 2% (\$250 Minimum)		0930			3
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					154
Experience Modification N/A					154
Premium Discount 11.1%		0063			-17
Terrorism 1%		9740			8
Catastrophe 0%		9741			0
Expense Constant		0900			0
Total VA Premium					145
Total VA Cost					145

West Virginia

School—Professional Employees & Clerical Manual Premium	1	8868	141,390	0.14	<u>198</u> 198
Total Manual Premium					198
Blanket Waiver 2% (\$250 Minimum)		0930			4
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					205
Experience Modification N/A					205
Premium Discount 11.1%		0063			-23
Terrorism 0.6%		9740			8
Catastrophe (other than Terrorism) 1%		9741			14
Expense Constant		0900			0
Total WV Premium					204
WV Regulatory Surcharge 5%		9999			10
Total WV Cost					214

TOTAL ESTIMATED ANNUAL PREMIUM					165,509
STATE ASSESSMENT					4,069
TOTAL COST					169,578

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

PAYMENT SCHEDULE

Statement Closing Date	Payment Due Date	Description	Amount Due
	6/30/2024	Annual Premium Due	\$169,578.00
			<u>Total Cost \$169,578.00</u>

Security National Insurance Company

A Stock Insurance Company

WORKERS COMPENSATION
AND EMPLOYERS LIABILITY
INSURANCE POLICY

WC 99 00 01 D
1 of 5
INFORMATION PAGE

Ncci Code: 40533 MN Un. #: 003051126, ME Un. #: 0003051126

1. Insured: **Policy Number: SWC1502124**
The Pennsylvania Cyber Charter School
652 Midland Ave
Midland, PA 15059 Individual Partnership
Other workplaces not shown above: Corporation or Other
See Extension of Information Page Federal Tax ID: 233037922
Producer: Risk Id:
Wright Specialty Insurance Agency, LLC Renewal of: SWC1451453
900 Stewart Avenue, Suite 600
Garden City, NY 11530

2. The policy period is from 6/30/2024 to 6/30/2025 12:01 a.m. at the insured's mailing address.

3. A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here: California, Colorado, Connecticut, Georgia, Massachusetts, Maryland, Maine, Michigan, Minnesota, New Jersey, Nevada, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia
B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:
- | State | Bodily Injury by Accident | Bodily Injury by Disease | Bodily Injury by Disease |
|-------|---------------------------|--------------------------|---------------------------|
| | \$1,000,000 each accident | \$1,000,000 policy limit | \$1,000,000 each employee |
- C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:
All states except ND, OH, WA, WY and State(s) Designated in Item 3.A
D. This policy includes these endorsements and schedules: See Extension of Information Page

4. 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.

See Extension of Information Page

TOTAL ESTIMATED ANNUAL PREMIUM

165,509

STATE ASSESSMENT

4,069

TOTAL ESTIMATED COST

169,578

Minimum Premium

500

Deposit Premium

169,578

Issue Date: 6/14/2024

Countersigned by: _____

Authorized Representative

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

**EXTENSION OF INFORMATION PAGE FOR ITEM #1
ITEM 1: NAMED INSURED and WORKPLACES**

**NAMED INSURED:
WORKPLACES:**

The Pennsylvania Cyber Charter School
Location Number 1.
652 Midland Ave
Midland, PA 15059
Location Number 5.
359 North Stonington Road
Stonington, CT 06378
Location Number 7.
16 Eastwood Drive
Wilbraham, MA 01095
Location Number 9.
8978 Red Kansas Ct
Las Vegas, NV 89148

Location Number 11.
11624 Edison Drive
Knoxville, TN 37932

Location Number 13.
3168 Preston Lake Blvd
Harrisonburg, VA 22801
Location Number 15.
1383 Camp Road
Unit C
Charleston, SC 29412
Location Number 17.
38 Wahi Road
Divide, CO 80814

Fein: 233037922
Location Number 4.
19065 Rockwood Drive
Yorba Linda, CA 92886
Location Number 6.
1674 Sapphire Court
Lusby, MD 20657
Location Number 8.
994 Shamrock Lane
Traverse City, MI 49696
Location Number 10.
818 St Charles Pl
Garage Apt
Ocean City, NJ 08226
Location Number 12.
4301 Grand Ave Parkway
Apt 3806
Austin, TX 78728
Location Number 14.
4121 Brightway St
Weirton, WV 26062
Location Number 16.
2701 Georgian Terrace
Marietta, GA 30068

**NAMED INSURED:
WORKPLACES:**

The Pennsylvania Cyber Charter School
Location Number 2.
4416 13th Street South
Moorhead, MN 56560

Fein: 233037992

**NAMED INSURED:
WORKPLACES:**

The Pennsylvania Cyber Charter School
Location Number 3.
405 Branch Mills Road
Palermo, ME 04354

Fein: 233037992

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

**EXTENSION OF INFORMATION PAGE FOR ITEM #3.D
ITEM 3.D: ENDORSEMENT SCHEDULE**

State	Form Number	Description
	WC990001D	DECLARATIONS PAGE
CA	34-2005 1008	CA Important Notice
TN	LB-1111	DRUG FREE WORKPLACE PROGRAM APPLICATION
	WC000000C	WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY
	WC000313	WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT
	WC000404	PENDING RATE CHANGE ENDORSEMENT
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	WC000406A	PREMIUM DISCOUNT ENDORSEMENT
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	WC000424	AUDIT NONCOMPLIANCE CHARGE ENDORSEMENT
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CA	WC040301D	POLICY AMENDATORY ENDORSEMENT CALIFORNIA
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CA	WC040310	CA DUTY TO DEFEND
CA	WC040360B	EMPLOYERS' LIABILITY COVERAGE AMENDATORY ENDORSEMENT - CALIFORNIA
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CA	WC040601B	CALIFORNIA CANCELATION ENDORSEMENT
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CO	WC050403	COLORADO PREMIUM CREDIT FOR CERTIFIED RISK MANAGEMENT PROGRAMS ENDORSEMENT
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CT	WC060303C	CONNECTICUT WORKERS COMPENSATION FUNDS ENDORSEMENT
CT	WC060601A	CONNECTICUT NONRENEWAL AND RENEWAL ENDORSEMENT
GA	WC100601C	GEORGIA CANCELLATION, NONRENEWAL, AND CHANGE ENDORSEMENT
ME	WC180601	MAINE INSPECTION IMMUNITY ENDORSEMENT
ME	WC180603A	MAINE CANCELATION AND NONRENEWAL ENDORSEMENT
ME	WC180604	MAINE FINAL PREMIUM AUDIT ENDORSEMENT
ME	WC180606	MAINE NOTICE OF FILING OF FIRST REPORTS OF INJURY
ME	WC180607A	MAINE SUPPLEMENTAL BENEFITS FUND ENDORSEMENT
MD	WC190601G	MARYLAND CANCELLATION AND NONRENEWAL ENDORSEMENT
MD	WC190602	MARYLAND NOTIFICATION OF 45-DAY UNDERWRITING PERIOD ENDORSEMENT
MA	WC200301	MASSACHUSETTS LIMITS OF LIABILITY ENDORSEMENT
MA	WC200302	MASSACHUSETTS - ASSESSMENT CHARGE
MA	WC200303C	MASSACHUSETTS NOTICE TO POLICYHOLDER ENDORSEMENT
MA	WC200401	MASSACHUSETTS PENDING PREMIUM CHANGE ENDORSEMENT

MA	WC200405	MASSACHUSETTS PREMIUM DUE DATE ENDORSEMENT
MA	WC200601A	MASSACHUSETTS CANCELLATION ENDORSEMENT
MA	WC200604	MASSACHUSETTS POLICY DEFINITION ENDORSEMENT
MI	WC210303A	MICHIGAN NOTICE TO POLICYHOLDER ENDORSEMENT
MI	WC210304	MICHIGAN LAW ENDORSEMENT
MN	WC220000A	MINNESOTA AMENDATORY ENDORSEMENT
MN	WC220601D	MINNESOTA CANCELLATION AND NONRENEWAL ENDORSEMENT
NV	WC270601C	NEVADA CANCELLATION AND NONRENEWAL ENDORSEMENT
NJ	WC290306B	NEW JERSEY PART TWO LIMIT OF LIABILITY ENDORSEMENT
NJ	WC290603	NJ PARTICIPATING PROVISION ENDORSEMENT
PA	WC370401	PENNSYLVANIA AUDIT NONCOMPLIANCE CHARGE ENDORSEMENT
PA	WC370404C	CERTIFIED SAFETY COMMITTEE ENDORSEMENT – PENNSYLVANIA
PA	WC370601	PA – INSPECTION OF MANUALS
PA	WC370602	PENNSYLVANIA NOTICE
PA	WC370603A	PENNSYLVANIA ACT 86-1986 ENDORSEMENT
PA	WC370604	PA - EMPLOYER ASSESSMENT ENDORSEMENT
SC	WC390601	South Carolina Cancellation and Nonrenewal Endorsement
TN	WC410402	TENNESSEE PENDING LOST COST AND ASSIGNED RISK RATE ENDORSEMENT
TX	WC420301L	TEXAS AMENDATORY ENDORSEMENT
TX	WC420304B	TEXAS WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS
VA	WC450602	VIRGINIA AMENDATORY ENDORSEMENT
WV	WC470302	WEST VIRGINIA WORKERS COMPENSATION INSURANCE RECOVERY FROM OTHERS ENDORSEMENT
WV	WC470601	WEST VIRGINIA CANCELLATION ENDORSEMENT

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

**EXTENSION OF INFORMATION PAGE FOR ITEM #4
ITEM 4: SCHEDULE OF PREMIUMS**

Classifications	# of Emps	Code No.	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remun.	Estimated Annual Premium
California					
Colleges or Schools — private — academic professionals	1	8868	82,095	1.91	<u>1,568</u>
Manual Premium					1,568
Total Manual Premium					1,568
Blanket Waiver 2% (\$250 Minimum)		0930			31
Total Premium Subject To Experience Modification					1,599
Experience Modification N/A					1,599
Premium Discount 3.9%		0063			-62
Terrorism 3%		9740			25
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total CA Premium					1,570
WCARF 2.4604%		9999			39
UEBTF 0.1505%		9999			2
SIBTF 1.5891%		9999			25
OSHAF 0.7266%		9999			11
LECF 0.7109%		9999			11
FRAUD 0.4122%		9999			6
Total CA Cost					1,664

Colorado

Clerical Telecommuter Employees	1	8871	68,657	0.04	<u>27</u>
Manual Premium					27
Total Manual Premium					27
Blanket Waiver 2% (\$250 Minimum)		0930			1
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			0
Total Premium Subject To Experience Modification					28
Experience Modification N/A					28
Premium Discount 11.1%		0063			-3
Terrorism 0.6%		9740			4
Catastrophe (other than Terrorism) 1%		9741			7
Expense Constant		0900			0
Total CO Premium					36
Total CO Cost					36

Connecticut

School—Professional Employees & Clerical Manual Premium	1	8868	72,372	0.34	<u>246</u> 246
Total Manual Premium					246
Blanket Waiver 2% (\$250 Minimum)		0930			5
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					254
Experience Modification N/A					254
Premium Discount 11.1%		0063			-28
Terrorism 3%		9740			22
Catastrophe (other than Terrorism) 1.2%		9741			9
Expense Constant		0900			0
Total CT Premium					257
Second Injury Fund Assessment 2.25%		9999			6
WC Admin Funds Assessment - Industrial Classes 2.3%		9999			6
Total CT Cost					269

Georgia

School—Professional Employees & Clerical Manual Premium	1	8868	255,550	0.27	<u>690</u> 690
Total Manual Premium					690
Blanket Waiver 2% (\$250 Minimum)		0930			14
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			8
Total Premium Subject To Experience Modification					712
Experience Modification N/A					712
Premium Discount 3.9%		0063			-28
Terrorism 0.8%		9740			20
Catastrophe (other than Terrorism) 2%		9741			51
Expense Constant		0900			0
Total GA Premium					755
Total GA Cost					755

Massachusetts

School—Professional Employees & Clerical	1	8868	76,000	0.60	456
MA Rate Deviation	0	9037		0.00	-91
Manual Premium					<u>365</u>
Total Manual Premium					365
Blanket Waiver 2%		0930			7
Premium for Increased Limits Part Two: 2% (1000/1000/1000)		9812			7
Total Premium Subject To Experience Modification					379
Experience Modification N/A					379
Loss Constant		0032			20
Premium Discount 8.5%		0063			-32
Terrorism 3%		9740			23
Catastrophe (other than Terrorism) 0%		9741			0
Expense Constant		0900			250
Total MA Premium					640
DIA Assessment 4.82%		9751			22
Total MA Cost					662

Maryland

School—Professional Employees & Clerical Manual Premium	1	8868	171,150	0.19	<u>325</u> 325
Total Manual Premium					325
Blanket Waiver 2% (\$250 Minimum)		0930			7
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			4
Total Premium Subject To Experience Modification					336
Experience Modification N/A					336
Premium Discount 11.1%		0063			-37
Terrorism 6%		9740			103
Catastrophe (other than Terrorism) 1%		9741			17
Expense Constant		0900			0
Total MD Premium					419
Total MD Cost					419

Maine

School—Professional Employees & Clerical Manual Premium	1	8868	85,685	0.28	<u>240</u> 240
Total Manual Premium					240
Blanket Waiver 2% (\$250 Minimum)		0930			5
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					248
Experience Modification N/A					248
Premium Discount 11.1%		0063			-28
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			9
Expense Constant		0900			0
Total ME Premium					235
Workers Compensation Board Assessment 2.34%		9999			6
Total ME Cost					241

Michigan

School—Professional Employees	1	8868	92,700	0.20	<u>185</u>
Manual Premium					185
Total Manual Premium					185
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Blanket Waiver 2% (\$250 Minimum)		0930			4
Total Premium Subject To Experience Modification					191
Experience Modification N/A					191
Merit Rating Credit 0%		9887			0
Premium Discount 10%		0063			-19
Terrorism 2%		9740			19
Expense Constant		0900			0
Total MI Premium					191
Total MI Cost					191

MinnesotaSCHOOL: PROFESSIONAL EMPLOYEES &
CLERICAL

1	8868	89,550	0.36	<u>322</u>
Manual Premium				322
Total Manual Premium				322
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)	9812			4
Blanket Waiver 2% (\$250 Minimum)	0930			7
Total Premium Subject To Experience Modification				333
Experience Modification N/A				333
Premium Discount 8.5%	0063			-28
Foreign Terrorism 0.7%	9740			6
Expense Constant	0900			0
Total MN Premium				311
Special Compensation Fund 3.1185%	0174			10
Total MN Cost				321

New Jersey

School—Professional Employees & Clerical Manual Premium	1	8868	217,622	1.27	<u>2,764</u> 2,764
Total Manual Premium					2,764
Premium for Increased Limits Part Two: 1.4% (\$1,000,000/\$1,000,000/\$1,000,000)		6199			39
Total Premium Subject To Experience Modification					2,803
Experience Modification N/A					2,803
Terrorism 3%		9740			65
Catastrophe (other than Terrorism) 1%		9741			22
Expense Constant		0900			0
Total NJ Premium					2,890
Second Injury Fund Surcharge 4.19%		0935			117
Uninsured Employers Fund Surcharge 0%		0936			0
Total NJ Cost					3,007

Nevada

School—Professional Employees & Clerical Manual Premium	1	8868	94,100	0.45	<u>423</u> 423
Total Manual Premium					423
Blanket Waiver 2% (\$250 Minimum)		0930			8
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			5
Total Premium Subject To Experience Modification					436
Experience Modification N/A					436
Premium Discount 11.1%		0063			-48
Terrorism 1%		9740			9
Catastrophe (other than Terrorism) 1%		9741			9
Expense Constant		0900			0
Total NV Premium					406
Total NV Cost					406

Pennsylvania

School, Trade Or Vocational Manual Premium	1094	965	57,609,248	0.44	<u>253,481</u> 253,481
Total Manual Premium					253,481
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			3,549
Blanket Waiver 2% (\$250 Minimum)		0930			5,141
Total Premium Subject To Experience Modification					262,171
Experience Modification 60.8%					159,400
Schedule Modifier -8%		9887			-12,752
Certified Safety Committee Credit 5%		9890			-7,332
Premium Discount 3.9%		0063			-5,433
Terrorism 3%		9740			17,283
Catastrophe (other than Terrorism) 1%		9741			5,761
Expense Constant		0900			0
Total PA Premium					156,927
PA Employer Assessment 2.42%		0938			3,798
Total PA Cost					160,725

South Carolina

School—Professional Employees & Clerical Manual Premium	1	8868	76,189	0.28	<u>213</u> 213
Total Manual Premium					213
Blanket Waiver 2% (\$250 Minimum)		0930			4
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					219
Experience Modification N/A					219
Premium Discount 11.1%		0063			-24
Terrorism 0.7%		9740			5
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total SC Premium					208
Total SC Cost					208

Tennessee

School—Professional Employees & Clerical Manual Premium	1	8868	82,095	0.16	<u>131</u> 131
Total Manual Premium					131
Blanket Waiver 2% (\$250 Minimum)		0930			3
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					136
Experience Modification N/A					136
Premium Discount 11.1%		0063			-15
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total TN Premium					135
Total TN Cost					135

Texas

School: Professional Employees	1	8868	84,725	0.21	<u>178</u>
Manual Premium					178
Total Manual Premium					178
Blanket Waiver 2%		0930			4
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					184
Experience Modification N/A					184
Premium Discount 10%		0063			-18
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total TX Premium					180
Total TX Cost					180

Virginia

School—Professional Employees & Clerical Manual Premium	1	8868	78,525	0.19	<u>149</u> 149
Total Manual Premium					149
Blanket Waiver 2% (\$250 Minimum)		0930			3
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					154
Experience Modification N/A					154
Premium Discount 11.1%		0063			-17
Terrorism 1%		9740			8
Catastrophe 0%		9741			0
Expense Constant		0900			0
Total VA Premium					145
Total VA Cost					145

West Virginia

School—Professional Employees & Clerical Manual Premium	1	8868	141,390	0.14	<u>198</u> 198
Total Manual Premium					198
Blanket Waiver 2% (\$250 Minimum)		0930			4
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					205
Experience Modification N/A					205
Premium Discount 11.1%		0063			-23
Terrorism 0.6%		9740			8
Catastrophe (other than Terrorism) 1%		9741			14
Expense Constant		0900			0
Total WV Premium					204
WV Regulatory Surcharge 5%		9999			10
Total WV Cost					214

TOTAL ESTIMATED ANNUAL PREMIUM					165,509
STATE ASSESSMENT					4,069
TOTAL COST					169,578

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

PAYMENT SCHEDULE

Statement Closing Date	Payment Due Date	Description	Amount Due
	6/30/2024	Annual Premium Due	\$169,578.00
			<u>Total Cost \$169,578.00</u>

IMPORTANT NOTICE
CALIFORNIA WORKERS COMPENSATION
REGARDING YOUR INSURANCE POLICY

This policy, including all endorsements or riders forming a part thereof, constitutes the entire contract of insurance. No condition, provision, agreement, or understanding not set forth in the policy or in such endorsement or rider shall affect such contract or any rights, duties, or privileges arising therefrom.



Tennessee Bureau of Workers' Compensation
 220 French Landing Drive, I-B
 Nashville, TN 37243-1002

Phone: 615-532-1321 FAX: 615-253-5265 Email: DFW.Program@tn.gov
<http://www.tn.gov/workforce/article/drug-free-workplace-program>

DRUG FREE WORKPLACE PROGRAM APPLICATION

1. This application must be complete, legible and signed or it will be RETURNED.
2. This application must be resubmitted anytime the employer changes insurance carriers.
3. This form must be submitted to the Bureau. Please include the completed original copy of this form plus one photocopy, a copy of PROOF OF COVERAGE and two pre-addressed, stamped envelopes:
 - a. One addressed to your Workers' Compensation Insurance Carrier and
 - b. One addressed to the employer named below.
4. THIS APPLICATION MUST BE RENEWED ANNUALLY.

Circle one: **New application** **Renewal application** **Changed Insurance Carrier**

Company Name _____ FEIN: _____

Mailing Address _____ City _____ State & Zip _____

Business Address _____ City _____ State & Zip _____

Phone # _____ Fax # _____ Email _____

Name of Substance Abuse Program Administrator _____

Nature of Business _____ Total # of FT & PT employees _____

Workers' Compensation Insurance Carrier _____

Lab Certification (circle one): SAMHSA CAP-FUDTAP Other _____

Name of Testing Laboratory _____ City _____ State _____ ZIP _____

Name of Medical Review Officer (MRO) _____ Phone # _____

Date you conducted or plan to conduct an annual minimum two-hour of Workplace Substance Abuse Recognition training for supervisory Personnel. _____

Date you conducted or plan to conduct an annual minimum one-hour of Workplace Substance Education and Awareness Program for all your employees. _____

New applicants only:

Date written policy statement was provided to employees _____ Effective date of your program _____

Renewal applicants only:

Number of tests performed in past 12 months for each of the following:

Job Applicants: Total _____ Positive _____ Routine Fitness for Duty: Total _____ Positive _____

Post work accident: Total _____ Positive _____ EAP Follow-up: Total _____ Positive _____

Random (optional): Total _____ Positive _____ Reasonable Suspicion Total _____ Positive _____

I hereby certify that all provisions and requirements of the Tennessee Drug-Free Workplace Program as established by T.C.A. have been met and implemented.

Owner/Officer's Signature and title _____ Printed name _____ Date _____

Bureau of Workers' Compensation Representative Signature _____ Title _____ Accepted Date _____

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

(Ed. 1-15)

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.
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.

(Ed. 1-15)

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 cancellation notice.
4. Any of these provisions that conflict with a law that controls the cancellation 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 cancellation.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

Any person or organization as required by written contract

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

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

CO

CT

GA

MA

MD

ME

MI

NJ

NV

PA

SC

VA

WV

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

PREMIUM DISCOUNT ENDORSEMENT

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 Items 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			
1. State		Estimated Eligible Premium			
		First	Next	Next	
Colorado	\$5,000 0%	\$100,000 10.9%	\$500,000 12.6%	Balance 14.4%	
Connecticut	\$5,000 0%	\$100,000 10.9%	\$500,000 12.6%	Balance 14.4%	
Georgia	\$5,000 0%	\$100,000 3.5%	\$500,000 5%	Balance 7%	
Maryland	\$5,000 0%	\$100,000 10.9%	\$500,000 12.6%	Balance 14.4%	
Maine	\$5,000 0%	\$100,000 10.9%	\$500,000 12.6%	Balance 14.4%	
South Carolina	\$5,000 0%	\$100,000 10.9%	\$500,000 12.6%	Balance 14.4%	
Tennessee	\$5,000 0%	\$100,000 10.9%	\$500,000 12.6%	Balance 14.4%	
Texas	\$5,000 0%	\$100,000 9.5%	\$500,000 11.9%	Balance 12.4%	
Virginia	\$5,000 0%	\$100,000 10.9%	\$500,000 12.6%	Balance 14.4%	

2. Average Percentage Discount: 3.9%

3. Other policies:

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:

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

PREMIUM DISCOUNT ENDORSEMENT

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 Items 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

1. State	Estimated Eligible Premium			Balance
	First	Next	Next	
California	\$5,000 0%	\$100,000 3.5%	\$500,000 5%	7%
Massachusetts	\$10,000 0%	\$200,000 9.1%	\$1,750,000 11.3%	12.3%
Michigan	\$5,000 0%	\$100,000 9.5%	\$500,000 11.9%	12.4%
Minnesota	\$10,000 0%	\$200,000 9.1%	\$1,750,000 11.3%	12.3%
New Jersey	\$10,000 0%	\$200,000 9.1%	\$1,750,000 11.3%	12.3%
Nevada	\$5,000 0%	\$100,000 10.9%	\$500,000 12.6%	14.4%
Pennsylvania	\$5,000 0%	\$100,000 3.5%	\$500,000 5%	7%
West Virginia	\$5,000 0%	\$100,000 10.9%	\$500,000 12.6%	14.4%

2. Average percentage discount: 3.9 %

3. Other policies:

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:

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT

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. 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 manual.

You must report any change in ownership to us in writing within 90 days of such change. Failure to report such changes within this period may result in revision of the experience rating modification factor used to determine your premium.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

Endorsement Effective

Policy No.

Endorsement No.

Insured

Premium

Insurance Company

Countersigned by _____

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National 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 _____

Part Five-Premium Amendatory Endorsement

This endorsement amends Part Five-Premium of the policy as follows:

Part Five-Premium, Section A. (Our Manuals) is replaced by the following provision:

A. Our Manuals

All premium for this policy will be determined by our manuals of rules, rates and loss costs (as applicable), rating plans, forms, endorsements, and classifications, and such manuals are expressly incorporated by reference into, and apply to, this policy and any renewals (our manuals). As used in this policy and any renewals, our manuals means manuals that have been:

- 1. Developed in any format and filed by the state-designated workers compensation rating or advisory organization on our behalf with the appropriate state insurance regulatory authority; or
- 2. Developed in any format and filed by the respective state rating bureau on our behalf with the appropriate state insurance regulatory authority; or
- 3. Developed in any format and filed by us with the appropriate state insurance regulatory authority; and
- 4. For each or any of the three scenarios above, the manuals also must be approved for use by the appropriate state insurance regulatory authority, or as otherwise authorized by law as applicable.

We may change our manuals and apply the changes to this policy and any renewals if such manual changes are approved for use by the appropriate state insurance regulatory authority, or as otherwise authorized by law as applicable.

Part Five-Premium, Section D. (Premium Payments) is replaced by the following provision:

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. The due date for audit and retrospective premiums is the due date specified in the billing for the 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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

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 C), 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 the 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.

State	Schedule Rate	Premium
NJ	0.010	\$22.00
PA	0.010	\$5,761.00

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement

This endorsement is notification that we are 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). Coverage for such losses is subject to all terms, definitions, exclusions, and conditions in your policy, and any applicable federal and/or state laws, rules, or regulations. This premium charge does not provide funding for Certified Acts of Terrorism contemplated under the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement attached to this policy.

For purposes of this endorsement, Catastrophe (Other Than Certified Acts of Terrorism) is defined as: A single event or peril resulting in a group of claims with aggregate workers compensation losses in excess of \$50 million. This \$50 million threshold applies per occurrence, across all states for which claims arise from a single event or peril.

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.

State	Schedule	
	Rate	Premium
CA	0.010	\$8.00
CO	0.010	\$7.00
CT	0.012	\$9.00
GA	0.02	\$51.00
MD	0.010	\$17.00
ME	0.010	\$9.00
NV	0.010	\$9.00
SC	0.010	\$8.00
TN	0.010	\$8.00
TX	0.010	\$8.00
WV	0.010	\$14.00

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National 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 2019. 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 2019.

"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.
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.
- c. States missions or certain air carriers or vessels.
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.
- d. 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, 2021, and ending on December 31, 2027, 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 occurring in any calendar year exceed \$200,000,000, the United States Government would pay 80% of our Insured Losses that exceed our Insurer Deductible.
2. Notwithstanding item 1 above, the United States Government will not make any payment under the Act for any portion of Insured Losses that exceed \$100,000,000,000.
3. The premium charge for the coverage your policy provides for Insured Losses is included in the amount shown in Item 4 of the Information Page or in the Schedule below.

Schedule

State	Rate	Premium
CA	0.03	\$25.00
CO	0.006	\$4.00
CT	0.03	\$22.00
GA	0.008	\$20.00
MA	0.03	\$23.00
MD	0.06	\$103.00
ME	0.007	\$6.00
MI	0.02	\$19.00
MN	0.007	\$6.00
NJ	0.03	\$65.00
NV	0.010	\$9.00
PA	0.03	\$17,283.00
SC	0.007	\$5.00
TN	0.007	\$6.00
TX	0.007	\$6.00
VA	0.010	\$8.00
WV	0.006	\$8.00

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

AUDIT NONCOMPLIANCE CHARGE ENDORSEMENT

Part Five—Premium, Section G. (Audit) of the Workers Compensation and Employers Liability Insurance Policy is revised by adding the following:

If you do not allow us to examine and audit all of your records that relate to this policy, and/or do not provide audit information as requested, we may apply an Audit Noncompliance Charge. The method for determining the Audit Noncompliance Charge by state, where applicable, is shown in the Schedule below.

If you allow us to examine and audit all of your records after we have applied an Audit Noncompliance Charge, we will revise your premium in accordance with our manuals and Part 5—Premium, E. (Final Premium) of this policy.

Failure to cooperate with this policy provision may result in the cancellation of your insurance coverage, as specified under the policy.

Note:

For coverage under state-approved workers compensation assigned risk plans, failure to cooperate with this policy provision may affect your eligibility for coverage.

Schedule

States(s)	Estimated Annual Premium Amount	Maximum Audit Noncompliance Charge Multiplier
CO	\$25	2X
CT	\$226	2X
GA	\$684	2X
MD	\$299	2X
ME	\$220	2X
MN	\$305	2X
NJ	\$2,803	2X
NV	\$388	1X
SC	\$195	2X
TN	\$121	2X
VA	\$137	2X
WV	\$182	2X

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

POLICY AMENDATORY ENDORSEMENT—CALIFORNIA

It is agreed that, anything in the policy to the contrary notwithstanding, such insurance as is afforded by this policy by reason of the designation of California in Item 3 of the Information Page is subject to the following provisions:

1. **Minors Illegally Employed – Not Insured.** This policy does not cover liability for additional compensation imposed on you under Section 4557, Division IV, Labor Code of the State of California, by reason of injury to an employee under sixteen years of age and illegally employed at the time of injury.
2. **Punitive or Exemplary Damages – Uninsurable.** This policy does not cover punitive or exemplary damages where insurance of liability therefor is prohibited by law or contrary to public policy.
3. **Increase in Indemnity Payment – Reimbursement.** You are obligated to reimburse us for the amount of increase in indemnity payments made pursuant to Subdivision (d) of Section 4650 of the California Labor Code, if the late indemnity payment which gives rise to the increase in the amount of payment is due less than seven (7) days after we receive the completed claim form from you. You are obligated to reimburse us for any increase in indemnity payments not covered under this policy and will reimburse us for any increase in indemnity payment not covered under the policy when the aggregate total amount of the reimbursement payments paid in a policy year exceeds one hundred dollars (\$100).

If we notify you in writing, within 30 days of the payment, that you are obligated to reimburse us, we will bill you for the amount of increase in indemnity payment and collect it no later than the final audit. You will have 60 days, following notice of the obligation to reimburse, to appeal the decision of the insurer to the Department of Insurance.

4. **Application of Policy.** Part One, "Workers Compensation Insurance", A, "How This Insurance Applies", is amended to read as follows:

This workers compensation insurance applies to bodily injury by accident or disease, including death resulting therefrom. Bodily injury by accident must occur during the policy period. Bodily injury by disease must be caused or aggravated by the conditions of your employment. Your employee's exposure to those conditions causing or aggravating such bodily injury by disease must occur during the policy period.

5. **Rate Changes.** The premium and rates with respect to the insurance provided by this policy by reason of the designation of California in Item 3 of the Information Page are subject to change if ordered by the Insurance Commissioner of the State of California pursuant to Section 11737 of the California Insurance Code.
6. **Long Term Policy.** If this policy is written for a period longer than one year, all the provisions of this policy shall apply separately to each consecutive twelve-month period or, if the first or last consecutive period is less than twelve months, to such period of less than twelve months, in the same manner as if a separate policy had been written for each consecutive period.
7. **Statutory Provision.** Your employee has a first lien upon any amount which becomes owing to you by us on account of this policy, and in the case of your legal incapacity or inability to receive the money and pay it to the claimant, we will pay it directly to the claimant.
8. Part Five, "Premium", E, "Final Premium", is amended to read as follows:

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:

- a. 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.
- b. If you cancel, final premium may be more than pro rata; it will be based on the time this policy was in force, and may be increased by our short-rate cancellation table and procedure. Final premium will not be less than the pro rata share of the minimum premium.

It is further agreed that this policy, including all endorsements forming a part thereof, constitutes the entire contract of insurance. No condition, provision, agreement, or understanding not set forth in this policy or such endorsements shall affect such contract or any rights, duties, or privileges arising therefrom.

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.
Insurance Company

Endorsement No.

Countersigned By

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2% of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization

Job Description

Any person or organization as required by written contract.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

DUTY TO DEFEND-CALIFORNIA

The insurance afforded by Part One, Section C, "**We Will Defend**", is hereby deleted and replaced with the following:

WE WILL DEFEND

We have the right and duty to defend at our expense any claim or proceeding against you before the California Workers' Compensation Appeals Board or its equivalent in any other state (and any appeal of a decision therefrom) for the benefits payable by this workers' compensation insurance. We have the right to investigate and settle these claims or proceedings.

We have no duty to defend a claim, proceeding, or suit that is not covered by this insurance.

Nothing contained in this Section shall amend, modify, restrict, or otherwise alter any obligations or conditions under Part Two – Employer's Liability Insurance of the 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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

EMPLOYERS' LIABILITY COVERAGE AMENDATORY ENDORSEMENT-CALIFORNIA

The insurance afforded by Part Two (Employers' Liability Insurance) by reason of designation of California in item 3 of the information page is subject to the following provisions:

A. "How This Insurance Applies," is amended to read as follows:

A. How This Insurance Applies

This employers' liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury means a physical injury, including 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 California.
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.

E. The "Exclusions" section is modified as follows (all other exclusions in the "Exclusions" section remain as is):

1. Exclusion 1 is amended to read as follows:
 1. liability assumed under a contract.
2. Exclusion 2 is deleted.
3. Exclusion 7 is amended to read as follows:
 7. damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, termination of employment, or any personnel practices, policies, acts or omissions.
4. The following exclusions are added:
 1. bodily injury to any member of the flying crew of any aircraft.
 2. bodily injury to an employee when you are deprived of statutory or common law defenses or are subject to penalty because of your failure to secure your obligations under the workers' compensation law(s) applicable to you or otherwise fail to comply with that law.
 3. liability arising from California Labor Code Section 2810.3 which relates to labor contracting.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School				
Insurance Company	Security National Insurance Company				

Countersigned by _____

OPTIONAL PREMIUM INCREASE ENDORSEMENT – CALIFORNIA

You must provide us, or our authorized representative, access to records necessary to perform a payroll verification audit. If you fail to provide access within 90 days after expiration of the policy, you are liable to pay a total premium equal to 3 times our current estimate of the annual premium for your policy. In addition, if you fail to provide access after our third request within a 90 day or longer period, you are also liable for our costs in attempting to perform the audit unless you provide a compelling business reason for your failure.

We will contact you to schedule appointments during normal business hours.

We will notify you of your failure to provide access by mailing a certified, return-receipt document stating the increased premium and the total amount of our costs incurred in our attempt(s) to perform an audit. In addition to any other obligations under this contract, 30 days after you receive the notification, you will be obligated to pay the total premium and costs referenced above. If, thereafter, you provide access to your records within three years after the policy expires, or within another mutually agreed upon time, and we succeed in performing the audit to our satisfaction, we will revise your total premium and the costs due to reflect the results of the audit.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

CALIFORNIA CANCELATION ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because California is shown in Item 3.A. of the Information Page.

The cancellation condition in Part Six (Conditions) of the policy is replaced by these conditions:

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 for one or more of the following reasons:
 - a. Non-payment of premium;
 - b. Failure to report payroll;
 - c. Failure to permit us to audit payroll as required by the terms of this policy or of a previous policy issued by us;
 - d. Failure to pay any additional premium resulting from an audit of payroll required by the terms of this policy or any previous policy issued by us;
 - e. Material misrepresentation made by you or your agent;
 - f. Failure to cooperate with us in the investigation of a claim;
 - g. Material failure to comply with federal or state safety orders or written recommendations of our designated loss control representatives;
 - h. The occurrence of a material change in the ownership of your business;
 - i. The occurrence of any change in your business or operations that materially increases the hazard for frequency or severity of loss;
 - j. The occurrence of any change in your business or operation that requires additional or different classification for premium calculation;
 - k. The occurrence of any change in your business or operation which contemplates an activity excluded by our reinsurance treaties
3. If we cancel your policy for any of the reasons listed in (a) through (f), we will give you 10 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. If we cancel your policy for any of the reasons listed in Items (g) through (k), we will give you 30 days advance written notice; however, we agree that in the event of cancellation and reissuance of a policy effective upon a material change in ownership or operations, notice will not be provided.
4. If we mail the notice to you, the stated periods of notice and your right to remedy the condition will be extended by 5 days if the place of mailing and your mailing address is within California, 10 days if the place of mailing or your mailing address is outside of California and 20 days if the place of mailing or your mailing address is outside of the United States.
5. The policy period will end on the day and hour stated in the cancellation notice.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

COVID-19 REPORTING REQUIREMENT ENDORSEMENT - CALIFORNIA

In addition to the requirements under Part 4, "Your Duties If Injury Occurs" of your policy, If you have five or more employees and an employee that is not described in California Labor Code section 3212.87 tests positive for COVID-19, you are required to report the following information as provided below.

Pursuant to California Labor Code Section 3212.88(i), when you know, or reasonably should know, that an employee has tested positive for COVID-19 between September 17, 2020 and January 1, 2024, you must report to your claims administrator in writing via electronic mail or facsimile within 3 business days all of the following:

- (1) An employee has tested positive. For purposes of this reporting, do not provide any personally identifiable information regarding the employee who tested positive for COVID-19 unless the employee asserts the infection is work related or has filed a claim form pursuant to California Labor Code Section 5401.
- (2) The date that the employee tests positive, which is the date the specimen was collected for testing.
- (3) The specific address or addresses of the employee's specific place of employment during the 14-day period preceding the date of the employee's positive test.
- (4) The highest number of employees who reported to work at the employee's specific place of employment in the 45-day period preceding the last day the employee worked at each specific place of employment.

Labor Code Section 3212.88(j) states that the intentional submission of false or misleading information or the failure to report the above information as required may subject you to a civil penalty in the amount of up to \$10,000 to be assessed by the Labor Commissioner.

For the purposes of these reporting requirements, California Labor Code Section 3212.88(m) provides the following:

- (1) "COVID-19" means the 2019 novel coronavirus disease.
- (2) "Test" or "testing" means a PCR (Polymerase Chain Reaction) test approved for use or approved for emergency use by the United States Food and Drug Administration to detect the presence of viral RNA. "Test" or "testing" does not include serologic testing, also known as antibody testing. "Test" or "testing" may include any other viral culture test approved for use or approved for emergency use by the United States Food and Drug Administration to detect the presence of viral RNA which has the same or higher sensitivity and specificity as the PCR test.
- (3) "A specific place of employment" means the building, store, facility, or agricultural field where an employee performs work at the employer's direction. "A specific place of employment" does not include the employee's home or residence, unless the employee provides home health care services to another individual at the employee's home or residence.

24/7 Toll-Free COVID-19 Claim Reporting for all AmTrust carriers:

Phone: (888) 239-3909

Email: WorkersCompClaimReport@AmTrustgroup.com

OR

Visit this webpage:
amtrustfinancial.com/sb1159

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

COLORADO CLASSIFICATION ENDORSEMENT

This endorsement applies only to the insurance provided by Part One (Workers Compensation Insurance) because Colorado is shown in Item 3.A. of the Information Page.

Section B. Classifications of Part Five (Premium) is amended by adding the following:

The assignment of a proper classification resulting in higher premium is allowed only if the misclassification was caused by your failure to provide accurate or complete data. If your operation changes during the policy term, you must notify us within ninety days of the change. Failure to notify us will be considered a failure to provide accurate or complete data.

Section E. Final Premium of Part Five is amended by adding this sentence at the end of the first paragraph:

Payments to us or to you based on improper classification may be collected or refunded during the term of the policy and for twelve months after the term.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

COLORADO PREMIUM CREDIT FOR CERTIFIED RISK MANAGEMENT PROGRAMS ENDORSEMENT

This endorsement applies to Part One (Workers Compensation Insurance) because Colorado is listed in Item 3.A. of the Information Page.

The Colorado Workers Compensation Cost Containment Board has determined that a premium differential shall be provided on all policies when you have selected a designated medical provider

If you qualify for experience and/or schedule rating and you have implemented a certified workers compensation risk management program or service, we must allow a 5% premium credit if your loss experience has improved since your last renewal date. The Schedule below will indicate if you qualify for this credit.

If you do not qualify for experience and/or schedule rating on your workers compensation insurance and you have implemented a certified workers compensation risk management program or service, we must offer premium credits as follows:

Premium Credit	Credit Criteria
10%	If you have been loss free for at least the last year immediately preceding the effective date of the premium credit.
8%	If you have had one medical loss exceeding \$250 in the last year immediately preceding the effective date of the premium credit.
6%	If you have had two medical losses, each exceeding \$250, within the last year immediately preceding the effective date of the premium credit.
4%	If you have had three medical losses, each exceeding \$250, within the last year immediately preceding the effective date of the premium credit.
2%	If you have had three medical losses, each exceeding \$250, and one claim for loss of time in the last year immediately preceding the effective date of the premium credit.
0%	If you have had more than three medical losses and one claim for loss of time in the last year immediately preceding the effective date of the premium credit.

If you have selected a designated medical provider, we must allow a credit of 2.5%. If you are eligible for schedule rating, the 2.5% credit must be included in the total schedule credit or debit, subject to the 25% maximum limitation.

If you are not eligible for experience or schedule rating, the 2.5% credit will be applied, in addition to the premium credit applicable. The combined premium credit and the 2.5% credit for selection of a designated medical provider shall not exceed 12.5%.

Schedule

% Premium Credit	Certified Risk Management Program/Designated Medical Provider
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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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

CONNECTICUT APPLICATION OF WORKERS COMPENSATION INSURANCE ENDORSEMENT

This endorsement applies only to the insurance provided by Part One (Workers Compensation Insurance) because Connecticut is shown in Item 3.A. of the Information Page.

Section A, "How This Insurance Applies," of Part One, "Workers Compensation Insurance," is amended to read as follows:

This workers compensation insurance applies to injury by accident or injury by disease. Injury includes resulting death.

1. Injury by accident must occur during the policy period.
2. Injury by disease must be caused or aggravated by exposure during the policy period to conditions of your employment.

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 Technology Insurance
 Company

Countersigned by _____

WC 06 03 01
(Ed. 4-84)

CONNECTICUT WORKERS COMPENSATION FUNDS ENDORSEMENT

This endorsement applies only to the insurance provided by Part One (Workers Compensation Insurance) because Connecticut is shown in Item 3.A. of the Information Page.

The amount shown on the Information Page for the Connecticut workers compensation fund assessment is required of you under Section 31-345 of the Connecticut General Statutes. We will pay these assessments to the Connecticut State Treasurer. The purpose of the assessment is to finance the expenses of administering the workers compensation laws.

THE AMOUNT SHOWN ON THE INFORMATION PAGE FOR THE CONNECTICUT SECOND INJURY FUND SURCHARGE IS REQUIRED OF YOU UNDER CONNECTICUT REGULATIONS TO FINANCE THE CONNECTICUT SECOND INJURY FUND. WE WILL PAY THIS SURCHARGE TO THE CONNECTICUT STATE TREASURER.

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 _____

WC 06 03 03 C
(Ed. 07-11)

CONNECTICUT NONRENEWAL AND RENEWAL ENDORSEMENT

This endorsement applies because Connecticut is shown in Item 3.A. of the Information Page.

Part Six—Conditions, of the policy is revised by adding the following:

F. Nonrenewal

We may elect not to renew the policy. Unless otherwise provided by Connecticut General Statutes Annotated Section 38a-323, we will provide you at least 60 days’ advance notice of our intention not to renew. Advance notice will be provided to you by one of the following methods:

1. Registered mail
2. Certified mail
3. Mail evidenced by a certificate of mailing
4. Delivered to the named insured at the address shown in the policy

Mailing such notice to you at your address, shown in Item 1., of the Information Page, will be deemed sufficient notice under this section.

The notice of intent not to renew will state or be accompanied by a statement specifying the reason for such nonrenewal.

G. Renewal

We may elect to renew the policy. In accordance with Connecticut General Statutes Annotated Section 38a-323, we will provide you at least 60 days’ advance notice of our intent to renew if, compared to this policy, the terms or conditions of the renewal policy include any reduction in coverage limits, coverage provisions added or revised that reduce coverage or increases in deductibles.

This conditional renewal notice will be provided to you by one of the following methods:

1. Registered mail
2. Certified mail
3. Mail evidenced by a certificate of mailing
4. Delivered to the named insured at the address shown in the policy

Mailing such notice to you at your address, shown in Item 1., of the Information Page, will be deemed sufficient notice under this section.

This conditional renewal notice will include or be accompanied by a statement clearly identifying any reduction in coverage limits, coverage provisions added or revised that reduce coverage or increases in deductibles, under the renewal 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 _____

WC 06 06 01 A
(Ed. 10-17)

GEORGIA CANCELLATION, NONRENEWAL, AND CHANGE ENDORSEMENT

This endorsement applies because Georgia is shown in Item 3.A. of the policy Information Page.

Part Six—Conditions, Section D. (Cancellation) of the policy is replaced by the following:

D. Cancellation, Nonrenewal, and Change

1. You may cancel this policy. You must mail or deliver advance notice to us in writing, or deliver advance notice orally or electronically, stating when the cancellation is to take effect. We may require that you provide written, electronic, or other recorded verification of the request before the cancellation takes effect. The cancellation is subject to the following:
 - a. If only your interest is affected, the effective date of cancellation will be the later of the date we receive notice from you or the date specified in the notice.
 - b. If by statute, regulation, or contract this policy may not be cancelled unless notice is given to a governmental agency or other third party, we will mail or deliver at least 10 days' notice to you and the third party as soon as practical after receiving your request for cancellation.

Our notice will state the effective date of cancellation, which will be the later of the following:

 - 1) 10 days from the date of mailing or delivering our notice, or
 - 2) The effective date of cancellation stated in your notice to us.
2. We may cancel or nonrenew this policy. We must mail or deliver notice at least 10 days before the effective date of cancellation if this policy has been in effect less than 60 days or if we cancel for nonpayment of premium. If this policy has been in effect 60 or more days and we cancel for a reason other than nonpayment of premium, or if we nonrenew this policy, we must send a notice of cancellation or nonrenewal by certified mail, return receipt requested, to you at your last address of record at least 75 days before the effective date of cancellation or nonrenewal.
3. If we increase current policy premium by more than 15% (other than any increase in premium due to change in risk or exposure, including a change in experience rating modification or resulting from an audit of auditable coverages), we must deliver a notice of our action (including dollar amount of the increase in renewal premium more than 15%) to you, by first class mail, at your last address of record at least 45 days before the expiration date of this policy.
4. If we reduce the policy coverage, we must provide you with written notice at least 45 days before the effective date of the reduction in coverage. The notice will be delivered to you in person or by first class mail to your last address of record. A reduction in coverage made by us includes elimination of coverage, a decrease in scope or less coverage, or the addition of an exclusion. Requests made by you to change, reduce, or eliminate coverage are not considered reductions in coverage.
5. If you fail to submit to, or allow an audit for, the current or most recently expired policy term, we may, after two documented efforts to notify you and your agent of potential cancellation, send via certified mail or statutory overnight delivery, return receipt requested, written notice to you at least 10 days before the effective date of cancellation in lieu of the number of days' notice otherwise required by state law. However, we must not mail a cancellation notice within 20 days of the first documented effort to notify you of potential cancellation.
6. The policy period will end on the day and hour stated in the cancellation notice except as provided for above.

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 _____

MAINE INSPECTION IMMUNITY ENDORSEMENT

(TITLE 14 MAINE REVISED STATUTES ANNOTATED SECTION 167)

THE FOLLOWING LIMITS OUR LIABILITY

We, the insurance company, our agents, employees, or service contractors, are not liable for damages from injury, death or loss occurring as a result of any act or omission in the furnishing of or the failure to furnish insurance inspection services related to, in connection with or incidental to the issuance or renewal of a policy of property or casualty insurance.

This exemption from liability does not apply:

- A. If the injury, loss or death occurred during the actual performance of inspection services and was proximately caused by our negligence or by the negligence of our agents, employees or service contractors;
- B. To any inspection services required to be performed under the provisions of a written service contract or defined loss prevention program;
- C. In any action against us, our agents, employees, or service contractors for damages proximately caused by our acts or omissions which are determined to constitute a crime, actual malice or gross negligence; or,
- D. If we fail to provide this written notice to the insured whenever a policy is issued or when new policy forms are issued upon renewal.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

MAINE CANCELATION AND NONRENEWAL ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Maine is shown in Item 3.A. of the Information Page.

The **Cancellation** Condition of the policy is replaced by this Condition:

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 and to the Workers Compensation Board not less than 30 days advance written notice stating when the cancellation is to take effect. Mailing notice to you at your last known address will be sufficient to prove notice.
3. The policy period will end on the day and hour stated in the cancellation notice. If you have obtained a workers compensation and employers liability insurance policy from another insurance company, or have otherwise secured your obligation to provide compensation, and such insurance or other security becomes effective prior to the expiration of the notice period, the policy period will end on the effective date of such other insurance or security.
4. If this policy has been renewed or has been in effect for 60 days or more, we may cancel only for one of the following reasons:
 - a. nonpayment of premium;
 - b. Fraud or a material misrepresentation was made in obtaining the policy, continuing the policy or presenting a claim under the policy;
 - c. The risk accepted when the policy was issued has substantially increased;
 - d. Your failure to comply with reasonable loss control recommendations;
 - e. A substantial breach of contractual duties, conditions or warranties under the policy;
 - f. The Superintendent has determined that continuation of the policy could jeopardize our solvency or place us in violation of the law.

Nonrenewal

We may elect not to renew the policy. We will mail or deliver to you not less than 30 days advance written notice. A post office certificate of mailing to you at your last known address will be conclusive proof of receipt of that notice on the third calendar day after mailing.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

MAINE FINAL PREMIUM AUDIT ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Maine is shown in Item 3.A. of the Information Page.

Part Five (Premium), Condition E, **Final Premium**, and Condition G, **Audit**, are changed by adding these Conditions:

E. Final Premium

We are required by Maine regulation to complete our final premium audit not later than 120 days after the policy period ends.

If we are unable to examine and audit your records because of your failure to cooperate, we will mail a advance written notice to you stating the reasons for our inability to establish the final premium. Your final premium will be established no later than 120 days from the time we are able to complete the examination and audit of your records.

If we have not established the final premium within the 120-day time limitation, we may not bill or collect any additional premium that exceeds the latest billed annual premium.

G. Audit

You may request a final premium audit to determine whether you are entitled to a refund, if we have not established the final premium within the 120-day time limit. You will mail or deliver written notice to us requesting the audit.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

**MAINE NOTICE OF FILING OF FIRST REPORTS OF INJURY
WITHIN SEVEN DAYS ENDORSEMENT**

This endorsement applies only to the insurance provided by the policy because Maine is shown in Item 3.A. of the Information Page.

Employer's First Report of Occupational Injury or Disease, form WCB-1, required to be filed for injuries arising out of and in the course of an employee's employment that has caused the employee to lose a day's work shall be reported to and received by the Workers' Compensation Board within seven (7) days after the employer receives notice or knowledge of the injury, as provided by 39-A M.R.S.A. sec. 303. First Reports of Injury can be mailed, electronically submitted, or faxed to the Workers' Compensation Board at 207-287-5895.

Contact us immediately if an injury occurs that may be required to be reported to the Workers' Compensation Board.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

Maine Supplemental Benefits Fund Endorsement

This endorsement applies only to the insurance provided by the policy because Maine is shown in Item 3.A. of the Information Page.

Title 39 - A Of Maine Revised Statute Annotated, sections 355A through section 356 establishes the Maine Supplemental Benefits Fund to reimburse insurers And self-insurersfor their payments of compensation to employees made pursuant to 39-A M.R.S.A. § 213(3),(4).

We are authorized pursuant to 39-A M.R.S.A. § 356 to collect a surcharge from you to pay the assessments required pursuant to 39-A M.R.S.A. § 154(3). Your surcharge will be calculated in accordance with 39-A M.R.S.A. § 154(3)(B-1).

SCHEDULE

Surcharge: 0%

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

MARYLAND CANCELLATION AND NONRENEWAL ENDORSEMENT

This endorsement applies because Maryland is shown in Item 3.A. of the Information Page.
 Part Six—Conditions, Section D. (Cancellation) of the policy is replaced by the following:

D. Cancellation and Nonrenewal

1. You may cancel this policy. You will mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel or nonrenew this policy as follows:
 - a. If the policy is cancelled for nonpayment of premium, we will file with the Maryland Workers Compensation Commission’s designee, and serve you by certificate of mailing, not less than 10 days’ advance written notice stating when the cancellation will take effect.
 - b. If the policy is cancelled for reasons other than nonpayment of premium or if the policy is nonrenewed, we will file with the Maryland Workers Compensation Commission’s designee, and serve by certified mail or personal service to you, not less than 45 days’ advance written notice stating when the cancellation or nonrenewal will take effect.

Mailing this notice by certified mail to you at your mailing address last known to us creates a presumption of actual delivery of notice. You may be able to rebut this presumption by providing evidence that the notice was not delivered.

3. The effective dates of the cancellation or nonrenewal are determined as follows:
 - a. Except for cancellation for nonpayment of premium, the policy period will end on the day and hour stated in the cancellation or nonrenewal notice, or 45 days after the date the notice is received by the Maryland Workers Compensation Commission’s designee, whichever date is later.
 - b. For cancellation for nonpayment of premium, the policy period will end on the day and hour stated in the cancellation notice, or 10 days after the date the notice is received by the Maryland Workers Compensation Commission’s designee, whichever date is later.
4. The provisions in D-2 and D-3 do not apply to the cancellation of a policy or binder during the 45-day underwriting period in accordance with Section 12-106 of Maryland Code, Insurance. Refer to Section 12-106 of Maryland Code, Insurance for the cancellation provisions that apply during the 45-day underwriting period.

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 _____

Maryland Notification of 45-Day Underwriting Period Endorsement

This endorsement applies only to the insurance provided by the policy because Maryland is shown in Item 3.A. of the Information Page.

1. Your policy is subject to a 45-day underwriting period beginning on the effective date of coverage. In accordance with Md. Code Ann. Ins. §12-106, if we discover a material risk factor during the underwriting period, we may:
 - a. Cancel this policy during the underwriting period if you do not meet our underwriting standards; or
 - b. Recalculate your premium from the effective date of the policy if you meet our underwriting standards.

A material risk factor means a risk factor that:

- Was incorrectly recorded or not disclosed by the insured in an application for insurance;
- Was in existence on the date of the application; and
- Modifies estimated annual premium charged on the policy in accordance with the rates and supplementary rating information filed by the carrier

A material risk factor does Not include

- Information that constitutes a material misrepresentation; or
 - A change initiated by an insured, including any request by the insured that results in a change in coverage, change in deductible, or other change to a policy.
2. If we recalculate your premium because we discovered a material risk factor during the underwriting period, we will provide to you, by certificate of mailing or by delivery of electronic means in accordance with Md. Code Ann. Ins. §27-601.2, written notice of the following information by no later than the end of the underwriting period:
 - a. The amount of the recalculated premium;
 - b. The reason for the increase or reduction in the premium; and
 - c. Your right to cancel this policy and receive a pro rata refund of any premium paid by notifying us of the cancellation.
 3. If you cancel this policy following receipt of a notice of recalculated premium, you will receive a pro rata refund of any premium paid, regardless of whether your policy is a retrospectively rated policy.
 4. Nothing in this endorsement prohibits us from conducting an audit in accordance with the provisions of your policy or charging and collecting the final premium based on the results of the audit.
 5. This endorsement does not apply if your policy is a renewal 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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

MASSACHUSETTS LIMITS OF LIABILITY ENDORSEMENT

This endorsement applies only to the insurance provided by Part Two (Employers Liability Insurance) because Massachusetts is listed in Item 3.A. of the Information Page.

Our liability to you under Section 25 of Chapter 152 of the General Laws of Massachusetts is not subject to the limit of liability that applies to Part Two (Employers Liability Insurance).

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

MASSACHUSETTS—ASSESSMENT CHARGE

Massachusetts General Laws, Chapter 152, Section 65, as amended by Chapter 572 of the Acts of 1985, establishes a workers compensation special fund And a workers compensation trust fund.

On behalf of the Department of Industrial Accidents (DIA), the insurance company providing workers compensation coverage is required to bill and collect an assessment charge covering the special and trust funds from insured employers and remit the amounts collected to the State Treasury.

The assessment charge, which is determined by applying a rate (subject to annual change) to the standard premium developed under your policy, is shown as a separate item on the information page of the policy. The rate may be different for private employers and for the Commonwealth and its political subdivisions.

The income derived from the assessment charge will be used to fund the operating expenses of the DIA and to fund certain employee benefits as described in Chapter 152.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

MASSACHUSETTS NOTICE TO POLICYHOLDER ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Massachusetts is shown in Item 3.A. of the Information Page.

1. Rates and Premium

The policy contains rates and classifications that apply to your type of business. If you have any questions regarding the rates or classifications, please contact your agent or us. You may obtain pertinent rating information by submitting a written request to the Workers' Compensation Rating and Inspection Bureau of Massachusetts at the address shown in this endorsement or to us at our company address shown on this endorsement. We may require you to pay a reasonable charge for furnishing the information.

You may also submit a written request for a review of the method by which your classification, rates, premiums or audit results were determined. If we fail to grant or reject your request within thirty days after it is made or if you are not satisfied by the results of our review, you may submit a written request for review to the Workers' Compensation Rating and Inspection Bureau of Massachusetts ("WCRIBMA") at the address shown in this endorsement. If the WCRIBMA fails to grant or reject your request within thirty days after it is made or [i]f you are not satisfied with the results of the WCRIBMA review, you may appeal to the Commissioner of Insurance at the address shown in this endorsement.

2. Reserves or Settlements

You may request a loss run, which contains reserve and settlement information for claims that relate to the premium for this policy. Such a request must be in writing and should be sent to our address shown on this endorsement. We will provide you with that information within thirty (30) days of receipt of your request, and at reasonable intervals thereafter.

If you have any questions or believe that we set unreasonable reserves or made unreasonable settlements that affected your premiums or losses, you may make a written request through your agent or directly to us for a meeting with our company representative. If you are not satisfied with the results of the meeting, you may make a written appeal to the Insurance Commissioner at the address shown on the endorsement.

3. Named Insured

You are responsible for immediately reporting all changes in name or legal status to us in writing at the company address shown in this Endorsement.

If you want to add a named insured or replace the named insured with another legal entity on any policy issued through the Massachusetts Assigned Risk Pool you must submit a new Assigned Risk Pool Application, including a Confidential Request for Information Form (ERM), to the Workers' Compensation Rating and Inspection Bureau of Massachusetts at the address shown in this Endorsement.

4. Insured's Mailing Address

Notices relating to this Policy will be mailed or delivered to your mailing address. Your mailing address is that which is shown in Item 1 of the Information Page or in a change of address Endorsement to the Policy. You are responsible for notifying us in writing at the company address shown in this Endorsement about any change to your mailing address.

Addresses

The Workers' Compensation Rating and
Inspection Bureau of Massachusetts
Attention: Customer Service Department
101 Arch Street, 5th Floor
Boston, MA 02210
www.wcribma.org

Commissioner of Insurance
Division of Insurance
Department of Banking and Insurance
One South Station
Boston, MA 02110

Company Address
Security National Insurance Company
800 Superior Avenue East, 21st Floor
Cleveland, OH 44114

MASSACHUSETTS PENDING PREMIUM CHANGE ENDORSEMENT

A filing is being considered by the Massachusetts Division of Insurance which may result in premiums different from those shown on the policy. If it does, we will issue an endorsement to show the new premiums and their effective date.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

MASSACHUSETTS PREMIUM DUE DATE ENDORSEMENT

Section D of Part Five of the Policy Is replaced by this provision:

**PART FIVE
PREMIUM**

D. **Premium Payments** 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 audit and retrospective premiums shall be paid by the due date indicated on the billing statement.**

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

MASSACHUSETTS CANCELLATION ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Massachusetts is shown in Item 3.A. of the Information Page.

The Cancellation Condition of the policy is replaced by the following:

Cancellation

1. You may cancel this policy by mailing or delivering to us advance written notice requesting cancellation. Such cancellation shall not be effective until ten days after written notice is given by us to The Workers' Compensation Rating and Inspection Bureau of Massachusetts (Bureau), or until notice has been received by the Bureau that you have secured insurance from another insurance company, whichever occurs first. Our notice to the Bureau may be given by electronic transmission.
2. We may cancel this policy only if based on one or more of the following reasons: (i) nonpayment of premium; (ii) fraud or material misrepresentation affecting your policy; or (iii) a substantial increase in the hazard insured against. Such cancellation shall not be effective until ten days after written notice is given by us to you and The Workers' Compensation Rating and Inspection Bureau of Massachusetts (Bureau), or until notice has been received by the Bureau that you have secured insurance from another insurance company, whichever occurs first. Our notice to the Bureau may be given by electronic transmission.
3. We will mail or deliver the notice of cancellation to you at your last address, which shall be the mailing address shown in Item 1 of the Information Page or the change of mailing address shown in an Endorsement to the Policy. Pursuant to M.G.L. Chapter 175, Section 187C, a written notice of cancellation shall be deemed effective when mailed by us if we obtain a certificate of mailing receipt from the United States Postal Service showing your name and address as stated in the policy.
4. Any of these provisions that conflict with the law that controls the cancellation of this insurance policy is changed by this statement to comply with the law.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

MASSACHUSETTS POLICY DEFINITION ENDORSEMENT

In the General Section, Part A.—The Policy, is replaced by the following:

This policy includes at its effective date the Information Page, all endorsements and schedules listed there, and your application for insurance. 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.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

MICHIGAN NOTICE TO POLICYHOLDER ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Michigan is shown in Item 3.A. of the Information Page.

1. Rates and Premium

The policy contains rates and classifications that apply to your type of business. If you have any questions regarding the rates or classifications, please contact us or your agent.

You may obtain pertinent rating information by submitting a written request to us at our address shown on this endorsement. We may require you to pay a reasonable charge for furnishing the information.

You may also submit a written request for a review of the method by which your rates and premiums were determined. If you are not satisfied with the results of the review, you may appeal to the Commissioner of Insurance at the address shown in this endorsement.

2. Payroll Audits

You may request a payroll audit once each calendar year. Your request must be in writing, sent to our address shown in this endorsement. You must state that you believe your payroll expenditures have changed by 20% or more, and you must state the reasons for that belief. We will complete the audit within 120 days of receipt of your request if you provide us with all information we need to perform the audit.

3. Reserves or Redemption

You may request reserve and redemption information that relates to the premium for this policy. Your request must be in writing sent to our address shown in this endorsement. We will provide you with that information within thirty (30) days of receipt of your request.

If you believe that the policy premiums are excessive because we set unreasonable reserves or because of the unreasonable redemption of a claim, you may request a meeting with our management representative. Your request must be in writing sent to our address shown in this endorsement. If you are not satisfied with the results of the meeting, you may appeal to the Insurance Commissioner at the address shown in this endorsement.

Addresses

Commissioner of Insurance
Michigan Insurance Bureau
P.O. Box 30220
Lansing, MI 48909

Company Address
Security National Insurance Company
800 Superior Avenue East, 21st Floor
Cleveland, OH 44114

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 6/30/2024 Policy No. SWC1502124 Endorsement No. 0
Insured The Pennsylvania Cyber Charter School Premium \$ 165,509
Insurance Company Security National Insurance Company

Countersigned by _____

MICHIGAN LAW ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Michigan is shown in Item 3.A. of the Information Page.

Michigan law requires that we attach this paragraph to your policy in the language specified by the statute. To help you understand the paragraph, the following definitions are added:

1. We are "the insurer issuing this policy"
2. You are "the insured employer"
3. "Michigan workmen's compensation act" means the Workers' Disability Compensation Act of 1969"
4. "Workmen's compensation" means workers compensation"
5. "The bureau of workmen's compensation" means the Bureau of Workers' Disability Compensation"

"Notwithstanding any language elsewhere contained in this contract or policy of insurance, the accident fund or the insurer issuing this policy hereby contracts and agrees with the insured employer:

Compensation

- a That it will pay to the persons that may become entitled thereto all workmen's compensation for which the insured employer may become liable under the provisions of the Michigan workmen's compensation act for all compensable injuries or compensable occupational diseases happening to his employees during the life of this contract or policy;

Medical Services

- b. That it will furnish or cause to be furnished to all employees of the employer all reasonable medical, surgical, and hospital services and medicines when they are needed, which the employer may be obligated to furnish or cause to be furnished to his employees under the provisions of the Michigan workmen's compensation act, and that it will pay to the persons entitled thereto for all such services and medicines when they are needed for all compensable injuries or compensable occupational diseases happening to his employees during the life of this contract or policy;

Rehabilitation Services

- c. That it will furnish or cause to be furnished such rehabilitation services for which the insured employer may become liable to furnish or cause to be furnished under the provisions of the Michigan workmen's compensation act for all compensable injuries or compensable occupational diseases happening to his employees during the life of this contract or policy;

Funeral Expenses

- d. That it will pay or cause to be paid the reasonable expense of the last sickness and burial of all employees whose deaths are caused by compensable injuries or compensable occupational diseases happening during the life of this contract or policy and arising out of and in the course of their employment with the employer, which the employer may be obligated to pay under the provisions of the Michigan workmen's compensation act;

Scope of Contract

- e. That this insurance contract or policy shall for all purposes be held and deemed to cover all the businesses the said employer is engaged in at the time of the issuance of this contract or policy and all other businesses, if any, the employer may engage in during the life thereof, and all employees the employer may employ in any of his businesses during the period covered by this policy;

Obligations Assumed

- f. That it hereby assumes all obligations imposed upon the employer by his acceptance of the Michigan workmen's compensation act, as far as the payment of compensation, death benefits, medical, surgical, hospital care or medicine and rehabilitation services is concerned;

Termination Notice

- g. That it will file with the bureau of workmen's compensation at Lansing, Michigan, at least 20 days before the taking effect of any termination or cancelation of this contract or policy, a notice giving the date at which it is proposed to terminate or cancel this contract or policy; and that any termination of this policy shall not be effective as far as the employees of the insured employer are concerned until 20 days after notice of proposed termination or cancelation is received by the bureau of workmen's compensation;

Conflicting Provisions

h. That all the provisions of this contract, if any, which are not in harmony with this paragraph are to be construed as modified hereby, and all conditions and limitations in the policy, if any, conflicting herewith are hereby made null and void."

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

MINNESOTA AMENDATORY ENDORSEMENT

This endorsement applies only to the insurance provided because Minnesota is shown in Item 3.A. of the Information Page.

PART TWO - EMPLOYERS LIABILITY INSURANCE

The premium for the policy may be adjusted by a Minnesota Contracting Premium Adjustment Program policy credit factor. The factor was not available when the policy was issued. If you qualify, we will issue an endorsement to show the policy credit factor after it is calculated.

E. We Will Also Pay is amended to read:

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. Your share of pre- or postjudgment interest assuming that the principal amount of that judgment is within the applicable policy limits under this insurance; and
5. Expenses we incur.

H. Recovery From Others is amended to read:

Our ability to exercise your rights to recover our payment from anyone liable for injury covered by this insurance does not apply if that other person is insured for the same loss by us. This limitation applies only if the loss was caused by the nonintentional acts of the person against whom subrogation is sought.

PART FIVE - PREMIUM**G. Audit** is amended to read:

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, except as it pertains to Part Two—Employer's Liability Insurance which shall be one year. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

DEFINITIONS

As used in this policy, "rate service organization" shall mean the Minnesota Workers' Compensation Insurers Association, Inc.

MINNESOTA CANCELLATION AND NONRENEWAL ENDORSEMENT

This endorsement applies only to the insurance provided because Minnesota is shown in Item 3.A. of the Information Page.

Cancellation of a New Policy

If this policy is a new policy and has been in effect for fewer than 90 days, we may cancel for any reason by giving you notice at least 60 days before the effective date of Cancellation.

Cancellation of Other Policies

If this policy has been in effect for 90 days or more, or if it is a renewal of a policy we issued, we may cancel **for one or more** of the following reasons:

1. Nonpayment of premium;
2. Misrepresentation or fraud made by you or with your knowledge in obtaining the policy or in pursuing a claim under the policy;
3. An act or omission by you that substantially increases or changes the risk insured;
4. Refusal by you to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed;
5. Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing this policy;
6. Loss of reinsurance by us which provided coverage to us for a significant amount of the underlying risk insured. Any notice of cancellation pursuant to this item shall advise you that you have 10 days from the date of receipt of the notice to appeal the cancellation to the commissioner of commerce and that the commissioner will render a decision as to whether the cancellation is justified because of the loss of reinsurance within 30 business days after receipt of the appeal;
7. A determination by the commissioner that the continuation of the policy could place us in violation of the Minnesota insurance laws; or
8. Nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to your obtaining or continuing this policy. This item shall not apply to persons who are retired at 62 years of age or older or who are disabled according to Social Security standards.

If we cancel your policy for any of the reasons listed in (2) through (8), we will give notice at least 60 days before the effective date of cancellation.

Notice of Cancellation

Any notice of cancellation under this endorsement shall be in writing and shall be sent by first class mail or delivered to you and any agent, to the last mailing addresses known to us. A cancellation notice for nonpayment of premium must be sent at least 30 days before the actual date of cancellation and shall state the amount of premium due and the due date, and shall state the effect of nonpayment by the due date. Cancellation shall not be effective if payment of the amount due is made prior to the effective date of cancellation in the notice. A cancellation notice for some other reason shall state the specific reason for cancellation and shall state the effective date of cancellation. The policy will end on that date.

Refunds Due You

If this policy is canceled, we will send you any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

Nonrenewal of Your Policy

Any notice of nonrenewal shall be in writing and shall be sent by first class mail, or delivered to you and any agent, to the last mailing addresses known to us, at least 60 days before the expiration date.

We need not mail or deliver this nonrenewal notice if you have:

1. Insured elsewhere;
2. Accepted replacement coverage; or
3. Requested or agreed not to renew this policy.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

NEVADA CANCELLATION AND NONRENEWAL ENDORSEMENT

This endorsement applies to the insurance provided by this policy, because Nevada is shown in Item 3.A. of the Information Page.

Part Six—Conditions, D. Cancellation of the policy is replaced by the following:

A. Midterm Cancellation

1. You may cancel this policy by mailing or delivering advance written notice to us stating when the cancellation is to take effect.
2. We will provide you not less than 10 days notice if this policy is cancelled because you failed to pay a premium or remit an amount due because of an endorsement for a deductible when due.
3. We will provide you not less than 30 days notice for any other cancellation reason permitted under Nevada law, including failure to pay additional premium charged due to an audit of any payroll under the terms of the current or previous policy.
4. No policy of industrial insurance that has been in effect for at least 70 days or that has been renewed may be cancelled, except on any one of the following grounds:
 - a. A failure by the policyholder to pay a premium for the policy of industrial insurance when due, including the failure of the policyholder to remit an amount due because of an endorsement for a deductible;
 - b. A failure by the policyholder to:
 - (1) Report any payroll;
 - (2) Allow the insurer to audit any payroll in accordance with the terms of the policy or any previous policy issued by the insurer; or
 - (3) Pay any additional premium charged because of an audit of any payroll as required by the terms of the policy or any previous policy issued by the insurer;
 - c. A material failure by the policyholder to comply with any federal or state order concerning safety or any written recommendation of the insurer's designated representative for loss prevention;
 - d. A material change in ownership of the policyholder or any change in the policyholder's business or operations that:
 - (1) Materially increases the hazard for frequency or severity of loss;
 - (2) Requires additional or different classifications for the calculation of premiums; or
 - (3) Contemplates an activity that is excluded by any reinsurance treaty of the insurer;
 - e. A material misrepresentation made by the policyholder; or
 - f. A failure by the policyholder to cooperate with the insurer in conducting an investigation of a claim.
5. We cannot cancel the policy when the referenced reasons are corrected by you within the time specified in the written notice of cancellation.

B. Nonrenewal

1. We may elect not to renew the policy. We will provide to you a written notice of our intention not to renew at least 60 days before the expiration date.
2. We need not provide notice of our intention not to renew if you have accepted replacement coverage, if you have requested or agreed to nonrenewal, or if the policy is expressly designated as nonrenewable.

C. Information About Claims Paid

1. If you request information for the renewal of the policy, we will provide you with information regarding claims paid on your behalf.
2. We will provide the information within 30 working days after we receive your written request. We may charge a reasonable fee for providing the information.

D. Notices

1. We will provide advance written notice of cancellation or nonrenewal as provided in A and B above. This notice must be served personally on or sent by first-class mail or electronic transmission to the employer.
2. Notices will state the effective date of the cancellation or nonrenewal and will be accompanied by a written explanation of the specific reasons for the cancellation or nonrenewal.
3. A written notice of cancellation is not required if we mutually agree with you to cancel the policy and reissue a new policy based upon a material change in the ownership or operation of your business.

E. Compliance With Law

1. Any of these provisions that conflict with a law that controls the cancellation or renewal or nonrenewal of the insurance in this policy is changed by this statement to comply with the law.

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 _____

Effective July 1, 2007

NEW JERSEY PART TWO EMPLOYERS LIABILITY ENDORSEMENT

This endorsement applies only to the insurance provided by Part Two (Employers Liability Insurance) because New Jersey is shown in Item 3.A. of the Information Page.

With respect to Exclusion C5, this insurance does not cover any and all intentional wrongs within the exception allowed by N.J.S.A. 34:15-8 including but not limited to, bodily injury caused or aggravated by an intentional wrong committed by you or your employees, or bodily injury resulting from an act or omission by you or your employees, which is substantially certain to result in injury.

With respect to Exclusion C7 we will defend any claim, proceeding or suit for damages where bodily injury is alleged. We have the right to investigate and settle. We will not defend or continue to defend after the applicable limits of insurance have been paid. Such policy limits include any legal costs assessed against you on behalf of your employee(s).

We may not limit our liability to pay damages for which we become legally liable to pay because of bodily injury to an infant under the age of 18 years in a proceeding made pursuant to Article 2 as provided in N.J.S.A. 34:15-10.

This insurance does not provide for the payment of any common law negligence damages or other damages when the provisions of Article 2 of the New Jersey Workers Compensation Law have been rejected by you and your employee(s) as provided in N.J.S.A. 34:15-9.

With respect to paragraph F., the "Other Insurance" provisions is replaced with the following:

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.

This insurance, however, is excess over any other applicable insurance with respect to claims for bodily injury arising out of employer practices, policies, acts or omissions enumerated in C-7 above, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

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	Policy No.	Endorsement No.
Insured		Premium \$
Insurance Company	Countersigned by _____	

Note: This endorsement must be attached to a policy showing New Jersey in Item 3.A. of the Information Page.

NEW JERSEY PARTICIPATING PROVISION ENDORSEMENT

You may be entitled to participate in a distribution of the surplus or excess premium of the company to such an extent and upon such conditions as shall be determined by the board of directors of the company provided you have complied with all the terms of the policy including the payment of premiums.

Neither dividends nor any factors used in their calculation may be guaranteed.

Dividends will be payable only for a policy period that has expired.

By the purchase of this policy you do not obtain any contractual right to a dividend.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

Workers Compensation and Employers Liability Insurance Policy

PENNSYLVANIA AUDIT NONCOMPLIANCE CHARGE ENDORSEMENT

WC 37 04 01

Part Five – Premium, Section G. (Audit) of the Workers Compensation and Employers Liability Insurance Policy is revised by adding the following:

If you do not allow us to examine and audit all of your records that relate to this policy, and/or do not provide audit information as requested, we may apply an Audit Noncompliance Charge (ANC).

The charge is determined by applying the ANC Multiplier to the ANC Basis shown in the table below:

ANC Basis	ANC Multiplier
Estimated Annual Premium	Two times

If you allow us to examine and audit all of your records after we have applied an Audit Noncompliance Charge, we will remove the ANC charge and revise your premium in accordance with our manuals and Part 5 – Premium, E. (Final Premium) of this policy.

The application of the ANC is subject to the following conditions

- a) Carriers must comply with all applicable state laws and/or regulations related to audits of workers compensation insurance policies.
- b) The Audit Noncompliance Charge Endorsement is optional. When used, the Audit Noncompliance Charge Endorsement and/or applicable state-specific endorsement must be attached to the policy at inception of the policy term being audited.
- c) The carrier must make two attempts to obtain the audit information and/or complete the audit. At each attempt, the carrier must notify the employer regarding the specific required records and the amount of the ANC to be applied if the employer continues to refuse to comply with the audit.
- d) The carrier must adequately document the audit file regarding the above attempts to obtain the required audit information.

This ANC rule applies to mail/email, telephone, computer (remote access), and physical audits, unless otherwise provided by state law.

Workers Compensation and Employers Liability Insurance Policy

PENNSYLVANIA AUDIT NONCOMPLIANCE CHARGE ENDORSEMENT

WC 37 04 01

The scenarios listed below may occur and are treated as follows:

If an ANC is applied and the employer...	Then the carrier...
Pays the ANC and later allows the audit	<ul style="list-style-type: none">• Performs the final audit and determines the final policy premium based on the results of the audit; and• Refunds the ANC to the employer, or applies the ANC amount to any outstanding balance on the policy Submits a unit statistical correction report to remove the ANC charge from the previously reported Unit Statistical data.
Does not pay the ANC but later allows the audit	Performs the final audit and determines the final policy premium based on the results of the audit
Pays the ANC but does not later allow the audit <hr/> Does not pay the ANC and does not later allow the audit.	Does not change the previously reported: <ul style="list-style-type: none">• Unit Statistical data• Noncompliance transactions

Note: The Audit Noncompliance Charge Endorsement must be attached to the policy at inception of the policy term being audited.

CERTIFIED SAFETY COMMITTEE ENDORSEMENT—PENNSYLVANIA

The employer has received a certificate from the Pennsylvania Department of Labor and Industry specifying that the employer has established a safety committee in conformance with the Department’s criteria.

This policy is subject to a 5% rate credit to recognize the certification of the safety committee. An employer must submit certification renewal affidavits annually to the Department of Labor and Industry in order to qualify for continuation of the 5% annual premium credit.

Note: This credit shall not apply to the policy period in effect when the certification is issued. The credit must be applied to the next policy in effect following certification.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

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 Act 44 of 1993 and are on file with the Insurance Commissioner of the Commonwealth of Pennsylvania.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

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.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

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 cancelation.
 - b. If you cancel, the unearned premium will be returned within 30 days after the effective date of cancelation.
- 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.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

PENNSYLVANIA EMPLOYER ASSESSMENT ENDORSEMENT

Act 57 of 1997 requires that "... the assessments for the maintenance of the Subsequent Injury Fund, the Workmen's Compensation supersedes Fund and the Workmen's Compensation Administration Fund under sections 306.2, 443 and 446 of the act of June 2, 1915 (P.L. 736, No. 338), known as the "Workers' Compensation Act, shall be imposed, collected and remitted through insurers in accordance with regulations promulgated by the Department of Labor and Industry."

EMPLOYER ASSESSMENT FORMULA:

Employer Assessment = Act of 1997 Employer Assessment Factor X Employer Assessment Premium Base

Act 57 of 1997 Employer Assessment Factor

A factor expressed to four decimal places proposed by the Pennsylvania Compensation Rating Bureau and approved by the Pennsylvania Insurance Commissioner.

Employer Assessment Premium Base

Calculation of Employer Assessment Premium Base proceeds by adding back to the total policy premium the amount of any Small Deductible Premium Credit or Large Deductible Premium Credit.

CODE 0938

EMPLOYER ASSESSMENT FACTOR

2.42

EMPLOYER ASSESSMENT

\$3,798.00

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 6/30/2024 Policy No. SWC1502124 Endorsement No. 0
Insured The Pennsylvania Cyber Charter School Premium \$ 165,509
Insurance Company Security National Insurance Company

Countersigned by _____

South Carolina Cancellation and Nonrenewal Endorsement

This endorsement applies because South Carolina is shown in Item 3.A. of the Information Page.

Part Six—Conditions, Section D. (Cancellation) of the policy is replaced by the following:

The premium for this insurance is subject to the merit rating modification shown in the Schedule because your premium is less than the amount necessary to be eligible for experience rating and is based on time-loss claims made during the most recent one-year period for which statistics are available. Upon request, the insurer will provide additional safety plan information to an employer who develops a debit merit rating adjustment.

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 by mailing or delivering to you, your agent, if any, and the South Carolina Workers' Compensation Commission 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 you and your agent, if any, at their addresses shown in the Information Page or, if not shown on the Information Page, at their last known addresses. If notice is mailed, proof of mailing is sufficient proof of notice.
4. Any notice of cancellation will state the precise reason for cancellation.
5. If this policy has been in effect for 120 days or more, or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:
 - a. Nonpayment of premium.
 - b. Material misrepresentation of fact which, if known to us, would have caused us not to issue the policy.
 - c. Substantial change in the risk assumed, except to the extent that
 - (1) we had notice of the change in risk prior to the expiration of the 120-day underwriting period, or
 - (2) we should have reasonably foreseen the change or contemplated the risk when writing the policy.
 - d. Substantial breaches of contractual duties, conditions, or warranties.
 - e. Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the policy would imperil our solvency or place us in violation of South Carolina insurance laws. Prior to cancellation for reasons permitted in this Paragraph e., we will notify the director or their designee, in writing, at least 60 days prior to such cancellation and the director or their designee will, within 30 days of such notification, approve or disapprove such action.
6. The policy period will end on the day and hour stated in the cancellation notice.
7. Any of these provisions that conflict with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with the law.

Part Six—Conditions of the policy is changed by adding the following:

F. Nonrenewal

- 1. If the renewal has been guaranteed by additional premium consideration, we will not refuse to renew a policy issued for a term of more than one year until expiration of its full term.
- 2. If we decide not to renew this policy, we will mail or deliver to you and your agent, if any, written notice of nonrenewal
 - a. 60 days before the expiration date of this policy, if the policy is written for a term of one year or less, or
 - b. 60 days before the anniversary date of this policy, if the policy is written for a term of more than one year or for an indefinite term.
- 3. We will mail or deliver our notice to you and your agent, if any, at their addresses shown on the Information Page or, if not shown on the Information Page, at their last known addresses. If notice is mailed, proof of mailing is sufficient proof of notice.
- 4. Any notice of nonrenewal will state the precise reason for nonrenewal.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

TENNESSEE PENDING LOSS COST AND ASSIGNED RISK RATE ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Tennessee is shown in Item 3.A. of the Information Page.

The premium for the policy is determined (in part) by the product of loss costs developed and filed by the National Council on Compensation Insurance, Inc., and/or an assigned risk loss cost multiplier developed by the Tennessee Department of Commerce and Insurance.

A loss cost filing and/or a change to the assigned risk loss cost multiplier is being considered by the proper regulatory authority. The approval and/or modification of either (or both) 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.

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

Policy No.

Endorsement No.

Insured

Premium

Insurance Company

Countersigned by _____

Texas Amendatory Endorsement

This endorsement applies only to the insurance provided by the policy because Texas is shown in Item 3.A. of the Information Page.

GENERAL SECTION**B. Who Is Insured** is amended to read:

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership or joint venture, and if you are one of its partners or members, you are insured, but only in your capacity as an employer of the partnership's or joint venture's employees.

D. State is amended to read:

State means any state or territory of the United States of America, and the District of Columbia.

PART ONE—WORKERS COMPENSATION INSURANCE**E. Other Insurance** is amended by adding this sentence:

This Section only applies if you have other insurance or are self-insured for the same loss.

F. Payments You Must Make

This Section is amended by deleting the words "workers compensation" from number 4.

H. Statutory Provisions

This Section is amended by deleting the words "after an injury occurs" from number 2.

PART TWO—EMPLOYERS LIABILITY INSURANCE**C. Exclusions**

Sections 2 and 3 are amended to add:

This exclusion does not apply unless the violation of law caused or contributed to the bodily injury.

Section 6 is amended to read:

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, Mexico or Canada who is temporarily outside these countries.

D. We Will Defend

This Section is amended by deleting the last sentence.

PART FOUR—YOUR DUTIES IF INJURY OCCURS

Number 6 of this part is amended to read:

6. Texas law allows you to make weekly payments to an injured employee in certain instances. Unless authorized by law, do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART FIVE—PREMIUM**A. Our Manuals** is amended by adding this sentence:

In this part, "our manuals" means manuals approved or prescribed by the Texas Department of Insurance.

C. Remuneration

Number 2 is amended to read:

2. All other persons engaged in work that would make us liable under Part One (Workers Compensation Insurance) of this policy. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured workers compensation insurance.

D. Premium Payments is amended by adding this sentence:

The billing statement or invoice for audit additional premiums and/or retrospective additional premiums establishes the date that the premium is due.

E. Final Premium

Number 2 is amended to read:

2. If you 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.

PART SIX—CONDITIONS**A. Inspection** is amended by adding this sentence:

Your failure to comply with the safety recommendations made as a result of an inspection may cause the policy to be canceled by us.

C. Transfer of Your Rights and Duties is amended to read:

Your rights and duties under this policy may not be transferred without our written consent. If you die, coverage will be provided for your surviving spouse or your legal representative. This applies only with respect to their acting in the capacity as an employer and only for the workplaces listed in Items 1 and 4 on the Information Page.

D. Cancellation is amended to read:

1. You may cancel this policy. You must mail or deliver advance notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. We may also decline to renew it. We must give you written notice of cancellation or nonrenewal. That notice will be sent certified mail or delivered to you in person. A copy of the written notice will be sent to the Texas Department of Insurance - Division of Workers' Compensation.
3. Notice of cancellation or nonrenewal must be sent to you not later than the 30th day before the date on which the cancellation or nonrenewal becomes effective, except that we may send the notice not later than the 10th day before the date on which the cancellation or nonrenewal becomes effective if we cancel or do not renew because of:
 - a. Fraud in obtaining coverage;
 - b. Misrepresentation of the amount of payroll for purposes of premium calculation;
 - c. Failure to pay a premium when payment was due;
 - d. An increase in the hazard for which you seek coverage that results from an action or omission and that would produce an increase in the rate, including an increase because of failure to comply with reasonable recommendations for loss control or to comply within a reasonable period with recommendations designed to reduce a hazard that is under your control;
 - e. A determination by the Commissioner of Insurance that the continuation of the policy would place us in violation of the law, or would be hazardous to the interests of subscribers, creditors, or the general public.
4. If another insurance company notifies the Texas Department of Insurance—Division of Workers' Compensation that it is insuring you as an employer, such notice must be a cancellation of this policy effective when the other policy starts.

Add the following to the policy:

PART SEVEN—OUR DUTY TO YOU FOR CLAIM NOTIFICATION**A. Claims Notification**

We are required to notify you of any claim that is filed against your policy. Thereafter we must notify you of any proposal to settle a claim or, on receipt of a written request from you, of any administrative or judicial proceeding relating to the resolution of a claim, including a benefit review conference conducted by the Texas Department of Insurance—Division of Workers' Compensation. You may, in writing, elect to waive this notification requirement.

We must, on the written request from you, provide you with a list of claims charged against your policy, payments made and reserves established on each claim, and a statement explaining the effect of claims on your premium rates. We must furnish the requested information to you in writing no later than the 30th day after the date we receive your request. The information is considered to be provided on the date the information is received by the United States Postal Service or is personally delivered.

COMPLAINT NOTICE:**DISPUTE RESOLUTION SERVICES****NCCI'S DISPUTE RESOLUTION PROCESS DOES NOT APPLY TO WORKERS COMPENSATION CLAIMS.**

For workers compensation claim disputes, see "CLAIM COMPLAINT" below. For issues related to a violation of law related to your policy, see "VIOLATIONS OF LAW" below.

Important Note: The dispute resolution services provided through the Dispute Resolution Process (Process) of the National Council on Compensation Insurance (NCCI) are **voluntary**. The Process is not an administrative remedy that must be exhausted before you pursue relief in court. Using the Process does not prevent you or the carrier that issued the policy from pursuing any available legal remedies at any time.

NCCI can assist in the resolution of a dispute regarding your policy that is related to any of the following matters:

- The application or interpretation of rules contained in the various NCCI manuals (including, but not limited to, classification codes and experience rating modifications)
- Rating programs
- Endorsements
- Forms

Contact the carrier that issued the policy and attempt to resolve the dispute directly. If you and the carrier cannot agree, then contact NCCI to ask for assistance. NCCI's **Basic Manual** rule, Dispute Resolution Process, addresses disputes. You may obtain dispute resolution services only after you have made a reasonable attempt to first resolve the dispute directly with the carrier and after you have paid any undisputed premium due to the carrier.

Send your request for assistance by mail to NCCI, Dispute Resolution Services, 901 Peninsula Corporate Circle, Boca Raton, FL 33487-1362; or by fax to 561-893-5043; or by email to disputeresolution@ncci.com.

THIS NOTICE OF THE DISPUTE RESOLUTION PROCESS IS FOR INFORMATION ONLY AND DOES NOT BECOME A PART, TERM, OR CONDITION OF THIS POLICY.

VIOLATIONS OF LAW:

If you believe there has been a violation of law related to your policy, file a complaint with the Texas Department of Insurance:

Phone: 1-800-252-3439

Online: tdi.texas.gov

Email: ConsumerProtection@tdi.texas.gov

Mail: MC CO-CP, PO Box 12030, Austin, TX 78711-2030

CLAIM COMPLAINT:

If there is a workers compensation claim complaint involving one of your employees, then contact the Texas Department of Insurance - Division of Workers' Compensation, Compliance and Investigations by mail to MC: CI, PO Box 12050, Austin, TX 78711-2050; or by fax to 512-490-1030; or by email to DWCCOMPLAINTS@tdi.texas.gov.

THIS NOTICE IS FOR INFORMATION ONLY AND DOES NOT BECOME A PART, TERM, OR CONDITION OF 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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

TEXAS WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because Texas is shown in Item 3.A. of the Information Page.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule, but this waiver applies only with respect to bodily injury arising out of the operations described in the Schedule where you are required by a written contract to obtain this waiver from us.

This endorsement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

The premium for this endorsement is shown in the Schedule.

Schedule

- 1. Blanket Waiver
Any person or organization as required by written contract
- 2. Operations:
All Texas Operations
- 3. Premium:
The premium charge for this endorsement shall be 2 percent of the premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.
- 4. Advanced Premium:
165,509

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

VIRGINIA AMENDATORY ENDORSEMENT

This endorsement applies only to the Virginia insurance provided by the policy because Virginia is shown in Item 3.A. of the Information Page.

For Virginia insurance, Part Six D. (Conditions—Cancellation) is replaced by:

1. You may cancel this policy. You must mail or deliver advance written notice to us. You must provide written notice of your cancellation, including the date of and reasons for the cancellation, to the Workers Compensation Commission.
2. We may cancel this policy. We will provide you with 30 days notice of cancellation. We will provide the Workers Compensation Commission with immediate notice of such cancellation. This provision does not apply if you have obtained other insurance and that insurer has notified the Workers Compensation Commission that it is now providing your insurance.
3. In the event of cancellation by you or us, you must provide 30 days written notice of the cancellation to your covered employees.
4. We may nonrenew your policy. We will provide 30 days notice to you and to the Workers Compensation Commission of our decision to nonrenew. This provision does not apply if you have obtained other insurance and that insurer has notified the Workers Compensation Commission that it is now providing your insurance.
5. If you fail to pay the premium due on this policy, we may cancel the policy by providing 10 days notice to you and to the Workers Compensation Commission.

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

WEST VIRGINIA WORKERS COMPENSATION INSURANCE RECOVERY FROM OTHERS ENDORSEMENT

Part One—Workers Compensation Insurance, G.—Recovery From Others, is replaced by the following:

We have your rights 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.

WEST VIRGINIA CANCELLATION ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because West Virginia is shown in Item 3.A of the Information Page.

Part Six, D (Conditions—Cancellation) is replaced by:

D. Cancellation

1. You may cancel this policy. You must mail or deliver advance written notice to us by stating when the cancellation is to take effect.
2. We may cancel this policy at any time by providing you thirty (30) days advance written notice.
3. Notwithstanding #2 above, if you fail to pay any premium due or refuse to comply with a premium audit under this policy, we may cancel the policy by providing you ten (10) days advance written notice.
4. We may also choose not to renew this policy by providing sixty (60) days advance written notice.
5. Our mailing of the Notice of Cancellation or Non-Renewal to your mailing address as listed in Item 1 of the information page will be sufficient notice of our intent to cancel. We will also provide notice of the cancellation or non-renewal of the policy to the West Virginia Insurance Commissioner at least ten (10) days prior to the effective date of the termination, within ten (10) days of receipt of your request for cancellation, as applicable.

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	6/30/2024	Policy No.	SWC1502124	Endorsement No.	0
Insured	The Pennsylvania Cyber Charter School			Premium \$	165,509
Insurance Company	Security National Insurance Company				

Countersigned by _____

INSURER'S NOTICE OF ISSUANCE OF POLICY

Michigan Department of Labor and Economic Opportunity
 Workers' Disability Comensation Agency
 PO Box 30016, Lansing, MI 48909

A separate Form 400 is required for each legal entity insured under a policy

1. Employer Federal I.D. Number 233037922		2. Name of Business The Pennsylvania Cyber Charter School			
3. Parent Co. Federal I.D. Number		4. Owner of Business (If applicable)			
5. Mailing Address (Street No. and Name) 652 Midland Ave		City Midland	State PA	Zip 15059	
6. Type of Organization <input type="checkbox"/> a. Corporation <input type="checkbox"/> c. Individual <input type="checkbox"/> e. Joint Venture <input type="checkbox"/> g. Limited Liability Company <input type="checkbox"/> b. Partnership <input type="checkbox"/> d. Public Employer <input checked="" type="checkbox"/> f. Other/Trust					
7. NAIC Carrier I.D. Number (9 Digits) 198792538		8. ZIP Code of Issuing Office 44114		9. Name of Insurance Company Security National Insurance Company	
10. Policy Number SWC1502124		11. Effective Date of Coverage 6/30/2024			
12. Annual Payroll in Dollars \$92,700.00		13. Michigan Class Code 965		14. Number of Employees 1	

Pursuant to the Workers' Disability Compensation Act, this is to certify that the above referenced employer has been issued a policy of insurance by the above carrier. This policy covers all the liability imposed upon the employer by the provisions of the Michigan Workers' Disability Compensation Act for all employees in any and all of the employer's businesses.

15. Authorized Signature 	Date 6/14/2024
---	--------------------------

16. Please List below additional names And/Or addresses for the Federal I.D. Number listed in Item #1. (A separate Form 400 Is required for each legal entity insured under a policy.)					
Name of Business The Pennsylvania Cyber Charter School			Name of Business The Pennsylvania Cyber Charter School		
Address (Street No. and Name) 11624 Edison Drive			Address (Street No. and Name) 16 Eastwood Drive		
City Knoxville	State TN	Zip Code 37932	City Wilbraham	State MA	Zip Code 01095
Name of Business The Pennsylvania Cyber Charter School			Name of Business The Pennsylvania Cyber Charter School		
Address (Street No. and Name) 4121 Brightway St			Address (Street No. and Name) 818 St Charles PI Garage Apt		
City Weirton	State WV	Zip Code 26062	City Ocean City	State NJ	Zip Code 08226

INSURER'S NOTICE OF ISSUANCE OF POLICY

Michigan Department of Labor and Economic Opportunity
 Workers' Disability Comensation Agency
 PO Box 30016, Lansing, MI 48909

Name of Business			Name of Business		
The Pennsylvania Cyber Charter School			The Pennsylvania Cyber Charter School		
Address (Street No. and Name)			Address (Street No. and Name)		
1674 Sapphire Court			38 Wahi Road		
City	State	Zip Code	City	State	Zip Code
Lusby	MD	20657	Divide	CO	80814
Name of Business			Name of Business		
The Pennsylvania Cyber Charter School			The Pennsylvania Cyber Charter School		
Address (Street No. and Name)			Address (Street No. and Name)		
3168 Preston Lake Blvd			8978 Red Kansas Ct		
City	State	Zip Code	City	State	Zip Code
Harrisonburg	VA	22801	Las Vegas	NV	89148
Name of Business			Name of Business		
The Pennsylvania Cyber Charter School			The Pennsylvania Cyber Charter School		
Address (Street No. and Name)			Address (Street No. and Name)		
359 North Stonington Road			2701 Georgian Terrace		
City	State	Zip Code	City	State	Zip Code
Stonington	CT	06378	Marietta	GA	30068
Name of Business			Name of Business		
The Pennsylvania Cyber Charter School			The Pennsylvania Cyber Charter School		
Address (Street No. and Name)			Address (Street No. and Name)		
4301 Grand Ave Parkway Apt 3806			994 Shamrock Lane		
City	State	Zip Code	City	State	Zip Code
Austin	TX	78728	Traverse City	MI	49696
Name of Business			Name of Business		
The Pennsylvania Cyber Charter School			The Pennsylvania Cyber Charter School		
Address (Street No. and Name)			Address (Street No. and Name)		
19065 Rockwood Drive			1383 Camp Road Unit C		
City	State	Zip Code	City	State	Zip Code
Yorba Linda	CA	92886	Charleston	SC	29412
Name of Business			Name of Business		
Address (Street No. and Name)			Address (Street No. and Name)		
City	State	Zip Code	City	State	Zip Code

LEO is an equal opportunity employer/program. Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities. Authority: Workers' Disability Compensation Act 418.625(1); R408.41 Completion: Mandatory

IMPORTANT NOTICE
SMALL DEDUCTIBLE ELECTION FORM

POLICY NUMBER

POLICY PERIOD

FROM:

TO:

INSURED

Colorado law permits an employer to purchase workers' compensation insurance with a deductible. The deductible is applicable to medical and indemnity benefits and applies to each claim. The deductibles available are as follows:

DEDUCTIBLE AMOUNT EACH CLAIM

- \$500
- \$1,000
- \$1,500
- \$2,000
- \$2,500
- \$5,000

You are not required to select a deductible. However, if you choose to exercise this option, you may choose only one deductible amount. It is to be understood that we will pay the deductible amount for you and that you must reimburse us for any deductible amounts paid. Non-reimbursement of the deductible(s) will result in cancellation of your policy.

Please check the option you have elected and return this form to us as soon as possible.

- No, I do not want the deductible described in this Notice.
- Yes, I want the deductible checked above to apply to medical and indemnity benefits under the Colorado Workers' Compensation Law. I understand that the Company shall pay the deductible amount and be reimbursed by the employer shown above.

If you fail to respond promptly to the Company, it will be construed to mean you have not elected the small deductible option.

If you have any questions, please contact your agent or broker.

INSURED'S SIGNATURE AND TITLE

DATE

Policyholder Notice

CO-SDEF 01 (0607)

IMPORTANT NOTICE
SMALL DEDUCTIBLE ELECTION FORM

POLICY NUMBER

POLICY PERIOD

FROM:

TO:

INSURED

Georgia law permits an employer to purchase workers' compensation insurance with a deductible. The deductible is applicable to medical and indemnity benefits and applies to each claim. The deductibles available are as follows:

DEDUCTIBLE AMOUNT EACH CLAIM

\$100

\$200

\$300

\$400

\$500

\$1,000

\$1,500

\$2,000

\$2,500

You are not required to select a deductible. However, if you choose to exercise this option, you may choose only one deductible amount. It is to be understood that we will pay the deductible amount for you and that you must reimburse us for any deductible amounts paid. Non-reimbursement of the deductible(s) will result in cancellation of your policy.

Please check the option you have elected and return this form to us as soon as possible.

No, I do not want the deductible described in this Notice.

Yes, I want the deductible checked above to apply to medical and indemnity benefits under the Georgia Workers' Compensation Law. I understand that the Company shall pay the deductible amount and be reimbursed by the employer shown above.

If you fail to respond promptly to the Company, it will be construed to mean you have not elected the small deductible option.

If you have any questions, please contact your agent or broker.

INSURED'S SIGNATURE AND TITLE

DATE

Policyholder Notice

GA-SDEF 01 (11/03)

IMPORTANT NOTICE
SMALL DEDUCTIBLE ELECTION FORM

POLICY NUMBER

POLICY PERIOD

FROM:

TO:

INSURED

South Carolina law permits an employer to purchase workers' compensation insurance with a deductible. The deductible is applicable to medical and indemnity benefits and applies to each claim. The deductibles available are as follows:

DEDUCTIBLE AMOUNT EACH CLAIM

- \$100
- \$200
- \$300
- \$400
- \$500
- \$1,000
- \$1,500
- \$2,000
- \$2,500

You are not required to select a deductible. However, if you choose to exercise this option, you may choose only one deductible amount. It is to be understood that we will pay the deductible amount for you and that you must reimburse us for any deductible amounts paid. Non-reimbursement of the deductible(s) will result in cancellation of your policy.

Please check the option you have elected and return this form to us as soon as possible.

- No, I do not want the deductible described in this Notice.
- Yes, I want the deductible checked above to apply to medical and indemnity benefits under the South Carolina Workers' Compensation Law. I understand that the Company shall pay the deductible amount and be reimbursed by the employer shown above.

If you fail to respond promptly to the Company, it will be construed to mean you have not elected the small deductible option.

If you have any questions, please contact your agent or broker.

INSURED'S SIGNATURE AND TITLE

DATE

Policyholder Notice

SC-SDEF 01 (11/03)

TENNESSEE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

Division of Workers' Compensation

Nashville, Tennessee 37243-0661

NOTICE OF CORPORATE OFFICER TO EMPLOYER OF ELECTION NOT TO ACCEPT PROVISIONS OF "WORKERS' COMPENSATION ACT" OF TENNESSEE.

INSTRUCTIONS:

File an original, a copy and a self addressed, stamped envelope. (approved copy will be returned). The form must be complete, legible and notarized. If any information is missing, the form will be returned and will prolong the effective date until form is received complete. The effective date is 30 days after approved stamped date. Once approved the form is effective until withdrawn by the filing of a "I-7 Notice of Corporate Officer's Revocation of Exemption" form. If the employer or corporate officer names change a new form should be filed.

EMPLOYER NAME _____ Federal Employer ID # _____

EMPLOYER ADDRESS _____

PLEASE FURNISH NAME AND ADDRESS OF COMPANY OR INDIVIDUAL SUBMITTING FORM:

NAME: _____ ADDRESS _____

ACCEPTABLE OFFICER'S TITLES: PRESIDENT, VICE-PRESIDENT, SECRETARY, TREASURER, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER OR CHIEF OPERATING OFFICER.

You are hereby notified that the undersigned corporate officer elects not to be bound by the provisions of the Tennessee Workers' Compensation Act in compliance with section 50-6-104 of the said "Workers' Compensation Act"

CORPORATE OFFICER REJECTING COVERAGE

(PRINT)

NAME _____ TITLE _____

SIGNATURE _____ SSN _____

This is to certify that the above named corporate officer has served notice on his/her employer and said employer has not advised, counseled or encouraged the corporate officer to reject the provisions of the Workers Compensation Act , in compliance of section 50-6-104(b).

Employer signature _____

Signed this _____ day of _____, 20 _____

Subscribed and sworn to before me this _____ day of _____, 20 _____

Notary Public _____

My commission expires _____, _____.

DEDUCTIBLE NOTICE OF ELECTION

Texas law permits an employer to obtain workers compensation insurance with a deductible. The insurance applies only to benefits payable under Texas workers compensation law. When a deductible is elected, the policyholder is required to reimburse the insurance carrier for benefits payable under the law up to the deductible amount and a credit is applied to the policy. Premium credits are determined based on the deductible selected and the hazard group. The hazard group is determined by the classification that produces the largest amount of estimated Texas standard premium.

You are not required to choose a deductible. If you do choose one, your insurance company will pay the deductible amount for you, but you must reimburse the insurance company within 30 days after they send you notice that payment is due. If you fail to reimburse the insurance company, they may cancel the policy upon ten days written notice, and any resulting premium may be applied to the deductible amount owed.

If a deductible amount is desired, please indicate below.

Yes, I want a deductible of (select only one):

- 1. \$ _____ per accident
- 2. \$ _____ per claim
- 3. \$ _____ medical-only

applied to benefits payable under the Texas Workers Compensation Law. I understand that the company will pay the deductible amount and seek reimbursement _____ (monthly, quarterly or other).

No, I do not want a deductible applied to benefits payable under the Texas Workers Compensation Law.

Yes, I do want a deductible policy, but am unable to obtain one for the following reason: _____

The deductible plans have been explained to me.

Signature and Title	Date
Employer Name (print or type)	Address
Insurance Company	Policy No.
	Effective Date

Security National Insurance Company
800 Superior Avenue East, 21st Floor
Cleveland, OH 44114

Policy Change Endorsement

The Pennsylvania Cyber Charter School
652 Midland Ave
Midland, PA 15059

Wright Specialty Insurance Agency, LLC
900 Stewart Avenue, Suite 600
Garden City, NY. 11530

Enclosed is a Policy Change Endorsement for Policy Number: SWC1502124

For questions, please contact our Underwriting Office at: 877-528-7878.

7/1/2024



AmTrust North America

An AmTrust Financial Company



POLICY INFORMATION PAGE ENDORSEMENT

Insured:	The Pennsylvania Cyber Charter School	Policy No:	SWC1502124
Policy Period:	6/30/2024 to 6/30/2025	Endorsement No:	1
Carrier Name:	Security National Insurance Company	Endmt Effective:	6/30/2024

Authorized Rep: 

The following item(s)

- | | |
|---|---|
| <input type="checkbox"/> Insured's Name (WC 89 06 01) | <input type="checkbox"/> Item 3.B. Limits (WC 89 06 12) |
| <input type="checkbox"/> Policy Number (WC 89 06 02) | <input type="checkbox"/> Item 3.C. States (WC 89 06 13) |
| <input type="checkbox"/> Effective Date (WC 89 06 03) | <input type="checkbox"/> Item 3.D. Endorsement Numbers (WC 89 06 14) |
| <input type="checkbox"/> Expiration Date (WC 89 06 04) | <input checked="" type="checkbox"/> Item 4.* Class, Rate, Other (WC 89 04 15) |
| <input type="checkbox"/> Insured's Mailing Address (WC 89 06 05) | <input type="checkbox"/> Interim Adjustment of Premium (WC 89 04 16) |
| <input type="checkbox"/> Experience Modification (WC 89 04 06) | <input type="checkbox"/> Carrier Servicing Office (WC 89 06 17) |
| <input type="checkbox"/> Producer's Name (WC 89 06 07) | <input type="checkbox"/> Interstate/Intrastate Risk ID Number (WC 89 06 18) |
| <input type="checkbox"/> Change in Workplace of Insured (WC 89 06 08) | <input type="checkbox"/> Carrier Number (WC 89 06 19) |
| <input type="checkbox"/> Insured's Legal Status (WC 89 06 10) | <input type="checkbox"/> Issuing Agency/Producer Office Address (WC 89 06 25) |
| <input type="checkbox"/> Item 3.A. States (WC 89 06 11) | |

is changed to read:

Pennsylvania Schedule Credit is amended to read: 12%



Security National Insurance Company

WC 99 00 01 B

1 of 2

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
POLICY

INFORMATION PAGE

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

EXTENSION OF INFORMATION PAGE FOR ITEM #4
ITEM 4: SCHEDULE OF PREMIUMS

Classifications	# of Emps	Code No.	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remun.	Estimated Annual Premium
California					
Colleges or Schools — private — academic professionals	1	8868	82,095	1.91	<u>1,568</u>
Manual Premium					1,568
Total Manual Premium					1,568
Blanket Waiver 2% (\$250 Minimum)		0930			31
Total Premium Subject To Experience Modification					1,599
Experience Modification N/A					1,599
Premium Discount 3.8%		0063			-61
Terrorism 3%		9740			25
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total CA Premium					1,571
WCARF 2.4604%		9999			39
UEBTF 0.1505%		9999			2
SIBTF 1.5891%		9999			25
OSHAF 0.7266%		9999			11
LECF 0.7109%		9999			11
FRAUD 0.4122%		9999			6
Total CA Cost					1,665



Colorado

Clerical Telecommuter Employees	1	8871	68,657	0.04	<u>27</u>
Manual Premium					27
Total Manual Premium					27
Blanket Waiver 2% (\$250 Minimum)		0930			1
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			0
Total Premium Subject To Experience Modification					28
Experience Modification N/A					28
Premium Discount 11%		0063			-3
Terrorism 0.6%		9740			4
Catastrophe (other than Terrorism) 1%		9741			7
Expense Constant		0900			0
Total CO Premium					36
Total CO Cost					36



Connecticut

School—Professional Employees & Clerical Manual Premium	1	8868	72,372	0.34	<u>246</u>	246
Total Manual Premium						246
Blanket Waiver 2% (\$250 Minimum)		0930				5
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812				3
Total Premium Subject To Experience Modification						254
Experience Modification N/A						254
Premium Discount 11%		0063				-28
Terrorism 3%		9740				22
Catastrophe (other than Terrorism) 1.2%		9741				9
Expense Constant		0900				0
Total CT Premium						257
Second Injury Fund Assessment 2.25%		9999				6
WC Admin Funds Assessment - Industrial Classes 2.3%		9999				6
Total CT Cost						269



Georgia

School—Professional Employees & Clerical Manual Premium	1	8868	255,550	0.27	<u>690</u>
					690
Total Manual Premium					690
Blanket Waiver 2% (\$250 Minimum)		0930			14
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			8
Total Premium Subject To Experience Modification					712
Experience Modification N/A					712
Premium Discount 3.8%		0063			-27
Terrorism 0.8%		9740			20
Catastrophe (other than Terrorism) 2%		9741			51
Expense Constant		0900			0
Total GA Premium					756
Total GA Cost					756



Massachusetts

School—Professional Employees & Clerical	1	8868	76,000	0.60	456
MA Rate Deviation	0	9037		0.00	-91
Manual Premium					<u>365</u>
Total Manual Premium					365
Blanket Waiver 2%		0930			7
Premium for Increased Limits Part Two: 2% (1000/1000/1000)		9812			7
Total Premium Subject To Experience Modification					379
Experience Modification N/A					379
Loss Constant		0032			20
Premium Discount 8.5%		0063			-32
Terrorism 3%		9740			23
Catastrophe (other than Terrorism) 0%		9741			0
Expense Constant		0900			250
Total MA Premium					640
DIA Assessment 4.82%		9751			22
Total MA Cost					662



Maryland

School—Professional Employees & Clerical Manual Premium	1	8868	171,150	0.19	<u>325</u>
					325
Total Manual Premium					325
Blanket Waiver 2% (\$250 Minimum)		0930			7
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			4
Total Premium Subject To Experience Modification					336
Experience Modification N/A					336
Premium Discount 11%		0063			-37
Terrorism 6%		9740			103
Catastrophe (other than Terrorism) 1%		9741			17
Expense Constant		0900			0
Total MD Premium					419
Total MD Cost					419



Maine

School—Professional Employees & Clerical Manual Premium	1	8868	85,685	0.28	<u>240</u>	240
Total Manual Premium						240
Blanket Waiver 2% (\$250 Minimum)		0930				5
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812				3
Total Premium Subject To Experience Modification						248
Experience Modification N/A						248
Premium Discount 11%		0063				-27
Terrorism 0.7%		9740				6
Catastrophe (other than Terrorism) 1%		9741				9
Expense Constant		0900				0
Total ME Premium						236
Workers Compensation Board Assessment 2.34%		9999				6
Total ME Cost						242



Michigan

School—Professional Employees	1	8868	92,700	0.20	<u>185</u>
Manual Premium					185
Total Manual Premium					185
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Blanket Waiver 2% (\$250 Minimum)		0930			4
Total Premium Subject To Experience Modification					191
Experience Modification N/A					191
Merit Rating Credit 0%		9887			0
Premium Discount 9.9%		0063			-19
Terrorism 2%		9740			19
Expense Constant		0900			0
Total MI Premium					191
Total MI Cost					191



MinnesotaSCHOOL: PROFESSIONAL EMPLOYEES &
CLERICAL

	1	8868	89,550	0.36	<u>322</u>
Manual Premium					322
Total Manual Premium					322
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			4
Blanket Waiver 2% (\$250 Minimum)		0930			7
Total Premium Subject To Experience Modification					333
Experience Modification N/A					333
Premium Discount 8.5%		0063			-28
Foreign Terrorism 0.7%		9740			6
Expense Constant		0900			0
Total MN Premium					311
Special Compensation Fund 3.1185%		0174			10
Total MN Cost					321



New Jersey

School—Professional Employees & Clerical Manual Premium	1	8868	217,622	1.27	<u>2,764</u>	2,764
Total Manual Premium						2,764
Premium for Increased Limits Part Two: 1.4% (\$1,000,000/\$1,000,000/\$1,000,000)		6199				39
Total Premium Subject To Experience Modification						2,803
Experience Modification N/A						2,803
Terrorism 3%		9740				65
Catastrophe (other than Terrorism) 1%		9741				22
Expense Constant		0900				0
Total NJ Premium						2,890
Second Injury Fund Surcharge 4.19%		0935				117
Uninsured Employers Fund Surcharge 0%		0936				0
Total NJ Cost						3,007



Nevada

School—Professional Employees & Clerical Manual Premium	1	8868	94,100	0.45	<u>423</u>
					423
Total Manual Premium					423
Blanket Waiver 2% (\$250 Minimum)		0930			8
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			5
Total Premium Subject To Experience Modification					436
Experience Modification N/A					436
Premium Discount 11%		0063			-48
Terrorism 1%		9740			9
Catastrophe (other than Terrorism) 1%		9741			9
Expense Constant		0900			0
Total NV Premium					406
Total NV Cost					406



Pennsylvania

School, Trade Or Vocational Manual Premium	1094	965	57,609,248	0.44	<u>253,481</u> 253,481
Total Manual Premium					253,481
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			3,549
Blanket Waiver 2% (\$250 Minimum)		0930			5,141
Total Premium Subject To Experience Modification					262,171
Experience Modification 60.8%					159,400
Schedule Modifier -12%		9887			-19,128
Certified Safety Committee Credit 5%		9890			-7,014
Premium Discount 3.8%		0063			-5,064
Terrorism 3%		9740			17,283
Catastrophe (other than Terrorism) 1%		9741			5,761
Expense Constant		0900			0
Total PA Premium					151,238
PA Employer Assessment 2.42%		0938			3,660
Total PA Cost					154,898



South Carolina

School—Professional Employees & Clerical Manual Premium	1	8868	76,189	0.28	<u>213</u>	213
Total Manual Premium						213
Blanket Waiver 2% (\$250 Minimum)		0930				4
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812				2
Total Premium Subject To Experience Modification						219
Experience Modification N/A						219
Premium Discount 11%		0063				-24
Terrorism 0.7%		9740				5
Catastrophe (other than Terrorism) 1%		9741				8
Expense Constant		0900				0
Total SC Premium						208
Total SC Cost						208



Tennessee

School—Professional Employees & Clerical Manual Premium	1	8868	82,095	0.16	<u>131</u>
					131
Total Manual Premium					131
Blanket Waiver 2% (\$250 Minimum)		0930			3
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					136
Experience Modification N/A					136
Premium Discount 11%		0063			-15
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total TN Premium					135
Total TN Cost					135



Texas

School: Professional Employees	1	8868	84,725	0.21	<u>178</u>
Manual Premium					178
Total Manual Premium					178
Blanket Waiver 2%		0930			4
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					184
Experience Modification N/A					184
Premium Discount 9.9%		0063			-18
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total TX Premium					180
Total TX Cost					180



Virginia

School—Professional Employees & Clerical Manual Premium	1	8868	78,525	0.19	<u>149</u>
					149
Total Manual Premium					149
Blanket Waiver 2% (\$250 Minimum)		0930			3
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					154
Experience Modification N/A					154
Premium Discount 11%		0063			-17
Terrorism 1%		9740			8
Catastrophe 0%		9741			0
Expense Constant		0900			0
Total VA Premium					145
Total VA Cost					145



West Virginia

School—Professional Employees & Clerical Manual Premium	1	8868	141,390	0.14	<u>198</u> <u>198</u>
Total Manual Premium					198
Blanket Waiver 2% (\$250 Minimum)		0930			4
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					205
Experience Modification N/A					205
Premium Discount 11%		0063			-23
Terrorism 0.6%		9740			8
Catastrophe (other than Terrorism) 1%		9741			14
Expense Constant		0900			0
Total WV Premium					204
WV Regulatory Surcharge 5%		9999			10
Total WV Cost					214

TOTAL ESTIMATED ANNUAL PREMIUM					159,823
STATE ASSESSMENT					3,931
TOTAL COST					163,754
POLICY COST BEFORE ENDORSEMENT					169,578
TOTAL ENDORSEMENT PREMIUM CHANGE					(5,824)



Security National Insurance Company

WC 99 00 01 B

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WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
POLICY

INFORMATION PAGE

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

PAYMENT SCHEDULE

Statement Closing Date	Payment Due Date	Description	Amount Due
	6/30/2024	Annual Premium Due	\$169,578.00
	7/1/2024	Endorsement	(\$5,824.00)
Total Cost			\$163,754.00



Security National Insurance Company

WC 99 00 01 D

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
POLICY

INFORMATION PAGE

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

**EXTENSION OF INFORMATION PAGE FOR ITEM #4
ITEM 4: SCHEDULE OF PREMIUMS**

Classifications	# of Emps	Code No.	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remun.	Estimated Annual Premium
California					
Colleges or Schools — private — academic professionals	1	8868	82,095	1.91	1,568
Manual Premium					1,568
Total Manual Premium					1,568
Blanket Waiver 2% (\$250 Minimum)		0930			31
Total Premium Subject To Experience Modification					1,599
Experience Modification N/A					1,599
Premium Discount 3.8%		0063			-61
Terrorism 3%		9740			25
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total CA Premium					1,571
WCARF 2.4604%		9999			39
UEBTF 0.1505%		9999			2
SIBTF 1.5891%		9999			25
OSHAF 0.7266%		9999			11
LECF 0.7109%		9999			11
FRAUD 0.4122%		9999			6
Total CA Cost					1,665



Colorado

Clerical Telecommuter Employees	1	8871	68,657	0.04	<u>27</u>
Manual Premium					27
Total Manual Premium					27
Blanket Waiver 2% (\$250 Minimum)		0930			1
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			0
Total Premium Subject To Experience Modification					28
Experience Modification N/A					28
Premium Discount 11%		0063			-3
Terrorism 0.6%		9740			4
Catastrophe (other than Terrorism) 1%		9741			7
Expense Constant		0900			0
Total CO Premium					36
Total CO Cost					36



Connecticut

School—Professional Employees & Clerical Manual Premium	1	8868	72,372	0.34	<u>246</u>
					246
Total Manual Premium					246
Blanket Waiver 2% (\$250 Minimum)		0930			5
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					254
Experience Modification N/A					254
Premium Discount 11%		0063			-28
Terrorism 3%		9740			22
Catastrophe (other than Terrorism) 1.2%		9741			9
Expense Constant		0900			0
Total CT Premium					257
Second Injury Fund Assessment 2.25%		9999			6
WC Admin Funds Assessment - Industrial Classes 2.3%		9999			6
Total CT Cost					269



Georgia

School—Professional Employees & Clerical Manual Premium	1	8868	255,550	0.27	<u>690</u>
					690
Total Manual Premium					690
Blanket Waiver 2% (\$250 Minimum)		0930			14
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			8
Total Premium Subject To Experience Modification					712
Experience Modification N/A					712
Premium Discount 3.8%		0063			-27
Terrorism 0.8%		9740			20
Catastrophe (other than Terrorism) 2%		9741			51
Expense Constant		0900			0
Total GA Premium					756
Total GA Cost					756



Massachusetts

School—Professional Employees & Clerical	1	8868	76,000	0.60	456
MA Rate Deviation	0	9037		0.00	-91
Manual Premium					<u>365</u>
Total Manual Premium					365
Blanket Waiver 2%		0930			7
Premium for Increased Limits Part Two: 2% (1000/1000/1000)		9812			7
Total Premium Subject To Experience Modification					379
Experience Modification N/A					379
Loss Constant		0032			20
Premium Discount 8.5%		0063			-32
Terrorism 3%		9740			23
Catastrophe (other than Terrorism) 0%		9741			0
Expense Constant		0900			250
Total MA Premium					640
DIA Assessment 4.82%		9751			22
Total MA Cost					662



Maryland

School—Professional Employees & Clerical Manual Premium	1	8868	171,150	0.19	<u>325</u>
					325
Total Manual Premium					325
Blanket Waiver 2% (\$250 Minimum)		0930			7
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			4
Total Premium Subject To Experience Modification					336
Experience Modification N/A					336
Premium Discount 11%		0063			-37
Terrorism 6%		9740			103
Catastrophe (other than Terrorism) 1%		9741			17
Expense Constant		0900			0
Total MD Premium					419
Total MD Cost					419



Maine

School—Professional Employees & Clerical Manual Premium	1	8868	85,685	0.28	<u>240</u>
					240
Total Manual Premium					240
Blanket Waiver 2% (\$250 Minimum)		0930			5
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					248
Experience Modification N/A					248
Premium Discount 11%		0063			-27
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			9
Expense Constant		0900			0
Total ME Premium					236
Workers Compensation Board Assessment 2.34%		9999			6
Total ME Cost					242



Michigan

School—Professional Employees	1	8868	92,700	0.20	<u>185</u>
Manual Premium					185
Total Manual Premium					185
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Blanket Waiver 2% (\$250 Minimum)		0930			4
Total Premium Subject To Experience Modification					191
Experience Modification N/A					191
Merit Rating Credit 0%		9887			0
Premium Discount 9.9%		0063			-19
Terrorism 2%		9740			19
Expense Constant		0900			0
Total MI Premium					191
Total MI Cost					191



MinnesotaSCHOOL: PROFESSIONAL EMPLOYEES &
CLERICAL

	1	8868	89,550	0.36	<u>322</u>
Manual Premium					322
Total Manual Premium					322
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			4
Blanket Waiver 2% (\$250 Minimum)		0930			7
Total Premium Subject To Experience Modification					333
Experience Modification N/A					333
Premium Discount 8.5%		0063			-28
Foreign Terrorism 0.7%		9740			6
Expense Constant		0900			0
Total MN Premium					311
Special Compensation Fund 3.1185%		0174			10
Total MN Cost					321



New Jersey

School—Professional Employees & Clerical Manual Premium	1	8868	217,622	1.27	<u>2,764</u> 2,764
Total Manual Premium					2,764
Premium for Increased Limits Part Two: 1.4% (\$1,000,000/\$1,000,000/\$1,000,000)		6199			39
Total Premium Subject To Experience Modification					2,803
Experience Modification N/A					2,803
Terrorism 3%		9740			65
Catastrophe (other than Terrorism) 1%		9741			22
Expense Constant		0900			0
Total NJ Premium					2,890
Second Injury Fund Surcharge 4.19%		0935			117
Uninsured Employers Fund Surcharge 0%		0936			0
Total NJ Cost					3,007



Nevada

School—Professional Employees & Clerical Manual Premium	1	8868	94,100	0.45	<u>423</u>	423
Total Manual Premium						423
Blanket Waiver 2% (\$250 Minimum)		0930				8
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812				5
Total Premium Subject To Experience Modification						436
Experience Modification N/A						436
Premium Discount 11%		0063				-48
Terrorism 1%		9740				9
Catastrophe (other than Terrorism) 1%		9741				9
Expense Constant		0900				0
Total NV Premium						406
Total NV Cost						406



Pennsylvania

School, Trade Or Vocational Manual Premium	1094	965	57,609,248	0.44	<u>253,481</u> 253,481
Total Manual Premium					253,481
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			3,549
Blanket Waiver 2% (\$250 Minimum)		0930			5,141
Total Premium Subject To Experience Modification					262,171
Experience Modification 60.8%					159,400
Schedule Modifier -12%		9887			-19,128
Certified Safety Committee Credit 5%		9890			-7,014
Premium Discount 3.8%		0063			-5,064
Terrorism 3%		9740			17,283
Catastrophe (other than Terrorism) 1%		9741			5,761
Expense Constant		0900			0
Total PA Premium					151,238
PA Employer Assessment 2.42%		0938			3,660
Total PA Cost					154,898



South Carolina

School—Professional Employees & Clerical Manual Premium	1	8868	76,189	0.28	<u>213</u>
					213
Total Manual Premium					213
Blanket Waiver 2% (\$250 Minimum)		0930			4
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					219
Experience Modification N/A					219
Premium Discount 11%		0063			-24
Terrorism 0.7%		9740			5
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total SC Premium					208
Total SC Cost					208



Tennessee

School—Professional Employees & Clerical Manual Premium	1	8868	82,095	0.16	<u>131</u>
					131
Total Manual Premium					131
Blanket Waiver 2% (\$250 Minimum)		0930			3
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					136
Experience Modification N/A					136
Premium Discount 11%		0063			-15
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total TN Premium					135
Total TN Cost					135



Texas

School: Professional Employees	1	8868	84,725	0.21	<u>178</u>
Manual Premium					178
Total Manual Premium					178
Blanket Waiver 2%		0930			4
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					184
Experience Modification N/A					184
Premium Discount 9.9%		0063			-18
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total TX Premium					180
Total TX Cost					180



Virginia

School—Professional Employees & Clerical Manual Premium	1	8868	78,525	0.19	<u>149</u>
					149
Total Manual Premium					149
Blanket Waiver 2% (\$250 Minimum)		0930			3
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					154
Experience Modification N/A					154
Premium Discount 11%		0063			-17
Terrorism 1%		9740			8
Catastrophe 0%		9741			0
Expense Constant		0900			0
Total VA Premium					145
Total VA Cost					145



West Virginia

School—Professional Employees & Clerical Manual Premium	1	8868	141,390	0.14	<u>198</u> 198
Total Manual Premium					198
Blanket Waiver 2% (\$250 Minimum)		0930			4
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					205
Experience Modification N/A					205
Premium Discount 11%		0063			-23
Terrorism 0.6%		9740			8
Catastrophe (other than Terrorism) 1%		9741			14
Expense Constant		0900			0
Total WV Premium					204
WV Regulatory Surcharge 5%		9999			10
Total WV Cost					214

TOTAL ESTIMATED ANNUAL PREMIUM					159,823
STATE ASSESSMENT					3,931
TOTAL COST					163,754
POLICY COST BEFORE ENDORSEMENT					169,578
TOTAL ENDORSEMENT PREMIUM CHANGE					(5,824)



Security National Insurance Company

WC 99 00 01 D

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
POLICY

INFORMATION PAGE

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

PAYMENT SCHEDULE

Statement Closing Date	Payment Due Date	Description	Amount Due
	6/30/2024	Annual Premium Due	\$169,578.00
	7/1/2024	Endorsement	(\$5,824.00)
Total Cost			\$163,754.00



Technology Insurance Company, Inc.
800 Superior Avenue East, 21st Floor
Cleveland, OH 44114

Policy Change Endorsement

The Pennsylvania Cyber Charter School
652 Midland Ave
Midland, PA 15059

Wright Specialty Insurance Agency, LLC
900 Stewart Avenue, Suite 600
Garden City, NY. 11530

Enclosed is a Final Premium Audit Endorsement for Policy Number: TWC4293454

All Final Premium Audit Endorsements are mailed directly to the policyholder with a copy to the Agent indicated above.

For questions, please contact our Underwriting Office at: 877-528-7878.

If additional premium is due on the Policy, an invoice is enclosed here. Your prompt payment of the balance due is appreciated.

If a refund of premium is due on the policy, the return premium may be applied in full or in partial to any previously audited policies that have a balance due. Any remaining return premium will be refunded within 60 days of this Final Premium Audit Endorsement.

For questions regarding this Final Premium Audit, please contact our Customer Service Department at 877-528-7878.

9/12/2024



AmTrust North America
An AmTrust Financial Company







Technology Insurance Company

An AmTrust Financial Company

Policy TWC4293454 Endorsement 5

FINAL PREMIUM AUDIT

It is hereby understood and agreed that this endorsement, effective 12:01 a.m. 6/30/2023 forms a part of

Policy: TWC4293454
Issued to: The Pennsylvania Cyber Charter School
Policy Dates: 6/30/2023 to 6/30/2024
Description: Final Premium Audit - Completed

State of Florida - Premium for Period 1: 6/30/2023 to 6/30/2024

Classification	# Emps	Code	Payroll	Rate	Premium
School—Professional Employees & Clerical	0	8868	434,485	0.39	1,694
Manual Premium					1,694
Total Manual Premium					1,694
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			24
Premium to Equal Increased Limits Minimum Charge		9848			96
Blanket Waiver 2% (\$50 Minimum)		0930			50
Total Premium Subject To Experience Modification					1,864
Experience Modification N/A					1,864
Terrorism Risk Insurance Act 1%		9740			43
Expense Constant		0900			160
Total FL Premium					<u>2,067</u>
Total FL Cost					2,067

Policy Cost					2,067
Minimum Premium		\$319			
Premium Paid to Date					2,142
Total Additional/(Return) Due					(75)

Printed: 9/12/2024

C

TWC4293454

Authorized Representative



If you have questions, please contact:

Technology Insurance Company, Inc., 877-528-7878
P.O. Box 31330, Cleveland OH 44131-0480

cc: Wright Specialty Insurance Agency, LLC
900 Stewart Avenue, Suite 600
Garden City, NY 11530



Security National Insurance Company
800 Superior Avenue East, 21st Floor
Cleveland, OH 44114

Policy Change Endorsement

The Pennsylvania Cyber Charter School
652 Midland Ave
Midland, PA 15059

Wright Specialty Insurance Agency, LLC
900 Stewart Avenue, Suite 600
Garden City, NY. 11530

Enclosed is a Policy Change Endorsement for Policy Number: SWC1502124

For questions, please contact our Underwriting Office at: 877-528-7878.

8/22/2024



AmTrust North America
An AmTrust Financial Company



POLICY INFORMATION PAGE ENDORSEMENT

Insured: The Pennsylvania Cyber Charter School Policy No: SWC1502124
 Policy Period: 6/30/2024 to 6/30/2025 Endorsement No: 2
 Carrier Name: Security National Insurance Company Endmt Effective: 8/1/2024

Authorized Rep: 

The following item(s)

- | | |
|---|---|
| <input type="checkbox"/> Insured's Name (WC 89 06 01) | <input type="checkbox"/> Item 3.B. Limits (WC 89 06 12) |
| <input type="checkbox"/> Policy Number (WC 89 06 02) | <input type="checkbox"/> Item 3.C. States (WC 89 06 13) |
| <input type="checkbox"/> Effective Date (WC 89 06 03) | <input type="checkbox"/> Item 3.D. Endorsement Numbers (WC 89 06 14) |
| <input type="checkbox"/> Expiration Date (WC 89 06 04) | <input checked="" type="checkbox"/> Item 4.* Class, Rate, Other (WC 89 04 15) |
| <input type="checkbox"/> Insured's Mailing Address (WC 89 06 05) | <input type="checkbox"/> Interim Adjustment of Premium (WC 89 04 16) |
| <input type="checkbox"/> Experience Modification (WC 89 04 06) | <input type="checkbox"/> Carrier Servicing Office (WC 89 06 17) |
| <input type="checkbox"/> Producer's Name (WC 89 06 07) | <input type="checkbox"/> Interstate/Intrastate Risk ID Number (WC 89 06 18) |
| <input type="checkbox"/> Change in Workplace of Insured (WC 89 06 08) | <input type="checkbox"/> Carrier Number (WC 89 06 19) |
| <input type="checkbox"/> Insured's Legal Status (WC 89 06 10) | <input type="checkbox"/> Issuing Agency/Producer Office Address (WC 89 06 25) |
| <input type="checkbox"/> Item 3.A. States (WC 89 06 11) | |

is changed to read:

Payroll is amended to read: PA Class code 965 - \$57,537,248



SECURITY NATIONAL INSURANCE COMPANY

WORKERS' COMPENSATION
and
EMPLOYERS' LIABILITY INSURANCE POLICY

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



Stephen Ungar, Secretary



Christopher H. Foy, President

To obtain information, please contact your agent or Security National Insurance Company at **877-528-7878**. You may also write Security National Insurance Company Consumer Relations at:

800 Superior Avenue East, 21st Floor
Cleveland, OH 44114

WC 99 00 00 A



SECURITY NATIONAL INSURANCE COMPANY

WORKERS' COMPENSATION
and
EMPLOYERS' LIABILITY INSURANCE POLICY

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



Stephen Ungar, Secretary



Christopher H. Foy, President

To obtain information, please contact your agent or Security National Insurance Company at **877-528-7878**. You may also write Security National Insurance Company Consumer Relations at:

800 Superior Avenue East, 21st Floor
Cleveland, OH 44114

WC 99 00 00 A



SECURITY NATIONAL INSURANCE COMPANY

[2711 Centerville Road, Suite
400
Wilmington, DE 19808]

WORKERS' COMPENSATION
and
EMPLOYERS' LIABILITY INSURANCE POLICY

In Witness Whereof, we have caused this policy to be executed and attested.

[]	[]
[Stephen Ungar, Secretary]	[Christopher H. Foy, President]

To obtain information, please contact your agent or Security National Insurance Company at **877-528-7878**. You may also write Security National Insurance Company Consumer Relations at:

800 Superior Avenue East, 21st Floor
Cleveland, OH 44114

WC 99 00 00 B

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective	8/1/2024	Policy No.	SWC1502124	Endorsement No.	2
Insured	The Pennsylvania Cyber Charter School			Premium \$	159634
Insurance Company	Security National Insurance Company				



Security National Insurance Company

WC 99 00 01 B

1 of 2

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
POLICY

INFORMATION PAGE

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

EXTENSION OF INFORMATION PAGE FOR ITEM #4
ITEM 4: SCHEDULE OF PREMIUMS

Classifications	# of Emps	Code No.	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remun.	Estimated Annual Premium
California					
Colleges or Schools — private — academic professionals	1	8868	82,095	1.91	<u>1,568</u>
Manual Premium					1,568
Total Manual Premium					1,568
Blanket Waiver 2% (\$250 Minimum)		0930			31
Total Premium Subject To Experience Modification					1,599
Experience Modification N/A					1,599
Premium Discount 3.8%		0063			-61
Terrorism 3%		9740			25
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total CA Premium					1,571
WCARF 2.4604%		9999			39
UEBTF 0.1505%		9999			2
SIBTF 1.5891%		9999			25
OSHAF 0.7266%		9999			11
LECF 0.7109%		9999			11
FRAUD 0.4122%		9999			6
Total CA Cost					1,665



Colorado

Clerical Telecommuter Employees	1	8871	68,657	0.04	<u>27</u>
Manual Premium					27
Total Manual Premium					27
Blanket Waiver 2% (\$250 Minimum)		0930			1
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			0
Total Premium Subject To Experience Modification					28
Experience Modification N/A					28
Premium Discount 11%		0063			-3
Terrorism 0.6%		9740			4
Catastrophe (other than Terrorism) 1%		9741			7
Expense Constant		0900			0
Total CO Premium					36
Total CO Cost					36



Connecticut

School—Professional Employees & Clerical Manual Premium	1	8868	72,372	0.34	<u>246</u> 246
Total Manual Premium					246
Blanket Waiver 2% (\$250 Minimum)		0930			5
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					254
Experience Modification N/A					254
Premium Discount 11%		0063			-28
Terrorism 3%		9740			22
Catastrophe (other than Terrorism) 1.2%		9741			9
Expense Constant		0900			0
Total CT Premium					257
Second Injury Fund Assessment 2.25%		9999			6
WC Admin Funds Assessment - Industrial Classes 2.3%		9999			6
Total CT Cost					269



Georgia

School—Professional Employees & Clerical Manual Premium	1	8868	255,550	0.27	<u>690</u> 690
Total Manual Premium					690
Blanket Waiver 2% (\$250 Minimum)		0930			14
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			8
Total Premium Subject To Experience Modification					712
Experience Modification N/A					712
Premium Discount 3.8%		0063			-27
Terrorism 0.8%		9740			20
Catastrophe (other than Terrorism) 2%		9741			51
Expense Constant		0900			0
Total GA Premium					756
Total GA Cost					756



Massachusetts

School—Professional Employees & Clerical	1	8868	76,000	0.60	456
MA Rate Deviation	0	9037		0.00	-91
Manual Premium					<u>365</u>
Total Manual Premium					365
Blanket Waiver 2%		0930			7
Premium for Increased Limits Part Two: 2% (1000/1000/1000)		9812			7
Total Premium Subject To Experience Modification					379
Experience Modification N/A					379
Loss Constant		0032			20
Premium Discount 8.5%		0063			-32
Terrorism 3%		9740			23
Catastrophe (other than Terrorism) 0%		9741			0
Expense Constant		0900			250
Total MA Premium					640
DIA Assessment 4.82%		9751			22
Total MA Cost					662



Maryland

School—Professional Employees & Clerical Manual Premium	1	8868	171,150	0.19	<u>325</u> 325
Total Manual Premium					325
Blanket Waiver 2% (\$250 Minimum)		0930			7
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			4
Total Premium Subject To Experience Modification					336
Experience Modification N/A					336
Premium Discount 11%		0063			-37
Terrorism 6%		9740			103
Catastrophe (other than Terrorism) 1%		9741			17
Expense Constant		0900			0
Total MD Premium					419
Total MD Cost					419



Maine

School—Professional Employees & Clerical Manual Premium	1	8868	85,685	0.28	<u>240</u> 240
Total Manual Premium					240
Blanket Waiver 2% (\$250 Minimum)		0930			5
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					248
Experience Modification N/A					248
Premium Discount 11%		0063			-27
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			9
Expense Constant		0900			0
Total ME Premium					236
Workers Compensation Board Assessment 2.34%		9999			6
Total ME Cost					242



Michigan

School—Professional Employees	1	8868	92,700	0.20	<u>185</u>
Manual Premium					185
Total Manual Premium					185
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Blanket Waiver 2% (\$250 Minimum)		0930			4
Total Premium Subject To Experience Modification					191
Experience Modification N/A					191
Merit Rating Credit 0%		9887			0
Premium Discount 9.9%		0063			-19
Terrorism 2%		9740			19
Expense Constant		0900			0
Total MI Premium					191
Total MI Cost					191



MinnesotaSCHOOL: PROFESSIONAL EMPLOYEES &
CLERICAL

	1	8868	89,550	0.36	<u>322</u>
Manual Premium					322
Total Manual Premium					322
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			4
Blanket Waiver 2% (\$250 Minimum)		0930			7
Total Premium Subject To Experience Modification					333
Experience Modification N/A					333
Premium Discount 8.5%		0063			-28
Foreign Terrorism 0.7%		9740			6
Expense Constant		0900			0
Total MN Premium					311
Special Compensation Fund 3.1185%		0174			10
Total MN Cost					321



New Jersey

School—Professional Employees & Clerical Manual Premium	1	8868	217,622	1.27	<u>2,764</u> 2,764
Total Manual Premium					2,764
Premium for Increased Limits Part Two: 1.4% (\$1,000,000/\$1,000,000/\$1,000,000)		6199			39
Total Premium Subject To Experience Modification					2,803
Experience Modification N/A					2,803
Terrorism 3%		9740			65
Catastrophe (other than Terrorism) 1%		9741			22
Expense Constant		0900			0
Total NJ Premium					2,890
Second Injury Fund Surcharge 4.19%		0935			117
Uninsured Employers Fund Surcharge 0%		0936			0
Total NJ Cost					3,007



Nevada

School—Professional Employees & Clerical Manual Premium	1	8868	94,100	0.45	<u>423</u>
					423
Total Manual Premium					423
Blanket Waiver 2% (\$250 Minimum)		0930			8
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			5
Total Premium Subject To Experience Modification					436
Experience Modification N/A					436
Premium Discount 11%		0063			-48
Terrorism 1%		9740			9
Catastrophe (other than Terrorism) 1%		9741			9
Expense Constant		0900			0
Total NV Premium					406
Total NV Cost					406



Pennsylvania

School, Trade Or Vocational Manual Premium	1094	965	57,537,248	0.44	<u>253,164</u> 253,164
Total Manual Premium					253,164
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			3,544
Blanket Waiver 2% (\$250 Minimum)		0930			5,134
Total Premium Subject To Experience Modification					261,842
Experience Modification 60.8%					159,200
Schedule Modifier -12%		9887			-19,104
Certified Safety Committee Credit 5%		9890			-7,005
Premium Discount 3.8%		0063			-5,057
Terrorism 3%		9740			17,261
Catastrophe (other than Terrorism) 1%		9741			5,754
Expense Constant		0900			0
Total PA Premium					151,049
PA Employer Assessment 2.42%		0938			3,655
Total PA Cost					154,704



South Carolina

School—Professional Employees & Clerical Manual Premium	1	8868	76,189	0.28	<u>213</u> 213
Total Manual Premium					213
Blanket Waiver 2% (\$250 Minimum)		0930			4
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					219
Experience Modification N/A					219
Premium Discount 11%		0063			-24
Terrorism 0.7%		9740			5
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total SC Premium					208
Total SC Cost					208



Tennessee

School—Professional Employees & Clerical Manual Premium	1	8868	82,095	0.16	<u>131</u>
					131
Total Manual Premium					131
Blanket Waiver 2% (\$250 Minimum)		0930			3
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					136
Experience Modification N/A					136
Premium Discount 11%		0063			-15
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total TN Premium					135
Total TN Cost					135



Texas

School: Professional Employees	1	8868	84,725	0.21	<u>178</u>
Manual Premium					178
Total Manual Premium					178
Blanket Waiver 2%		0930			4
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					184
Experience Modification N/A					184
Premium Discount 9.9%		0063			-18
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total TX Premium					180
Total TX Cost					180



Virginia

School—Professional Employees & Clerical Manual Premium	1	8868	78,525	0.19	<u>149</u> <u>149</u>
Total Manual Premium					149
Blanket Waiver 2% (\$250 Minimum)		0930			3
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					154
Experience Modification N/A					154
Premium Discount 11%		0063			-17
Terrorism 1%		9740			8
Catastrophe 0%		9741			0
Expense Constant		0900			0
Total VA Premium					145
Total VA Cost					145



West Virginia

School—Professional Employees & Clerical Manual Premium	1	8868	141,390	0.14	<u>198</u> 198
Total Manual Premium					198
Blanket Waiver 2% (\$250 Minimum)		0930			4
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					205
Experience Modification N/A					205
Premium Discount 11%		0063			-23
Terrorism 0.6%		9740			8
Catastrophe (other than Terrorism) 1%		9741			14
Expense Constant		0900			0
Total WV Premium					204
WV Regulatory Surcharge 5%		9999			10
Total WV Cost					214

TOTAL ESTIMATED ANNUAL PREMIUM					159,634
STATE ASSESSMENT					3,926
TOTAL COST					163,560
POLICY COST BEFORE ENDORSEMENT					163,754
TOTAL ENDORSEMENT PREMIUM CHANGE					(194)



Security National Insurance Company

WC 99 00 01 B

2 of 2

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
POLICY

INFORMATION PAGE

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

PAYMENT SCHEDULE

Statement Closing Date	Payment Due Date	Description	Amount Due
	6/30/2024	Annual Premium Due	\$169,578.00
	7/1/2024	Endorsement	(\$5,824.00)
	8/22/2024	Endorsement	(\$194.00)
			Total Cost \$163,560.00



Security National Insurance Company

WC 99 00 01 D

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
POLICY

INFORMATION PAGE

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

EXTENSION OF INFORMATION PAGE FOR ITEM #4
ITEM 4: SCHEDULE OF PREMIUMS

Classifications	# of Emps	Code No.	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remun.	Estimated Annual Premium
California					
Colleges or Schools — private — academic professionals	1	8868	82,095	1.91	<u>1,568</u>
Manual Premium					1,568
Total Manual Premium					1,568
Blanket Waiver 2% (\$250 Minimum)		0930			31
Total Premium Subject To Experience Modification					1,599
Experience Modification N/A					1,599
Premium Discount 3.8%		0063			-61
Terrorism 3%		9740			25
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total CA Premium					1,571
WCARF 2.4604%		9999			39
UEBTF 0.1505%		9999			2
SIBTF 1.5891%		9999			25
OSHAF 0.7266%		9999			11
LECF 0.7109%		9999			11
FRAUD 0.4122%		9999			6
Total CA Cost					1,665



Colorado

Clerical Telecommuter Employees	1	8871	68,657	0.04	<u>27</u>
Manual Premium					27
Total Manual Premium					27
Blanket Waiver 2% (\$250 Minimum)		0930			1
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			0
Total Premium Subject To Experience Modification					28
Experience Modification N/A					28
Premium Discount 11%		0063			-3
Terrorism 0.6%		9740			4
Catastrophe (other than Terrorism) 1%		9741			7
Expense Constant		0900			0
Total CO Premium					36
Total CO Cost					36



Connecticut

School—Professional Employees & Clerical Manual Premium	1	8868	72,372	0.34	<u>246</u> 246
Total Manual Premium					246
Blanket Waiver 2% (\$250 Minimum)		0930			5
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					254
Experience Modification N/A					254
Premium Discount 11%		0063			-28
Terrorism 3%		9740			22
Catastrophe (other than Terrorism) 1.2%		9741			9
Expense Constant		0900			0
Total CT Premium					257
Second Injury Fund Assessment 2.25%		9999			6
WC Admin Funds Assessment - Industrial Classes 2.3%		9999			6
Total CT Cost					269



Georgia

School—Professional Employees & Clerical Manual Premium	1	8868	255,550	0.27	<u>690</u> 690
Total Manual Premium					690
Blanket Waiver 2% (\$250 Minimum)		0930			14
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			8
Total Premium Subject To Experience Modification					712
Experience Modification N/A					712
Premium Discount 3.8%		0063			-27
Terrorism 0.8%		9740			20
Catastrophe (other than Terrorism) 2%		9741			51
Expense Constant		0900			0
Total GA Premium					756
Total GA Cost					756



Massachusetts

School—Professional Employees & Clerical	1	8868	76,000	0.60	456
MA Rate Deviation	0	9037		0.00	-91
Manual Premium					<u>365</u>
Total Manual Premium					365
Blanket Waiver 2%		0930			7
Premium for Increased Limits Part Two: 2% (1000/1000/1000)		9812			7
Total Premium Subject To Experience Modification					379
Experience Modification N/A					379
Loss Constant		0032			20
Premium Discount 8.5%		0063			-32
Terrorism 3%		9740			23
Catastrophe (other than Terrorism) 0%		9741			0
Expense Constant		0900			250
Total MA Premium					640
DIA Assessment 4.82%		9751			22
Total MA Cost					662



Maryland

School—Professional Employees & Clerical Manual Premium	1	8868	171,150	0.19	<u>325</u> 325
Total Manual Premium					325
Blanket Waiver 2% (\$250 Minimum)		0930			7
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			4
Total Premium Subject To Experience Modification					336
Experience Modification N/A					336
Premium Discount 11%		0063			-37
Terrorism 6%		9740			103
Catastrophe (other than Terrorism) 1%		9741			17
Expense Constant		0900			0
Total MD Premium					419
Total MD Cost					419



Maine

School—Professional Employees & Clerical Manual Premium	1	8868	85,685	0.28	<u>240</u> 240
Total Manual Premium					240
Blanket Waiver 2% (\$250 Minimum)		0930			5
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					248
Experience Modification N/A					248
Premium Discount 11%		0063			-27
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			9
Expense Constant		0900			0
Total ME Premium					236
Workers Compensation Board Assessment 2.34%		9999			6
Total ME Cost					242



Michigan

School—Professional Employees	1	8868	92,700	0.20	<u>185</u>
Manual Premium					185
Total Manual Premium					185
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Blanket Waiver 2% (\$250 Minimum)		0930			4
Total Premium Subject To Experience Modification					191
Experience Modification N/A					191
Merit Rating Credit 0%		9887			0
Premium Discount 9.9%		0063			-19
Terrorism 2%		9740			19
Expense Constant		0900			0
Total MI Premium					191
Total MI Cost					191



MinnesotaSCHOOL: PROFESSIONAL EMPLOYEES &
CLERICAL

	1	8868	89,550	0.36	<u>322</u>
Manual Premium					322
Total Manual Premium					322
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			4
Blanket Waiver 2% (\$250 Minimum)		0930			7
Total Premium Subject To Experience Modification					333
Experience Modification N/A					333
Premium Discount 8.5%		0063			-28
Foreign Terrorism 0.7%		9740			6
Expense Constant		0900			0
Total MN Premium					311
Special Compensation Fund 3.1185%		0174			10
Total MN Cost					321



New Jersey

School—Professional Employees & Clerical Manual Premium	1	8868	217,622	1.27	<u>2,764</u> 2,764
Total Manual Premium					2,764
Premium for Increased Limits Part Two: 1.4% (\$1,000,000/\$1,000,000/\$1,000,000)		6199			39
Total Premium Subject To Experience Modification					2,803
Experience Modification N/A					2,803
Terrorism 3%		9740			65
Catastrophe (other than Terrorism) 1%		9741			22
Expense Constant		0900			0
Total NJ Premium					2,890
Second Injury Fund Surcharge 4.19%		0935			117
Uninsured Employers Fund Surcharge 0%		0936			0
Total NJ Cost					3,007



Nevada

School—Professional Employees & Clerical Manual Premium	1	8868	94,100	0.45	<u>423</u> 423
Total Manual Premium					423
Blanket Waiver 2% (\$250 Minimum)		0930			8
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			5
Total Premium Subject To Experience Modification					436
Experience Modification N/A					436
Premium Discount 11%		0063			-48
Terrorism 1%		9740			9
Catastrophe (other than Terrorism) 1%		9741			9
Expense Constant		0900			0
Total NV Premium					406
Total NV Cost					406



Pennsylvania

School, Trade Or Vocational Manual Premium	1094	965	57,537,248	0.44	<u>253,164</u> 253,164
Total Manual Premium					253,164
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			3,544
Blanket Waiver 2% (\$250 Minimum)		0930			5,134
Total Premium Subject To Experience Modification					261,842
Experience Modification 60.8%					159,200
Schedule Modifier -12%		9887			-19,104
Certified Safety Committee Credit 5%		9890			-7,005
Premium Discount 3.8%		0063			-5,057
Terrorism 3%		9740			17,261
Catastrophe (other than Terrorism) 1%		9741			5,754
Expense Constant		0900			0
Total PA Premium					151,049
PA Employer Assessment 2.42%		0938			3,655
Total PA Cost					154,704



South Carolina

School—Professional Employees & Clerical Manual Premium	1	8868	76,189	0.28	<u>213</u> 213
Total Manual Premium					213
Blanket Waiver 2% (\$250 Minimum)		0930			4
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					219
Experience Modification N/A					219
Premium Discount 11%		0063			-24
Terrorism 0.7%		9740			5
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total SC Premium					208
Total SC Cost					208



Tennessee

School—Professional Employees & Clerical Manual Premium	1	8868	82,095	0.16	<u>131</u> 131
Total Manual Premium					131
Blanket Waiver 2% (\$250 Minimum)		0930			3
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					136
Experience Modification N/A					136
Premium Discount 11%		0063			-15
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total TN Premium					135
Total TN Cost					135



Texas

School: Professional Employees	1	8868	84,725	0.21	<u>178</u>
Manual Premium					178
Total Manual Premium					178
Blanket Waiver 2%		0930			4
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					184
Experience Modification N/A					184
Premium Discount 9.9%		0063			-18
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total TX Premium					180
Total TX Cost					180



Virginia

School—Professional Employees & Clerical Manual Premium	1	8868	78,525	0.19	<u>149</u> 149
Total Manual Premium					149
Blanket Waiver 2% (\$250 Minimum)		0930			3
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					154
Experience Modification N/A					154
Premium Discount 11%		0063			-17
Terrorism 1%		9740			8
Catastrophe 0%		9741			0
Expense Constant		0900			0
Total VA Premium					145
Total VA Cost					145



West Virginia

School—Professional Employees & Clerical Manual Premium	1	8868	141,390	0.14	198
					198
Total Manual Premium					198
Blanket Waiver 2% (\$250 Minimum)		0930			4
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					205
Experience Modification N/A					205
Premium Discount 11%		0063			-23
Terrorism 0.6%		9740			8
Catastrophe (other than Terrorism) 1%		9741			14
Expense Constant		0900			0
Total WV Premium					204
WV Regulatory Surcharge 5%		9999			10
Total WV Cost					214

TOTAL ESTIMATED ANNUAL PREMIUM					159,634
STATE ASSESSMENT					3,926
TOTAL COST					163,560
POLICY COST BEFORE ENDORSEMENT					163,754
TOTAL ENDORSEMENT PREMIUM CHANGE					(194)



Security National Insurance Company

WC 99 00 01 D

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
POLICY

INFORMATION PAGE

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

PAYMENT SCHEDULE

Statement Closing Date	Payment Due Date	Description	Amount Due
	6/30/2024	Annual Premium Due	\$169,578.00
	7/1/2024	Endorsement	(\$5,824.00)
	8/22/2024	Endorsement	(\$194.00)
Total Cost			\$163,560.00



Security National Insurance Company
800 Superior Avenue East, 21st Floor
Cleveland, OH 44114

Policy Change Endorsement

The Pennsylvania Cyber Charter School
652 Midland Ave
Midland, PA 15059

Wright Specialty Insurance Agency, LLC
900 Stewart Avenue, Suite 600
Garden City, NY. 11530

Enclosed is a Policy Change Endorsement for Policy Number: SWC1502124

For questions, please contact our Underwriting Office at: 877-528-7878.

8/27/2024



AmTrust North America
An AmTrust Financial Company



POLICY INFORMATION PAGE ENDORSEMENT

Insured: The Pennsylvania Cyber Charter School Policy No: SWC1502124
 Policy Period: 6/30/2024 to 6/30/2025 Endorsement No: 3
 Carrier Name: Security National Insurance Company Endmt Effective: 8/1/2024

Authorized Rep: 

The following item(s)

- | | |
|--|---|
| <input type="checkbox"/> Insured's Name (WC 89 06 01) | <input type="checkbox"/> Item 3.B. Limits (WC 89 06 12) |
| <input type="checkbox"/> Policy Number (WC 89 06 02) | <input type="checkbox"/> Item 3.C. States (WC 89 06 13) |
| <input type="checkbox"/> Effective Date (WC 89 06 03) | <input checked="" type="checkbox"/> Item 3.D. Endorsement Numbers (WC 89 06 14) |
| <input type="checkbox"/> Expiration Date (WC 89 06 04) | <input checked="" type="checkbox"/> Item 4.* Class, Rate, Other (WC 89 04 15) |
| <input type="checkbox"/> Insured's Mailing Address (WC 89 06 05) | <input type="checkbox"/> Interim Adjustment of Premium (WC 89 04 16) |
| <input type="checkbox"/> Experience Modification (WC 89 04 06) | <input type="checkbox"/> Carrier Servicing Office (WC 89 06 17) |
| <input type="checkbox"/> Producer's Name (WC 89 06 07) | <input type="checkbox"/> Interstate/Intrastate Risk ID Number (WC 89 06 18) |
| <input checked="" type="checkbox"/> Change in Workplace of Insured (WC 89 06 08) | <input type="checkbox"/> Carrier Number (WC 89 06 19) |
| <input type="checkbox"/> Insured's Legal Status (WC 89 06 10) | <input type="checkbox"/> Issuing Agency/Producer Office Address (WC 89 06 25) |
| <input checked="" type="checkbox"/> Item 3.A. States (WC 89 06 11) | |

is changed to read:

State of Illinois and all mandatory forms are added to the policy.
 216 S College Street
 Macomb, IL 61455
 Class code 8868 - \$72,000



ILLINOIS INDUSTRIAL COMMISSION OPERATIONS FUND SURCHARGE POLICYHOLDER DISCLOSURE

Your policy has been surcharged as a result of the Illinois Industrial Commission Operations Fund Surcharge effective July 1, 2004. The establishment of this Fund provides that every insurance company, authorized or licensed by the Illinois Insurance Department and insuring employer's liabilities arising under the Workers' Compensation Act or the Workers' Occupational Disease Act, must remit a surcharge equal to 1.01% of the direct written premium for insuring employers' liability under the Workers' Compensation Act or Workers' Occupational Disease Act.

The portion of your annual premium that is attributable to this surcharge is shown on your declaration page.



NOTICE OF RIGHTS TO FILE A COMPLAINT
KEEP THIS NOTICE WITH YOUR INSURANCE PAPERS

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

Security National Insurance Company
800 Superior Avenue East, 21st Floor
Cleveland, OH 44114
877-528-7878

You can also contact the Illinois Division of Insurance, a state agency, which enforces Illinois' insurance laws, and file a complaint. You can contact the Illinois Division of Insurance by contacting:

Illinois Division of Insurance
Consumer Division
320 W. Washington Street
Springfield, Illinois 62767
866-445-5364



Security National Insurance Company

A Stock Insurance Company

**WORKERS COMPENSATION
AND EMPLOYERS LIABILITY
INSURANCE POLICY**

WC 99 00 01 B
1 of 4
INFORMATION PAGE

Ncci Code: 40533 MN Un. #: 003051126, ME Un. #: 0003051126

<p>1. Insured: The Pennsylvania Cyber Charter School 652 Midland Ave Midland, PA 15059</p> <p>Other workplaces not shown above: See Extension of Information Page</p> <p>Producer: Wright Specialty Insurance Agency, LLC 900 Stewart Avenue, Suite 600 Garden City, NY 11530</p>	<p>Policy Number: SWC1502124</p> <p><input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation or <input checked="" type="checkbox"/> Other</p> <p>Federal Tax ID: 233037922 Risk Id: Renewal of: SWC1451453</p>
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2. The policy period is from 6/30/2024 to 6/30/2025 12:01 a.m. at the insured's mailing address.

3. A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here: California, Colorado, Connecticut, Georgia, Illinois, Massachusetts, Maryland, Maine, Michigan, Minnesota, New Jersey, Nevada, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia
- B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:
- | State | Bodily Injury by Accident | Bodily Injury by Disease | Bodily Injury by Disease |
|-------|---------------------------|--------------------------|---------------------------|
| | \$1,000,000 each accident | \$1,000,000 policy limit | \$1,000,000 each employee |
- C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:
 All states except ND, OH, WA, WY and State(s) Designated in Item 3.A
- D. This policy includes these endorsements and schedules: See Extension of Information Page

4. 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.

See Extension of Information Page

TOTAL ESTIMATED ANNUAL PREMIUM	159,870
STATE ASSESSMENT	3,931
TOTAL ESTIMATED COST	163,801
Minimum Premium	500
Deposit Premium	169,578

Issue Date: 8/27/2024

Countersigned by: _____
 Authorized Representative



Security National Insurance Company

WC 99 00 01 B

2 of 4

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
POLICY

INFORMATION PAGE

Insured: The Pennsylvania Cyber Charter School**Policy Number: SWC1502124****EXTENSION OF INFORMATION PAGE FOR ITEM #1
ITEM 1: NAMED INSURED and WORKPLACES**

NAMED INSURED:	The Pennsylvania Cyber Charter School	Fein: 233037922
WORKPLACES:	Location Number 1. 652 Midland Ave Midland, PA 15059	Location Number 4. 19065 Rockwood Drive Yorba Linda, CA 92886
	Location Number 5. 359 North Stonington Road Stonington, CT 06378	Location Number 6. 1674 Sapphire Court Lusby, MD 20657
	Location Number 7. 16 Eastwood Drive Wilbraham, MA 01095	Location Number 8. 994 Shamrock Lane Traverse City, MI 49696
	Location Number 9. 8978 Red Kansas Ct Las Vegas, NV 89148	Location Number 10. 818 St Charles Pl Garage Apt Ocean City, NJ 08226
	Location Number 11. 11624 Edison Drive Knoxville, TN 37932	Location Number 12. 4301 Grand Ave Parkway Apt 3806 Austin, TX 78728
	Location Number 13. 3168 Preston Lake Blvd Harrisonburg, VA 22801	Location Number 14. 4121 Brightway St Weirton, WV 26062
	Location Number 15. 1383 Camp Road Unit C Charleston, SC 29412	Location Number 16. 2701 Georgian Terrace Marietta, GA 30068
	Location Number 17. 38 Wahi Road Divide, CO 80814	Location Number 18. 216 S College Street Macomb, IL 61455
NAMED INSURED:	The Pennsylvania Cyber Charter School	Fein: 233037992
WORKPLACES:	Location Number 2. 4416 13th Street South Moorhead, MN 56560	
NAMED INSURED:	The Pennsylvania Cyber Charter School	Fein: 233037992
WORKPLACES:	Location Number 3. 405 Branch Mills Road Palermo, ME 04354	



Security National Insurance Company

WC 99 00 01 B

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WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
POLICY

INFORMATION PAGE

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

EXTENSION OF INFORMATION PAGE FOR ITEM #4
ITEM 4: SCHEDULE OF PREMIUMS

Classifications	# of Emps	Code No.	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remun.	Estimated Annual Premium
California					
Colleges or Schools — private — academic professionals	1	8868	82,095	1.91	<u>1,568</u>
Manual Premium					1,568
Total Manual Premium					1,568
Blanket Waiver 2% (\$250 Minimum)		0930			31
Total Premium Subject To Experience Modification					1,599
Experience Modification N/A					1,599
Premium Discount 3.8%		0063			-61
Terrorism 3%		9740			25
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total CA Premium					1,571
WCARF 2.4604%		9999			39
UEBTF 0.1505%		9999			2
SIBTF 1.5891%		9999			25
OSHAF 0.7266%		9999			11
LECF 0.7109%		9999			11
FRAUD 0.4122%		9999			6
Total CA Cost					1,665



Colorado

Clerical Telecommuter Employees	1	8871	68,657	0.04	<u>27</u>
Manual Premium					27
Total Manual Premium					27
Blanket Waiver 2% (\$250 Minimum)		0930			1
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			0
Total Premium Subject To Experience Modification					28
Experience Modification N/A					28
Premium Discount 11%		0063			-3
Terrorism 0.6%		9740			4
Catastrophe (other than Terrorism) 1%		9741			7
Expense Constant		0900			0
Total CO Premium					36
Total CO Cost					36



Connecticut

School—Professional Employees & Clerical Manual Premium	1	8868	72,372	0.34	<u>246</u> 246
Total Manual Premium					246
Blanket Waiver 2% (\$250 Minimum)		0930			5
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					254
Experience Modification N/A					254
Premium Discount 11%		0063			-28
Terrorism 3%		9740			22
Catastrophe (other than Terrorism) 1.2%		9741			9
Expense Constant		0900			0
Total CT Premium					257
Second Injury Fund Assessment 2.25%		9999			6
WC Admin Funds Assessment - Industrial Classes 2.3%		9999			6
Total CT Cost					269



Georgia

School—Professional Employees & Clerical Manual Premium	1	8868	255,550	0.27	<u>690</u> 690
Total Manual Premium					690
Blanket Waiver 2% (\$250 Minimum)		0930			14
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			8
Total Premium Subject To Experience Modification					712
Experience Modification N/A					712
Premium Discount 3.8%		0063			-27
Terrorism 0.8%		9740			20
Catastrophe (other than Terrorism) 2%		9741			51
Expense Constant		0900			0
Total GA Premium					756
Total GA Cost					756



Illinois

College—Professional Employees & Clerical Manual Premium	0	8868	72,000	0.24	<u>173</u>	173
Total Manual Premium						173
Blanket Waiver 2% (\$250 Minimum)		0930				3
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812				2
Total Premium Subject To Experience Modification						178
Experience Modification N/A						178
Premium Discount 4.7%		0063				-8
Terrorism 4%		9740				29
Catastrophe (other than Terrorism) 1%		9741				7
Expense Constant		0900				280
Total IL Premium						486
Illinois Surcharge 1.01%		9999				5
Total IL Cost						491



Massachusetts

School—Professional Employees & Clerical	1	8868	76,000	0.60	456
MA Rate Deviation	0	9037		0.00	-91
Manual Premium					<u>365</u>
Total Manual Premium					365
Blanket Waiver 2%		0930			7
Premium for Increased Limits Part Two: 2% (1000/1000/1000)		9812			7
Total Premium Subject To Experience Modification					379
Experience Modification N/A					379
Loss Constant		0032			20
Premium Discount 8.5%		0063			-32
Terrorism 3%		9740			23
Catastrophe (other than Terrorism) 0%		9741			0
Expense Constant		0900			0
Total MA Premium					390
DIA Assessment 4.82%		9751			22
Total MA Cost					412



Maryland

School—Professional Employees & Clerical Manual Premium	1	8868	171,150	0.19	<u>325</u>
					325
Total Manual Premium					325
Blanket Waiver 2% (\$250 Minimum)		0930			7
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			4
Total Premium Subject To Experience Modification					336
Experience Modification N/A					336
Premium Discount 11%		0063			-37
Terrorism 6%		9740			103
Catastrophe (other than Terrorism) 1%		9741			17
Expense Constant		0900			0
Total MD Premium					419
Total MD Cost					419



Maine

School—Professional Employees & Clerical Manual Premium	1	8868	85,685	0.28	<u>240</u> 240
Total Manual Premium					240
Blanket Waiver 2% (\$250 Minimum)		0930			5
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					248
Experience Modification N/A					248
Premium Discount 11%		0063			-27
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			9
Expense Constant		0900			0
Total ME Premium					236
Workers Compensation Board Assessment 2.34%		9999			6
Total ME Cost					242



Michigan

School—Professional Employees	1	8868	92,700	0.20	<u>185</u>
Manual Premium					185
Total Manual Premium					185
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Blanket Waiver 2% (\$250 Minimum)		0930			4
Total Premium Subject To Experience Modification					191
Experience Modification N/A					191
Merit Rating Credit 0%		9887			0
Premium Discount 9.9%		0063			-19
Terrorism 2%		9740			19
Expense Constant		0900			0
Total MI Premium					191
Total MI Cost					191



MinnesotaSCHOOL: PROFESSIONAL EMPLOYEES &
CLERICAL

	1	8868	89,550	0.36	<u>322</u>
Manual Premium					322
Total Manual Premium					322
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			4
Blanket Waiver 2% (\$250 Minimum)		0930			7
Total Premium Subject To Experience Modification					333
Experience Modification N/A					333
Premium Discount 8.5%		0063			-28
Foreign Terrorism 0.7%		9740			6
Expense Constant		0900			0
Total MN Premium					311
Special Compensation Fund 3.1185%		0174			10
Total MN Cost					321



New Jersey

School—Professional Employees & Clerical Manual Premium	1	8868	217,622	1.27	<u>2,764</u> 2,764
Total Manual Premium					2,764
Premium for Increased Limits Part Two: 1.4% (\$1,000,000/\$1,000,000/\$1,000,000)		6199			39
Total Premium Subject To Experience Modification					2,803
Experience Modification N/A					2,803
Terrorism 3%		9740			65
Catastrophe (other than Terrorism) 1%		9741			22
Expense Constant		0900			0
Total NJ Premium					2,890
Second Injury Fund Surcharge 4.19%		0935			117
Uninsured Employers Fund Surcharge 0%		0936			0
Total NJ Cost					3,007



Nevada

School—Professional Employees & Clerical Manual Premium	1	8868	94,100	0.45	<u>423</u> 423
Total Manual Premium					423
Blanket Waiver 2% (\$250 Minimum)		0930			8
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			5
Total Premium Subject To Experience Modification					436
Experience Modification N/A					436
Premium Discount 11%		0063			-48
Terrorism 1%		9740			9
Catastrophe (other than Terrorism) 1%		9741			9
Expense Constant		0900			0
Total NV Premium					406
Total NV Cost					406



Pennsylvania

School, Trade Or Vocational Manual Premium	1094	965	57,537,248	0.44	<u>253,164</u> 253,164
Total Manual Premium					253,164
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			3,544
Blanket Waiver 2% (\$250 Minimum)		0930			5,134
Total Premium Subject To Experience Modification					261,842
Experience Modification 60.8%					159,200
Schedule Modifier -12%		9887			-19,104
Certified Safety Committee Credit 5%		9890			-7,005
Premium Discount 3.8%		0063			-5,057
Terrorism 3%		9740			17,261
Catastrophe (other than Terrorism) 1%		9741			5,754
Expense Constant		0900			0
Total PA Premium					151,049
PA Employer Assessment 2.42%		0938			3,655
Total PA Cost					154,704



South Carolina

School—Professional Employees & Clerical	1	8868	76,189	0.28	<u>213</u>
Manual Premium					213
Total Manual Premium					213
Blanket Waiver 2% (\$250 Minimum)		0930			4
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					219
Experience Modification N/A					219
Premium Discount 11%		0063			-24
Terrorism 0.7%		9740			5
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total SC Premium					208
Total SC Cost					208



Tennessee

School—Professional Employees & Clerical Manual Premium	1	8868	82,095	0.16	<u>131</u>	131
Total Manual Premium						131
Blanket Waiver 2% (\$250 Minimum)		0930				3
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812				2
Total Premium Subject To Experience Modification						136
Experience Modification N/A						136
Premium Discount 11%		0063				-15
Terrorism 0.7%		9740				6
Catastrophe (other than Terrorism) 1%		9741				8
Expense Constant		0900				0
Total TN Premium						135
Total TN Cost						135



Texas

School: Professional Employees	1	8868	84,725	0.21	<u>178</u>
Manual Premium					178
Total Manual Premium					178
Blanket Waiver 2%		0930			4
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					184
Experience Modification N/A					184
Premium Discount 9.9%		0063			-18
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total TX Premium					180
Total TX Cost					180



Virginia

School—Professional Employees & Clerical	1	8868	78,525	0.19	<u>149</u>
Manual Premium					149
Total Manual Premium					149
Blanket Waiver 2% (\$250 Minimum)		0930			3
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					154
Experience Modification N/A					154
Premium Discount 11%		0063			-17
Terrorism 1%		9740			8
Catastrophe 0%		9741			0
Expense Constant		0900			0
Total VA Premium					145
Total VA Cost					145



West Virginia

School—Professional Employees & Clerical Manual Premium	1	8868	141,390	0.14	<u>198</u> 198
Total Manual Premium					198
Blanket Waiver 2% (\$250 Minimum)		0930			4
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					205
Experience Modification N/A					205
Premium Discount 11%		0063			-23
Terrorism 0.6%		9740			8
Catastrophe (other than Terrorism) 1%		9741			14
Expense Constant		0900			0
Total WV Premium					204
WV Regulatory Surcharge 5%		9999			10
Total WV Cost					214

TOTAL ESTIMATED ANNUAL PREMIUM					159,870
STATE ASSESSMENT					3,931
TOTAL COST					163,801
POLICY COST BEFORE ENDORSEMENT					163,560
TOTAL ENDORSEMENT PREMIUM CHANGE					241



Security National Insurance Company

WC 99 00 01 B

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WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
POLICY

INFORMATION PAGE

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

PAYMENT SCHEDULE

Statement Closing Date	Payment Due Date	Description	Amount Due
	6/30/2024	Annual Premium Due	\$169,578.00
	7/1/2024	Endorsement	(\$5,824.00)
	8/22/2024	Endorsement	(\$194.00)
	9/17/2024	Endorsement	\$241.00
			Total Cost \$163,801.00



Security National Insurance Company

A Stock Insurance Company

WORKERS COMPENSATION
AND EMPLOYERS LIABILITY
INSURANCE POLICY

WC 99 00 01 D

INFORMATION PAGE

Ncci Code: 40533 MN Un. #: 003051126, ME Un. #: 0003051126

1. Insured:

The Pennsylvania Cyber Charter School
652 Midland Ave
Midland, PA 15059

Policy Number: SWC1502124

Other workplaces not shown above:

See Extension of Information Page

Individual Partnership

Corporation or Other

Federal Tax ID: 233037922

Producer:

Wright Specialty Insurance Agency, LLC
900 Stewart Avenue, Suite 600
Garden City, NY 11530

Risk Id:

Renewal of: SWC1451453

2. The policy period is from 6/30/2024 to 6/30/2025 12:01 a.m. at the insured's mailing address.

3. A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here: California, Colorado, Connecticut, Georgia, Illinois, Massachusetts, Maryland, Maine, Michigan, Minnesota, New Jersey, Nevada, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, West Virginia
- B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:
- | State | Bodily Injury by Accident | Bodily Injury by Disease | Bodily Injury by Disease |
|-------|---------------------------|--------------------------|---------------------------|
| | \$1,000,000 each accident | \$1,000,000 policy limit | \$1,000,000 each employee |
- C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:
All states except ND, OH, WA, WY and State(s) Designated in Item 3.A
- D. This policy includes these endorsements and schedules: See Extension of Information Page

4. 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.

See Extension of Information Page

TOTAL ESTIMATED ANNUAL PREMIUM	159,870
STATE ASSESSMENT	3,931
TOTAL ESTIMATED COST	163,801
Minimum Premium	500
Deposit Premium	169,578

Issue Date: 8/27/2024

Countersigned by: _____
Authorized Representative



Security National Insurance Company

WC 99 00 01 D

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
POLICY

INFORMATION PAGE

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

**EXTENSION OF INFORMATION PAGE FOR ITEM #1
ITEM 1: NAMED INSURED and WORKPLACES****NAMED INSURED:
WORKPLACES:**

The Pennsylvania Cyber Charter School	Fein: 233037922
Location Number 1. 652 Midland Ave Midland, PA 15059	Location Number 4. 19065 Rockwood Drive Yorba Linda, CA 92886
Location Number 5. 359 North Stonington Road Stonington, CT 06378	Location Number 6. 1674 Sapphire Court Lusby, MD 20657
Location Number 7. 16 Eastwood Drive Wilbraham, MA 01095	Location Number 8. 994 Shamrock Lane Traverse City, MI 49696
Location Number 9. 8978 Red Kansas Ct Las Vegas, NV 89148	Location Number 10. 818 St Charles Pl Garage Apt Ocean City, NJ 08226
Location Number 11. 11624 Edison Drive Knoxville, TN 37932	Location Number 12. 4301 Grand Ave Parkway Apt 3806 Austin, TX 78728
Location Number 13. 3168 Preston Lake Blvd Harrisonburg, VA 22801	Location Number 14. 4121 Brightway St Weirton, WV 26062
Location Number 15. 1383 Camp Road Unit C Charleston, SC 29412	Location Number 16. 2701 Georgian Terrace Marietta, GA 30068
Location Number 17. 38 Wahi Road Divide, CO 80814	Location Number 18. 216 S College Street Macomb, IL 61455

**NAMED INSURED:
WORKPLACES:**

The Pennsylvania Cyber Charter School	Fein: 233037992
Location Number 2. 4416 13th Street South Moorhead, MN 56560	

**NAMED INSURED:
WORKPLACES:**

The Pennsylvania Cyber Charter School	Fein: 233037992
Location Number 3. 405 Branch Mills Road Palermo, ME 04354	



Security National Insurance Company

WC 99 00 01 D

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
POLICY

INFORMATION PAGE

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

EXTENSION OF INFORMATION PAGE FOR ITEM #4
ITEM 4: SCHEDULE OF PREMIUMS

Classifications	# of Emps	Code No.	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remun.	Estimated Annual Premium
California					
Colleges or Schools — private — academic professionals	1	8868	82,095	1.91	1,568
Manual Premium					1,568
Total Manual Premium					1,568
Blanket Waiver 2% (\$250 Minimum)		0930			31
Total Premium Subject To Experience Modification					1,599
Experience Modification N/A					1,599
Premium Discount 3.8%		0063			-61
Terrorism 3%		9740			25
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total CA Premium					1,571
WCARF 2.4604%		9999			39
UEBTF 0.1505%		9999			2
SIBTF 1.5891%		9999			25
OSHAF 0.7266%		9999			11
LECF 0.7109%		9999			11
FRAUD 0.4122%		9999			6
Total CA Cost					1,665



Colorado

Clerical Telecommuter Employees	1	8871	68,657	0.04	<u>27</u>
Manual Premium					27
Total Manual Premium					27
Blanket Waiver 2% (\$250 Minimum)		0930			1
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			0
Total Premium Subject To Experience Modification					28
Experience Modification N/A					28
Premium Discount 11%		0063			-3
Terrorism 0.6%		9740			4
Catastrophe (other than Terrorism) 1%		9741			7
Expense Constant		0900			0
Total CO Premium					36
Total CO Cost					36



Connecticut

School—Professional Employees & Clerical Manual Premium	1	8868	72,372	0.34	<u>246</u> 246
Total Manual Premium					246
Blanket Waiver 2% (\$250 Minimum)		0930			5
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					254
Experience Modification N/A					254
Premium Discount 11%		0063			-28
Terrorism 3%		9740			22
Catastrophe (other than Terrorism) 1.2%		9741			9
Expense Constant		0900			0
Total CT Premium					257
Second Injury Fund Assessment 2.25%		9999			6
WC Admin Funds Assessment - Industrial Classes 2.3%		9999			6
Total CT Cost					269



Georgia

School—Professional Employees & Clerical Manual Premium	1	8868	255,550	0.27	<u>690</u> 690
Total Manual Premium					690
Blanket Waiver 2% (\$250 Minimum)		0930			14
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			8
Total Premium Subject To Experience Modification					712
Experience Modification N/A					712
Premium Discount 3.8%		0063			-27
Terrorism 0.8%		9740			20
Catastrophe (other than Terrorism) 2%		9741			51
Expense Constant		0900			0
Total GA Premium					756
Total GA Cost					756



Illinois

College—Professional Employees & Clerical Manual Premium	0	8868	72,000	0.24	<u>173</u> 173
Total Manual Premium					173
Blanket Waiver 2% (\$250 Minimum)		0930			3
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					178
Experience Modification N/A					178
Premium Discount 4.7%		0063			-8
Terrorism 4%		9740			29
Catastrophe (other than Terrorism) 1%		9741			7
Expense Constant		0900			280
Total IL Premium					486
Illinois Surcharge 1.01%		9999			5
Total IL Cost					491



Massachusetts

School—Professional Employees & Clerical	1	8868	76,000	0.60	456
MA Rate Deviation	0	9037		0.00	-91
Manual Premium					<u>365</u>
Total Manual Premium					365
Blanket Waiver 2%		0930			7
Premium for Increased Limits Part Two: 2% (1000/1000/1000)		9812			7
Total Premium Subject To Experience Modification					379
Experience Modification N/A					379
Loss Constant		0032			20
Premium Discount 8.5%		0063			-32
Terrorism 3%		9740			23
Catastrophe (other than Terrorism) 0%		9741			0
Expense Constant		0900			0
Total MA Premium					390
DIA Assessment 4.82%		9751			22
Total MA Cost					412



Maryland

School—Professional Employees & Clerical Manual Premium	1	8868	171,150	0.19	<u>325</u>
					325
Total Manual Premium					325
Blanket Waiver 2% (\$250 Minimum)		0930			7
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			4
Total Premium Subject To Experience Modification					336
Experience Modification N/A					336
Premium Discount 11%		0063			-37
Terrorism 6%		9740			103
Catastrophe (other than Terrorism) 1%		9741			17
Expense Constant		0900			0
Total MD Premium					419
Total MD Cost					419



Maine

School—Professional Employees & Clerical Manual Premium	1	8868	85,685	0.28	<u>240</u> 240
Total Manual Premium					240
Blanket Waiver 2% (\$250 Minimum)		0930			5
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					248
Experience Modification N/A					248
Premium Discount 11%		0063			-27
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			9
Expense Constant		0900			0
Total ME Premium					236
Workers Compensation Board Assessment 2.34%		9999			6
Total ME Cost					242



Michigan

School—Professional Employees	1	8868	92,700	0.20	<u>185</u>
Manual Premium					185
Total Manual Premium					185
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Blanket Waiver 2% (\$250 Minimum)		0930			4
Total Premium Subject To Experience Modification					191
Experience Modification N/A					191
Merit Rating Credit 0%		9887			0
Premium Discount 9.9%		0063			-19
Terrorism 2%		9740			19
Expense Constant		0900			0
Total MI Premium					191
Total MI Cost					191



MinnesotaSCHOOL: PROFESSIONAL EMPLOYEES &
CLERICAL

	1	8868	89,550	0.36	<u>322</u>
Manual Premium					322
Total Manual Premium					322
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			4
Blanket Waiver 2% (\$250 Minimum)		0930			7
Total Premium Subject To Experience Modification					333
Experience Modification N/A					333
Premium Discount 8.5%		0063			-28
Foreign Terrorism 0.7%		9740			6
Expense Constant		0900			0
Total MN Premium					311
Special Compensation Fund 3.1185%		0174			10
Total MN Cost					321



New Jersey

School—Professional Employees & Clerical Manual Premium	1	8868	217,622	1.27	<u>2,764</u> 2,764
Total Manual Premium					2,764
Premium for Increased Limits Part Two: 1.4% (\$1,000,000/\$1,000,000/\$1,000,000)		6199			39
Total Premium Subject To Experience Modification					2,803
Experience Modification N/A					2,803
Terrorism 3%		9740			65
Catastrophe (other than Terrorism) 1%		9741			22
Expense Constant		0900			0
Total NJ Premium					2,890
Second Injury Fund Surcharge 4.19%		0935			117
Uninsured Employers Fund Surcharge 0%		0936			0
Total NJ Cost					3,007



Nevada

School—Professional Employees & Clerical Manual Premium	1	8868	94,100	0.45	<u>423</u>
					423
Total Manual Premium					423
Blanket Waiver 2% (\$250 Minimum)		0930			8
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			5
Total Premium Subject To Experience Modification					436
Experience Modification N/A					436
Premium Discount 11%		0063			-48
Terrorism 1%		9740			9
Catastrophe (other than Terrorism) 1%		9741			9
Expense Constant		0900			0
Total NV Premium					406
Total NV Cost					406



Pennsylvania

School, Trade Or Vocational Manual Premium	1094	965	57,537,248	0.44	<u>253,164</u> 253,164
Total Manual Premium					253,164
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			3,544
Blanket Waiver 2% (\$250 Minimum)		0930			5,134
Total Premium Subject To Experience Modification					261,842
Experience Modification 60.8%					159,200
Schedule Modifier -12%		9887			-19,104
Certified Safety Committee Credit 5%		9890			-7,005
Premium Discount 3.8%		0063			-5,057
Terrorism 3%		9740			17,261
Catastrophe (other than Terrorism) 1%		9741			5,754
Expense Constant		0900			0
Total PA Premium					151,049
PA Employer Assessment 2.42%		0938			3,655
Total PA Cost					154,704



South Carolina

School—Professional Employees & Clerical Manual Premium	1	8868	76,189	0.28	<u>213</u> 213
Total Manual Premium					213
Blanket Waiver 2% (\$250 Minimum)		0930			4
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					219
Experience Modification N/A					219
Premium Discount 11%		0063			-24
Terrorism 0.7%		9740			5
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total SC Premium					208
Total SC Cost					208



Tennessee

School—Professional Employees & Clerical Manual Premium	1	8868	82,095	0.16	<u>131</u> 131
Total Manual Premium					131
Blanket Waiver 2% (\$250 Minimum)		0930			3
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					136
Experience Modification N/A					136
Premium Discount 11%		0063			-15
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total TN Premium					135
Total TN Cost					135



Texas

School: Professional Employees	1	8868	84,725	0.21	<u>178</u>
Manual Premium					178
Total Manual Premium					178
Blanket Waiver 2%		0930			4
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					184
Experience Modification N/A					184
Premium Discount 9.9%		0063			-18
Terrorism 0.7%		9740			6
Catastrophe (other than Terrorism) 1%		9741			8
Expense Constant		0900			0
Total TX Premium					180
Total TX Cost					180



Virginia

School—Professional Employees & Clerical Manual Premium	1	8868	78,525	0.19	<u>149</u> 149
Total Manual Premium					149
Blanket Waiver 2% (\$250 Minimum)		0930			3
Premium for Increased Limits Part Two: 1.1% (1000/1000/1000)		9812			2
Total Premium Subject To Experience Modification					154
Experience Modification N/A					154
Premium Discount 11%		0063			-17
Terrorism 1%		9740			8
Catastrophe 0%		9741			0
Expense Constant		0900			0
Total VA Premium					145
Total VA Cost					145



West Virginia

School—Professional Employees & Clerical Manual Premium	1	8868	141,390	0.14	<u>198</u> 198
Total Manual Premium					198
Blanket Waiver 2% (\$250 Minimum)		0930			4
Premium for Increased Limits Part Two: 1.4% (1000/1000/1000)		9812			3
Total Premium Subject To Experience Modification					205
Experience Modification N/A					205
Premium Discount 11%		0063			-23
Terrorism 0.6%		9740			8
Catastrophe (other than Terrorism) 1%		9741			14
Expense Constant		0900			0
Total WV Premium					204
WV Regulatory Surcharge 5%		9999			10
Total WV Cost					214

TOTAL ESTIMATED ANNUAL PREMIUM					159,870
STATE ASSESSMENT					3,931
TOTAL COST					163,801
POLICY COST BEFORE ENDORSEMENT					163,560
TOTAL ENDORSEMENT PREMIUM CHANGE					241



Security National Insurance Company

WC 99 00 01 D

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
POLICY

INFORMATION PAGE

Insured: The Pennsylvania Cyber Charter School

Policy Number: SWC1502124

PAYMENT SCHEDULE

Statement Closing Date	Payment Due Date	Description	Amount Due
	6/30/2024	Annual Premium Due	\$169,578.00
	7/1/2024	Endorsement	(\$5,824.00)
	8/22/2024	Endorsement	(\$194.00)
	9/17/2024	Endorsement	\$241.00
			Total Cost \$163,801.00



WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

Any person or organization as required by written contract

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	8/1/2024	Policy No.	SWC1502124	Endorsement No.	3
Insured	The Pennsylvania Cyber Charter School			Premium \$	159,870
Insurance Company	Security National Insurance Company				

Countersigned by _____

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NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT

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. 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 manual.

You must report any change in ownership to us in writing within 90 days of such change. Failure to report such changes within this period may result in revision of the experience rating modification factor used to determine your premium.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

Endorsement Effective	8/1/2024	Policy No.	SWC1502124	Endorsement No.	3
Insured	The Pennsylvania Cyber Charter School			Premium	\$159,870
Insurance Company	Security National 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	8/1/2024	Policy No.	SWC1502124	Endorsement No.	3
Insured	The Pennsylvania Cyber Charter School			Premium	\$159,870
Insurance Company	Security National Insurance Company	Countersigned by	_____		

WC 00 04 19
(Ed. 1-01)



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 C), 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 the 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.

State	Schedule Rate	Premium
NJ	0.010	\$22.00
PA	0.010	\$5,754.00

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	8/1/2024	Policy No.	SWC1502124	Endorsement No.	3
Insured	The Pennsylvania Cyber Charter School			Premium \$	159,870
Insurance Company	Security National 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 2019. 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 2019.

"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, 2021, and ending on December 31, 2027, 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 occurring in any calendar year exceed \$200,000,000, the United States Government would pay 80% of our Insured Losses that exceed our Insurer Deductible.
2. Notwithstanding item 1 above, the United States Government will not make any payment under the Act for any portion of Insured Losses that exceed \$100,000,000,000.
3. The premium charge for the coverage your policy provides for Insured Losses is included in the amount shown in Item 4 of the Information Page or in the Schedule below.



WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 00 04 22 C
(Ed. 01-21)

Schedule

State	Rate	Premium
CA	0.03	\$25.00
CO	0.006	\$4.00
CT	0.03	\$22.00
GA	0.008	\$20.00
IL	0.04	\$29.00
MA	0.03	\$23.00
MD	0.06	\$103.00
ME	0.007	\$6.00
MI	0.02	\$19.00
MN	0.007	\$6.00
NJ	0.03	\$65.00
NV	0.010	\$9.00
PA	0.03	\$17,261.00
SC	0.007	\$5.00
TN	0.007	\$6.00
TX	0.007	\$6.00
VA	0.010	\$8.00
WV	0.006	\$8.00

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	8/1/2024	Policy No.	SWC1502124	Endorsement No.	3
Insured	The Pennsylvania Cyber Charter School			Premium \$	159,870
Insurance Company	Security National Insurance Company				

Countersigned by _____

WC 00 04 22 C
(Ed. 01-21)

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WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY**WC 00 04 24**
(Ed. 1-17)**AUDIT NONCOMPLIANCE CHARGE ENDORSEMENT**

Part Five—Premium, Section G. (Audit) of the Workers Compensation and Employers Liability Insurance Policy is revised by adding the following:

If you do not allow us to examine and audit all of your records that relate to this policy, and/or do not provide audit information as requested, we may apply an Audit Noncompliance Charge. The method for determining the Audit Noncompliance Charge by state, where applicable, is shown in the Schedule below.

If you allow us to examine and audit all of your records after we have applied an Audit Noncompliance Charge, we will revise your premium in accordance with our manuals and Part 5—Premium, E. (Final Premium) of this policy.

Failure to cooperate with this policy provision may result in the cancellation of your insurance coverage, as specified under the policy.

Note:

For coverage under state-approved workers compensation assigned risk plans, failure to cooperate with this policy provision may affect your eligibility for coverage.

Schedule

States(s)	Estimated Annual Premium Amount	Maximum Audit Noncompliance Charge Multiplier
CO	\$25	2X
CT	\$226	2X
GA	\$685	2X
IL	\$170	2X
MD	\$299	2X
ME	\$221	2X
MN	\$305	2X
NJ	\$2,803	2X
NV	\$388	1X
SC	\$195	2X
TN	\$121	2X
VA	\$137	2X
WV	\$182	2X

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	8/1/2024	Policy No.	SWC1502124	Endorsement No.	3
Insured	The Pennsylvania Cyber Charter School			Premium \$	159,870
Insurance Company	Security National Insurance Company				

Countersigned by _____

WC 00 04 24
(Ed. 1-17)



ILLINOIS AMENDATORY ENDORSEMENT

This endorsement applies because Illinois is shown in Item 3.A. of the Information Page.

Part Two—Employers Liability Insurance, Section B. (We Will Pay), Item 3. of the policy is replaced by the following:

3. For consequential bodily injury to a party to a civil union, 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

Part Five—Premium, Section G. (Audit) of the policy is replaced by the following:

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 ends. Information developed by audit will be used to determine final premium. The National Council on Compensation Insurance has the same rights we have under this provision.

Part Six—Conditions, Section A. (Inspection) of the policy Is replaced by the following

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. The National Council on Compensation Insurance has the same rights we have under this provision.

Part Six—Conditions, Section D. (Cancellation) of the policy Is replaced by the following

D. Cancellation

1. You may cancel this policy. You will mail or deliver advance written notice to us, stating when the cancellation is to take effect.
2. We may cancel this policy. We will mail to each named insured at the last known mailing address advance written notice stating when the cancellation is to take effect. We will maintain proof of mailing of the notice of cancellation. A copy of all such notices shall be sent to the broker or agent of record, if known, at the last known mailing address. The broker or agent of record may opt to accept notification electronically.
3. If we cancel because you do not pay all premium when due, we will mail the notice of cancellation at least ten days before the cancellation is to take effect. If we cancel for any other reason, we will mail the notice:
 - a. At least 30 days before the cancellation is to take effect if the policy has been in force for 60 days or less;
 - b. At least 60 days before the cancellation is to take effect if the policy has been in force for 61 days or more.
4. If this policy has been in effect for 60 days or more, we may cancel only for one of the following reasons:
 - a. Nonpayment of premium;
 - b. The policy was issued because of a material misrepresentation;
 - c. You violated any of the terms and conditions of the policy;
 - d. The risk originally accepted has measurably increased;
 - e. The Director has determined that we no longer have adequate reinsurance to meet our needs; or
 - f. The Director has determined that continuation of coverage could place us in violation of the laws of Illinois.
5. Our notice of cancellation will state our reasons for cancelling.
6. The policy period will end on the day and hour stated in the cancellation notice.

Part Six—Conditions, Section E. (Sole Representative) of the policy is replaced by the following:

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, or give us notice of cancellation.



WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY**WC 12 06 01 F**
(Ed. 1-19)

Part Six—Conditions of the policy is changed by adding the following:

F. Nonrenewal

1. We may elect not to renew the policy. We will mail to each named insured the nonrenewal notice at the last known mailing address at least 60 days prior to the expiration of the current policy. We will maintain proof of mailing of the nonrenewal notice. An exact and unaltered copy of such notice will also be sent to the named insured's producer, if known, or the producer of record at the last known mailing address. The named insured's producer, if known, or the producer of record may opt to accept notification electronically.
2. If we fail to give at least 60 days' notice prior to the expiration date of the current policy, the policy will automatically be extended for one year under the same terms and conditions. We may increase the renewal premium, but such increase must be less than 30% of this policy's premium and notice of such increase must be delivered to the named insured on or before the date of expiration of this policy. Additionally, in accordance with 215 ILCS 5/462a, we may be required to provide the named insured with 30 days' written notice prior to the expiration of this policy if the renewal premium is in excess of 5% above the rate recommendation filed with and approved by the Illinois Department of Insurance.
3. Our notice of nonrenewal will provide a specific explanation on the reasons for not renewing.
4. If we fail to provide the notice of nonrenewal as required, the policy will still terminate on its expiration date if:
 - a. You notify us or the producer 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.

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	8/1/2024	Policy No.	SWC1502124	Endorsement No.	3
Insured	The Pennsylvania Cyber Charter School			Premium \$	159,870
Insurance Company	Security National Insurance Company				

Countersigned by _____

2 of 2

WC 12 06 01 F
(Ed. 1-19)

ILLINOIS RENEWAL ENDORSEMENT

This endorsement applies because Illinois is shown in Item 3.A. of the Information Page.

Part Six—Conditions of the policy is revised by adding the following:

G. Renewal

1. We may elect to renew the policy in accordance with 215 ILCS 5/143.17a.
 - a. We will provide the named insured with written notice of our intent to renew if, compared to this current policy, the:
 - Renewal policy premium increases by 30% or more, or
 - Changes in deductibles or coverage materially alter the renewal policy.
 - b. We will mail or deliver the written renewal notice:
 - To the named insured at the last known mailing address
 - At least 60 days prior to the renewal or anniversary date of this current policy.
 - c. If we fail to provide notice 60 days prior to the renewal or anniversary date, but we do mail or deliver the written renewal notice to the named insured not less than 31 days prior to the renewal or anniversary date of this current policy, then we may extend this policy at the current terms and conditions for the period of time needed to equal the 60 day time period required to provide notice of intention to renew.
 - d. All renewal notices will also be sent to the producer, if known, or the producer of record, and to the mortgagee or lien holder listed on the policy. The producer, if known, or the producer of record and the mortgagee or lien holder may opt to accept notification electronically.
 - e. If we fail to provide renewal notice as required above, the policy will automatically be extended for one year under the same terms and conditions. We may increase the renewal premium, but such increase must be less than 30% of this policy's premium and notice of such increase must be delivered to the named insured on or before the date of expiration of this current policy. The increase in premium is based on the known exposure as of the date of the quotation compared to the premium as of the last day of coverage for the current year's policy, annualized. The renewal premium may be subsequently amended to reflect any change in exposure or reinsurance costs not considered in the quotation.
 - f. If we fail to provide the notice of renewal as required, the policy will still terminate on its expiration date if:
 - (1) You notify us or the producer who procured this policy that you do not want the policy renewed; or
 - (2) You fail to pay all premiums when due; or
 - (3) You obtain other insurance as a replacement of the policy.
 - g. Proof of mailing or proof of receipt of the notice of intent to renew to the named insured may be proven by a sworn affidavit by the company as to the usual and customary business practices of mailing notice pursuant to 215 ILCS 5/143.17a or may be proven consistent with Illinois Supreme Court Rule 236.
2. We may elect to conditionally renew the policy in accordance with 215 ILCS 5/462a.
 - a. For policies issued, delivered, amended, or renewed on or after January 1, 2019 ("this policy") we will provide the employer with written notice of our intent to conditionally renew if, compared to this policy, the renewal premium is in excess of 5% above the rate recommendation filed with and approved by the Illinois Department of Insurance.
 - b. To determine whether the renewal premium is in excess of 5% above the rate recommendation, we will **not** consider any premium increases generated from the following items:
 - Increased loss costs
 - Increased exposure units
 - The application of an experience rating modification
 - The application of a contracting classification premium adjustment program
 - The application of a large deductible program
 - The application of a retrospective rating plan
 - An audit of auditable coverages



WC 12 06 03

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

(Ed. 1-19)

- c. Mailing or delivering such written notice to the employer at least 30 days in advance of the expiration date of this policy, at the address shown in Item 1. of the Information Page, and to the authorized agent or broker will be deemed sufficient notice under this section.
- d. This conditional renewal notice will include a statement that clearly identifies:
- (1) The amount of the premium increase or, if the amount cannot reasonably be determined as of the time the notice is provided, a reasonable estimate of the premium increase based on information available to us at that time
 - (2) The reason for the increased premium in excess of the rate recommendation filed with the Illinois Department of Insurance

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	8/1/2024	Policy No. SWC1502124	Endorsement No.	3
Insured	The Pennsylvania Cyber Charter School		Premium	\$159.870
Insurance Company	Security National Insurance Company			

Countersigned by _____

WC 12 06 03

(Ed. 1-19)



Security National Insurance Company

IMPORTANT NOTICE SMALL DEDUCTIBLE ELECTION FORM

POLICY NUMBER
SWC1502124

POLICY PERIOD
FROM: 6/30/2024 TO: 6/30/2025

INSURED
The Pennsylvania Cyber Charter School

Illinois law permits an employer to purchase workers' compensation insurance with a deductible. The deductible is applicable to medical benefits only. The deductible applies separately to each accident, regardless of the number of persons injured in the accident.

DEDUCTIBLE AMOUNT EACH ACCIDENT

\$1000

You are not required to have a deductible. It is to be understood that we will pay the deductible amount for you and that you must reimburse us for any deductible amounts paid. Non-reimbursement of the deductible(s) will result in cancellation of your policy.

Please check the option you have elected and return this form to us as soon as possible.

- No, I do not want the deductible described in this Notice.
- Yes, I want the \$1000 deductible to apply to medical benefits under the Illinois Workers' Compensation Law. I understand that the Company shall pay the deductible amount and be reimbursed by the employer shown above.

If you fail to respond promptly to the Company, it will be construed to mean you have not elected the small deductible option.

If you have any questions, please contact your agent or broker.

INSURED'S SIGNATURE AND TITLE

DATE

Policyholder Notice

IL-SDEF 01 (11/03)





Informational Memorandum to State-Fund Employers

This memorandum contains information about an employer's workers' compensation coverage from the Ohio Bureau of Workers' Compensation (BWC). Please keep in mind that there are extensive rules and laws governing workers' compensation in Ohio. This memorandum only provides a brief overview of coverage issues for a state-fund employer.

Unlike some states, Ohio does not issue individual policies of coverage. Instead, Ohio's statutes list all of the provisions of coverage and govern how BWC must handle your policy. Ohio Revised Code Chapters 4121 and 4123, and corresponding chapters of the Ohio Administrative Code, contain these provisions.

BWC issues a certificate of coverage to an employer that pays premiums, and the employer must post the certificate in plain view. If an employee suffers an injury in the course of, and arising out of, his or her employment and proper jurisdiction for the claim is in Ohio, then BWC has authority to pay medical benefits (including medications) and compensation to the injured worker.

Compensation payable to an injured worker includes, but is not limited to, payments where a worker:

- Is totally disabled from work on a temporary basis;
- Is unable to find employment because of medical restrictions or who finds employment paying less than what the worker was earning at the time of injury;
- Is permanently unable to perform sustained work activity for pay; or
- Has a permanent partial disability.

An injured worker's dependents may also be entitled to compensation where the injured worker dies as the result of a work injury or the allowed conditions in a claim.

Under Ohio's laws, there are no policy limits or cap on benefits so long as treatment and compensation arise from the allowed condition(s) in the claim. When disputed issues arise, the Ohio Industrial Commission, a separate state agency, will make a final administrative decision. If the BWC or the Industrial Commission allows a claim, then all medical bills and medications for conditions allowed in the claim, as well as compensation, will be paid pursuant to Ohio workers' compensation law. There are statutory limits that address the time within which a worker has to file a claim and how long a claim can remain active (See R.C. 4123.52, 4123.84 and 4123.85). Generally, a worker must file a claim within one year from the date he or she knew, or should have known, of the injury or within two years of disability due to an occupational disease. In addition, a claim can remain active for five years after the last date of payment of compensation or medical benefits.

Keep in mind that as an Ohio employer, you must comply with all Ohio worker's compensation laws and regulations. If you are unsure whether you fall under Ohio's jurisdiction, please call BWC's Legal Division at (614) 466-6600 to speak with an attorney. Also, please keep in mind that this memorandum addresses only basic issues related to state-fund employers. Employers who are self-insured must comply with many of these same laws, but are also subject to other statutes and rules. Please note this memorandum is for informational purposes only and does not constitute legal advice. If you have any questions about BWC, please contact us at the phone number listed above or online at www.bwc.ohio.gov.



**Bureau of Workers'
Compensation**

30 West Spring Street
Columbus, Ohio 43215-2256

1-800-644-6292 BWC.Ohio.gov

Mike DeWine, Governor Jon Husted, Lt. Governor John Logue, Administrator/CEO

04/22/2024
Date Mailed

#BWNFVSQ
#XX20053992#

THE PENNSYLVANIA CYBER CHARTER SCHOOL
652 MIDLAND AVE
MIDLAND PA 15059-1433

IMPORTANT DOCUMENT: REMOVE AND POST



Bureau of Workers' Compensation

30 W. Spring St.
Columbus, OH 43215

Certificate of Ohio Workers' Compensation

This certifies that the employer listed below participates in the Ohio State Insurance Fund as required by law. Therefore, the employer is entitled to the rights and benefits of the fund for the period specified. This certificate is only valid if premiums and assessments, including installments, are paid by the applicable due date. To verify coverage, visit www.bwc.ohio.gov, or call 1-800-644-6292.

This certificate must be conspicuously posted.

Policy number and employer
01590207

Period Specified Below
07/01/2024 to 07/01/2025

THE PENNSYLVANIA CYBER CHARTER SCHOOL
652 MIDLAND AVE
MIDLAND PA 15059-1433



www.bwc.ohio.gov
Issued by: BWC

Administrator/CEO

You can reproduce this certificate as needed.

Ohio Bureau of Workers' Compensation

Required Posting

Section 4123.54 of the Ohio Revised Code requires notice of rebuttable presumption. Rebuttable presumption means an employee may dispute or prove untrue the presumption (or belief) that alcohol, marihuana or a controlled substance not prescribed by the employee's physician is the proximate cause (main reason) of the work-related injury.

The burden of proof is on the employee to prove the presence of alcohol, marihuana or a controlled substance was not the proximate cause of the work-related injury. An employee who tests positive or refuses to submit to chemical testing may be disqualified for compensation and benefits under the Workers' Compensation Act.



Bureau of Workers' Compensation

You must post this language with the Certificate of Ohio Workers' Compensation.

Policy Information

Policy Information for the policy period beginning from 12:01 AM on 07/01/2024 to 12:01 AM on 07/01/2025.

Policy Number and Employer	MCO
01590207 THE PENNSYLVANIA CYBER CHARTER SCHOOL 652 MIDLAND AVE MIDLAND PA 15059-1433	Sedgwick Managed Care Ohio P.O. BOX 1040 DUBLIN OH 43017

Additional Insured's Name and Address	Effective Date	Expiration Date

Individuals Eligible for Elective Coverage		
Individuals Eligible for Elective Coverage	Covered (Yes/No)	Elective Coverage Type
No Elective Individuals.		

**Please refer to our website for reporting guidelines/requirements.

Corporate Officer	Effective Date	Expiration Date
TOM DORSEY	07/01/2024	07/01/2025
ED ELDER	07/01/2024	07/01/2025
DR DAVID JASKIEWICZ	07/01/2024	07/01/2025

**Please refer to our website for reporting guidelines/requirements.

Employee Class Codes and Descriptions	
Class Code	Class Code Description
8868	COLLEGE-PROFESSIONAL EMPLOYEES & CLERICAL

The information noted above is as of 04/20/2024. For the most current information on the policy or to update your account information, please log into your account at www.bwc.ohio.gov. You may also call 1-800-644-6292 to speak with a customer service representative.

The school has no management contracts.



Employee Benefits Enrollment Guide

PLAN YEAR 2024

PA CYBER

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Welcome to Open Enrollment



The information contained within this guide aims to answer questions that you may have about the benefits to be offered by PA Cyber in the upcoming 2024 plan year.

Next Steps:

- Complete Open Enrollment Wizard in Vista by November 17, 2023.
All employees eligible for benefits are required to complete the wizard.
- Acknowledgment/Waiver of Healthcare Election Form
Complete this form only if you are waiving health care coverage.
- Beneficiary Form
Complete only if you need to update your beneficiary information.
- Optional Life Insurance
Complete only if you are electing or retaining current amount by 11/17.
- Voluntary Products: Trustmark Universal Life plus Long-Term Care, ID & Legal Shield, Wishbone Pet Insurance
Trustmark Universal Life: (877) 286-2852 / Email: LTCiBenefitsTeam@ltc-solutions.com
Trustmark Online Benefit Guide: www.myltcguide.com/pacyber
Wishbone Pet Insurance: enroll directly at www.wishboneinsurance.com/pacyber
- Send all completed documents to Valerie Sprague by November 17, 2023.

Important Reminders:

- Open Enrollment Period: October 30th through November 17th.
- Open Enrollment Wizard must be completed by 11/17/2023.

NOTE: After Open Enrollment, you cannot make changes to your coverage during the year unless you experience a life event, such as:

- Loss or gain of coverage through your spouse
- Loss of eligibility of a covered dependent
- Death of your covered spouse or child
- Birth or adoption of a child
- Marriage, divorce or legal separation

Medical & Rx Benefits



PA Cyber will continue to offer two medical plans and a prescription drug plan to you and your eligible dependents. UPMC Health Plan for those employees residing in the Western Pennsylvania area (see network coverage map by county on page 7), and Highmark Blue Cross Blue Shield. The medical and prescription drug coverage will be the same for both insurance carriers. The difference is the provider networks. Information regarding the provider networks can be found on page 7. The plans are highlighted below.

2024 Medical Plan Design: The following summary highlights the key components of the medical plans.

Highmark & UPMC Enhanced Plan	In-Network	Out-of-Network
Deductible	\$200 single \$400 family	\$400 single \$800 family
Coinsurance	100%	70%
Out-of-Pocket Maximum	NA NA	\$1,000 single \$2,000 family
Office Visit Copays (Primary Care & Specialist)	\$20	70% after deductible
Emergency Services	\$75 Copay (Waived if admitted)	
Urgent Care Copay	\$20	
X-Ray and Laboratory Services	100% after deductible	70% after deductible
Prescription Drug Coverage: Retail Copayments (1-30 day supply) Retail Copayments (31-60 day supply) Mail Order Copayments (90 day supply)	\$5/\$25/\$25 \$10/\$50/\$50 \$15/\$75/\$75 (Generic/Preferred Brand/Non-Preferred Brand)	

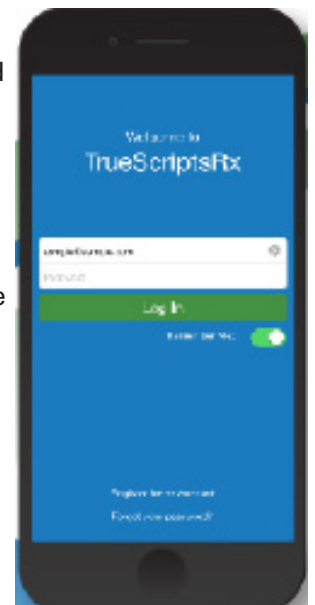
Reminder: TrueScripts is our Pharmacy Benefits Manager. All prescriptions will be processed through TrueScripts. Be sure to use the correct ID card when visiting the pharmacy!

TrueScripts Member Service Number: 844-257-1955

Pharmacy Help Desk: 855-326-2159

We encourage all employees to become better acquainted with TrueScripts and take advantage of the services they provide. You can start by downloading the True Scripts mobile app. The app allows you to easily access your prescription information, management refills, track immunizations, look up information about prescriptions, and find a list a questions you should ask your doctor whenever you begin taking a new script! The app also houses your prescription benefits card so it is always available to you.

Please refer to page 26 in the supplemental materials for information about mail order pharmacy providers.



Telemedicine



Virtual Medicine is a convenient way to save money on non-emergency, minor medical issues such as colds, flu, rashes, pink eye or headaches.

- 24 hours a day, 7 days a week
- Access from wherever you are. (Home, Office, Vacation)
- No travel and minimal wait time
- Face to face conversations over live video from your smart phone, tablet or computer
- U.S. board-certified, state licensed doctors (diagnose, recommend treatment, prescribe medication)

Telemedicine Highmark/UPMC	Doctor's Office	Urgent Care	Emergency Room
<ul style="list-style-type: none"> • Cold or flu • Earache • Minor rash • Allergies • UTI 	<ul style="list-style-type: none"> • Stomach problems • High blood pressure • Behavioral health issues • Chronic condition treatments 	<ul style="list-style-type: none"> • Severe headaches or Migraines • Asthma/managed breathing conditions • Cuts that require stitches • Sprains or strains • Minor broken bones 	<ul style="list-style-type: none"> • Chest pain • Uncontrollable bleeding • Stroke symptoms • Severe injuries • Concussions • Major broken bones
<p>Copay: \$20 HealthJoy Copay: \$0</p>	<p>Copay: \$20</p>	<p>Copay: \$20</p>	<p>Copay: \$75</p>

Highmark Virtual Visits:

Create an account

1. Register on Well360VirtualHealth.com or log in if you are already using the Amwell site.
2. Once you're logged in, you will be asked to update your password and your medical history.
3. After updating your information, you will be asked to download the Well360 Virtual Health app.
 - » The Well360 Virtual Health app can be found anywhere you typically download apps.

Select your doctor: Look through the doctor's profiles and, once you have chosen a doctor, click "Start Visit"

Enter your health information and start the visit: Tell the doctor if the visit is for you or a child, and explain the reason for your visit. Then, you can begin your live video visit! **Once your visit is done,** you can view the doctor's notes and diagnosis. If you were prescribed medication, it will automatically be sent to your pharmacy.

UPMC AnywhereCare:

You can download the mobile app from the iTunes App Store or Google Play by searching "UPMC AnywhereCare". Or you can register at UPMCAnywhereCare.com from your mobile device, tablet or computer. If you haven't already registered, you must create an account in order to use the service. You can access UPMC AnywhereCare 24/7, 365 days a week.

HealthJoy:

Telemedicine can be accessed right through the HealthJoy app! If you have not registered, please email Valerie Sprague to receive your personalized invitation.

- Once in the app, select "Talk to a Medical Provider" via the main menu.
- Select Get Started

HealthJoy is FREE! AnywhereCare and Well360 Virtual are \$20.

HealthJoy

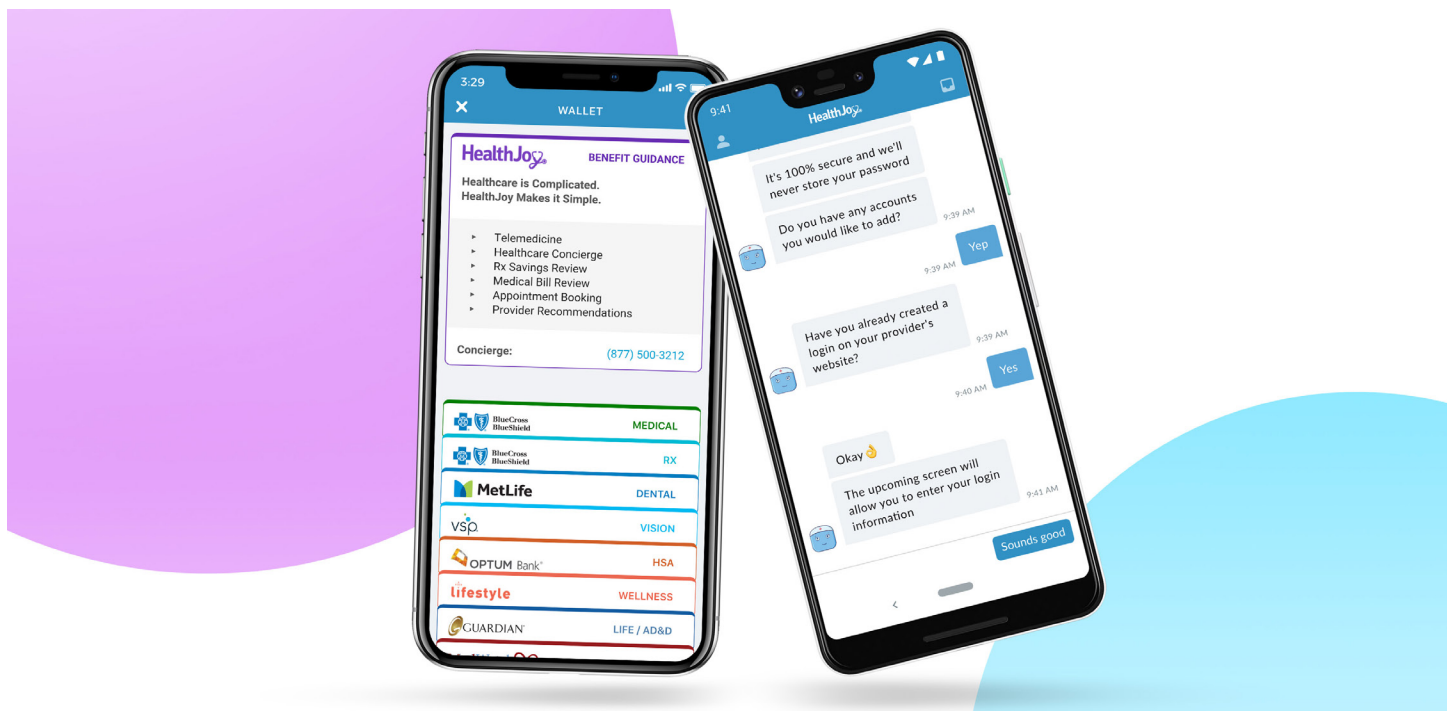


PA Cyber provides our benefit eligible employees, and family members, with an exciting way to manage benefits!

HealthJoy is a mobile app that lets you talk with doctors or benefits experts to address any healthcare issues and answer questions quickly. With the HealthJoy app, you'll get access to the following:

- Online doctor consultations 24/7 with prescription writing capabilities
- Healthcare concierge to help with anything health & benefits related
- Instant access to all your PA Cyber sponsored benefits
- Appointment booking
- Medical bill reviews
- Prescription drug savings reviews
- ...and much more!

Watch this video to learn more! <https://healthjoy.wistia.com/medias/ml71edyuh1>



Network Information

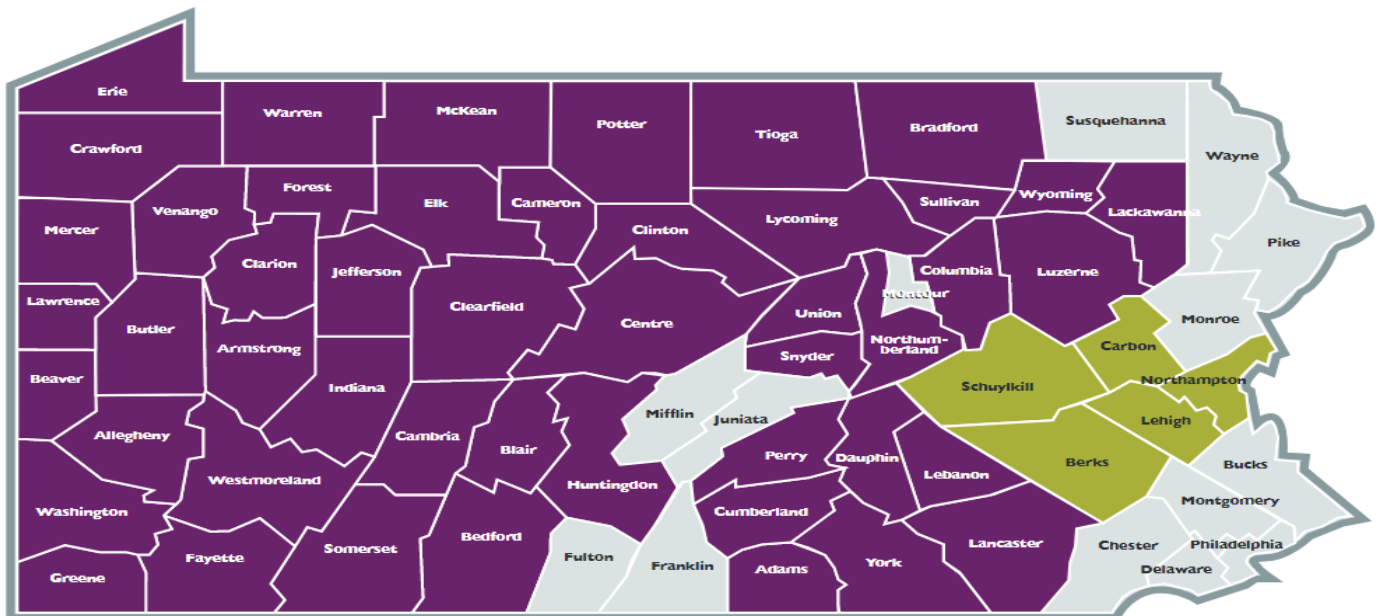


The following facilities are considered independent and at this time are considered in-network with Highmark & UPMC:

Independent Hospitals/Health Systems

- Armstrong County Memorial Hospital
- Butler Health System
- Excelsa Health System
- Heritage Valley Health System (Sewickley/Beaver)
- Monongahela Valley Hospital
- Ohio Valley Hospital
- St. Clair Hospital
- Washington Hospital

UPMC Premium Network Map



■ Products offered to employer groups located in these counties

■ Tower Health-UPMC Health Plan products offered to employer groups located in these counties

Dental Benefits



The chart below shows a high level overview on how each type of service is covered through PA Cyber's dental provider, United Concordia.

Dependents are eligible until age 19; unless a full-time student, then they may remain on the plan until age 23 with proof of full time student status.

Type of Service	Coverage Amount
Annual Benefit	\$1,000 per person (excludes preventive services)
Preventive Services: Exams, x-rays, Cleanings, Fluoride treatments, Sealants, Palliative treatment	100%
Basic Services: Fillings, Simple Extractions, Space Maintainers, Repairs of Crowns, Inlays, Onlays, Bridges & Dentures, Endodontics, Complex Oral Surgery, General Anesthesia	100%
Major Services: Inlays, Onlays, Crowns, Prosthetics, Non-Surgical Periodontics, Surgical Periodontics	50%
Orthodontia Services (up to age 19) Diagnostic, Active, Retention Treatment	50%
Orthodontia Services Lifetime Maximum	\$1,000 per person

For more information on coverage questions or to locate a provider visit www.ucci.com.

Vision Benefits



The chart below shows a high level overview on how each type of service is covered through PA Cyber’s vision provider, Davis Vision.

Dependents are eligible until age 19; unless a full-time student, then they may remain on the plan until age 23 with proof of full time student status.

Type of Service	Coverage Amount
Eye or Contact Exam	Every 12 months, covered at 100%
Lenses (Eye glasses or contacts)	Every 12 months, covered at 100%
Frames	Every 12 months-The Frame Collection is covered at 100% after \$20 copayment (up to \$175 retail value). Premier Collection is covered at 100% after \$40 copayment (up to \$225 retail value).
Contact Lenses (selected in lieu of glasses)	Covered up to \$75 (includes vision exam allowance), covered at 100% if medically necessary. Under the plan, once the contact lens option is selected and the lenses fitted, they may not be exchanged for eyeglasses. Disposable contact lens wearers will receive four multi-packs of lenses. Planned replacement contact lens wearers will receive two multi-packs of lenses.

Please note, if you choose an out-of-network provider, you must pay the provider directly for all charges and then submit a claim form.

For more information on coverage questions or to locate a provider visit www.davisvision.com or call 1-877- 923-2847.

Flexible Spending Account (FSA)



FSAs provide you with an important tax advantage that can help you pay health care and dependent care expenses on a pretax basis. The plan year runs from January 1 – December 31 of each year.

The Health Care FSA account and the Dependent Care Account are administered by P&A. You may enroll in either one or both FSA plans regardless if you elect Highmark BCBS or UPMC Health Plan.

Remember, the election you make cannot be changed during the plan year unless you experience a qualifying life event such as marriage, divorce, birth of a child, death, spouse's loss of employment, etc.

Health Care FSA:

The Health Care FSA is designed to reimburse out-of-pocket health care expenses not reimbursed through any other benefit as well as over-the-counter medications with a prescription from your doctor. You may contribute a minimum of \$120 and a maximum of \$3,050* per year to the Health Care FSA. Examples of reimbursable expenses include (for a full list of eligible expenses see IRS publication 502):

- Hearing services, including hearing aids and batteries
- Vision services, including contact lenses, contact lens solution, eye examinations and eyeglasses
- Dental services and orthodontia
- Chiropractic services
- Acupuncture
- Prescription contraceptives
- Deductible, copays, co-insurance

****the maximum contribution is subject to change based on IRS discretion.***

Rollover Provision:

The rollover provision allows you to carryover up to \$610 of unused medical FSA funds at the end of the plan year to be used in the next plan year. This rollover provision only applies to the health care FSA.

More information about P&A and their member portal and app can be found in the supplemental material.

If you are enrolling in either of the FSA's, please refer to the FSA resource guide found in the resources section on page 31.

Dependent Care FSA:

The Dependent Care FSA allows employees to use pre-tax dollars toward qualified dependent care. The annual maximum amount you may contribute to the Dependent Care FSA is \$5,000 if you are married and file a joint return, (or \$2,500 if married and filing separately) per calendar year. Examples include:

- The cost of child or adult dependent care
- The cost for an individual to provide care either in or out of your house
- Nursery schools and preschools (excluding kindergarten)

Life and Disability Benefits



Life and AD&D Insurance

Benefits You Receive:

PA Cyber provides you with a Group Life and matching AD&D benefit of \$50,000.

Beneficiaries:

It is extremely important that the individual we have on file as your beneficiary is the individual that you intend to receive your Life/AD&D benefit in the event of your passing. You can update your beneficiary at any time by completing a new beneficiary form.

Short Term & Long Term Disability Benefits

Short Term Disability:

In the event you are deemed disabled and are unable to work, PA Cyber offers a short term disability plan that provides a source of income for you during this time.

Short term disability benefits cover non-work related disabilities. PA Cyber's short term disability plan pays 60% of your weekly salary to a weekly maximum benefit of \$1,000. Benefits under the plan are payable for up to 11 weeks.

Long Term Disability:

In the event you are unable to continue to work due to your disability after your short term disability benefits have ended, PA Cyber's long term disability plan will provide you with a source of income.

LTD benefits are provided for both work and non-work related injuries. The long term disability plan pays 60% of your monthly salary to a maximum benefit of \$6,000 per month.

ID Protection



ID Shield

ID protection offered through ID Shield will MONITOR and RESTORE your identity in the event it is stolen.

Monitor:

- ID Shield monitors your identity from every angle:
- Social Security Numbers
- Credit Cards
- Bank Account
- Social Media Accounts

Counsel:

- Specialists will provide a complete scope of theft, walk you through the next steps, and answer any questions
- Available 24/7/365

Restore:

- Provided a licensed private investigator immediately after breach is detected to begin restoring your identity to exactly the way it was

Summary of Services:

- Comprehensive Identity monitoring
- Identity specialist to counsel and assist
- Provide a complete analysis of the breach
- Available 24/7/365
- Complete Restoration of your identity
- Immediately assign a licensed private investigator to restore identity to exactly the way it was

Cost:

Single = \$8.95/month
Family = \$18.95/month

Legal Shield

Legal Shield provides access to affordable legal protection. You have the ability to talk to an attorney on any person legal matter without worrying about hourly costs.

Plan Covers:

- Advice & Consultation
- Contract & Document Review
- 24/7 Emergency Assistance
- Document Preparation
- Will Prep
- Health Care POA
- Auto Assistance
- Traffic Violations
- Motor vehicle criminal charges
- Representation (Trial Defense Services)
- IRS Audit Legal Services

Summary of Services:

- After-hour legal consultation for covered emergencies (Arrest or detained, seriously injured, served a warrant)
- Trial Defense Services
- Document Preparation/Will Preparation (Initial prep and annual review, Living Will, Health Care Power of Attorney)
- Motor Vehicle Services (Traffic Violation Assistance)
- IRS Audit Legal Services

Cost:

Family = \$23.95/month

Please send your completed form to Valerie Sprague to retain or add coverage.

Wishbone Pet Insurance



PACyber is offering Wishbone Pet Insurance to employees!

Nobody wants to imagine their pet getting sick or injured - but when it comes to your pet's health, it's best to expect the unexpected. **Enroll in pet health insurance from Wishbone and receive 90% reimbursement on your pet's veterinary care. With a low deductible of \$250, protecting your pet's health and your finances has never been easier!**

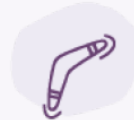
Wishbone Pet Insurance is accepted at any vet in the U.S., including emergency hospitals. Once you file a claim, expect to be reimbursed via mailed check in 5 business days or less. It's that easy!

Get a quote and enroll today at: www.wishboneinsurance.com/pacyber

POLICYHOLDERS ENJOY:



Optional Routine
Care Plans



Fast Claims
Processing



Easy-to-Use Member
Account



Short Waiting
Periods



Lost Pet Recovery
Service from
ThePetTag



24/7 Pet
Telehealth
from **AskVet**

Optional Whole Life with a Long-Term Care Rider



What is Universal Life + Long -Term Care?

The Trustmark Universal (Life + LTC) plan is designed to help you and your family plan for the high cost of Long-Term care. Trustmark's Universal Life insurance combines the benefits of life insurance with living benefits which can be utilized for Long-Term Care.

Life Insurance is for the financial security of the death benefit, such as:

- » Funeral Costs
- » Mortgage/Rent Payments
- » College Tuition for children
- » Debt

Long-Term Care is for when you need care during your living years, such as:

- » Nursing Home
- » Assisted Living
- » In-Home Care
- » Incidentals
- » Equipment

What is Long-Term Care (LTC)?

Long-Term Care insurance is designed to pay for custodial care once you need assistance with two or more Activities of Daily Living or have a cognitive impairment like dementia or Alzheimer's.

Long-Term Care insurance will pay for care received at home, in a nursing home or assisted living facility.

The Cost of Care:

Nursing home costs are averaging \$120,000 per year. With an average length of stay at 2.4 years, total costs can exceed \$288,000.

You can navigate your state's current cost of care and tax information with an interactive map at <https://www.genworth.com/aging-and-you/finances/cost-of-care.html/>

2023 Annual Cost of LTC (PA)

Home Care: \$65,500 x 3 years

Assisted Living: \$57,000 x 2.5-3 Years

Nursing Home: \$115,000 x 2.4 Years

The Risk:

56% of couples without Long-Term Care insurance spend their income down to the poverty level after one partner has spent 6 months in a nursing home.^{4,5,6} When compared to using other lines of personal insurance, Long-Term Care is the highest risk.

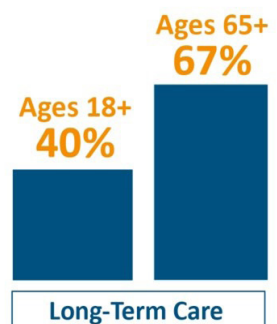
0.1%
House Fire



2.3%
Auto Accident



12.5%
Disability



Optional Whole Life with a Long-Term Care Rider



We have partnered with our benefits broker, LTC Solutions, Inc., an expert in the Long-Term care insurance marketplace, and Trustmark, a well-established carrier in the industry. Together, we bring you the opportunity to purchase a valuable Universal Life with Long-Term Care plan with discounted group rates.

Plan Highlights

Death Benefit Face Value	\$5,000 (min)	\$30,000 (max)
Living Benefits / LTC Monthly Payout • 4% of original death benefit face value • 100% Nursing Home, Assisted Living, Home Care	\$200 per month	\$12,000 per month
Payout Method	Indemnity	
Elimination Period	90 days	
LTC Benefit	25 months	
Extension of LTC	25 months	
Total LTC Duration	50 months	
Total LTC Coverage	\$10,000	\$600,000
Benefit Resolution	Restores the death benefit that is reduced to pay LTC Family receives full death benefit amount	

Eligibility:

Benefit eligible employees working 30+ hours per week have the opportunity to apply with no answers to health questions reviewed – guaranteeing policy issue.

Spouses enrolling during the employee’s enrollment window *may be eligible to apply by answering a limited number of health questions on their application.*

Applying with a no / limited number of health questions is a one-time opportunity and will not be offered again at future open enrollments.

Age	Non-Tobacco	Tobacco
25	\$23.92	\$32.85
30	\$27.52	\$38.31
35	\$33.37	\$46.76
40	\$41.99	\$61.53
45	\$54.69	\$83.55
50	\$69.46	\$113.01
55	\$93.56	\$161.24
60	\$127.14	\$223.08

For More Information:

Visit www.myltcguide.com/pacyber
 Call 1.877.286.2852 (M-F 7am-5pm Pacific)
 Email LTCiBenefitsTeam@ltc-solutions.com
 Schedule [Benefit Consultation](#)

RESOURCES/NOTICES

Summary of PPO Blue Benefits

On the chart below, you'll see what your plan pays for specific services. You may be responsible for a facility fee, clinic charge or similar fee or charge (in addition to any professional fees) if your office visit or service is provided at a location that qualifies as a hospital department or a satellite building of a hospital.

The Pennsylvania Cyber Charter School

Group#015651-00, -01

Benefit	Network	Out-of-Network
General Provisions		
Benefit Period (1)	Calendar Year	
Deductible (per benefit period)		
Individual	\$200	\$400
Family	\$400	\$800
Plan Pays – payment based on the plan allowance	100% after deductible	70% after deductible
Out-of-Pocket Maximums (Once met, plan pays 100% for the rest of the benefit period)		
Individual	None	\$1,000
Family	None	\$2,000
Total Maximum Out of Pocket (Includes deductible, coinsurance, copays and other qualified medical expenses, Network only) (6) Once met, plan pays 100% of covered services for the rest of the benefit period.		
Individual	\$6,350	Not Applicable
Family	\$12,700	
Autism Spectrum Disorders (ASD) (2)	100% (deductible does not apply)	70% after deductible
Office/Clinic/Urgent Care Visits		
Retail Clinic Visits	100% after \$20 copayment	70% after deductible
Primary Care Provider Office Visits	100% after \$20 copayment	70% after deductible
Specialist Office Visits	100% after \$20 copayment	70% after deductible
Urgent Care Center Visits	100% after \$20 copayment	70% after deductible
Telemedicine (7)	100% after \$20 copayment	Not covered
Preventive Care(3)		
Routine Adult		
Physical exams	100% (deductible does not apply)	Not Covered
Adult immunizations	100% (deductible does not apply)	70% after deductible
Colorectal cancer screening	100% (deductible does not apply)	70% after deductible
Routine gynecological exams, including a Pap Test	100% (deductible does not apply)	70% (deductible does not apply)
Mammograms, annual routine and medically necessary	100% (deductible does not apply)	70% after deductible
Diagnostic services and procedures	100% (deductible does not apply)	70% after deductible
Routine Pediatric		
Physical exams	100% (deductible does not apply)	Not Covered
Pediatric immunizations	100% (deductible does not apply)	70% (deductible does not apply)
Diagnostic services and procedures	100% (deductible does not apply)	70% after deductible
Hospital and Medical/Surgical Expenses (including maternity)		
Hospital Inpatient		
Hospital Outpatient		
Maternity (non-preventive facility & professional services)	100% after deductible	70% after deductible
Medical/Surgical (except office visits)		
Emergency Services		
Emergency Room Services	100% after \$75 copayment (waived if admitted)	
Ambulance	100% after deductible	70% after deductible
Therapy and Rehabilitation Services		
Physical Medicine	100% after deductible	70% after deductible
	Note: Specialist office visit may apply if an office visit is billed	
Respiratory Therapy	100% after deductible	70% after deductible

Benefit	Network	Out-of-Network
Speech & Occupational Therapy	100% after deductible	70% after deductible
	Note: Specialist office visit may apply if an office visit is billed	
Spinal Manipulations	100% after \$20 copayment	70% after deductible
	Note: Specialist office visit may apply if an office visit is billed	
	Limit: 20 visits/benefit period	
Other Therapy Services (Cardiac Rehab, Infusion Therapy, Chemotherapy, Radiation Therapy and Dialysis)	100% after deductible	70 % after deductible
Mental Health/Substance Abuse		
Inpatient	100% after deductible	70% after deductible
Inpatient Detoxification/Rehabilitation		
Outpatient	100% (deductible does not apply)	70% (deductible does not apply)
Other Services		
Allergy Extracts and Injections	100% after deductible	70% after deductible
Applied Behavior Analysis for Autism Spectrum Disorders (2)		
Assisted Fertilization Procedures	Not Covered	
Dental Services Related to Accidental Injury	100% after deductible	70% after deductible
Diagnostic Services		
<i>Advanced Imaging</i> (MRI, CAT, PET scan, etc.)	100% after deductible	70% after deductible
<i>Basic Diagnostic Services</i> (standard imaging, diagnostic medical, lab/pathology, allergy testing)	100% after deductible	70% after deductible
Durable Medical Equipment, Orthotics and Prosthetics	100% after deductible	70% after deductible
Home Health Care		
Hospice		
Infertility Counseling, Testing and Treatment(4)		
Private Duty Nursing	100% after Network deductible	
Skilled Nursing Facility Care	100% after deductible	70% after deductible
Transplant Services	100% after deductible	70% after deductible
Precertification Requirements (5)	Yes	

(1) Your group's benefit period is based on a Calendar Year which runs from January 1 to December 31.

(2) Coverage for eligible members to age 21. Services will be paid according to the benefit category (e.g., speech therapy). Treatment for autism spectrum disorders does not reduce visit/day limits.

(3) Services are limited to those listed on the Highmark Preventive Schedule. Gender, age and frequency limits may apply.

(4) Treatment includes coverage for the correction of a physical or medical problem associated with infertility. Infertility drug therapy may or may not be covered depending on your group's prescription drug program.

(5) Highmark Medical Management & Policy (MM&P) must be contacted prior to a planned inpatient admission or within 48 hours of an emergency or maternity-related inpatient admission. Be sure to verify that your provider is contacting MM&P for precertification. If not, you are responsible for contacting MM&P. If this does not occur and it is later determined that all or part of the inpatient stay was not medically necessary or appropriate, you will be responsible for payment of any costs not covered.

(6) Effective with plan years beginning on or after January 1, 2014, the Network Total Maximum Out-of-Pocket as mandated by the federal government must include deductible, coinsurance, copays, and any qualified medical expenses. The Total Maximum Out-of-Pocket cannot be more than \$6,350 for individuals and \$12,700 for two or more persons.

(7) Services are provided for acute care for minor illnesses. Services must be performed by a Highmark approved telemedicine provider. Virtual Behavioral Health visits provided by a Highmark approved telemedicine provider are eligible under Outpatient Mental Health benefit.

PA Cyber Charter School	
PPO – Premium Network	
Deductible	\$200 /\$400
Coinsurance	You pay \$0 after Deductible
Total Annual Out-of-Pocket	\$6,350 /\$12,700
Primary care provider	You pay \$20 Copayment per visit
Specialist office visit	You pay \$20 Copayment per visit
Emergency Department	You pay \$75 Copayment per visit
Urgent Care Facility	You pay \$20 Copayment per visit

This Schedule of Benefits will be an important part of your Certificate of Coverage (COC) or your Summary Plan Description (SPD). If your plan has an SPD, it is issued by your employer or labor trust fund. It is not issued by UPMC Health Plan. It is important that you review and understand your COC and/or SPD because they describe in detail the services your plan covers. The Schedule of Benefits describes what you pay for those services.

For Covered Services to be paid at the level described in your Schedule of Benefits, they must be Medically Necessary. They must also meet all other criteria described in your COC. Criteria may include Prior Authorization requirements.

Please note that your plan may not cover all of your health care expenses, such as Copayments and Coinsurance. To understand what your plan covers, review your COC. You may also have Riders and Amendments that expand or restrict your benefits. Please note that UPMC Health Plan reserves the right to reduce or waive your cost-sharing for certain services, if necessary for compliance with the Mental Health Parity and Addiction Equity Act.

If you have any questions about your benefits, or would like to find a Participating Provider near you, visit www.upmchealthplan.com. You can also call UPMC Health Plan Member Services at the phone number on your member ID card.

For more information on your plan, please refer to the final page of this document.

Plan Information	Participating Provider	Non-Participating Provider
Benefit Period	Plan Year	
Primary Care Provider (PCP) Required	Encouraged, but not required	
Prior Authorization Requirements	Provider Responsibility	Member Responsibility
If you fail to obtain Prior Authorization for certain services, you may not be eligible for reimbursement under your plan. Please see additional information below.		

Member Cost Sharing	Participating Provider	Non-Participating Provider
Annual Deductible		
Individual	\$200	\$400

UPMC Health Plan

Schedule of Benefits

Member Cost Sharing	Participating Provider	Non-Participating Provider
Family	\$400	\$800
<p>Your plan has an embedded Deductible, which means the plan pays for Covered Services in these two scenarios - whichever comes first: *When an individual within a family reaches his or her individual Deductible. At this point, only that person is considered to have met the Deductible; OR *When a combination of family members' expenses reaches the family Deductible. At this point, all covered family members are considered to have met the Deductible.</p>		
<p>Deductible applies to all Covered Services you receive during the Benefit Period, unless the service is specifically excluded.</p>		
Coinsurance		
	You pay \$0 after Deductible	You pay 30% after Deductible
<p>Copayments may apply to certain Participating Provider services.</p>		
<p>Any Covered Services for which cost-sharing is not specified in the "Covered Services" table below will pay subject to the applicable Deductible and Coinsurance identified above.</p>		
Annual Coinsurance Limit		
Individual	\$0	\$1,000
Family	\$0	\$2,000
<p>The Annual Coinsurance Limit is the maximum amount you will have to pay in Coinsurance before your benefits are covered without a Coinsurance cost share. Any amount paid in Coinsurance during the plan year will be applied towards the satisfaction of your plan's Total Annual Out-of-Pocket Limit.</p>		
Total Annual Out-of-Pocket Limit		
Individual	\$6,350	Not Applicable
Family	\$12,700	Not Applicable
<p>Your plan has an embedded Out-of-Pocket Limit, which means the Out-of-Pocket Limit is satisfied in one of two ways- whichever comes first: *When an individual within a family reaches his or her individual Out-of-Pocket Limit. At this point, only that person will have Covered Services paid at 100% for the remainder of the Benefit Period; OR *When a combination of a family member's expenses reaches the family Out-of-Pocket Limit. At this point, all covered family members are considered to have met the Out-of-Pocket Limit and Covered Services will be paid at 100% for the remainder of the Benefit Period.</p>		
<p>Out-of-Pocket costs (Copayments, Coinsurance, and Deductibles) for Covered Services apply toward satisfaction of the Out-of-Pocket Limit specified in this Schedule of Benefits. NOTE: For Covered Services rendered by Non-Participating Providers, only Coinsurance applies toward this Limit.</p>		

Member Cost Sharing	Participating Provider	Non-Participating Provider
Preventive Services		
Preventive Services will be covered in compliance with requirements under the Affordable Care Act (ACA). Please refer to the Preventive Services Reference Guide for additional details.		
Pediatric preventive/health screening examination	Covered at 100%; you pay \$0.	Not Covered
Pediatric immunizations	Covered at 100%; you pay \$0.	You pay 30%. Deductible does not apply.
Well-baby visits	Covered at 100%; you pay \$0.	Not Covered
Adult preventive/health screening examination	Covered at 100%; you pay \$0.	Not Covered
Adult immunizations required by the ACA to be covered at no cost-sharing	Covered at 100%; you pay \$0.	You pay 30%. Deductible does not apply.
Screening gynecological exam	Covered at 100%; you pay \$0.	You pay 30%. Deductible does not apply.
Breast cancer and cervical cancer screening	Covered at 100%; you pay \$0.	You pay 30% after Deductible.
Screening services and procedures required by the ACA	Covered at 100%; you pay \$0.	You pay 30% after Deductible.
Hospital Services		
Hospital inpatient	You pay \$0 after Deductible.	You pay 30% after Deductible.
Outpatient/Ambulatory surgery	You pay \$0 after Deductible.	You pay 30% after Deductible.
Observation stay	You pay \$0 after Deductible.	You pay 30% after Deductible.
Maternity - hospital services associated with delivery	You pay \$0 after Deductible.	You pay 30% after Deductible.
Emergency Services		
Emergency department	You pay \$75 Copayment per visit.	
Copayment waived if you are admitted to hospital.		
Emergency transportation	You pay \$0 after Deductible.	
Surgical Services		
Surgical services (professional provider services)	You pay \$0 after Deductible.	You pay 30% after Deductible.
Provider Medical Services		
Inpatient medical care visits, intensive medical care, consultation, and newborn care	You pay \$0 after Deductible.	You pay 30% after Deductible.
Adult immunizations not required to be covered by the ACA	You pay \$0 after Deductible.	You pay 30% after Deductible.
Primary care provider office visit	You pay \$20 Copayment per visit.	You pay 30% after Deductible.
Specialist office visit	You pay \$20 Copayment per visit.	You pay 30% after Deductible.
Convenience care visit	You pay \$20 Copayment per visit.	You pay 30% after Deductible.
Urgent care facility	You pay \$20 Copayment per visit.	You pay 30% after Deductible.

Member Cost Sharing	Participating Provider	Non-Participating Provider
Virtual Visits		
UPMC AnywhereCare - Virtual Urgent Care and Children's AnywhereCare	You pay \$5 Copayment per visit.	
Virtual visit - Primary Care	You pay \$10 Copayment per visit.	You pay 30% after Deductible.
Virtual visit – Specialist	You pay \$10 Copayment per visit.	You pay 30% after Deductible.
Virtual visit – Behavioral Health	Covered at 100%; you pay \$0.	You pay 30% after Deductible.
UPMC MyHealth 24/7 Nurse Line		
If you would like to speak to a registered nurse about a specific health concern or when to seek treatment, call our UPMC MyHealth 24/7 Nurse Line at 1-866-918-1591(TTY:711) 365 days/year. You may also send an email for non-urgent issues using the web nurse request system at www.upmchealthplan.com and a nurse will respond within 24 hours.		
Allergy Services		
Treatment, injections, and serum	You pay \$0 after Deductible.	You pay 30% after Deductible.
Diagnostic Services		
Advanced imaging (e.g., PET, MRI)	You pay \$0 after Deductible.	You pay 30% after Deductible.
Other imaging (e.g., x-ray, sonogram,)	You pay \$0 after Deductible.	You pay 30% after Deductible.
Laboratory services	You pay \$0 after Deductible.	You pay 30% after Deductible.
Diagnostic testing	You pay \$0 after Deductible.	You pay 30% after Deductible.
Rehabilitation Therapy Services		
Note: See the Behavioral Health Services section below for Rehabilitation Therapy services prescribed for the treatment of a Behavioral Health condition.		
Physical and occupational therapy	You pay \$0 after Deductible.	You pay 30% after Deductible.
Speech therapy	You pay \$0 after Deductible.	You pay 30% after Deductible.
Cardiac rehabilitation	You pay \$0 after Deductible.	You pay 30% after Deductible.
Pulmonary rehabilitation	You pay \$0 after Deductible.	You pay 30% after Deductible.
Habilitation Therapy Services		
Note: See the Behavioral Health Services section below for Habilitation Therapy services prescribed for the treatment of a Behavioral Health condition.		
Physical and occupational therapy	You pay \$0 after Deductible.	You pay 30% after Deductible.
Speech therapy	You pay \$0 after Deductible.	You pay 30% after Deductible.
Medical Therapy Services		
Chemotherapy, radiation therapy, dialysis therapy	You pay \$0 after Deductible.	You pay 30% after Deductible.
Medical Therapy Services-Injectable, infusion therapy, or other drugs administered or provided by a medical professional in an outpatient or office setting	You pay \$0 after Deductible.	You pay 30% after Deductible.
Pain management		
Pain management program	You pay \$20 Copayment per visit.	You pay 30% after Deductible.

Member Cost Sharing	Participating Provider	Non-Participating Provider
Behavioral Health (Mental Health and Substance Use Disorder) Services (Rehabilitative or Habilitative)		
Contact UPMC Health Plan Behavioral Health Services at 1-888-251-0083.		
Inpatient services (including inpatient hospital services, inpatient rehabilitation, detoxification, non-hospital residential treatment)	You pay \$0 after Deductible.	You pay 30% after Deductible.
Office visits, including psychotherapy and counseling	Covered at 100%; you pay \$0.	You pay 30%. Deductible does not apply.
Outpatient Services (includes intensive outpatient, partial hospitalization and, other medically necessary outpatient services)	You pay \$0 after Deductible.	You pay 30% after Deductible.
Laboratory services related to a Behavioral Health condition	You pay \$0 after Deductible.	You pay 30% after Deductible.
Physical, occupational, or speech therapy related to a Behavioral Health Condition	Covered at 100%; you pay \$0.	You pay 30%. Deductible does not apply.
Visit limits do not apply.		
Applied behavior analysis for the treatment of Autism Spectrum Disorder	Covered at 100%; you pay \$0.	You pay 30% after Deductible.
Other Medical Services		
Refer to the Certificate of Coverage (COC) for specific Benefit Limitations that may apply to the services listed below. Visit limits do not apply for medically necessary services provided for treatment of a Behavioral Health condition.		
Acupuncture	You pay \$0 after Deductible.	You pay 30% after Deductible.
Covered up to 12 visits per Benefit Period.		
Corrective appliances	You pay \$0 after Deductible.	You pay 30% after Deductible.
Dental services related to accidental injury	You pay \$0 after Deductible.	You pay 30% after Deductible.
Durable medical equipment	You pay \$0 after Deductible.	You pay 30% after Deductible.
Fertility testing	You pay \$0 after Deductible.	You pay 30% after Deductible.
Home health care	You pay \$0 after Deductible.	You pay 30% after Deductible.
Hospice care	You pay \$0 after Deductible.	You pay 30% after Deductible.
Medical nutrition therapy	You pay \$0 after Deductible.	You pay 30% after Deductible.
Nutritional counseling	You pay \$0 after Deductible.	You pay 30% after Deductible.
Covered up to 2 visits per Benefit Period.		
Nutritional formulas	Covered at 100%; you pay \$0.	You pay 30%. Deductible does not apply.
Nutritional formulas for the treatment of PKU and related disorders are not subject to Deductible.		
Oral surgical services	You pay \$0 after Deductible.	You pay 30% after Deductible.

Member Cost Sharing	Participating Provider	Non-Participating Provider
Podiatry care	You pay \$20 Copayment per visit.	You pay 30% after Deductible.
Skilled nursing facility	You pay \$0 after Deductible.	You pay 30% after Deductible.
Therapeutic manipulation/chiropractic care	You pay \$20 Copayment per visit.	You pay 30% after Deductible.
Private duty nursing	You pay \$0 after Deductible.	You pay \$0 after Deductible.
Diabetic Equipment, Supplies, and Education		
Diabetic equipment and supplies (NOTE: If you have prescription drug coverage through a program other than Express Scripts, Inc., that plan will pay for diabetic supplies and equipment first.)		
Glucometer, test strips, and lancets, insulin and syringes	Must be obtained at a Participating Pharmacy. See applicable Prescription Schedule of Benefits for coverage information.	
Diabetic education	You pay \$0 after Deductible.	You pay 30% after Deductible.

Services that require Prior Authorization

Certain services and items must be Prior Authorized in order to be eligible for reimbursement under your plan. This means you must contact UPMC Health Plan and obtain Prior Authorization before receiving services. A list of services that must be Prior Authorized is available 24/7 on our website at www.upmchealthplan.com. You can also contact Member Services by calling the phone number on your member ID card. Your provider may also access this list at www.upmchealthplan.com or your provider may call Provider Services at 1-866-918-1595 to initiate the Prior Authorization process on your behalf. Regardless, you must confirm that Prior Authorization has been given in advance of your receiving services in order for those services to be eligible for reimbursement in accordance with your plan. Please note, the list of services that require Prior Authorization is subject to change throughout the year. You are responsible for verifying you have the most current information as of your date of service.

The capitalized words and phrases in this Schedule of Benefits mean the same as they do in your COC. Also, the headings under the Covered Services section are the same as those in your COC.

At all times, UPMC Health Plan administers the coverage described in this document in full compliance with applicable laws and regulations. If any part of this Schedule of Benefits conflicts with any applicable law, regulation, or other controlling authority, the requirements of that authority will prevail.

Your plan documents will always include the Schedule of Benefits, the COC, and the Summary of Benefits and Coverage. You can log into *MyHealth OnLine* to view these documents. If you have questions, call Member Services.

UPMC Health Plan is the marketing name used to refer to the following companies, which are licensed to issue individual and group health insurance products or which provide third party administration services for group health plans: UPMC Health Network Inc., UPMC Health Options Inc., UPMC Health Coverage Inc., UPMC Health Plan Inc., UPMC Health Benefits Inc., UPMC for You Inc., Community Care Behavioral Health Organization, and/or UPMC Benefit Management Services Inc.

UPMC Health Plan
U.S. Steel Tower
600 Grant Street
Pittsburgh, PA 15219
www.upmchealthplan.com

Mail Order Pharmacy Network

To enroll in mail order, please visit a website below:



343 Mercer Road
Greenville, PA 16125
PHONE: 844-522-CARE (2273) FAX: 844-308-1485
E-Scribe: NCPDP 6005943
carefilltc.com
***See note below**



7835 Freedom Ave NW
North Canton, OH 44720
PHONE: 1-866-909-5170 FAX: 1-866-909-5171
E-Scribe: NCPDP 3677361
envisionpharmacies.com/Mail/Patients



by pharmacy
250 Commercial Street, Suite 2012
Manchester, NH 03101
PHONE: 1-866-332-1668 FAX: 603-935-9108
E-Scribe: NCPDP 3061582
pillpack.com
***Dispenses 30-day supply only**



P.O. Box 2718
Portland, OR 97208
PHONE: 1-800-552-6694 FAX: 1-800-723-9023
NABP 3812674 – NPI 1528003910
ppsr.com

**Care-Fill mail order services are only available in the following states: AK, AZ, CO, CT, DE, FL, GA, HI, ID, IL, IN, IA, MI, MA, MO, MT, NJ, NM, NY, NC, ND, OH, PA, RI, SC, SD, VT, VA, WA, WI, WY.*

Dental Benefits Summary for PA Cyber Charter School

Effective: January 1, 2023

Network: Concordia Advantage

Benefit Category ¹	CONCORDIA FLEX PLAN	
	In-Network ²	Non-Network ²
Class I – Diagnostic/Preventive Services		
Exams	100%	100%
Bitewing X-rays		
All Other X-rays		
Cleanings (pregnant women may receive one additional cleaning during pregnancy)		
Fluoride Treatments		
Sealants		
Palliative Treatment		
Class II – Basic Services		
Basic Restorative (Fillings ³)	100%	100%
Simple Extractions		
Space Maintainers		
Endodontics		
Nonsurgical Periodontics		
Repairs of Crowns, Inlays, Onlays, Bridges & Dentures		
Complex Oral Surgery		
General Anesthesia		
Class III – Major Services		
Surgical Periodontics	50%	50%
Inlays, Onlays, Crowns		
Prosthetics (Bridges, Dentures)		
Orthodontics for dependent children to age 19		
Diagnostic, Active, Retention Treatment	50%	50%
Included Plan Features		
The College Tuition Benefit® – College Savings Program ⁴	<ul style="list-style-type: none"> • Earn Tuition Rewards® points redeemable for tuition discounts • Receive 2,000 at signup, then 2,000 points/year • Each child enrolled receives a one-time bonus of 500 Tuition Rewards points • One Tuition Rewards point = \$1 reduction in full tuition • Use Tuition Rewards points at participating private colleges and universities 	
Maximums & Deductibles (applies to the combination of services received from network and non-network dentists)		
Calendar Year Program Deductible (per member/per family)	None	
Calendar Year Program Maximum (per member)	\$1,000 Excludes Class I & Orthodontics	
Lifetime Orthodontic Maximum (per dependent)	\$1,000	
Reimbursement	Advantage	90 th Percentile

Representative listing of covered services – certificate of coverage provides a detailed description of benefits.

1. Unmarried dependent children covered to age 19. Unmarried dependent students covered to age 23.

2. Reimbursement is based on our schedule of maximum allowable charges (MACs). Network dentists agree to accept our allowances as payment in full for covered services. Non-network dentists may bill the member for any difference between our allowance and their fee (also known as balance billing). United Concordia Dental's standard exclusions and limitations apply.

3. Composite fillings are covered when performed on posterior teeth.

4. Tuition Rewards® is a Registered Trademark of and administered by SAGE Scholars, Inc. Participation in the program is contingent upon enrollment with SAGE Scholars, Inc. Tuition Rewards are not an underwritten benefit but a value-added program. Tuition Rewards not available in all jurisdictions (SAGE). SAGE is not a subsidiary or affiliate of United Concordia Insurance Company (UCIC). Subject to eligibility requirements and terms and conditions. Tuition Rewards are a value-added program and not an insured benefit. Program participation subject to enrollment with SAGE. "Points" are credits that may be used to discount the cost of Tuition and have no cash value. UCCI does not provide services related to this program. Tuition Rewards not available in all jurisdictions. Program subject to change without notice.

Vision Care Plan Benefit Description

Sponsored by, and administered on behalf of the members and dependents of

PA Cyber Charter School

For information prior to enrolling visit Davis Vision's website at: www.davisvision.com, select the member option and enter client code **4715** or call **1.877.923.2847** (toll free).

Once enrolled, please visit Davis Vision's website: www.davisvision.com, or call **1.800.999.5431** with questions.

PA Cyber Charter School is pleased to provide this information about your vision care plan administered by Davis Vision, Inc., a leading national administrator of vision care programs. Eligibility for vision care benefits is determined by the same rules that apply to your health care benefits.

How do I receive services from a provider in the network?

- Call the network provider of your choice and schedule an appointment.
- Identify yourself as a Davis Vision member and PA Cyber Charter School member or dependent.
- Provide the office with the member ID number located on your Davis Vision ID card and the name and date of birth of any covered dependent needing services.

It's that easy! The provider's office will verify your eligibility for services, and claim forms are not required!

Who are the network providers?

They are licensed providers in both private practice and retail locations who are extensively reviewed and credentialed to ensure that stringent standards for quality service are maintained. Please access Davis Vision's website at www.davisvision.com and utilize the "Find a Doctor" feature, or call **1.800.999.5431** to access the Interactive Voice Response (IVR) Unit, which will supply you with the names and addresses of the network providers nearest you.

What are the plan benefits, frequencies and costs?

EYE EXAMINATIONS Every 12 months, including dilation as professionally indicated.

In-Network Copayment \$0
Out-of-Network Reimbursed up to \$32

EYEGLASSES Every 12 months

In-Network Copayment \$0

You may choose any Fashion level frame from Davis Vision's Frame Collection, covered in full. Or, if you select another frame in the network provider's office, a \$60 credit will be applied. This credit would also apply at retail locations that do not carry the Frame Collection. Members are responsible for the amount over \$60. For more information on lenses, please see "What lenses/coatings are included?"

Out-of-Network Reimbursed up to \$30 for frames, up to \$25 for single vision lenses, up to \$36 for bifocals, up to \$46 for trifocals, up to \$72 for lenticular (post-cataract) lenses.

CONTACT LENSES Every 12 months

In-Network Copayment \$0

In lieu of eyeglasses, you may select contact lenses. Any contact lenses from Davis Vision's Contact Lens Collection will be covered in full per the number indicated below, and your evaluation, fitting and follow up care will also be covered.

Davis Vision Contact Lens Collection (includes evaluation, fitting, follow-up):

Standard, Hard, Daily Wear One pair of lenses

In lieu of the Davis Vision contact lenses, members may use their \$75 credit to go toward the provider's own supply of contact lenses. The evaluation, fitting and follow-up care will be covered in full. This credit would also apply towards all contact lenses received at participating retail locations.

Medically necessary contact lenses will be covered in full with prior approval.

(CONTACT LENSES continued)

Out-of-Network Reimbursed up to \$20 for daily-wear fitting and evaluation, up to \$30 for extended wear fitting and evaluation, up to \$48 for non-disposable contact lenses, up to \$75 for disposable contact lenses, up to \$225 for medically necessary contact lenses with prior approval.

Please note: Contact lenses can be worn by most people. Once the contact lens option is selected and the lenses are fitted, they may not be exchanged for eyeglasses.

What lenses/coatings are included?*

- Plastic or glass single vision, bifocal or trifocal lenses, in any prescription range.
- Oversize lenses.
- Post-cataract lenses.
- Polycarbonate lenses for dependent children, monocular patients and patients with prescriptions +/- 6.00 diopters or greater.
- Scratch-resistant coating.

Are there any optional frames, lens types or coatings available?*

Yes, you can pay the low, discounted fixed fees indicated (in addition to your basic copayment) and receive these exciting optional items:

- \$20 for a Designer frame from the "Collection".
- \$40 for a Premier frame from the "Collection".
- \$15 for glass grey #3 prescription lenses.
- \$15 for tinting of plastic lenses.
- \$35 for polycarbonate lenses.
- \$20 for single vision scratch protection plan. Multifocal scratch protection plan is \$40.
- \$20 for glass photochromic lenses.
- \$20 for blended invisible bifocals.
- \$15 for ultraviolet (UV) coating.
- \$30 for intermediate-vision lenses.
- \$40 for standard ARC (anti-reflective coating). Premium ARC is \$55. Ultra ARC is \$69.
- \$75 for polarized lenses.
- \$70 for plastic photosensitive lenses.
- \$60 for high-index (thinner and lighter) lenses.
- \$65 for standard progressive addition multifocal lenses. \$105 for premium progressive addition multifocal lenses. Ultra progressive addition multifocal lenses are \$140***

** These lens options and copays apply to in-network benefits only.

*** Progressive addition multifocals can be worn by most people. Conventional bifocals will be supplied at no additional cost for anyone who is unable to adapt to progressive addition lenses; however, the copayment will not be refunded.

When will I receive my eyewear?

Generally, your eyewear will be delivered to your provider from the laboratory within five business days. More delivery time may be needed when out-of-stock frames, anti-reflective coating, specialized prescriptions or a participating provider's frame is selected.

What about out-of-network provider benefits?

You may receive services from an out-of-network provider, although you will receive the greatest value and maximize your benefit dollars if you select a provider who participates in the network. If you choose an out-of-network provider, you must pay the provider directly for all charges and then submit a claim for reimbursement to:

**Vision Care Processing Unit
P.O. Box 1525
Latham, NY 12110**

Only one claim per service may be submitted for reimbursement each benefit cycle. To request claim forms, please visit the Davis Vision website at www.davisvision.com or call 1.800.999.5431.

May I use the benefit at different times?

You may "split" your benefits by receiving your eye examination, spectacle lenses and frame or contact lenses on different dates or through different provider locations, if desired. Continuity of care will best be maintained when all available services are obtained at one time from either a network or an out-of-network provider. To maximize your benefit value we recommend that all services be obtained from a network provider.

Information about Low Vision Services:

You and your covered dependents are entitled to a comprehensive low vision evaluation once every five years and low vision aids up to the plan maximum. Up to four follow-up care visits will be covered during the five year period.

Information about Laser Vision Correction Services:

Davis Vision provides you and your eligible dependents with the opportunity to receive Laser Vision Correction Services at discounts of up to 25% off a participating provider's normal charges, or 5% off any advertised special (please note that some providers have flat fees equivalent to these discounts). Please check the discount available to you with the participating provider. For more information, please visit us at www.davisvision.com or call 1.800.999.5431.

Mail Order Contact Lenses:



Free membership and access to a mail order replacement contact lens service, LENS123®, provides a fast and convenient way to purchase replacement contact lenses at significant savings. For more information, please call 1.800.LENS.123 (1.800.536.7123) or visit the LENS123® website at www.LENS123.com.

Warranty Information:

One-year eyeglass breakage warranty included at no additional cost. All plan eyeglasses come with a breakage warranty for repair or replacement of the frame and/or lenses for a period of one year from the date of delivery. The warranty applies to all plan covered eyeglasses, i.e. spectacle lenses, Davis Vision Collection frames and national retailer frames (where our Exclusive Collection is not displayed).

Are there any exclusions?

The following items are not covered by this vision program:

- Medical treatment of eye disease or injury.
- Vision therapy.
- Special lens designs or coatings, other than those previously described.
- Replacement of lost eyewear.
- Non-prescription (plano) lenses.
- Contact lenses and eyeglasses in the same benefit cycle.
- Services not performed by licensed personnel.
- Two pairs of eyeglasses in lieu of a bifocal.

For more information, please visit Davis Vision's website at www.davisvision.com or call Davis Vision at 1.800.999.5431 to:

- Learn more about your benefits
- Locate a Davis Vision provider
- Verify eligibility
- Print an enrollment confirmation
- Request an out-of-network provider reimbursement form
- Contact a Member Service Representative

Member Service Representatives are available:

- Monday through Friday, 8:00 AM to 11:00 PM, Eastern Time
- Saturday, 9:00 AM to 4:00 PM, Eastern Time
- Sunday, 12:00 PM to 4:00 PM, Eastern Time

Participants who use a TTY (Teletypewriter) because of a hearing or speech disability may access TTY services by calling 1-800-523-2847.

Your rights as a patient:

Davis Vision recognizes that all patients have specific rights, including, but not limited to:

- The right to complete information about their healthcare options and consequences.
- The right to participate in all treatment decisions.
- The right to dignity, privacy, confidentiality and non-discrimination.
- The right to complain or appeal any decision.

Patients also have the responsibility:

- To provide complete and accurate information.
- To follow care instructions.

For a complete copy of your Rights and Responsibilities as a Patient or to obtain a copy of Davis Vision's Privacy Practices Notice, please visit Davis Vision's website at: www.davisvision.com or call 1.800.999.5431.

“All insured products are underwritten by either HM Life Insurance Company or HM Life Insurance Company of New York.”

Davis Vision may operate as Davis Vision Insurance Administrators in California

THE PENNSYLVANIA CYBER CHARTER SCHOOL

FSA Rules to Remember

PLAN YEAR

January 1, 2024 - December 31, 2024

HEALTH FSA CARRY FORWARD

An employer- chosen provision allowing up to a maximum of \$610 of unused Health FSA funds to roll over into the next plan year.

RUN-OUT PERIOD

You have until February 28, 2025 to submit for expenses incurred during the plan year.

USE OR LOSE RULE

Unused Dependent Care Account balances or any amount over \$610 in the Health FSA will not rollover. Remember, only contribute money you are confident you will use to pay for qualified expenses during the plan year.

Over-the-counter (OTC) medications are now reimbursable under Flexible Spending Accounts without requiring a prescription or completing a Letter of Medical Necessity Form. Menstrual care products are also now reimbursable as eligible expenses, including tampons and pads.

FSA CALCULATOR

Estimate your calculated savings when you enroll in an FSA. Click [here](#) to access the calculator!

Your Guide to Pre-Tax Savings



WHAT IS A FLEXIBLE SPENDING ACCOUNT?

A Flexible Spending Account (FSA) allows you to set aside a portion of your pay pre-tax to use for medical, dental, vision, and child care/elder care expenses that are not covered by insurance, or only partially covered. Because it is deducted from your pay before taxes, you can save up to 30% on your dollar (depending on your tax bracket)! Estimate how much you usually spend on these types of expenses in a year and set aside that dollar amount into your FSA. **PLEASE NOTE: You do not need to be enrolled in your company's health insurance plan in order to participate in the FSA.**

ACCOUNTS AVAILABLE

Health Flexible Spending Account

Covers the cost of medical, dental, and vision expenses incurred by you and or your eligible dependent(s). Eligible expenses include deductibles, co-pays, prescriptions, eyeglasses, and dental work.

Maximum annual election amount: \$3,050

Dependent Care Assistance Account

Covers the amount you pay to daycare centers, babysitters, after school programs, day camp programs and eldercare facilities. This account does NOT reimburse medical expenses for your dependent(s). It is for qualified daycare expenses only.

Maximum annual election amount: \$5,000

Reminder

P&A BENEFITS CARD

Your employer offers a Benefits MasterCard for employees who participate in the plan. The Benefits MasterCard works like a debit card. When you incur an eligible expense, swipe your card at the point-of-service and the expense will automatically be deducted from your FSA balance. If you are unable to use your Benefits Card, you can still be reimbursed for all eligible expenses. Save your receipt and submit a claim to P&A Group using one of the methods below. For all purchases, we encourage you to save your receipts in case documentation is requested. A new card will be mailed to your home mailing address prior to the card expiring.



NOTE: This card cannot be used at an ATM machine to withdraw cash.

4 WAYS TO SUBMIT YOUR CLAIMS

P&A Group Mobile App

Download our mobile app and log into your account. Go to the menu and tap Upload Claim/Documentation to submit your claims.

QuikClaim from Your Smartphone

Capture a picture of your receipt or other supporting documentation of your eligible expense. Log into your account from your mobile device at www.padmin.com by selecting Account Login and follow the prompts on your screen.

Electronic Claim Upload from Your Computer

Submit claims directly online at P&A's website www.padmin.com by logging into your P&A account. Select Upload Claim/Documentation under Member Tools.

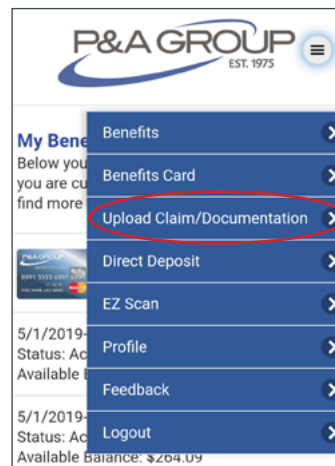
Fax or Mail a Paper Claim

Complete a claim form and fax or mail it to P&A Group. Claim forms are available when you log into your account at www.padmin.com.

FAX: (877) 855-7105

MAIL: P&A Group 17 Court St. Ste 500 Buffalo, NY 14202

When submitting a claim make sure to include proof of service/documentation (itemized receipt, etc).



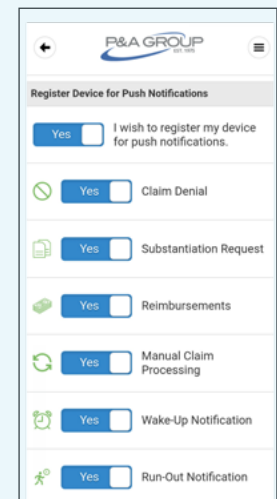
MOBILE APP

Manage your account through our mobile app. Go to the App Store or Google Play and search "P&A Group" to download it today!



- ✓ Register for account alerts
- ✓ Submit claims
- ✓ Order a Benefits Card
- ✓ Check your account balance & more!

Opt-in to get account alerts



QUESTIONS?

HRS: Monday - Friday, 8:30 a.m. - 10:00 p.m. EST.

PH: (716) 852-2611

WEB: www.padmin.com

MAIL: 17 Court Street
Suite 500
Buffalo, NY 14202

Well360 Virtual Health

PERSONALIZED CARE WHEN
AND WHERE YOU WANT IT.



No more waiting rooms, no more waiting to schedule.

Get care when and where you need it with Well360 Virtual Health. This solution lets you talk with a board-certified doctor in your area right away. Just log in to connect.

Well360 Virtual Health gives Highmark members 24/7 access from anywhere for:

Urgent Care

Skip the waiting room and see a doctor virtually for non-urgent conditions like pink eye, sinus infections, rashes, strep throat, and UTIs. A doctor can diagnose, treat, and prescribe medication for common illnesses and problems.

Behavioral Health Therapy

If seeing a behavioral health specialist is more comfortable for you virtually, or if you can't connect with your regular provider, Well360 Virtual Health can help you schedule an appointment for help with concerns like anxiety, depression, or insomnia.

Psychiatry

Easily schedule a virtual appointment with a psychiatrist for prescription medications, psychiatric assessments, or help with any mental health needs.

Register on **Well360VirtualHealth.com** or log in if you are already using the Amwell® site. Once you're logged in, you will be asked to update your password and your medical history. You will also be asked to download the Well360 Virtual Health app. The Well360 Virtual Health app can be found anywhere you typically download apps.

Amwell is a trademark of American Well Corporation and may not be used without written permission.

American Well is an independent company that provides telemedicine services and does not provide Blue Cross and/or Blue Shield products or services. American Well is solely responsible for their telemedicine services.

To determine the availability of services under your health plan, please review your member materials for details on benefits, conditions and exclusions or call the number on the back of your ID card.

Health benefits or health benefit administration may be provided by or through Highmark Blue Cross Blue Shield, Highmark Choice Company, Highmark Health Insurance Company, Highmark Coverage Advantage, Highmark Benefits Group, First Priority Health or First Priority Life, all of which are independent licensees of the Blue Cross Blue Shield Association.

Register or schedule
an appointment at
Well360VirtualHealth.com
or download the Well360
Virtual Health app.

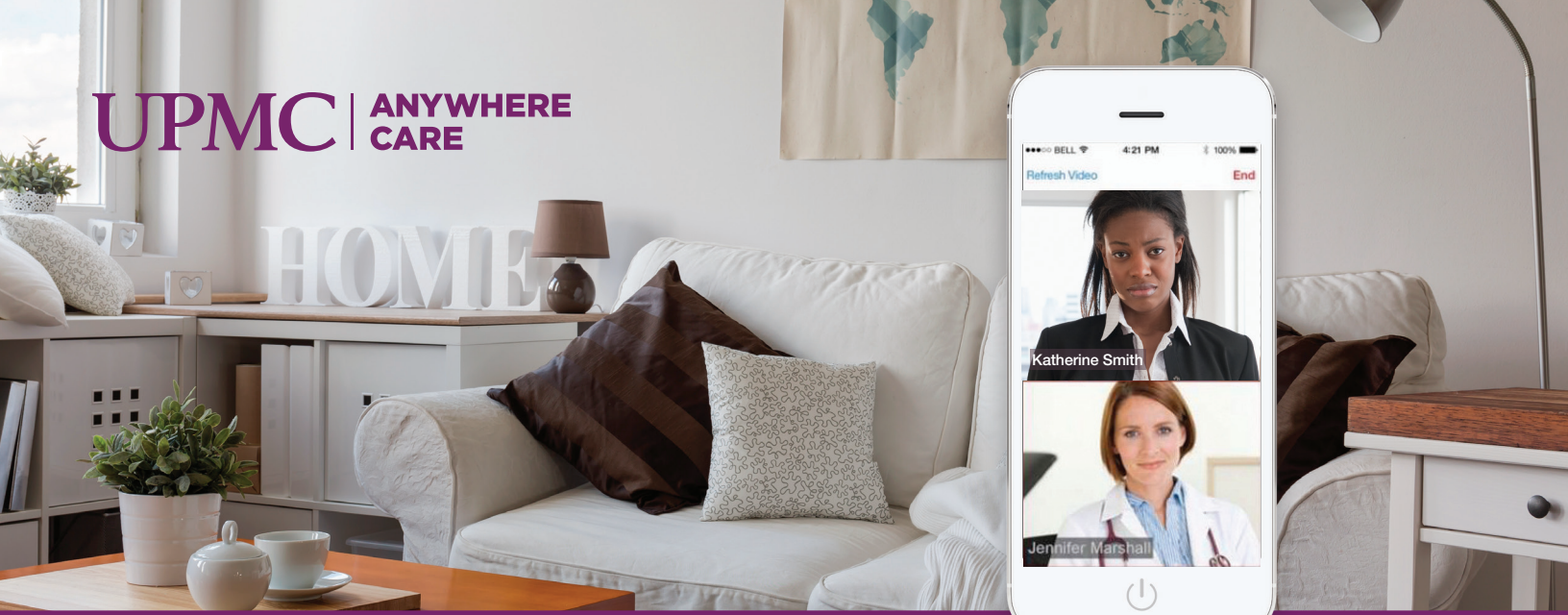
A heads-up on cost sharing

Cost sharing will apply for virtual health. For urgent care, take a look at your Telemedicine Service benefit to see what your cost will be. For behavioral health therapy and psychiatry cost sharing, please see your Outpatient Mental Health benefit.

The Claims Administrator/Insurer complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex.

ATENCIÓN: Si usted habla español, servicios de asistencia lingüística, de forma gratuita, están disponibles para usted. Llame al número en la parte posterior de su tarjeta de identificación (TTY: 711).

请注意：如果您说中文，可向您提供免费语言协助服务。请拨打您的身份证背面的号码（TTY：711）。



What is UPMC AnywhereCare?

If you have non-emergency, non-urgent symptoms, UPMC AnywhereCare lets you have a face-to-face conversation with a UPMC provider via live video on your mobile device, tablet, or computer.

What conditions can I get treatment for using UPMC AnywhereCare?

Treatment is available for symptoms of a cold, allergies, urinary tract infection, sore throat, or other common ailments. Visit UPMCAnywhereCare.com for a full list.

Who are the UPMC AnywhereCare providers?

If using the service in Pennsylvania, you will see a UPMC provider. UPMC providers include certified registered nurse practitioners, physician assistants, and physicians. They are specially trained to handle your UPMC AnywhereCare requests. If you are located outside Pennsylvania, the service will be delivered by a separate provider group — Online Care Group. UPMC AnywhereCare is currently not available in Arkansas or Texas.

Is UPMC AnywhereCare available for care for children?

UPMC AnywhereCare is appropriate for treatment of children 3 years of age or older. A parent/legal guardian must attest to legal guardianship via the UPMC AnywhereCare Terms and Conditions. Please see the UPMC AnywhereCare Terms and Conditions for additional information.

How much does a UPMC AnywhereCare visit cost?

For UPMC Health Plan members the cost of a virtual visit is less than or comparable to what you would pay to see your primary care physician.

Can I use UPMC AnywhereCare anytime, day or night?

You can access UPMC AnywhereCare 24/7, 365 days a year. For more information, please see the UPMC AnywhereCare Terms and Conditions.

How do I access UPMC AnywhereCare?

You can download the mobile app from the iTunes App Store or Google Play by searching for "UPMC AnywhereCare." Or you can register at UPMCAnywhereCare.com from your mobile device, tablet, or computer. If you haven't already registered, you must create an account in order to use the service.

Can I access UPMC AnywhereCare while I'm traveling?

Yes, you can use this service anywhere within the United States except in Arkansas or Texas. If a member is located outside Pennsylvania, the service will be delivered by a separate provider group — Online Care Group.

Nondiscrimination statement

UPMC Health Plan¹ complies with applicable federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex.

¹UPMC Health Plan is the marketing name used to refer to the following companies, which are licensed to issue individual and group health insurance products or which provide third party administration services for group health plans: UPMC Health Network Inc., UPMC Health Options Inc., UPMC Health Coverage Inc., UPMC Health Plan Inc., UPMC Health Benefits Inc., UPMC for You Inc., and/or UPMC Benefit Management Services Inc.

Translation Services

ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-866-420-9589 (TTY: 1-800-361-2629).

注意：如果您使用繁體中文，您可以免費獲得語言援助服務。請致電 1-866-420-9589（TTY：1-800-361-2629）。

UPMC HEALTH PLAN

U.S. Steel Tower, 600 Grant Street
Pittsburgh, PA 15219

www.upmchealthplan.com



How to Download and Activate HealthJoy

HealthJoy is the first stop for all your healthcare and employee benefits needs. We've created an easy and seamless process to get started today! Below are some of the many methods you can use to activate your HealthJoy account:



APP STORE



EMAIL



SMS



FLYER



POSTCARD



WEBINAR

1 Download the App

Use one of the above methods to download the HealthJoy app, such as scanning the QR code on this flyer. The app is available for Android, iPhone, and iPad.

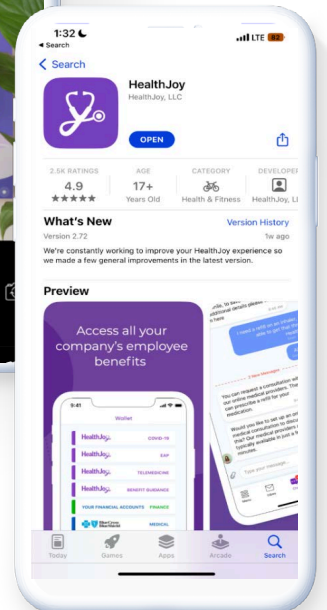
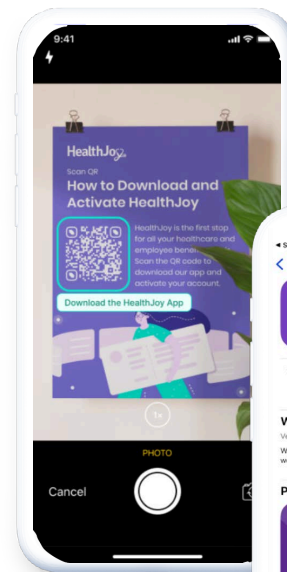
2 Sign Up

Open the HealthJoy app, click "Sign Up," and enter the email address tied to your employee benefits. If you use a different email, you'll need to answer additional security questions, including date of birth and the last four digits of your SSN, to verify your identity.

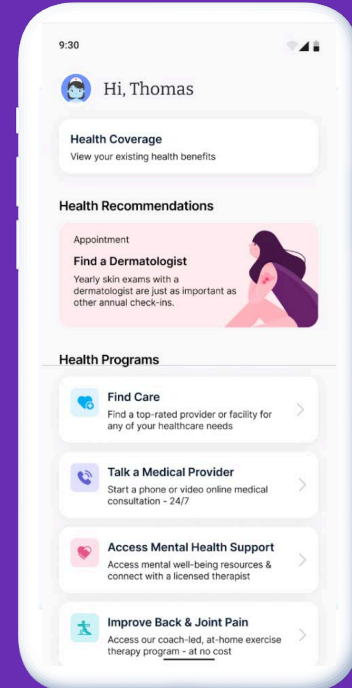
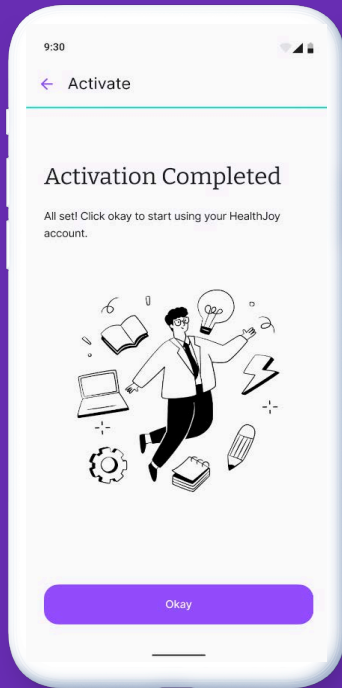
NOTE: An email address is required to create your HealthJoy account.

3 Activate

You'll receive an activation link via email and/or SMS after verifying your identity and plan benefits. Lastly, you'll be prompted to create a password of at least eight characters to secure your account. The entire process will take less than three minutes to complete.



Success! You now have full access to your HealthJoy account. JOY, your virtual healthcare assistant, will welcome you and provide tips on how to use the app.



Did you forget your password?

You can still log in! Enter your email address on the login screen. You can choose to update your password, or we can send a "magic link" to your phone or email so you can log in.



Or, visit: www.healthjoy.com/download

If you have any other issues with activation or logging into our system, please call or email us at:

(877) 500-3212
support@healthjoy.com

IMPORTANT DISCLOSURES ABOUT OUR PLAN

Notice of Special Enrollment Rights

If you are declining coverage for yourself or your dependents (including your spouse) because of other health insurance or group health plan coverage, you may be able to enroll yourself and your dependents in this plan if you or your dependents lose eligibility for that other coverage (or if the employer stops contributing toward your or your dependents' other coverage).

However, you must request enrollment within 30 days after your or your dependents' other coverage ends (or after the employer stops contributing toward the other coverage).

If you have a new dependent as a result of a marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents. However, you must request enrollment within 30 days after the marriage, birth, or placement for adoption.

Additionally, if you or your dependents lose eligibility for coverage under Medicaid or the Children's Health Insurance Program (CHIP) or become eligible for a premium assistance subsidy under Medicaid or CHIP, you may be able to enroll yourself and your dependents. You must request enrollment within 60 days of the loss of Medicaid or CHIP coverage or the determination of eligibility for a premium assistance subsidy.

Rights under the Women's Health and Cancer Rights Act

Under Federal law, group health plans and health insurance issuers that provide medical and surgical benefits with respect to a mastectomy must provide certain benefits to a participant or beneficiary who is receiving benefits in connection with mastectomy and who elects breast reconstruction.

Specifically, the group health plan and issuer must provide coverage in a manner determined in consultation with the attending physician and the patient, for (i) reconstruction of the breast on which the mastectomy has been performed; (ii) surgery and reconstruction of the other breast to produce a symmetrical appearance; and (iii) prostheses and physical complications during all stages of mastectomy, including lymphedemas. This coverage may be subject to annual deductibles and coinsurance provisions, consistent with other benefits under the medical coverage option.

Newborns' & Mothers Health Protection Act

The Newborns' and Mothers' Health Protection Act (the Newborns' Act) provides protections for mothers and their newborn children relating to the length of their hospital stays following childbirth. Our group health plan generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the insurance issuer for prescribing a length of stay not in excess of 48 hours or 96 hours.

Summary of Privacy Practices

We are committed to protecting your personal health information. We are required by law to (1) make sure that any medical information that identifies you is kept private; (2) provide you with certain rights with respect to your medical information; (3) make certain you are notified of our legal duties and privacy practices; and (4) follow all privacy practices and procedures currently in effect.

In the course of providing employee benefits we may use and disclose health information about you and your participating dependents without your permission for the administration of these plans and for any other health care operation as allowed or required by law. Employees who are responsible for maintaining eligibility for these benefit programs may not share your information for employment-related purposes. Otherwise, we must obtain your written authorization for any other use and disclosure of your medical information. We cannot retaliate against you if you refuse to sign an authorization or revoke an authorization you had. You have the right to inspect and copy your protected health information, to request corrections of your medical information, and to obtain an accounting of certain disclosures of your medical information. You also have the right to request that additional restrictions or limitations be placed on the use or disclosure of your protected health information, or that communications about your protected health information be made in different ways or at different locations.

If you believe your privacy rights have been violated, you have the right to file a complaint with us or with the Office for Civil Rights. We will not retaliate against you for making a complaint.

Premium Assistance Under Medicaid and the Children’s Health Insurance Program (CHIP)

If you or your children are eligible for Medicaid or CHIP and you’re eligible for health coverage from your employer, your state may have a premium assistance program that can help pay for coverage, using funds from their Medicaid or CHIP programs. If you or your children aren’t eligible for Medicaid or CHIP, you won’t be eligible for these premium assistance programs but you may be able to buy individual insurance coverage through the Health Insurance Marketplace. For more information, visit www.healthcare.gov.

If you or your dependents are already enrolled in Medicaid or CHIP and you live in a State listed below, contact your State Medicaid or CHIP office to find out if premium assistance is available.

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, contact your State Medicaid or CHIP office or dial **1-877-KIDS NOW** or www.insurekidsnow.gov to find out how to apply. If you qualify, ask your state if it has a program that might help you pay the premiums for an employer-sponsored plan.

If you or your dependents are eligible for premium assistance under Medicaid or CHIP, as well as eligible under your employer plan, your employer must allow you to enroll in your employer plan if you aren’t already enrolled. This is called a “special enrollment” opportunity, and **you must request coverage within 60 days of being determined eligible for premium assistance**. If you have questions about enrolling in your employer plan, contact the Department of Labor at www.askebsa.dol.gov or call **1-866-444-EBSA (3272)**.

If you live in one of the following states, you may be eligible for assistance paying your employer health plan premiums. The following list of states is current as of July 31, 2023. Contact your State for more information on eligibility –

ALABAMA – Medicaid	ALASKA – Medicaid
Website: http://myalhipp.com/ Phone: 1-855-692-5447	The AK Health Insurance Premium Payment Program Website: http://myakhipp.com/ Phone: 1-866-251-4861 Email: CustomerService@MyAKHIPP.com Medicaid Eligibility: https://health.alaska.gov/dpa/Pages/default.aspx
ARKANSAS – Medicaid	CALIFORNIA – Medicaid
Website: http://myarhipp.com/ Phone: 1-855-MyARHIPP (855-692-7447)	Health Insurance Premium Payment (HIPP) Program Website: http://dhcs.ca.gov/hipp Phone: 916-445-8322 Fax: 916-440-5676 Email: hipp@dhcs.ca.gov
COLORADO – Health First Colorado (Colorado’s Medicaid Program) & Child Health Plan Plus (CHP+)	FLORIDA – Medicaid
Health First Colorado Website: https://www.healthfirstcolorado.com/ Health First Colorado Member Contact Center: 1-800-221-3943/State Relay 711 CHP+: https://hcpf.colorado.gov/child-health-plan-plus CHP+ Customer Service: 1-800-359-1991/State Relay 711 Health Insurance Buy-In Program (HIBI): https://www.mycohibi.com/ HIBI Customer Service: 1-855-692-6442	Website: https://www.flmedicaidtprecovery.com/flmedicaidtprecovery.com/hipp/index.html Phone: 1-877-357-3268

<p align="center">GEORGIA – Medicaid</p>	<p align="center">INDIANA – Medicaid</p>
<p>GA HIPP Website: https://medicaid.georgia.gov/health-insurance-premium-payment-program-hipp Phone: 678-564-1162, Press 1 GA CHIPRA Website: https://medicaid.georgia.gov/programs/third-party-liability/childrens-health-insurance-program-reauthorization-act-2009-chipra Phone: 678-564-1162, Press 2</p>	<p>Healthy Indiana Plan for low-income adults 19-64 Website: http://www.in.gov/fssa/hip/ Phone: 1-877-438-4479 All other Medicaid Website: https://www.in.gov/medicaid/ Phone: 1-800-457-4584</p>
<p align="center">IOWA – Medicaid and CHIP (Hawki)</p>	<p align="center">KANSAS – Medicaid</p>
<p>Medicaid Website: https://dhs.iowa.gov/ime/members Medicaid Phone: 1-800-338-8366 Hawki Website: http://dhs.iowa.gov/Hawki Hawki Phone: 1-800-257-8563 HIPP Website: https://dhs.iowa.gov/ime/members/medicaid-a-to-z/hipp HIPP Phone: 1-888-346-9562</p>	<p>Website: https://www.kancare.ks.gov/ Phone: 1-800-792-4884 HIPP Phone: 1-800-967-4660</p>
<p align="center">KENTUCKY – Medicaid</p>	<p align="center">LOUISIANA – Medicaid</p>
<p>Kentucky Integrated Health Insurance Premium Payment Program (KI-HIPP) Website: https://chfs.ky.gov/agencies/dms/member/Pages/kihipp.aspx Phone: 1-855-459-6328 Email: KIHIPP.PROGRAM@ky.gov KCHIP Website: https://kidshealth.ky.gov/Pages/index.aspx Phone: 1-877-524-4718 Kentucky Medicaid Website: https://chfs.ky.gov/agencies/dms</p>	<p>Website: www.medicaid.la.gov or www.ldh.la.gov/lahipp Phone: 1-888-342-6207 (Medicaid hotline) or 1-855-618-5488 (LaHIPP)</p>
<p align="center">MAINE – Medicaid</p>	<p align="center">MASSACHUSETTS – Medicaid and CHIP</p>
<p>Enrollment Website: https://www.mymaineconnection.gov/benefits/s/?language=en_US Phone: 1-800-442-6003 TTY: Maine relay 711 Private Health Insurance Premium Webpage: https://www.maine.gov/dhhs/ofi/applications-forms Phone: 1-800-977-6740 TTY: Maine relay 711</p>	<p>Website: https://www.mass.gov/masshealth/pa Phone: 1-800-862-4840 TTY: 711 Email: masspremassistance@accenture.com</p>
<p align="center">MINNESOTA – Medicaid</p>	<p align="center">MISSOURI – Medicaid</p>
<p>Website: https://mn.gov/dhs/people-we-serve/children-and-families/health-care/health-care-programs/programs-and-services/other-insurance.jsp Phone: 1-800-657-3739</p>	<p>Website: http://www.dss.mo.gov/mhd/participants/pages/hipp.htm Phone: 573-751-2005</p>
<p align="center">MONTANA – Medicaid</p>	<p align="center">NEBRASKA – Medicaid</p>
<p>Website: http://dphhs.mt.gov/MontanaHealthcarePrograms/HIPP Phone: 1-800-694-3084 Email: HSHIPPPProgram@mt.gov</p>	<p>Website: http://www.ACCESSNebraska.ne.gov Phone: 1-855-632-7633 Lincoln: 402-473-7000 Omaha: 402-595-1178</p>

NEVADA – Medicaid	NEW HAMPSHIRE – Medicaid
Medicaid Website: http://dhcftp.nv.gov Medicaid Phone: 1-800-992-0900	Website: https://www.dhhs.nh.gov/programs-services/medicaid/health-insurance-premium-program Phone: 603-271-5218 Toll free number for the HIPP program: 1-800-852-3345, ext. 5218
NEW JERSEY – Medicaid and CHIP	NEW YORK – Medicaid
Medicaid Website: http://www.state.nj.us/humanservices/dmahs/clients/medicaid/ Medicaid Phone: 609-631-2392 CHIP Website: http://www.njfamilycare.org/index.html CHIP Phone: 1-800-701-0710	Website: https://www.health.ny.gov/health_care/medicaid/ Phone: 1-800-541-2831
NORTH CAROLINA – Medicaid	NORTH DAKOTA – Medicaid
Website: https://medicaid.ncdhhs.gov/ Phone: 919-855-4100	Website: https://www.hhs.nd.gov/healthcare Phone: 1-844-854-4825
OKLAHOMA – Medicaid and CHIP	OREGON – Medicaid
Website: http://www.insureoklahoma.org Phone: 1-888-365-3742	Website: http://healthcare.oregon.gov/Pages/index.aspx Phone: 1-800-699-9075
PENNSYLVANIA – Medicaid and CHIP	RHODE ISLAND – Medicaid and CHIP
Website: https://www.dhs.pa.gov/Services/Assistance/Pages/HIPP-Program.aspx Phone: 1-800-692-7462 CHIP Website: Children's Health Insurance Program (CHIP) (pa.gov) CHIP Phone: 1-800-986-KIDS (5437)	Website: http://www.eohhs.ri.gov/ Phone: 1-855-697-4347, or 401-462-0311 (Direct RIte Share Line)
SOUTH CAROLINA – Medicaid	SOUTH DAKOTA - Medicaid
Website: https://www.scdhhs.gov Phone: 1-888-549-0820	Website: http://dss.sd.gov Phone: 1-888-828-0059
TEXAS – Medicaid	UTAH – Medicaid and CHIP
Website: Health Insurance Premium Payment (HIPP) Program Texas Health and Human Services Phone: 1-800-440-0493	Medicaid Website: https://medicaid.utah.gov/ CHIP Website: http://health.utah.gov/chip Phone: 1-877-543-7669
VERMONT– Medicaid	VIRGINIA – Medicaid and CHIP
Website: Health Insurance Premium Payment (HIPP) Program Department of Vermont Health Access Phone: 1-800-250-8427	Website: https://coverva.dmas.virginia.gov/learn/premium-assistance/famis-select https://coverva.dmas.virginia.gov/learn/premium-assistance/health-insurance-premium-payment-hipp-programs Medicaid/CHIP Phone: 1-800-432-5924
WASHINGTON – Medicaid	WEST VIRGINIA – Medicaid and CHIP
Website: https://www.hca.wa.gov/ Phone: 1-800-562-3022	Website: https://dhhr.wv.gov/bms/ http://mywvhipp.com/ Medicaid Phone: 304-558-1700 CHIP Toll-free phone: 1-855-MyWVHIPP (1-855-699-8447)

WISCONSIN – Medicaid and CHIP	WYOMING – Medicaid
Website: https://www.dhs.wisconsin.gov/badgercareplus/p-10095.htm Phone: 1-800-362-3002	Website: https://health.wyo.gov/healthcarefin/medicaid/programs-and-eligibility/ Phone: 1-800-251-1269

To see if any other states have added a premium assistance program since July 31, 2023, or for more information on special enrollment rights, contact either:

U.S. Department of Labor
 Employee Benefits Security Administration
www.dol.gov/agencies/ebsa
 1-866-444-EBSA (3272)

U.S. Department of Health and Human Services
 Centers for Medicare & Medicaid Services
www.cms.hhs.gov
 1-877-267-2323, Menu Option 4, Ext. 61565

Paperwork Reduction Act Statement

According to the Paperwork Reduction Act of 1995 (Pub. L. 104-13) (PRA), no persons are required to respond to a collection of information unless such collection displays a valid Office of Management and Budget (OMB) control number. The Department notes that a Federal agency cannot conduct or sponsor a collection of information unless it is approved by OMB under the PRA, and displays a currently valid OMB control number, and the public is not required to respond to a collection of information unless it displays a currently valid OMB control number. See 44 U.S.C. 3507. Also, notwithstanding any other provisions of law, no person shall be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB control number. See 44 U.S.C. 3512.

The public reporting burden for this collection of information is estimated to average approximately seven minutes per respondent. Interested parties are encouraged to send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Employee Benefits Security Administration, Office of Policy and Research, Attention: PRA Clearance Officer, 200 Constitution Avenue, N.W., Room N-5718, Washington, DC 20210 or email ebsa.opr@dol.gov and reference the OMB Control Number 1210-0137.

OMB Control Number 1210-0137 (expires 1/31/2026)

Your Rights and Protections Against Surprise Medical Bills

When you get emergency care or get treated by an out-of-network provider at an in-network hospital or ambulatory surgical center, you are protected from surprise billing or balance billing.

What is “balance billing” (sometimes called “surprise billing”)?

When you see a doctor or other health care provider, you may owe certain out-of-pocket costs, such as a copayment, coinsurance, and/or a deductible. You may have other costs or have to pay the entire bill if you see a provider or visit a health care facility that isn't in your health plan's network.

“Out-of-network” describes providers and facilities that haven't signed a contract with your health plan. Out-of-network providers may be permitted to bill you for the difference between what your plan agreed to pay and the full amount charged for a service. This is called “**balance billing**.” This amount is likely more than in-network costs for the same service and might not count toward your annual out-of-pocket limit.

“Surprise billing” is an unexpected balance bill. This can happen when you can't control who is involved in your care—like when you have an emergency or when you schedule a visit at an in-network facility but are unexpectedly treated by an out-of-network provider.

You are protected from balance billing for:

Emergency services

If you have an emergency medical condition and get emergency services from an out-of-network provider or facility, the most the provider or facility may bill you is your plan's in-network cost-sharing amount (such as copayments and coinsurance). You **can't** be balance billed for these emergency services. This includes services you may get after you're in stable condition, unless you give written consent and give up your protections not to be balance billed for these post-stabilization services.

Certain services at an in-network hospital or ambulatory surgical center

When you get services from an in-network hospital or ambulatory surgical center, certain providers there may be out-of-network. In these cases, the most those providers may bill you is your plan's in-network cost-sharing amount. This applies to emergency medicine, anesthesia, pathology, radiology, laboratory, neonatology, assistant surgeon, hospitalist, or intensivist services. These providers **can't** balance bill you and may **not** ask you to give up your protections not to be balance billed.

If you get other services at these in-network facilities, out-of-network providers **can't** balance bill you, unless you give written consent and give up your protections.

You're never required to give up your protections from balance billing. You also aren't required to get care out-of-network. You can choose a provider or facility in your plan's network.

When balance billing isn't allowed, you also have the following protections:

- You are only responsible for paying your share of the cost (like the copayments, coinsurance, and deductibles that you would pay if the provider or facility was in-network). Your health plan will pay out-of-network providers and facilities directly.
- Your health plan generally must:
 - Cover emergency services without requiring you to get approval for services in advance (prior authorization).
 - Cover emergency services by out-of-network providers.
 - Base what you owe the provider or facility (cost-sharing) on what it would pay an in-network provider or facility and show that amount in your explanation of benefits.
 - Count any amount you pay for emergency services or out-of-network services toward your deductible and out-of-pocket limit.

If you believe you've been wrongly billed, you may contact:

U.S. Department of Labor (Employee Benefits Security Administration)

1-866-444-3272

Visit <https://www.dol.gov/agencies/ebsa/about-ebsa/ask-a-question/ask-ebsa> for more information about your rights under federal law.

LEASE AGREEMENT

**974 MARCON BLVD, LP
Landlord**

AND

**THE PENNSYLVANIA CYBER CHARTER SCHOOL
Tenant**

AT

**974 Marcon Boulevard, Suite 200
Allentown, Pennsylvania 18109**

LEASE AGREEMENT

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THIS LEASE AGREEMENT (this "Lease") is made by and between 974 MARCON BLVD, LP, a Delaware limited partnership ("Landlord"), and THE PENNSYLVANIA CYBER CHARTER SCHOOL, a non-profit corporation organized under the laws of Pennsylvania ("Tenant"), and is dated as of the date on which this Lease has been fully executed by Landlord and Tenant.

1. Basic Lease Terms and Definitions.

- (a) Premises: Suite 200, as shown on Exhibit "A", consisting of approximately 2,450 rentable square feet.
- (b) Building: Approximately 39,200 rentable square feet.
Address: 974 Marcon Boulevard, Allentown, Pennsylvania 18109.
- (c) Term: Fifty-Nine (59) months (plus any partial month from the Commencement Date until the first day of the next full calendar month during the Term).
- (d) Commencement Date: The later of (i) July 1, 2012 (the "Anticipated Completion Date"), or (ii) the date of substantial completion of the Tenant Improvements, but not later than the date Tenant takes possession of the Premises for the conduct of its business, if earlier.
- (e) Expiration Date: The last day of the Term.
- (f) Minimum Annual Rent: Payable in monthly installments as follows:

Month of Term	Annual	Monthly	Month of Term	Annual	Monthly
*1-2	-----	\$1,837.50	25-36	\$23,397.50	\$1,949.79
3-12	-----	\$1,837.50	37-48	\$24,083.50	\$2,006.96
13-24	\$22,711.50	\$1,892.63	49-59	-----	\$2,068.21

*The foregoing notwithstanding, Minimum Annual Rent (but not Operating Expense payments) shall be abated for the first two full calendar months of the Term. If this Lease or Tenant's right to possess the Premises is terminated on account of a Tenant default, then Landlord shall be entitled to recover from Tenant (in addition to all other rights and remedies available to Landlord) all abated Minimum Annual Rent. Landlord's management and administrative fee shall not be reduced on account of any abatement in Minimum Annual Rent, and any Minimum Annual Rent abatement shall be disregarded for purposes of calculating any management and administrative fee based on a percentage of rental revenues.

- (g) Annual Operating Expenses: \$9,187.50, payable in monthly installments of \$765.63, subject to adjustment as provided in this Lease.
- (h) Tenant's Share: ^{6.25% RST} ~~X~~% (also see Definitions). *AA9*
- (i) Use: Charter school (including student tutoring, enrollments, various meetings and other supplemental services incidental to a charter school) with appurtenant offices and any lawful purpose incidental thereto.
- (j) Security Deposit: \$2,833.84.
- (k) Addresses For Notices:

Landlord: c/o PennCap Properties
559 Main Street, Suite 300
Bethlehem, PA 18018
Attn: Regional President

Tenant: Before the Commencement Date:
The Pennsylvania Cyber Charter School
1200 Midland Avenue
Midland, PA 15059

On or after the Commencement Date: Premises

With a copy to:
Barry & Womer
200 Fleet Street, 2nd Floor
Pittsburgh, PA 15220

- (l) **Guarantor:** Not required.
- (m) **Additional Defined Terms:** See Rider 1 for the definitions of other capitalized terms.
- (n) **Contents:** The following are attached to and made a part of this Lease:
 - Rider 1 – Additional Definitions
 - Exhibits: “A” – Plan showing Premises
 - “B” – Building Rules
 - “C” – Estoppel Certificate Form
 - “D” – Plans
 - “E” – Specifications

2. **Premises.** Landlord leases to Tenant and Tenant leases from Landlord the Premises, together with the right in common with others to use the Common Areas. Tenant accepts the Premises, Building and Common Areas “AS IS”, without relying on any representation, covenant or warranty by Landlord other than as expressly set forth in this Lease. Landlord and Tenant (a) acknowledge that all square foot measurements are approximate and (b) stipulate and agree to the rentable square footages set forth in Sections 1(a) and (b) above for all purposes with respect to this Lease.

3. **Use.** Tenant shall occupy and use the Premises only for the Use specified in Section 1 above. Tenant shall not permit any conduct or condition which may endanger, disturb or otherwise interfere with any other Building occupant’s normal operations or with the management of the Building. Tenant shall not use or permit the use of any portion of the Property for outdoor storage or installations outside of the Premises. Tenant may use all Common Areas only for their intended purposes. Landlord shall have exclusive control of all Common Areas at all times.

4. **Term; Possession.** The Term of this Lease shall commence on the Commencement Date and shall end on the Expiration Date, unless sooner terminated in accordance with this Lease. If Landlord is delayed in delivering possession of all or any portion of the Premises to Tenant as of the Commencement Date, Tenant will take possession on the date Landlord delivers possession, which date will then become the Commencement Date (and the Expiration Date will be extended so that the length of the Term remains unaffected by such delay). Landlord shall not be liable for any loss or damage to Tenant resulting from any delay in delivering possession due to the holdover of any existing tenant or other circumstances outside of Landlord’s reasonable control.

5. **Rent; Taxes.** Tenant agrees to pay to Landlord, without demand, deduction or offset, Minimum Annual Rent and Annual Operating Expenses for the Term. Tenant shall pay the Monthly Rent, in advance, on the first day of each calendar month during the Term, at Landlord’s address designated in Section 1 above unless Landlord designates otherwise; provided that Monthly Rent for the third full calendar month of the Term shall be paid at the signing of this Lease. Notwithstanding anything contained in this Lease to the contrary, if the Commencement Date does not occur on the first day of a calendar month, then (i) the Monthly Rent for that partial calendar month (“Partial Month”) in which the Commencement Date occurs shall be appropriately prorated on a per diem basis at the rate of \$79.64 per day and shall be paid by Tenant to Landlord on or before the Commencement Date, and (ii) Tenant shall not be responsible for paying Landlord monthly installments of Minimum Annual Rent for the Premises for the period (“Abatement Period”) commencing on the first day of the first full calendar month following the Partial Month and expiring on the last day of the second full calendar month following the Partial Month, as set forth in Section 1(f) of this Lease, provided, however, that Tenant shall be responsible for paying Landlord monthly installments of Annual Operating Expenses for the Premises in the amount of \$712.50 (subject to adjustment as provided in this Lease) during such Abatement Period, as set forth in Section 1(g) of this Lease. Tenant shall pay Landlord a service and handling charge equal to 5% of any Rent not paid within 5 days after the date due. In addition, any Rent, including such charge, not paid within 5 days after the due date will bear interest at the Interest Rate from the date due to the date paid. Tenant shall pay before delinquent all taxes levied or assessed upon, measured by, or arising from: (a) the conduct of Tenant’s business; (b) Tenant’s leasehold estate; or (c) Tenant’s personal property. Additionally, to the extent not included in Operating Expenses, Tenant shall pay to Landlord all sales, use, transaction privilege, or other excise tax that may at any time be levied or imposed upon, or measured by, any amount payable by Tenant under this Lease, excluding any inheritance, estate, succession, transfer, gift, income, franchise, corporate and/or excise taxes imposed upon Landlord.

6. **Operating Expenses.** The amount of the Annual Operating Expenses set forth in Section 1(g) above represents Tenant’s Share of the estimated Operating Expenses for the calendar year in which the Term commences; excluding the cost of electricity and gas that is separately metered to the Premises, and which shall be paid by Tenant directly to the respective utility provider, as set forth in Section 7 below. Landlord may adjust such amount from time to time if the estimated Annual Operating Expenses increase or decrease; Landlord may also invoice Tenant separately from time to time for Tenant’s Share of any extraordinary or unanticipated Operating Expenses. By April 30th of each year (and as soon as practical after the expiration or

termination of this Lease or, at Landlord's option, after a sale of the Property), Landlord shall provide Tenant with a statement of Operating Expenses for the preceding calendar year or part thereof. Within 30 days after delivery of the statement to Tenant, Landlord or Tenant shall pay to the other the amount of any overpayment or deficiency then due from one to the other or, at Landlord's option, Landlord may credit Tenant's account for any overpayment. If Tenant does not give Landlord notice within 30 days after receiving Landlord's statement that Tenant disagrees with the statement and specifying the items and amounts in dispute, Tenant shall be deemed to have waived the right to contest the statement. Landlord's and Tenant's obligation to pay any overpayment or deficiency due the other pursuant to this Section shall survive the expiration or termination of this Lease. Notwithstanding any other provision of this Lease to the contrary, Landlord may, in its reasonable discretion, determine from time to time the method of computing and allocating Operating Expenses, including the method of allocating Operating Expenses to various types of space within the Building to reflect any disparate levels of services provided to different types of space. If the Building is not fully occupied during any period, Landlord may make a reasonable adjustment based on occupancy in computing the Operating Expenses for such period so that Operating Expenses are computed as though the Building had been fully occupied. The Building is intended to be part of a multi-building development on the Property and adjacent properties (the "Development"). Landlord may, at its option, treat the entire Development, or any portion thereof, as a single unified project for purposes of determining and allocating certain Operating Expenses that relate to the entire Development, such as real estate taxes. In such event, such Operating Expenses as Landlord elects to allocate based on the entire Development shall include the aggregate amount thereof for all buildings on the Property and adjacent properties and their attendant common areas included in the unified project, and Tenant's Share with respect to such Operating Expenses shall be equal to a fraction, the numerator of which is the number of rentable square feet of the Premises and the denominator of which is the number of rentable square feet of all buildings on the Property and adjacent properties.

7. **Utilities.** Tenant shall pay for water, sewer, gas, electricity, heat, power, telephone and other communication services and any other utilities supplied to the Premises. Except to the extent Landlord elects to provide any such services and invoice Tenant for the cost or include the cost in Operating Expenses, Tenant shall obtain service in its own name and timely pay all charges directly to the provider. The Premises will be separately metered for electricity and gas and Tenant shall obtain electric and gas service in its own name and timely pay all charges therefor directly to the utility company providing such services. Landlord shall not be responsible or liable for any interruption in such services, nor shall such interruption affect the continuation or validity of this Lease. Landlord shall have the exclusive right to select, and to change, the companies providing such services to the Building or Premises. Any wiring, cabling or other equipment necessary to connect Tenant's telecommunications equipment shall be Tenant's responsibility, and shall be installed in a manner approved by Landlord. In the event Landlord reasonably determines that Tenant's consumption of any utility or other service included in Operating Expenses (except for electric and gas service that is separately metered to the Premises) is excessive when compared with other occupants of the Property, Landlord may invoice Tenant separately for, and Tenant shall pay on demand, the cost of Tenant's excessive consumption, as reasonably determined by Landlord, so long as such invoice is accompanied by supporting evidence of such excessive consumption and is fair and equitable to Tenant in relationship to all tenants.

8. **Insurance; Waivers; Indemnification.**

(a) Landlord shall maintain insurance against loss or damage to the Building or the Property with coverage for perils as set forth under the "Causes of Loss-Special Form" or equivalent property insurance policy in an amount equal to the full insurable replacement cost of the Building (excluding coverage of Tenant's personal property and any Alterations by Tenant), and such other insurance, including rent loss coverage, as Landlord may reasonably deem appropriate or as any Mortgagee may require.

(b) Tenant, at its expense, shall keep in effect commercial general liability insurance, including blanket contractual liability insurance, covering Tenant's use of the Property, with such coverages and limits of liability as Landlord may reasonably require, but not less than a \$1,000,000.00 combined single limit with a \$5,000,000.00 general aggregate limit (which general aggregate limit may be satisfied by an umbrella liability policy) for bodily injury or property damage; however, such limits shall not limit Tenant's liability hereunder. The policy shall name Landlord and any other associated or affiliated entity as their interests may appear and at Landlord's request, any Mortgagee(s), as additional insureds, shall be written on an "occurrence" basis and not on a "claims made" basis and shall be endorsed to provide that it is primary to and not contributory to any policies carried by Landlord and to provide that it shall not be cancelable or reduced without at least 30 days prior notice to Landlord. The insurer shall be authorized to issue such insurance, licensed to do business and admitted in the state in which the Property is located and rated at least A VII in the most current edition of *Best's Insurance Reports*. Tenant shall deliver to Landlord on or before the Commencement Date or any earlier date on which Tenant accesses the Premises, and at least 30 days prior to the date of each policy renewal, a certificate of insurance evidencing such coverage.

(c) Landlord and Tenant each waive, and release each other from and against, all claims for recovery against the other for any loss or damage to the property of such party arising out of fire or other casualty coverable by a standard "Causes of

Loss-Special Form" property insurance policy with, in the case of Tenant, such endorsements and additional coverages as are considered good business practice in Tenant's business, even if such loss or damage shall be brought about by the fault or negligence of the other party or its Agents; provided, however, such waiver by Landlord shall not be effective with respect to Tenant's liability described in Sections 9(b) and 10(d) below. This waiver and release is effective regardless of whether the releasing party actually maintains the insurance described above in this subsection and is not limited to the amount of insurance actually carried, or to the actual proceeds received after a loss. Each party shall have its insurance company that issues its property coverage waive any rights of subrogation, and shall have the insurance company include an endorsement acknowledging this waiver, if necessary. Tenant assumes all risk of damage of Tenant's property within the Property, including any loss or damage caused by water leakage, fire, windstorm, explosion, theft, act of any other tenant, or other cause.

(d) Tenant shall not be permitted to satisfy any of its insurance obligations set forth in this Lease through any self-insurance or self-insured retention in excess of \$25,000.00.

(e) Subject to subsection (c) above, and except to the extent caused by the negligence or willful misconduct of Landlord or its Agents, Tenant will indemnify, defend, and hold harmless Landlord and its Agents from and against any and all claims, actions, damages, liability and expense (including fees of attorneys, investigators and experts) which may be asserted against, imposed upon, or incurred by Landlord or its Agents and arising out of or in connection with loss of life, personal injury or damage to property in or about the Premises or arising out of the occupancy or use of the Property by Tenant or its Agents or occasioned wholly or in part by any act or omission of Tenant or its Agents, whether prior to, during or after the Term. Tenant's obligations pursuant to this subsection shall survive the expiration or termination of this Lease.

(f) Subject to subsection (c) above, and except to the extent caused by the negligence or willful misconduct of Tenant or its Agents, Landlord will indemnify, defend, and hold harmless Tenant and its Agents from and against any and all claims, actions, damages, liability and expense (including fees of attorneys, investigators and experts) which may be asserted against, imposed upon, or incurred by Tenant or its Agents and arising out of or in connection with loss of life, personal injury or damage to property in or about the Property occasioned wholly or in part by the negligence or willful misconduct of Landlord or its Agents, whether prior to, during or after the Term. Landlord's obligations pursuant to this Section shall survive the expiration or termination of this Lease.

9. Maintenance and Repairs.

(a) Landlord shall Maintain the: (i) Building footings, foundations, structural steel columns and girders at Landlord's sole expense; (ii) Building roof and exterior walls; (iii) Building Systems; and (iv) Common Areas. Costs incurred by Landlord under the foregoing subsections (ii), (iii) and (iv) will be included in Operating Expenses, provided that to the extent any heating, ventilation and air conditioning system, or other Building System, equipment or fixture exclusively serves the Premises, Landlord may elect either to Maintain the same at Tenant's sole expense and bill Tenant directly or by notice to Tenant require Tenant to Maintain the same at Tenant's expense. If Tenant becomes aware of any condition that is Landlord's responsibility to repair, Tenant shall promptly notify Landlord of the condition.

(b) Except as provided in subsection (a) above, Tenant at its sole expense shall Maintain the Premises and all fixtures and equipment in the Premises. All repairs and replacements by Tenant shall utilize materials and equipment which are comparable to those originally used in constructing the Building and Premises. Alterations, repairs and replacements to the Property, including the Premises, made necessary because of Tenant's Alterations or installations, any use or circumstances special or particular to Tenant, or any act or omission of Tenant or its Agents shall be made by Landlord or Tenant as set forth above, but at the sole expense of Tenant to the extent not covered by any applicable insurance proceeds paid to Landlord.

10. Compliance.

(a) Tenant will, at its expense, promptly comply with all Laws now or subsequently pertaining to the Premises or Tenant's use or occupancy. Tenant will pay any taxes or other charges by any authority on Tenant's property or trade fixtures or relating to Tenant's use of the Premises. Neither Tenant nor its Agents shall use the Premises in any manner that under any Law would require Landlord to make any Alteration to or in the Building or Common Areas. Tenant represents that if Tenant's use of the Premises is deemed to be 'a place of public accommodation' under the ADA, then, without limiting the provisions of this Section, Tenant, at its sole expense, shall comply with Title III of the ADA and the regulations promulgated thereunder concerning the design of any alterations of the Premises and the use and occupancy of the Premises including, without limitation, (i) provision for full and equal enjoyment of the goods, services, facilities, privileges, advantages or accommodations of the Premises as contemplated by and to the extent required under the ADA, and (ii) compliance related to the design, layout, renovation, alteration or improvement of the Premises made or requested by Tenant at any time with or without Landlord's

consent. Tenant shall be responsible for compliance with the ADA, and any other Laws regarding accessibility, with respect to the Premises. Landlord shall be responsible for compliance with the ADA, and any other Laws regarding accessibility, with respect to the Common Areas (subject to reimbursement as Operating Expenses where permitted hereunder), except to the extent compliance with the ADA, and any other Laws regarding accessibility, is required by reason of Tenant's specific use or manner of use of the Premises, by Alterations made by Tenant, or by the acts or omissions of Tenant or its Agents.

(b) Tenant will comply, and will cause its Agents to comply, with the Building Rules.

(c) Tenant agrees not to do anything or fail to do anything which will increase the cost of Landlord's insurance or which will prevent Landlord from procuring policies (including public liability) from companies and in a form satisfactory to Landlord. If any breach of the preceding sentence by Tenant causes the rate of fire or other insurance to be increased, Tenant shall pay the amount of such increase as additional Rent within 30 days after being billed.

(d) Tenant agrees that (i) no activity will be conducted on the Premises that will use or produce any Hazardous Materials, except for activities which are part of the ordinary course of Tenant's business and are conducted in accordance with all Environmental Laws ("Permitted Activities"); (ii) the Premises will not be used for storage of any Hazardous Materials, except for materials used in the Permitted Activities which are properly stored in a manner and location complying with all Environmental Laws; (iii) no portion of the Premises or Property will be used by Tenant or Tenant's Agents for disposal of Hazardous Materials; (iv) Tenant will deliver to Landlord copies of all Material Safety Data Sheets and other written information prepared by manufacturers, importers or suppliers of any chemical; and (v) Tenant will immediately notify Landlord of any violation by Tenant or Tenant's Agents of any Environmental Laws or the release or suspected release of Hazardous Materials in, under or about the Premises, and Tenant shall immediately deliver to Landlord a copy of any notice, filing or permit sent or received by Tenant with respect to the foregoing. If at any time during or after the Term, any portion of the Property is found to be contaminated by Tenant or Tenant's Agents or subject to conditions prohibited in this Lease caused by Tenant or Tenant's Agents, Tenant will indemnify, defend and hold Landlord harmless from all claims, demands, actions, liabilities, costs, expenses, attorneys' fees, damages and obligations of any nature arising from or as a result thereof, and Landlord shall have the right to direct remediation activities, all of which shall be performed at Tenant's cost. Tenant's obligations pursuant to this subsection shall survive the expiration or termination of this Lease.

11. **Signs.** Landlord, at Tenant's sole cost and expense, will furnish Tenant Building standard identification signage on or beside the main entrance door to the Premises and Building standard, shared signage on the existing Building monument sign located on the Property, in common with other tenants of the Building. Tenant shall not place any signs on the Property without the prior consent of Landlord, other than signs that are located wholly within the interior of the Premises and not visible from the exterior of the Premises. Tenant shall maintain all signs installed by Tenant in good condition. Tenant shall remove its signs at the termination of this Lease, shall repair any resulting damage, and shall restore the Property to its condition existing prior to the installation of Tenant's signs.

12. **Alterations.** Except for non-structural Alterations that (i) do not exceed \$5,000.00 in the aggregate, (ii) are not visible from the exterior of the Premises, (iii) do not affect any Building System or the structural strength of the Building, (iv) do not require penetrations into the floor, ceiling or walls, and (v) do not require work within the walls, below the floor or above the ceiling, Tenant shall not make or permit any Alterations in or to the Premises without first obtaining Landlord's consent, which consent shall not be unreasonably withheld. With respect to any Alterations made by or on behalf of Tenant (whether or not the Alteration requires Landlord's consent): (i) not less than 10 days prior to commencing any Alteration, Tenant shall deliver to Landlord the plans, specifications and necessary permits for the Alteration, together with certificates evidencing that Tenant's contractors and subcontractors have adequate insurance coverage naming Landlord and any other associated or affiliated entity as their interests may appear as additional insureds; (ii) Tenant shall obtain Landlord's prior written approval of any contractor or subcontractor; (iii) the Alteration shall be constructed with new materials, in a good and workmanlike manner, and in compliance with all Laws and the plans and specifications delivered to, and, if required above, approved by Landlord; (iv) Tenant shall pay Landlord all reasonable costs and expenses in connection with Landlord's review of Tenant's plans and specifications, and of any supervision or inspection of the construction Landlord deems necessary; and (v) upon Landlord's request Tenant shall, prior to commencing any Alteration, provide Landlord reasonable security against liens arising out of such construction. Any Alteration by Tenant shall be the property of Tenant until the expiration or termination of this Lease; at that time without payment by Landlord the Alteration shall remain on the Property and become the property of Landlord unless Landlord gives notice to Tenant to remove it, in which event Tenant will remove it, will repair any resulting damage and will restore the Premises to the condition existing prior to Tenant's Alteration. At Tenant's request prior to Tenant making any Alterations, Landlord will notify Tenant whether Tenant is required to remove the Alterations at the expiration or termination of this Lease. Tenant may install its trade fixtures, furniture and equipment in the Premises, provided that the installation and removal of them will not affect any structural portion of the Property, any Building System or any other equipment or facilities serving the Building or any occupant.

13. **Mechanics' Liens.** Tenant promptly shall pay for any labor, services, materials, supplies or equipment furnished to Tenant in or about the Premises. Tenant shall keep the Premises and the Property free from any liens arising out of any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to Tenant. Tenant shall take all steps permitted by law in order to avoid the imposition of any such lien. Should any such lien or notice of such lien be filed against the Premises or the Property, Tenant shall discharge the same by bonding or otherwise within 15 days after Tenant has notice that the lien or claim is filed regardless of the validity of such lien or claim.

14. **Landlord's Right to Relocate Tenant; Right of Entry.**

(a) Landlord may relocate Tenant from the Premises to comparable space in the Building as reasonably determined by Landlord; provided that Landlord shall in no event increase the Minimum Annual Rent, Tenant's Share or other sums payable under this Lease unless Tenant shall consent to an expansion of the Premises in connection with such relocation. The relocation space shall be comparable to the Premises in all material respects, including without limitation, the size and quality of tenant improvements. Landlord will give Tenant at least 60 days advance notice of relocation and will pay for all reasonable costs of such relocation, including, without limitation, reasonable, documented, actual, out-of-pocket moving expenses, computer and telephone re-wiring and installation costs and the cost of new stationery and business cards. Such a relocation shall not terminate, modify or otherwise affect this Lease except that "Premises" shall refer to the relocation space rather than the old location identified in Section 1(a).

(b) Tenant shall permit Landlord and its Agents to enter the Premises at all reasonable times following reasonable notice (except in an emergency) to inspect, Maintain, or make Alterations to the Premises or Property, to exhibit the Premises for the purpose of sale or financing, and, during the last 9 months of the Term, to exhibit the Premises to any prospective tenant. Landlord will make reasonable efforts not to inconvenience Tenant in exercising such rights, but Landlord shall not be liable for any interference with Tenant's occupancy resulting from Landlord's entry.

15. **Damage by Fire or Other Casualty.** If the Premises or Common Areas shall be damaged or destroyed by fire or other casualty, Tenant shall promptly notify Landlord, and Landlord, subject to the conditions set forth in this Section, shall repair such damage and restore the Premises or Common Areas to substantially the same condition in which they were immediately prior to such damage or destruction, but not including the repair, restoration or replacement of the fixtures, equipment, or Alterations installed by or on behalf of Tenant. Landlord shall notify Tenant, within 30 days after the date of the casualty, if Landlord anticipates that the restoration will take more than 180 days from the date of the casualty to complete; in such event, either Landlord or Tenant (unless the damage was caused by Tenant) may terminate this Lease effective as of the date of casualty by giving notice to the other within 10 days after Landlord's notice. If a casualty occurs during the last 12 months of the Term, Landlord may terminate this Lease unless Tenant has the right to extend the Term for at least 3 more years and does so within 30 days after the date of the casualty. Moreover, Landlord may terminate this Lease if the loss is not covered by the insurance required to be maintained by Landlord under this Lease. Tenant will receive an abatement of Minimum Annual Rent and Annual Operating Expenses to the extent the Premises are rendered untenable as a result of the casualty.

16. **Condemnation.** If (a) all of the Premises are Taken, (b) any part of the Premises is Taken and the remainder is insufficient in Landlord's opinion for the reasonable operation of Tenant's business, or (c) any of the Property is Taken, and, in Landlord's opinion, it would be impractical or the condemnation proceeds are insufficient to restore the remainder, then this Lease shall terminate as of the date the condemning authority takes possession. If this Lease is not terminated, Landlord shall restore the Building to a condition as near as reasonably possible to the condition prior to the Taking, the Minimum Annual Rent shall be abated for the period of time all or a part of the Premises is untenable in proportion to the square foot area untenable, and this Lease shall be amended appropriately. The compensation awarded for a Taking shall belong to Landlord. Except for any relocation benefits to which Tenant may be entitled, Tenant hereby assigns all claims against the condemning authority to Landlord, including, but not limited to, any claim relating to Tenant's leasehold estate.

17. **Quiet Enjoyment.** Landlord covenants that Tenant, upon performing all of its covenants, agreements and conditions of this Lease, shall have quiet and peaceful possession of the Premises as against anyone claiming by or through Landlord, subject, however, to the terms of this Lease.

18. **Assignment and Subletting.**

(a) Except as provided in Section (b) below, Tenant shall not enter into nor permit any Transfer voluntarily or by operation of law, without the prior consent of Landlord, which consent shall not be unreasonably withheld. Without limitation, Tenant agrees that Landlord's consent shall not be considered unreasonably withheld if (i) the proposed transferee is an existing tenant of Landlord or an affiliate of Landlord, (ii) the business, business reputation, or creditworthiness of the proposed transferee

is unacceptable to Landlord, (iii) Landlord or an affiliate of Landlord has comparable space available for lease by the proposed transferee, or (iv) Tenant is in default under this Lease or any act or omission has occurred which would constitute a default with the giving of notice and/or the passage of time. A consent to one Transfer shall not be deemed to be a consent to any subsequent Transfer. In no event shall any Transfer relieve Tenant from any obligation under this Lease. Landlord's acceptance of Rent from any person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any Transfer. Any Transfer not in conformity with this Section 18 shall be void at the option of Landlord.

(b) Landlord's consent shall not be required in the event of any Transfer by Tenant to an Affiliate provided that (i) the Affiliate has a tangible net worth at least equal to that of Tenant as of the date of this Lease, (ii) Tenant provides Landlord notice of the Transfer at least 15 days prior to the effective date, together with current financial statements of the Affiliate certified by an executive officer of the Affiliate, and (iii) in the case of an assignment or sublease, Tenant delivers to Landlord an assumption agreement reasonably acceptable to Landlord executed by Tenant and the Affiliate, together with a certificate of insurance evidencing the Affiliate's compliance with the insurance requirements of Tenant under this Lease.

(c) The provisions of subsection (a) above notwithstanding, if Tenant proposes to Transfer all of the Premises (other than to an Affiliate), Landlord may terminate this Lease, either conditioned on execution of a new lease between Landlord and the proposed transferee or without that condition. If Tenant proposes to enter into a Transfer of less than all of the Premises (other than to an Affiliate), Landlord may amend this Lease to remove the portion of the Premises to be transferred, either conditioned on execution of a new lease between Landlord and the proposed transferee or without that condition. If this Lease is not so terminated or amended, Tenant shall pay to Landlord, immediately upon receipt, the excess of (i) all compensation received by Tenant for the Transfer over (ii) the Rent allocable to the Premises transferred.

(d) If Tenant requests Landlord's consent to a Transfer, Tenant shall provide Landlord, at least 15 days prior to the proposed Transfer, current financial statements of the transferee certified by an executive officer of the transferee, a complete copy of the proposed Transfer documents, and any other information Landlord reasonably requests. Immediately following any approved assignment or sublease, Tenant shall deliver to Landlord an assumption agreement reasonably acceptable to Landlord executed by Tenant and the transferee, together with a certificate of insurance evidencing the transferee's compliance with the insurance requirements of Tenant under this Lease. Tenant agrees to reimburse Landlord for reasonable administrative and attorneys' fees in connection with the processing and documentation of any Transfer for which Landlord's consent is requested.

19. Subordination; Mortgagee's Rights.

(a) Tenant accepts this Lease subject and subordinate to any Mortgage now or in the future affecting the Premises, provided that Tenant's right of possession of the Premises shall not be disturbed by the Mortgagee so long as Tenant is not in default under this Lease. This clause shall be self-operative, but within 10 days after request, Tenant shall execute and deliver any further instruments confirming the subordination of this Lease and any further instruments of attornment that the Mortgagee may reasonably request. However, any Mortgagee may at any time subordinate its Mortgage to this Lease, without Landlord's or Tenant's consent, by giving notice to Landlord and Tenant, and this Lease shall then be deemed prior to such Mortgage without regard to their respective dates of execution and delivery; provided that such subordination shall not affect any Mortgagee's rights with respect to condemnation awards, casualty insurance proceeds, intervening liens or any right which shall arise between the recording of such Mortgage and the execution of this Lease. In the event of (i) a transfer of Landlord's interest in the Building, (ii) the termination of any ground or underlying lease of the Building, or the Land, or both, or (iii) the purchase or other acquisition of the Building, or Landlord's interest therein, in a foreclosure sale or by deed in lieu of foreclosure under any Mortgage, or pursuant to a power of sale contained in any Mortgage, then, in any of such events, provided that Tenant's right of possession of the Premises shall not be disturbed by such successor so long as Tenant is not in default under this Lease, Tenant shall, at the request of Landlord or Landlord's successor-in-interest, attorn to and recognize the transferee or purchaser of Landlord's interest or the interest of the lessor under the terminated ground or underlying lease, as the case may be, as "Landlord" under this Lease for the balance then remaining of the Term, and thereafter this Lease shall continue as a direct lease between such person or entity, as "Landlord," and Tenant, as "Tenant," except that such lessor, transferee or purchaser shall not be liable for any act or omission of Landlord before such lease termination or before such person's succession to title, nor be subject to any offset, defense or counterclaim accruing before such lease termination or before such person's succession to title, nor be bound by any payment of Monthly Rent or additional Rent before such lease termination or before such person's succession to title for more than one month in advance.

(b) No Mortgagee shall be (i) liable for any act or omission of a prior landlord, (ii) subject to any rental offsets or defenses against a prior landlord, (iii) bound by any amendment of this Lease made without its written consent, or (iv) bound by payment of Monthly Rent more than one month in advance or liable for any other funds paid by Tenant to Landlord unless such funds actually have been transferred to the Mortgagee by Landlord.

(c) The provisions of Sections 15 and 16 above notwithstanding, Landlord's obligation to restore the Premises after a casualty or condemnation shall be subject to the consent and prior rights of any Mortgagee.

20. Tenant's Certificate; Financial Information. Within 10 days after Landlord's request from time to time, (a) Tenant shall execute, acknowledge and deliver to Landlord, for the benefit of Landlord, Mortgagee, any prospective Mortgagee, and any prospective purchaser of Landlord's interest in the Property, an estoppel certificate in the form of attached Exhibit "C" (or other form requested by Landlord), modified as necessary to accurately state the facts represented, and (b) Tenant shall furnish to Landlord, Landlord's Mortgagee, prospective Mortgagee and/or prospective purchaser reasonably requested financial information.

21. Surrender.

(a) On the date on which this Lease expires or terminates, Tenant shall return possession of the Premises to Landlord in good condition, except for ordinary wear and tear, and except for casualty damage or other conditions that Tenant is not required to remedy under this Lease. Prior to the expiration or termination of this Lease, Tenant shall remove from the Property all furniture, trade fixtures, equipment, wiring and cabling (unless Landlord directs Tenant otherwise), and all other personal property installed by Tenant or its assignees or subtenants. Tenant shall repair any damage resulting from such removal and shall restore the Property to good order and condition. Any of Tenant's personal property not removed as required shall be deemed abandoned, and Landlord, at Tenant's expense, may remove, store, sell or otherwise dispose of such property in such manner as Landlord may see fit and/or Landlord may retain such property or sale proceeds as its property. If Tenant does not return possession of the Premises to Landlord in the condition required under this Lease, Tenant shall pay Landlord all resulting damages Landlord may suffer.

(b) If Tenant remains in possession of the Premises after the expiration or termination of this Lease, Tenant's occupancy of the Premises shall be that of a tenancy at will. Tenant's occupancy during any holdover period shall otherwise be subject to the provisions of this Lease (unless clearly inapplicable), except that the Monthly Rent shall be double the Monthly Rent payable for the last full month immediately preceding the holdover. No holdover or payment by Tenant after the expiration or termination of this Lease shall operate to extend the Term or prevent Landlord from immediate recovery of possession of the Premises by summary proceedings or otherwise. Any provision in this Lease to the contrary notwithstanding, any holdover by Tenant shall constitute a default on the part of Tenant under this Lease entitling Landlord to exercise, without obligation to provide Tenant any notice or cure period, all of the remedies available to Landlord in the event of a Tenant default, and Tenant shall be liable for all damages, including consequential damages, that Landlord suffers as a result of the holdover.

22. Defaults - Remedies.

(a) It shall be an Event of Default:

(i) If Tenant does not pay in full when due any and all Rent and, except as provided in Section 22(d) below, Tenant fails to cure such default on or before the date that is 5 days after Landlord gives Tenant notice of default;

(ii) If Tenant enters into or permits any Transfer in violation of Section 18 above;

(iii) If Tenant fails to observe and perform or otherwise breaches any other provision of this Lease, and, except as provided in Section 22(d) below, Tenant fails to cure the default on or before the date that is 10 days after Landlord gives Tenant notice of default; provided, however, if the default cannot reasonably be cured within 10 days following Landlord's giving of notice, Tenant shall be afforded additional reasonable time (not to exceed 30 days following Landlord's notice) to cure the default if Tenant begins to cure the default within 10 days following Landlord's notice and continues diligently in good faith to completely cure the default; or

(iv) If Tenant becomes insolvent or makes a general assignment for the benefit of creditors or offers a settlement to creditors, or if a petition in bankruptcy or for reorganization or for an arrangement with creditors under any federal or state law is filed by or against Tenant, or a bill in equity or other proceeding for the appointment of a receiver for any of Tenant's assets is commenced, or if any of the real or personal property of Tenant shall be levied upon; provided that any proceeding brought by anyone other than Landlord or Tenant under any bankruptcy, insolvency, receivership or similar law shall not constitute an Event of Default until such proceeding has continued unstayed for more than 60 consecutive days.

(b) If an Event of Default occurs, Landlord shall have the following rights and remedies:

(i) Landlord, without any obligation to do so, may elect to cure the default on behalf of Tenant, in which event Tenant shall reimburse Landlord upon demand for any sums paid or costs incurred by Landlord (together with an administrative fee of 15% thereof) in curing the default, plus interest at the Interest Rate from the respective dates of Landlord's incurring such costs, which sums and costs together with interest at the Interest Rate shall be deemed additional Rent;

(ii) To enter and repossess the Premises, by breaking open locked doors if necessary, and remove all persons and all or any property, by action at law or otherwise, without being liable for prosecution or damages. Landlord may, at Landlord's option, make Alterations and repairs in order to relet the Premises and relet all or any part(s) of the Premises for Tenant's account. Tenant agrees to pay to Landlord on demand any deficiency (taking into account all costs incurred by Landlord) that may arise by reason of such reletting. In the event of reletting without termination of this Lease, Landlord may at any time thereafter elect to terminate this Lease for such previous breach;

(iii) To accelerate the whole or any part of the Rent for the balance of the Term, and declare the same to be immediately due and payable; and

(iv) To terminate this Lease and the Term without any right on the part of Tenant to save the forfeiture by payment of any sum due or by other performance of any condition, term or covenant broken.

(c) In addition to the rights and remedies provided in subsection (a) above, if an Event of Default occurs relating to Tenant's non-payment of the Rent due hereunder, Tenant hereby authorizes any attorney of any court of record of the Commonwealth of Pennsylvania to appear for Tenant and to confess judgment against Tenant, and in favor of Landlord, for all Rent due hereunder plus costs and an attorney's collection commission equal to the greater of 10% of all Rent or \$1,000.00, for which this Lease or a true and correct copy hereof shall be good and sufficient warrant. **TENANT UNDERSTANDS THAT THE FOREGOING PERMITS LANDLORD TO ENTER A JUDGMENT AGAINST TENANT WITHOUT PRIOR NOTICE OR HEARING. ONCE SUCH A JUDGMENT HAS BEEN ENTERED AGAINST TENANT, ONE OR MORE WRITS OF EXECUTION OR WRITS OF GARNISHMENT MAY BE ISSUED THEREON WITHOUT FURTHER NOTICE TO TENANT AND WITHOUT A HEARING, AND, PURSUANT TO SUCH WRITS, LANDLORD MAY CAUSE THE SHERIFF OF THE COUNTY IN WHICH ANY PROPERTY OF TENANT IS LOCATED TO SEIZE TENANT'S PROPERTY BY LEVY OR ATTACHMENT. IF THE JUDGMENT AGAINST TENANT REMAINS UNPAID AFTER SUCH LEVY OR ATTACHMENT, LANDLORD CAN CAUSE SUCH PROPERTY TO BE SOLD BY THE SHERIFF EXECUTING THE WRITS, OR, IF SUCH PROPERTY CONSISTS OF A DEBT OWED TO TENANT BY ANOTHER ENTITY, LANDLORD CAN CAUSE SUCH DEBT TO BE PAID DIRECTLY TO LANDLORD IN AN AMOUNT UP TO BUT NOT TO EXCEED THE AMOUNT OF THE JUDGMENT OBTAINED BY LANDLORD AGAINST TENANT, PLUS THE COSTS OF THE EXECUTION.** Such authority shall not be exhausted by one exercise thereof, but judgment may be confessed as aforesaid from time to time as often as any of the Rent and other sums shall fall due or be in arrears, and such powers may be exercised as well after the expiration of the initial term of this Lease and during any extended or renewal term of this Lease and after the expiration of any extended or renewal term of this Lease.

Initials on behalf of Tenant:

(d) Any provision to the contrary in this Section 22 notwithstanding, (i) Landlord shall not be required to give Tenant the notice and opportunity to cure provided in Section 22(a)(i) above for any default in the payment of Rent more than twice in any consecutive 12-month period, and thereafter during the balance of such consecutive 12-month period Landlord may declare an Event of Default without affording Tenant any of the notice and cure rights provided under this Lease, (ii) Landlord shall not be required to give such notice prior to exercising its rights if Tenant fails to comply with the provisions of Sections 27 or in an emergency that constitutes an imminent danger to persons or property or which requires emergency repairs to the Premises or the Property, (iii) only an additional 5 day notice to Tenant shall be required by Landlord prior to Landlord exercising its rights under Section 22(b) if Tenant fails to discharge any lien or claim in accordance with Section 13 during the 15 day cure period provided in Section 13, and (iv) if Tenant fails, during the 10 day time period provided in Section 20, to (A) execute, acknowledge and deliver to Landlord an estoppel certificate, or (B) furnish to Landlord, Landlord's Mortgagee, prospective Mortgagee and/or prospective purchaser reasonably requested financial information, then Landlord shall only be required to give Tenant an additional 5 day notice prior to Landlord exercising its rights under Section 22(b),

(e) No waiver by Landlord of any breach by Tenant shall be a waiver of any subsequent breach, nor shall any forbearance by Landlord to seek a remedy for any breach by Tenant be a waiver by Landlord of any rights and remedies with respect to such or any subsequent breach. Efforts by Landlord to mitigate the damages caused by Tenant's default shall not constitute a waiver of Landlord's right to recover damages hereunder. No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy provided herein or by law, but each shall be cumulative and in

addition to every other right or remedy given herein or now or hereafter existing at law or in equity. No payment by Tenant or receipt or acceptance by Landlord of a lesser amount than the total amount due Landlord under this Lease shall be deemed to be other than on account, nor shall any endorsement or statement on any check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of Rent due, or Landlord's right to pursue any other available remedy.

(f) If either party commences an action against the other party arising out of or in connection with this Lease, the prevailing party shall be entitled to have and recover from the other party attorneys' fees, costs of suit, investigation expenses and discovery costs, including costs of appeal.

(g) Landlord and Tenant waive the right to a trial by jury in any action or proceeding based upon or related to, the subject matter of this Lease.

(h) When this Lease and the Term or any extension thereof shall have been terminated on account of any default by Tenant, or when the Term or any extension thereof shall have expired, Tenant hereby authorizes any attorney of any court of record of the Commonwealth of Pennsylvania to appear for Tenant and for anyone claiming by, through or under Tenant and to confess judgment against all such parties, and in favor of Landlord, in ejectment and for the recovery of possession of the Premises, for which this Lease or a true and correct copy hereof shall be good and sufficient warrant. **AFTER THE ENTRY OF ANY SUCH JUDGMENT A WRIT OF POSSESSION MAY BE ISSUED THEREON WITHOUT FURTHER NOTICE TO TENANT AND WITHOUT A HEARING.** If for any reason after such action shall have been commenced it shall be determined and possession of the Premises remain in or be restored to Tenant, Landlord shall have the right for the same default and upon any subsequent default(s) or upon the termination of this Lease or Tenant's right of possession as herein set forth, to again confess judgment as herein provided, for which this Lease or a true and correct copy hereof shall be good and sufficient warrant.

Initials on behalf of Tenant: *AEF*

(i) The warrants to confess judgment set forth above shall continue in full force and effect and be unaffected by amendments to this Lease or other agreements between Landlord and Tenant even if any such amendments or other agreements increase Tenant's obligations or expand the size of the Premises.

(j) **TENANT EXPRESSLY AND ABSOLUTELY KNOWINGLY AND EXPRESSLY WAIVES AND RELEASES (i) ANY RIGHT, INCLUDING, WITHOUT LIMITATION, UNDER ANY APPLICABLE STATUTE, WHICH TENANT MAY HAVE TO RECEIVE A NOTICE TO QUIT PRIOR TO LANDLORD COMMENCING AN ACTION FOR REPOSSESSION OF THE PREMISES AND (ii) ANY RIGHT WHICH TENANT MAY HAVE TO NOTICE AND TO HEARING PRIOR TO A LEVY UPON OR ATTACHMENT OF TENANT'S PROPERTY OR THEREAFTER AND (iii) ANY PROCEDURAL ERRORS IN CONNECTION WITH THE ENTRY OF ANY SUCH JUDGMENT OR IN THE ISSUANCE OF ANY ONE OR MORE WRITS OF POSSESSION OR EXECUTION OR GARNISHMENT THEREON.**

Initials on behalf of Tenant: *AEF*

23. **Tenant's Authority.** Tenant represents and warrants to Landlord that: (a) Tenant is duly formed, validly existing and in good standing under the laws of the state under which Tenant is organized, and qualified to do business in the state in which the Property is located, and (b) the person(s) signing this Lease are duly authorized to execute and deliver this Lease on behalf of Tenant.

24. **Liability of Landlord.** The word "Landlord" in this Lease includes the Landlord executing this Lease as well as its successors and assigns, each of which shall have the same rights, remedies, powers, authorities and privileges as it would have had it originally signed this Lease as Landlord. Any such person or entity, whether or not named in this Lease, shall have no liability under this Lease after it ceases to hold title to the Premises except for obligations already accrued (and, as to any unapplied portion of Tenant's Security Deposit, Landlord shall be relieved of all liability upon transfer of such portion to its successor in interest). Tenant shall look solely to Landlord's successor in interest for the performance of the covenants and obligations of the Landlord hereunder which subsequently accrue. Landlord shall not be deemed to be in default under this Lease unless Tenant gives Landlord notice specifying the default and Landlord fails to cure the default within a reasonable period following Tenant's notice. In no event shall Landlord be liable to Tenant for any loss of business or profits of Tenant or for consequential, punitive or special damages of any kind. Neither Landlord nor any principal of Landlord nor any owner of the Property, whether disclosed or undisclosed, shall have any personal liability with respect to any of the provisions of this Lease or

the Premises; Tenant shall look solely to the equity of Landlord in the Property for the satisfaction of any claim by Tenant against Landlord.

25. Miscellaneous.

(a) The captions in this Lease are for convenience only, are not a part of this Lease and do not in any way define, limit, describe or amplify the terms of this Lease.

(b) This Lease represents the entire agreement between the parties hereto and there are no collateral or oral agreements or understandings between Landlord and Tenant with respect to the Premises or the Property. No rights, easements or licenses are acquired in the Property or any land adjacent to the Property by Tenant by implication or otherwise except as expressly set forth in this Lease. This Lease shall not be modified in any manner except by an instrument in writing executed by the parties. The masculine (or neuter) pronoun and the singular number shall include the masculine, feminine and neuter genders and the singular and plural number. The word "including" followed by any specific item(s) is deemed to refer to examples rather than to be words of limitation. The word "person" includes a natural person, a partnership, a corporation, a limited liability company, an association and any other form of business association or entity. Both parties having participated fully and equally in the negotiation and preparation of this Lease, this Lease shall not be more strictly construed, nor any ambiguities in this Lease resolved, against either Landlord or Tenant.

(c) Each covenant, agreement, obligation, term, condition or other provision contained in this Lease shall be deemed and construed as a separate and independent covenant of the party bound by, undertaking or making the same, not dependent on any other provision of this Lease unless otherwise expressly provided. All of the terms and conditions set forth in this Lease shall apply throughout the Term unless otherwise expressly set forth herein.

(d) If any provisions of this Lease shall be declared unenforceable in any respect, such unenforceability shall not affect any other provision of this Lease, and each such provision shall be deemed to be modified, if possible, in such a manner as to render it enforceable and to preserve to the extent possible the intent of the parties as set forth herein. This Lease shall be construed and enforced in accordance with the laws of the state in which the Property is located.

(e) This Lease shall be binding upon and inure to the benefit of Landlord and Tenant and their respective heirs, personal representatives and permitted successors and assigns. All persons liable for the obligations of Tenant under this Lease shall be jointly and severally liable for such obligations.

(f) Tenant shall not record this Lease or any memorandum without Landlord's prior consent.

(g) This Lease may be executed in counterparts, each of which shall constitute an original, but which, taken together, shall be one original agreement. Any counterpart of this Lease may be executed and delivered by telephone facsimile transmission (or by similar electronic transmission, including, without limitation, e-mail or by portable document format, including, without limitation, pdf) and shall have the same force and effect as an original.

26. Notices. Any notice, consent or other communication under this Lease shall be in writing and addressed to Landlord or Tenant at their respective addresses specified in Section 1 above (or to such other address as either may designate by notice to the other) with a copy to any Mortgagee or other party designated by Landlord. Each notice or other communication shall be deemed given if sent by prepaid overnight delivery service or by certified mail, return receipt requested, postage prepaid or in any other manner, with delivery in any case evidenced by a receipt, and shall be deemed to have been given on the day of actual delivery to the intended recipient or on the business day delivery is refused. The giving of notice by Landlord's attorneys, representatives and agents under this Section shall be deemed to be the acts of Landlord.

27. Security Deposit. At the time of signing this Lease, Tenant shall deposit with Landlord the Security Deposit to be retained by Landlord as cash security for the faithful performance and observance by Tenant of the provisions of this Lease. Tenant shall not be entitled to any interest on the Security Deposit. Landlord shall have the right to commingle the Security Deposit with its other funds. Landlord may use the whole or any part of the Security Deposit for the payment of any amount as to which Tenant is in default or to compensate Landlord for any loss or damage it may suffer by reason of Tenant's default under this Lease. If Landlord uses all or any portion of the Security Deposit as herein provided, within 10 days after demand, Tenant shall pay Landlord cash in an amount equal to that portion of the Security Deposit used by Landlord. If Tenant complies fully and faithfully with all of the provisions of this Lease, the Security Deposit shall be returned to Tenant after the Expiration Date and surrender of the Premises to Landlord.

28. Tenant Improvements.

(a) Landlord shall complete the Tenant Improvements in accordance with the plans or the description of improvements attached hereto as Exhibit "D" and the specifications attached hereto as Exhibit "E". All necessary construction shall be substantially completed ready for use and occupancy by Tenant on the Anticipated Completion Date, subject to extension for delays due to any cause beyond the reasonable control of Landlord or Landlord's contractors or suppliers. All construction shall be done in a good and workmanlike manner and shall comply at the time of completion with all applicable Laws of the governmental authorities having jurisdiction.

(b) Tenant's occupancy of the Premises shall constitute Tenant's acceptance of the Tenant Improvements, subject to completion by Landlord of items set forth on a mutually agreed-upon punchlist of incomplete items prepared at the time of substantial completion of the Tenant Improvements.

(c) Tenant and its Agents shall have the right, at Tenant's own risk, expense and responsibility, at all reasonable times on or after the date that is thirty (30) days prior to the Commencement Date, to enter the Premises for the purpose of taking measurements and installing its furnishings and equipment, provided that Tenant does not interfere with or delay the Tenant Improvements, Tenant uses contractors and workers compatible with the contractors and workers engaged by Landlord, and Tenant obtains Landlord's prior written consent.

(d) If the date of substantial completion of the Tenant Improvements is delayed by Tenant or its Agents, then the Tenant Improvements shall be deemed to be substantially complete on the Anticipated Completion Date, as extended for reasons other than those caused by Tenant or its Agents.

29. Option to Renew.

(a) Provided that Landlord has not given Tenant notice of default more than two (2) times in the immediately preceding 12 month period, that there then exists no Event of Default by Tenant under this Lease, nor any event of which Tenant has received written notice that with the passage of time would constitute an Event of Default that remains uncured, and that Tenant is the sole occupant of the Premises, Tenant shall have the right and option to extend the Term of this Lease for one (1) additional period of thirty-six (36) months, exercisable by giving Landlord prior written notice, on or before that date that is nine (9) months prior to the Expiration Date, of Tenant's election to extend the Term of this Lease; it being agreed that time is of the essence and that this option is personal to Tenant and is non-transferable to any assignee or sublessee (regardless of whether any such assignment or sublease was made with or without Landlord's consent) or other party.

(b) Such extension shall be under the same terms and conditions as provided in this Lease except as follows:

(i) the additional period shall begin on the day after the initial Expiration Date and thereafter the Expiration Date shall be deemed to be the date that is three (3) years after the initial Expiration Date.

(ii) the Minimum Annual Rent payable by Tenant during the additional period shall be in the following amounts:

Month of Term	Annual	Monthly
60-71	\$22,800.00	\$1,900.00
72-83	\$23,484.00	\$1,957.00
84-95	\$24,188.52	\$2,015.71

(iii) there shall be no further options to extend.

30. Option to Terminate. Provided that Landlord receives written evidence reasonably satisfactory to Landlord of the non-renewal or revocation of Tenant's charter as a Pennsylvania Cyber Charter School by the Commonwealth of Pennsylvania, Department of Education, that Landlord has not given Tenant notice of default more than two (2) times in the immediately preceding 12 month period, that there then exists no Event of Default by Tenant under this Lease, nor any event of which Tenant has received written notice that with the passage of time would constitute an Event of Default that remains uncured, and that Tenant is the sole occupant of the Premises, Tenant shall have the right and option, exercisable by giving Landlord a minimum of six (6) months prior written notice thereof, to terminate this Lease at the expiration of either (a) the twenty-fourth (24th) full calendar month of the Term, (b) the thirty-sixth (36th) full calendar month of the Term, or (c) the forty-eighth (48th) full calendar month of the Term. In the event that Tenant timely terminates this Lease pursuant to the foregoing subsection (a), then, as a condition to such right of termination, Tenant shall pay Landlord a termination fee in the amount \$13,950.00 together with

Tenant's notice of exercise of its option to terminate. In the event that Tenant timely terminates this Lease pursuant to the foregoing subsection (b), then, as a condition to such right of termination, Tenant shall pay Landlord a termination fee in the amount \$9,760.00 together with Tenant's notice of exercise of its option to terminate. In the event that Tenant timely terminate this Lease pursuant to the foregoing subsection (c), then, as a condition to such right of termination, Tenant shall pay Landlord a termination fee in the amount \$5,570.00 together with Tenant's notice of exercise of its option to terminate. Tenant shall pay all Rent under the Lease and abide by all of the terms and conditions of the Lease through and including such early termination date.

31. **Brokers.** The parties agree that they have dealt with no brokers in connection with this Lease, except for Colliers International, whose commission shall be paid by Landlord pursuant to separate agreement. Each party agrees to indemnify and hold the other harmless from any and all claims for commissions or fees in connection with the Premises and this Lease from any other real estate brokers or agents with whom they may have dealt.

Landlord and Tenant have executed this Lease on the respective date(s) set forth below.

Landlord:

974 MARCON BLVD, LP

By: PennCap Group 4 GP, LLC, its general partner

Date signed:

By: _____

Name:

Title:

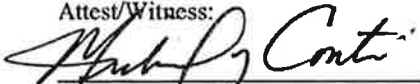
Date signed:

6-6-2012

Tenant:

THE PENNSYLVANIA CYBER CHARTER SCHOOL

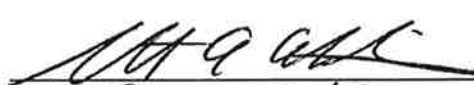
Attest/Witness:



Name:

Title:

Michael Conti
Chief of Staff

By:  _____

Name:

Title:

SCOTT A. ANTOLINE
CFO / TREASURER

Tenant's notice of exercise of its option to terminate. In the event that Tenant timely terminates this Lease pursuant to the foregoing subsection (b), then, as a condition to such right of termination, Tenant shall pay Landlord a termination fee in the amount \$9,760.00 together with Tenant's notice of exercise of its option to terminate. In the event that Tenant timely terminates this Lease pursuant to the foregoing subsection (c), then, as a condition to such right of termination, Tenant shall pay Landlord a termination fee in the amount \$5,570.00 together with Tenant's notice of exercise of its option to terminate. Tenant shall pay all Rent under the Lease and abide by all of the terms and conditions of the Lease through and including such early termination date.

31. **Brokers.** The parties agree that they have dealt with no brokers in connection with this Lease, except for Colliers International, whose commission shall be paid by Landlord pursuant to separate agreement. Each party agrees to indemnify and hold the other harmless from any and all claims for commissions or fees in connection with the Premises and this Lease from any other real estate brokers or agents with whom they may have dealt.

Landlord and Tenant have executed this Lease on the respective date(s) set forth below.

Landlord:

974 MARCON BLVD, LP

By: PennCap Group 4 GP, LLC, its general partner

Date signed:

6/14/12

By: 

Name:

Title:

**Robert Tarulli
Vice President**

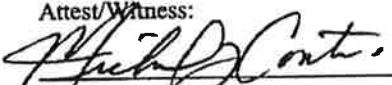
Date signed:

6-6-2012

Tenant:

THE PENNSYLVANIA CYBER CHARTER SCHOOL

Attest/Witness:



Name:

Title:

**Michael Conti
Chief of Staff**

By: 

Name:

Title:

**SCOTT A. ANTOLINE
CFO / TREASURER**

Rider 1 to Lease Agreement

(Multi-Tenant Industrial)

ADDITIONAL DEFINITIONS

“ADA” means the Americans With Disabilities Act of 1990 (42 U.S.C. § 1201 et seq.), as amended and supplemented from time to time.

“Affiliate” means (i) any entity controlling, controlled by, or under common control of, Tenant, (ii) any successor to Tenant by merger, consolidation or reorganization, and (iii) any purchaser of all or substantially all of the assets of Tenant as a going concern.

“Agents” of a party means such party’s employees, agents, representatives, contractors, licensees or invitees.

“Alteration” means any addition, alteration or improvement to the Premises or Property, as the case may be.

“Building Rules” means the rules and regulations attached to this Lease as **Exhibit “B”** as they may be amended from time to time.

“Building Systems” means any electrical, mechanical, structural, plumbing, heating, ventilating, air conditioning, sprinkler, life safety or security systems serving the Building.

“Common Areas” means all areas and facilities as provided by Landlord from time to time for the use or enjoyment of all tenants in the Building or Property, including, if applicable, driveways, sidewalks, parking, loading and landscaped areas.

“Environmental Laws” means all present or future federal, state or local laws, ordinances, rules or regulations (including the rules and regulations of the federal Environmental Protection Agency and comparable state agency) relating to the protection of human health or the environment.

“Event of Default” means a default described in Section 22(a) of this Lease.

“Hazardous Materials” means pollutants, contaminants, toxic or hazardous wastes or other materials the removal of which is required or the use of which is regulated, restricted, or prohibited by any Environmental Law.

“Interest Rate” means interest at the rate of 1½% per month.

“Land” means the lot or plot of land on which the Building is situated or the portion thereof allocated by Landlord to the Building.

“Laws” means all laws, ordinances, rules, orders, regulations, guidelines and other requirements of federal, state or local governmental authorities or of any private association or contained in any restrictive covenants or other declarations or agreements, now or subsequently pertaining to the Property or the use and occupation of the Property.

“Lease Year” means the period from the Commencement Date through the succeeding 12 full calendar months (including for the first Lease Year any partial month from the Commencement Date until the first day of the first full calendar month) and each successive 12-month period thereafter during the Term.

“Maintain” means to provide such maintenance, repair and, to the extent necessary and appropriate, replacement, as may be needed to keep the subject property in good condition and repair.

“Monthly Rent” means the monthly installment of Minimum Annual Rent plus the monthly installment of estimated Annual Operating Expenses payable by Tenant under this Lease.

“Mortgage” means any mortgage, deed of trust or other lien or encumbrance on Landlord’s interest in the Property or any portion thereof, including without limitation any ground or master lease if Landlord’s interest is or becomes a leasehold estate.

“Mortgagee” means the holder of any Mortgage, including any ground or master lessor if Landlord’s interest is or becomes a leasehold estate.

“Operating Expenses” means all costs, fees, charges and expenses incurred or charged by Landlord in connection with the ownership, operation, maintenance and repair of, and services provided to, the Property, including, but not limited to, (i) the charges at standard retail rates for any utilities provided by Landlord pursuant to Section 7 of this Lease, (ii) the cost of insurance carried by Landlord pursuant to Section 8 of this Lease together with the cost of any deductible paid by Landlord in connection with an insured loss, (iii) Landlord’s cost to Maintain the Property, subject to the provisions of Section 9 of this Lease, (iv) the cost of trash collection, (v) to the extent not otherwise payable by Tenant pursuant to Section 5 of this Lease, all levies, taxes (including real estate taxes, sales taxes and gross receipt taxes), assessments, liens, license and permit fees, together with the reasonable cost of contesting any of the foregoing, which are applicable to the Term, and which are imposed by any authority or under any Law, or pursuant to any recorded covenants or agreements, upon or with respect to the Property, or any improvements thereto, or directly upon this Lease or the Rent or upon amounts payable by any subtenants or other occupants of the Premises, or against Landlord because of Landlord’s estate or interest in the Property, (vi) the annual amortization (over their estimated economic useful life or payback period, whichever is shorter) of the costs (including reasonable financing charges) of capital improvements or replacements, and (vii) a management and administrative fee equal to five percent (5%) of the sum of all Minimum Annual Rent from the Property. The foregoing notwithstanding, Operating Expenses will not include: (i) depreciation on the Building, (ii) financing and refinancing costs (except as provided above), interest on debt or amortization payments on any mortgage, or rental under any ground or underlying lease, (iii) leasing commissions, advertising expenses, tenant improvements or other costs directly related to the leasing of the Property, or (iv) income, excess profits or corporate capital stock tax imposed or assessed upon Landlord, unless such tax or any similar tax is levied or assessed in lieu of all or any part of any taxes includable in Operating Expenses above. If Landlord elects to prepay real estate taxes during any discount period, Landlord shall be entitled to the benefit of any such prepayment. Landlord shall have the right to directly perform (by itself or through an affiliate) any services provided under this Lease provided that the Landlord’s charges included in Operating Expenses for any such services shall not exceed competitive market rates for comparable services.

“Property” means the Land, the Building, the Common Areas, and all appurtenances to them.

“Rent” means the Minimum Annual Rent, Annual Operating Expenses and any other amounts payable by Tenant to Landlord under this Lease.

“Taken” or “Taking” means acquisition by a public authority having the power of eminent domain by condemnation or conveyance in lieu of condemnation.

“Tenant Improvements” means the improvements to be performed by Landlord pursuant to Section 28 of this Lease.

“Tenant’s Share” means the percentage obtained by dividing the rentable square feet of the Premises by the rentable square feet of the Building, as set forth in Section 1 of this Lease.

“Transfer” means (i) any assignment, transfer, pledge or other encumbrance of all or a portion of Tenant’s interest in this Lease, (ii) any sublease, license or concession of all or a portion of Tenant’s interest in the Premises, or (iii) any transfer of a controlling interest in Tenant.

EXHIBIT "A"

PLAN SHOWING PREMISES

EXHIBIT "B"

BUILDING RULES

1. Any sidewalks, lobbies, passages and stairways shall not be obstructed or used by Tenant for any purpose other than ingress and egress from and to the Premises. Landlord shall in all cases retain the right to control or prevent access by all persons whose presence, in the judgment of Landlord, shall be prejudicial to the safety, peace or character of the Property.

2. The toilet rooms, toilets, urinals, sinks, faucets, plumbing or other service apparatus of any kind shall not be used for any purposes other than those for which they were installed, and no sweepings, rubbish, rags, ashes, chemicals or other refuse or injurious substances shall be placed therein or used in connection therewith or left in any lobbies, passages, elevators or stairways.

3. Tenant shall not impair in any way the fire safety system and shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord, any governmental agency or any insurance company insuring the Building, including without limitation the insurer's Red Tag Permit System, Hot Work Permit System and all other fire protection impairment procedures. No person shall go on the roof without Landlord's prior written permission.

4. Skylights, windows, doors and transoms shall not be covered or obstructed by Tenant, and Tenant shall not install any window covering which would affect the exterior appearance of the Building, except as approved in writing by Landlord. Tenant shall not remove, without Landlord's prior written consent, any shades, blinds or curtains in the Premises.

5. Without Landlord's prior written consent, Tenant shall not hang, install, mount, suspend or attach anything from or to any sprinkler, plumbing, utility or other lines. If Tenant hangs, installs, mounts, suspends or attaches anything from or to any doors, windows, walls, floors or ceilings, Tenant shall spackle and sand all holes and repair any damage caused thereby or by the removal thereof at or prior to the expiration or termination of the Lease. If Tenant elects to seal the floor, Tenant shall seal the entire unfinished floor area within the Premises.

6. Tenant shall not change any locks nor place additional locks upon any doors.

7. Tenant shall not use nor keep in the Building any matter having an offensive odor, nor explosive or highly flammable material, nor shall any animals other than handicap assistance dogs in the company of their masters be brought into or kept in or about the Property.

8. If Tenant desires to introduce electrical, signaling, telegraphic, telephonic, protective alarm or other wires, apparatus or devices, Landlord shall direct where and how the same are to be placed, and except as so directed, no installation boring or cutting shall be permitted. Landlord shall have the right to prevent and to cut off the transmission of excessive or dangerous current of electricity or annoyances into or through the Building or the Premises and to require the changing of wiring connections or layout at Tenant's expense, to the extent that Landlord may deem necessary, and further to require compliance with such reasonable rules as Landlord may establish relating thereto, and in the event of non-compliance with the requirements or rules, Landlord shall have the right immediately to cut wiring or to do what it considers necessary to remove the danger, annoyance or electrical interference with apparatus in any part of the Building. All wires installed by Tenant must be clearly tagged at the distributing boards and junction boxes and elsewhere where required by Landlord, with the number of the office to which said wires lead, and the purpose for which the wires respectively are used, together with the name of the concern, if any, operating same. No machinery of any kind other than customary small business machines shall be allowed in the Premises. Tenant shall not use any method of heating, air conditioning or air cooling other than that provided by Landlord.

9. Tenant shall not place weights anywhere beyond the safe carrying capacity of the Building which is designed to normal office building standards for floor loading capacity. Landlord shall have the right to exclude from the Building heavy furniture, safes and other articles which may be hazardous or to require them to be located at designated places in the Premises.

10. The use of rooms as sleeping quarters is strictly prohibited at all times.

11. Tenant shall have the right, at Tenant's sole risk and responsibility, to use only Tenant's Share of the parking spaces at the Property as reasonably determined by Landlord. Tenant shall comply with all parking regulations

promulgated by Landlord from time to time for the orderly use of the vehicle parking areas, including without limitation the following: Parking shall be limited to automobiles, passenger or equivalent vans, motorcycles, light four wheel pickup trucks and (in designated areas) bicycles. No vehicles shall be left in the parking lot overnight without Landlord's prior written approval. Parked vehicles shall not be used for vending or any other business or other activity while parked in the parking areas. Vehicles shall be parked only in striped parking spaces, except for loading and unloading, which shall occur solely in zones marked for such purpose, and be so conducted as to not unreasonably interfere with traffic flow within the Property or with loading and unloading areas of other tenants. Employee and tenant vehicles shall not be parked in spaces marked for visitor parking or other specific use. All vehicles entering or parking in the parking areas shall do so at owner's sole risk and Landlord assumes no responsibility for any damage, destruction, vandalism or theft. Tenant shall cooperate with Landlord in any measures implemented by Landlord to control abuse of the parking areas, including without limitation access control programs, tenant and guest vehicle identification programs, and validated parking programs, provided that no such validated parking program shall result in Tenant being charged for spaces to which it has a right to free use under its Lease. Each vehicle owner shall promptly respond to any sounding vehicle alarm or horn, and failure to do so may result in temporary or permanent exclusion of such vehicle from the parking areas. Any vehicle which violates the parking regulations may be cited, towed at the expense of the owner, temporarily or permanently excluded from the parking areas, or subject to other lawful consequence. Bicycles are not permitted in the Building.

12. Tenant and its Agents shall not smoke in the Building or at the Building entrances and exits.

13. Tenant shall provide Landlord with a written identification of any vendors engaged by Tenant to perform services for Tenant at the Premises (examples: security guards/monitors, telecommunications installers/maintenance), and all vendors shall be subject to Landlord's reasonable approval. No mechanics shall be allowed to work on the Building or Building Systems other than those engaged by Landlord. Tenant shall permit Landlord's employees and contractors and no one else to clean the Premises unless Landlord consents in writing. Tenant assumes all responsibility for protecting its Premises from theft and vandalism and Tenant shall see each day before leaving the Premises that all lights are turned out and that the windows and the doors are closed and securely locked.

14. Tenant shall comply with any move-in/move-out rules provided by Landlord and with any rules provided by Landlord governing access to the Building outside of Normal Business Hours. Throughout the Term, no furniture, packages, equipment, supplies or merchandise of Tenant will be received in the Building, or carried up or down in the elevators or stairways, except during such hours as shall be designated by Landlord, and Landlord in all cases shall also have the exclusive right to prescribe the method and manner in which the same shall be brought in or taken out of the Building.

15. Tenant shall not place oversized cartons, crates or boxes in any area for trash pickup without Landlord's prior approval. Landlord shall be responsible for trash pickup of normal office refuse placed in ordinary office trash receptacles only. Excessive amounts of trash or other out-of-the-ordinary refuse loads will be removed by Landlord upon request at Tenant's expense.

16. Tenant shall cause all of Tenant's Agents to comply with these Building Rules.

17. Landlord reserves the right to rescind, suspend or modify any rules or regulations and to make such other rules and regulations as, in Landlord's reasonable judgment, may from time to time be needed for the safety, care, maintenance, operation and cleanliness of the Property. Notice of any action by Landlord referred to in this section, given to Tenant, shall have the same force and effect as if originally made a part of the foregoing Lease. New rules or regulations will not, however, be unreasonably inconsistent with the proper and rightful enjoyment of the Premises by Tenant under the Lease.

18. These Building Rules are not intended to give Tenant any rights or claims in the event that Landlord does not enforce any of them against any other tenants or if Landlord does not have the right to enforce them against any other tenants and such nonenforcement will not constitute a waiver as to Tenant.

EXHIBIT "C"

TENANT ESTOPPEL CERTIFICATE

Please refer to the documents described in Schedule 1 hereto, (the "Lease Documents") including the "Lease" therein described; all defined terms in this Certificate shall have the same meanings as set forth in the Lease unless otherwise expressly set forth herein. The undersigned Tenant hereby certifies that it is the tenant under the Lease. Tenant hereby further acknowledges that it has been advised that the Lease may be collaterally assigned in connection with a proposed financing secured by the Property and/or may be assigned in connection with a sale of the Property and certifies both to Landlord and to any and all prospective mortgagees and purchasers of the Property, including any trustee on behalf of any holders of notes or other similar instruments, any holders from time to time of such notes or other instruments, and their respective successors and assigns (the "Beneficiaries") that as of the date hereof:

1. The information set forth in attached Schedule 1 is true and correct.
2. Tenant is in occupancy of the Premises and the Lease is in full force and effect, and, except by such writings as are identified on Schedule 1, has not been modified, assigned, supplemented or amended since its original execution, nor are there any other agreements between Landlord and Tenant concerning the Premises, whether oral or written.
3. All conditions and agreements under the Lease to be satisfied or performed by Landlord have been satisfied and performed.
4. Tenant is not in default under the Lease Documents, Tenant has not received any notice of default under the Lease Documents, and, to Tenant's knowledge, there are no events which have occurred that, with the giving of notice and/or the passage of time, would result in a default by Tenant under the Lease Documents.
5. Tenant has not paid any Rent due under the Lease more than 30 days in advance of the date due under the Lease and Tenant has no rights of setoff, counterclaim, concession or other rights of diminution of any Rent due and payable under the Lease except as set forth in Schedule 1.
6. To Tenant's knowledge, there are no uncured defaults on the part of Landlord under the Lease Documents, Tenant has not sent any notice of default under the Lease Documents to Landlord, and there are no events which have occurred that, with the giving of notice and/or the passage of time, would result in a default by Landlord thereunder, and that at the present time Tenant has no claim against Landlord under the Lease Documents.
7. Except as expressly set forth in Part G of Schedule 1, there are no provisions for any, and Tenant has no, options with respect to the Premises or all or any portion of the Property.
8. No action, voluntary or involuntary, is pending against Tenant under federal or state bankruptcy or insolvency law.
9. The undersigned has the authority to execute and deliver this Certificate on behalf of Tenant and acknowledges that all Beneficiaries will rely upon this Certificate in purchasing the Property or extending credit to Landlord or its successors in interest.
10. This Certificate shall be binding upon the successors, assigns and representatives of Tenant and any party claiming through or under Tenant and shall inure to the benefit of all Beneficiaries.

IN WITNESS WHEREOF, Tenant has executed this Certificate this 6 day of JUNE, 2012.

THE PENNSYLVANIA CYBER CHARTER SCHOOL
Name of Tenant

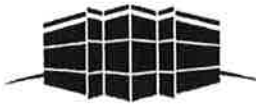
By: [Signature]
Title: CFO / TREASURER

SCHEDULE 1 TO TENANT ESTOPPEL CERTIFICATE

Lease Documents, Lease Terms and Current Status

- A. **Date of Lease:**
- B. **Parties:**
 - 1. **Landlord:**
 - 2. **Tenant:**
- C. **Premises:**
- D. **Modifications, Assignments, Supplements or Amendments to Lease:**

- E. **Commencement Date:**
- F. **Expiration of Current Term:**
- G. **Option Rights:**
- H. **Security Deposit Paid to Landlord: \$**
- I. **Current Minimum Annual Rent: \$**
- J. **Current Annual Operating Expenses: \$**
- K. **Current Total Rent: \$**
- L. **Square Feet Demised:**



PA Cyber School

**974 Marcon Boulevard Suite 200
Bethlehem, PA 18017**

Furnish & Install

- **Remove 30 LF of pre-existing carpet and walls.**
- **Add doorway and wall to bathroom. Door shall be 3'0x 6'8". Wall to be constructed of 3 5/8" 20 gauge metal studs with 5/8" drywall.**
- **Add 24'x36' Armstrong Standard EXCELON VCT flooring**
- **Paint to match building standard: Schwerin Williams Bone White.**
- **Add closet enclosure for sink**
- **Clean suite for occupancy.**

RECEIVED
NOV 08 2016

BY: VJ

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (this "Amendment") is made on this 15 day of October, 2016, by and between **974 MARCON BLVD, LP**, a Delaware limited partnership ("Landlord"), and **THE PENNSYLVANIA CYBER CHARTER SCHOOL**, a non-profit corporation organized under the laws of Pennsylvania ("Tenant").

BACKGROUND:

A. Landlord and Tenant are parties to that certain Lease Agreement dated June 14, 2012 (the "Lease"), covering premises containing approximately 2,450 rentable square feet (the "Existing Premises") known as Suite 200, located in Landlord's building (the "Building") at 974 Marcon Boulevard, Allentown, Pennsylvania, as more fully described in the Lease.

B. Landlord and Tenant desire to modify the Lease to, among other things, (i) expand the Premises (defined herein) by adding to the Existing Premises 1,400 rentable square feet in the Building constituting a portion of Suite 220 as depicted on Exhibit A attached hereto (the "Expansion Premises"), (ii) provide for the performance by Landlord of certain improvements to the Expansion Premises, (iii) adjust the Minimum Annual Rent payable by Tenant under the Lease, and (iv) extend the Term of the Lease, subject to the provisions of this Amendment. Accordingly, Landlord and Tenant desire to amend the Lease.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and covenants contained herein and in the Lease, and intending to be legally bound, hereby agree that the Lease is amended as follows:

1. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Lease.

2. Demise of the Expansion Space.

(a) Landlord hereby leases, demises and lets unto Tenant the Expansion Premises, and Tenant hereby takes and hires the Expansion Premises from Landlord, for the period commencing on the date of substantial completion of the Tenant Improvements (defined in Section 8 below), but not earlier than June 1, 2017 (the "Expansion Premises Commencement Date").

(b) Landlord and Tenant agree that effective on the Expansion Premises Commencement Date, (i) the Expansion Premises shall be deemed to be a portion of the Premises under the Lease and on and thereafter, the "Premises" shall mean the Existing Premises together with the Expansion Premises, and (ii) the Expansion Premises shall be governed by all of the provisions of the Lease as amended hereby.

3. Term. Section 1(c) of the Original Lease defining "Term" is amended to extend the Term (the "First Extended Term") to a new Expiration Date being the last day of the month which is sixty-three (63) consecutive full calendar months following the Expansion Premises Commencement Date. Except for the Tenant Improvements to be made by Landlord pursuant to Section 8 of this Amendment, Tenant accepts the Premises in its "AS IS" condition as of the

Effective Date. Tenant acknowledges that neither Landlord, nor Landlord’s agents, representatives, employees, servants or attorneys have made any representations or promises, whether express or implied, concerning the condition of the Premises, and agrees that Landlord shall have no obligation to make any alterations or improvements to the Premises for or during the remainder of the Term of this Lease, except as provided for in this Amendment.

4. Effective as of the Expansion Premises Commencement Date, Tenant’s “Minimum Annual Rent” obligation for the First Extended Term shall be as follows:

Month of First Extended Term	Per Square Foot	Annual	Monthly
01 – 03*	-----*	-----*	\$2,068.21*
04 – 15	\$9.75	\$37,537.50	\$3,128.13
16 – 27	\$9.99	\$38,461.50	\$3,205.13
28 – 39	\$10.24	\$39,424.00	\$3,285.33
40 – 51	\$10.50	\$40,425.00	\$3,368.75
52 – 63	\$10.76	\$41,426.00	\$3,452.17

*Months 01 – 03 of the First Extended Term include a monthly abatement of Minimum Annual Rent with regard to the Expansion Premises.

Notwithstanding anything contained herein to the contrary, in the event the Expansion Premises Commencement Date occurs later than June 1, 2017, then effective as of September 1, 2017, the Minimum Annual Rent obligation for the First Extended Term with regard to the Existing Premises shall be \$23,887.50, payable in equal monthly installments of \$1,990.63.

5. Tenant’s Share. Effective as of the Expansion Premises Commencement Date, Section 1(h) of the Original Lease defining “Tenant’s Share” is amended to provide for a Tenant’s Share of 9.82%.

6. Option to Renew. Section 29 of the Lease is hereby deleted in its entirety and Tenant shall have no further options to extend the Lease.

7. Option to Terminate. Section 30 of the Lease is hereby deleted in its entirety and replaced with the following:

Provided that Landlord receives written evidence reasonably satisfactory to Landlord of the non-renewal or revocation of Tenant’s charter as a Pennsylvania Cyber Charter School by the Commonwealth of Pennsylvania, Department of Education, that Landlord has not given Tenant notice of default more than two (2) times in the immediately preceding 12 month period, that there then exists no Event of Default by Tenant under this Lease, nor any event of which Tenant has received written notice that with the passage of time would constitute an Event of Default that remains uncured, and that Tenant is the sole occupant of the Premises, Tenant shall have the right and option, exercisable by giving Landlord a minimum of nine (9) months prior written notice thereof, to terminate this Lease at the expiration of the thirty-sixth (36th) full calendar month of the First Extended Term. In the event that Tenant timely terminates this Lease

pursuant to this Section, Tenant shall reimburse Landlord for all of Landlord's unamortized transaction costs including, without limitation, the cost of the Tenant Improvements and any legal fees incurred by Landlord, all of which shall be amortized on a straight line basis over the First Extended Term using an interest factor of ten percent (10%).

8. Tenant Improvements.

(a) Landlord shall, at Landlord's sole cost and expense, complete tenant improvements in the Premises in accordance with the plans or description of improvements attached hereto as Exhibit B (the "Tenant Improvements"). Landlord shall make commercially reasonable efforts to cause such construction to be substantially completed and ready for use and occupancy by Tenant on or before June 1, 2017, subject to extension for delays due to any cause beyond the reasonable control of Landlord or Landlord's contractors or suppliers, including delays caused by Tenant.

(b) Within thirty (30) days after the substantial completion of the Tenant Improvements, Landlord, in consultation with Tenant, shall generate a punch list of all asserted incomplete work items in the Tenant Improvements (the "Punch List"). Landlord shall complete all items on the Punch List within a commercially reasonable time following the date of the generation of the Punch List, unless the nature of the incomplete work item listed therein is such that a longer period of time is required to repair or correct the same or unless due to delays caused by Tenant or its agents or delays beyond the reasonable control of Landlord or its agents.

(c) If the date of substantial completion of the Tenant Improvements is delayed by Tenant or its agents, then the Tenant Improvements shall be deemed to be substantially complete on the date the Tenant Improvements were anticipated by Landlord to have been substantially complete but for such delays.

9. Voice and Data Communications. Tenant shall be responsible for providing and installing any and all telephone and data communication systems required for Tenant's business operation at its sole cost and expense. Tenant shall coordinate the installation of its selected communications contractor with Landlord's property manager for the Building, and such installation shall be done in compliance with the Lease.

10. Signage. Tenant at its sole cost and expense shall be allowed to install in a good and workmanlike manner, with Landlord's prior written consent and approval of proposal and proof of design, and in accordance with all applicable laws one (1) exterior Building standard suite identification sign located above the main entrance door to the Premises (the "Exterior Signage"). Tenant shall maintain all Exterior Signage in good condition and repair. Tenant shall remove all Exterior Signage at the expiration or earlier termination of the Lease as amended hereby, shall repair any resulting damage, and shall restore the Building to its condition existing prior to the installation of the Exterior Signage.

11. Tenant Acknowledgment. Tenant acknowledges and agrees that the Lease is in full force and effect and, to the best of its knowledge, Tenant has no claims or offsets against Rent due or to become due hereunder.

12. Brokers. Tenant represents and warrants to Landlord that it has dealt with no brokers in connection with this Amendment. Tenant agrees to indemnify and hold Landlord harmless from any and all claims for commissions or fees in connection with the First Extended Term and this Amendment from any real estate brokers or agents with whom it may have dealt.

13. No Modification. Except as expressly modified hereby, the Lease shall remain in full force and effect in accordance with its terms. Specifically, without limitation, in the event of any default by Tenant of any of its obligations under the Lease, as hereby amended, which remains uncured after the giving of any required notice and the expiration of any applicable grace period, if any, Landlord shall be entitled to pursue all remedies under the Lease, as hereby amended, or otherwise available at law or in equity. Accordingly, Tenant agrees to the following:

(a) When the Lease, as hereby amended, and the Term or any extension thereof shall have been terminated on account of any default by Tenant, or when the Term or any extension thereof shall have expired, Tenant hereby authorizes any attorney of any court of record of the Commonwealth of Pennsylvania to appear for Tenant and for anyone claiming by, through or under Tenant and to confess judgment against all such parties, and in favor of Landlord, in ejectment and for the recovery of possession of the Premises, for which the Lease, as hereby amended, or a true and correct copy thereof shall be good and sufficient warrant. **AFTER THE ENTRY OF ANY SUCH JUDGMENT A WRIT OF POSSESSION MAY BE ISSUED THEREON WITHOUT FURTHER NOTICE TO TENANT AND WITHOUT A HEARING.** If for any reason after such action shall have been commenced it shall be determined and possession of the Premises remain in or be restored to Tenant, Landlord shall have the right for the same default and upon any subsequent default(s) or upon the termination of the Lease, as hereby amended, or Tenant's right of possession as therein set forth, to again confess judgment as therein provided, for which the Lease, as hereby amended, or a true and correct copy thereof shall be good and sufficient warrant.

(b) In addition to the rights and remedies provided in subsection (a) above, if an Event of Default occurs relating to Tenant's non-payment of the Rent due under the Lease, as hereby amended, Tenant hereby authorizes any attorney of any court of record of the Commonwealth of Pennsylvania to appear for Tenant and to confess judgment against Tenant, and in favor of Landlord, for all Rent due under the Lease, as hereby amended, plus costs and an attorney's collection commission equal to the greater of 10% of all Rent or \$1,000, for which the Lease, as hereby amended, or a true and correct copy thereof shall be good and sufficient warrant. **TENANT UNDERSTANDS THAT THE FOREGOING PERMITS LANDLORD TO ENTER A JUDGMENT AGAINST TENANT WITHOUT PRIOR NOTICE OR HEARING. ONCE SUCH A JUDGMENT HAS BEEN ENTERED AGAINST TENANT, ONE OR MORE WRITS OF EXECUTION OR WRITS OF GARNISHMENT MAY BE ISSUED THEREON WITHOUT FURTHER NOTICE TO TENANT AND WITHOUT A HEARING, AND, PURSUANT TO SUCH WRITS, LANDLORD MAY CAUSE THE SHERIFF OF THE COUNTY IN WHICH ANY PROPERTY OF TENANT IS LOCATED TO SEIZE TENANT'S PROPERTY BY LEVY OR ATTACHMENT. IF THE JUDGMENT AGAINST TENANT REMAINS UNPAID AFTER SUCH LEVY OR ATTACHMENT, LANDLORD CAN CAUSE SUCH PROPERTY TO BE SOLD BY THE SHERIFF EXECUTING THE WRITS, OR, IF SUCH PROPERTY CONSISTS OF A**

DEBT OWED TO TENANT BY ANOTHER ENTITY, LANDLORD CAN CAUSE SUCH DEBT TO BE PAID DIRECTLY TO LANDLORD IN AN AMOUNT UP TO BUT NOT TO EXCEED THE AMOUNT OF THE JUDGMENT OBTAINED BY LANDLORD AGAINST TENANT, PLUS THE COSTS OF THE EXECUTION. Such authority shall not be exhausted by one exercise thereof, but judgment may be confessed as aforesaid from time to time as often as any of the Rent and other sums shall fall due or be in arrears, and such powers may be exercised as well after the expiration of the initial term of the Lease, as hereby amended, and during any extended or renewal term of the Lease, as hereby amended, and after the expiration of any extended or renewal term of the Lease, as hereby amended.

(c) The warrants to confess judgment set forth above shall continue in full force and effect and be unaffected by amendments to the Lease or other agreements between Landlord and Tenant even if any such amendments or other agreements increase Tenant's obligations or expand the size of the Premises.

(d) **TENANT EXPRESSLY AND ABSOLUTELY KNOWINGLY AND EXPRESSLY WAIVES AND RELEASES (i) ANY RIGHT, INCLUDING, WITHOUT LIMITATION, UNDER ANY APPLICABLE STATUTE, WHICH TENANT MAY HAVE TO RECEIVE A NOTICE TO QUIT PRIOR TO LANDLORD COMMENCING AN ACTION FOR REPOSSESSION OF THE PREMISES AND (ii) ANY RIGHT WHICH TENANT MAY HAVE TO NOTICE AND TO HEARING PRIOR TO A LEVY UPON OR ATTACHMENT OF TENANT'S PROPERTY OR THEREAFTER AND (iii) ANY PROCEDURAL ERRORS IN CONNECTION WITH THE ENTRY OF ANY SUCH JUDGMENT OR IN THE ISSUANCE OF ANY ONE OR MORE WRITS OF POSSESSION OR EXECUTION OR GARNISHMENT THEREON AND (iv) TO THE FULLEST EXTENT PERMITTED BY LAW, ANY FIDUCIARY DUTIES OWED BY LANDLORD TO TENANT UNDER THE PROVISIONS OF 20 Pa. Cons. Stat. Ann. §5601.3(b). TENANT ACKNOWLEDGES THAT IT IS ITS EXPECTATION THAT LANDLORD SHALL, UPON THE OCCURRENCE OF AN EVENT OF DEFAULT UNDER THIS INSTRUMENT, ENTER JUDGMENT BY CONFESSION AGAINST TENANT AND THEREAFTER RECOVER POSSESSION OF THE PREMISES OR COLLECT RENT AND SUCH OTHER SUMS AS ARE DUE, AND THAT SUCH ACTIONS BY LANDLORD ARE NOT CONTRARY TO TENANT'S BEST INTEREST, AND SUCH ACTION BY LANDLORD SHALL NOT CONSTITUTE AN ABSENCE OF LANDLORD'S GOOD FAITH, NOR AN ACTION BEYOND THE SCOPE OF AUTHORITY GRANTED BY THIS INSTRUMENT.**

14. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

15. Mortgagee Approval. The effectiveness of this Amendment shall be conditioned upon Landlord's mortgagee approving and consenting to same.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, Landlord and Tenant, intending to be legally bound, have executed this Amendment as of the day and year first above written.

LANDLORD:


974 MARCON BLVD, LP

By: PennCap Group 4 GP, LLC, its general partner

BY: 
Name: Lisa Pektor
Title: President

TENANT:

THE PENNSYLVANIA CYBER CHARTER SCHOOL

By: 
Name: Brian Hayden
Title: President

COMMONWEALTH OF PENNSYLVANIA :

ss.

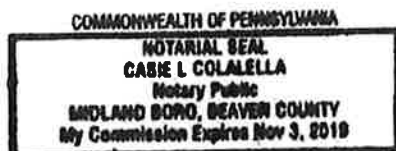
COUNTY OF BEAVER :

Be it Remembered, that on this 17 day of OCTOBER 2016, before me, a Notary Public in and for the Commonwealth and County aforesaid, personally appeared BRIAN HAYDEN, who acknowledged himself/herself to be the BOARD PRESIDENT of The Pennsylvania Cyber Charter School, and that he/she as such BOARD PRESIDENT, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.


Notary Public

My Commission expires:



Eric Woelfel

From: Robert Masters
Sent: Monday, November 07, 2016 10:12 AM
To: Eric Woelfel
Subject: RE: Allentown Lease

It is fine

From: Eric Woelfel
Sent: Monday, November 07, 2016 8:17 AM
To: Robert Masters <robert.masters@pacyber.org>
Subject: Allentown Lease

Good morning, Mr. Masters. I was informed by our Allentown landlord that there was a math error on the rent page of the lease. This error is on page 2 "Minimum Annual Rent" (attached). The lease rate per sf is and the total sf of each suite on page 1 of the lease are correct but the multiplier used to create the chart should be 3,850 sf and the attorney used 3,680 sf. Our landlord did send me page 2 reflecting the correct info (attached).

I assume this change does not have to be board approved again as all of terms and conditions of the lease were accurate at the time of board approval and only a chart was adjusted due to the math error?? Please advise.

Thanks,
Eric

Eric Woelfel
Deputy Chief Operations Officer

.....
direct: 610-200-5709
cell: 724-624-0357
fax: 724-643-2843
email: eric.woelfel@pacyber.org
.....

Midland Office
652 Midland Avenue
Midland, PA 15059
.....

www.pacyber.org



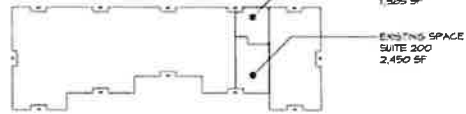
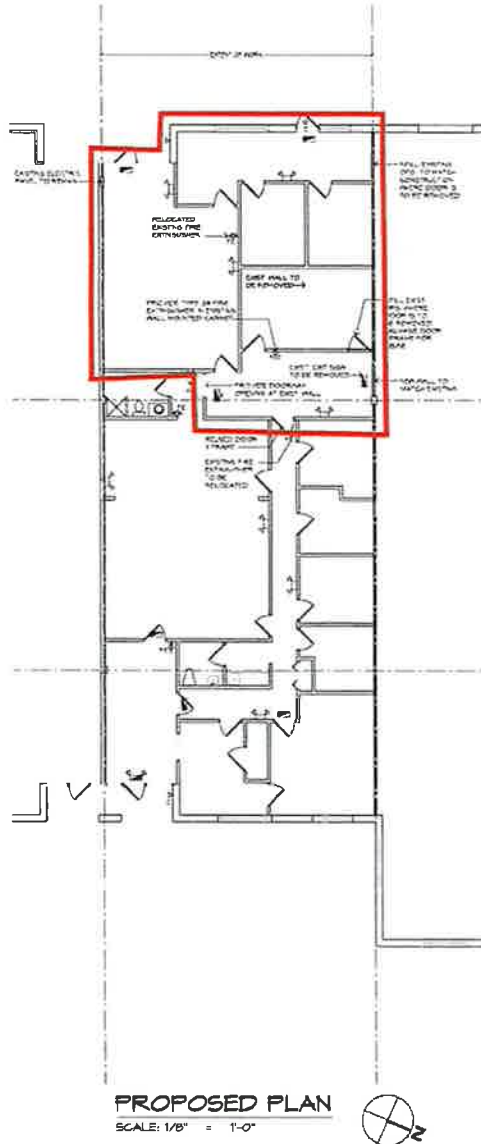
Confidentiality Notice: This email message and attachments contain, or may contain confidential information intended only for the addressee. If you are not an intended recipient of this message, be advised that any reading, dissemination, forwarding, printing, copying or other use of this message or its attachments is strictly prohibited. If you have received this message in error, please notify the sender immediately by reply message and delete this email and any attachments from your system.

Addition to: Pacyber

974 Marcon Blvd. Suite 200-280
Allentown, PA



LOCATION PLAN
NO SCALE



KEY PLAN
SCALE: 1/64" = 1'-0"

- LEGEND**
- EXISTING CONSTRUCTION TO BE DEMOLISHED
 - EXISTING CONSTRUCTION TO REMAIN
 - NEW CONSTRUCTION
 - EXIST' CUMULATED EXIT SIGNAGE
 - EXIST' CUM. EXIT SIGN TO BE REMOVED
 - EXIST' EMERGENCY LIGHTING
 - EXIST' FIRE EXTINGUISHER
 - EXIST' EMERGENCY LIGHTING



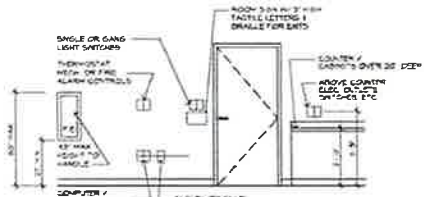
(TS) TACTILE SIGNAGE
(SEE FLOOR PLANS FOR LOCATIONS)

- TACTILE SIGNAGE NOTES**
- 1 SIGNAGE TO BE ANSI A117.1 COMPLIANT
 - 2 SIGNAGE TO BE 1/8" THICK ACRYLIC IN CONTRASTING BACKGROUND AND WHITE RAISED LETTERING

PROPOSED PLAN
SCALE: 1/8" = 1'-0"

DEMOLITION NOTES

- 1 MAINTAIN AND PROTECT EXISTING UTILITIES TO REMAIN IN SERVICE BEFORE PROCEEDING WITH DEMOLITION, PROVIDING BYPASS CONNECTION TO OTHER PARTS OF THE BUILDING
- 2 PROVIDE AND MAINTAIN SHORING, BRACING OR STRUCTURAL SUPPORT TO PRESERVE BUILDING STABILITY AND PREVENT MOVEMENT, SETTLEMENT OR COLLAPSE
- 3 PROTECT BUILDING STRUCTURE OR INTERIOR FROM WEATHER AND WATER LEAKAGE DAMAGE
- 4 PROTECT REMAINING WALLS, CEILING, FLOORS AND EXPOSED FINISHES. ERECT AND MAINTAIN DUSTPROOF PARTITIONS AS NECESSARY DURING CONSTRUCTION. COVER AND PROTECT REMAINING EQUIPMENT
- 5 PROMPTLY PATCH AND REPAIR HOLES AND DAMAGED SURFACES OF BUILDING CAUSED BY DEMOLITION. RESTORE EXPOSED FINISHES OF PATCHED AREAS AND EXTEND FINISH RESTORATION INTO REMAINING ADJOINING CONSTRUCTION
- 6 REMOVE EXIST' GYP. BD., WALL PANELING, ETC. FROM INSIDE WALLS AS REQ'D FOR INSTALLATION OF NEW ELECTRIC AND DATA BOXES. ALSO VERIFY THAT EXTERIOR WALLS ARE COMPLETELY INSULATED
- 7 PROMPTLY REMOVE DEMOLISHED MATERIALS FROM OWNER'S PROPERTY AND LEGALLY DISPOSE OF THEM. DO NOT BURN DEMOLISHED MATERIALS. THE ITEMS SHALL BE DISPOSED OF IN A PROPER MANNER IN ACCORDANCE WITH CITY AND STATE ORDINANCES, LEAVING SURFACES CLEAN, SOLID AND READY TO RECEIVE NEW MATERIALS/FINISHES



TYPICAL ADA MOUNTING HEIGHTS
SCALE: 3/8" = 1'-0"

REACH DEPTH	FORWARDED REACH		SIDE REACH	
	MIN	MAX	MIN	MAX
REACH < 48"	48"	48" MAX LOA: 19" - 21"	48"	48" MAX LOA: 19" MIN

THIS REACH APPLIES TO WALL MOUNTED ELECTRICAL, DATA AND OUTLETS, TERMINALS, TELEPHONE CABINETS, ELEVATOR CONTROLS, BUTTONS, COAT HOOKS, SHELVES, DISPENSERS AND 5'-0" WALL MOUNTED FIXTURES PER AND A117.1.2.5.9.4 SECTION 505

1525 Valley Center Parkway, Suite 120
Rehoboth, PA 18017-2281
www.bsfa.com
Tel: 610.866.0505

**BONSALL
SHAFFERMAN**
Architects and
Space Planners

All drawings are to remain confidential unless otherwise stated and no part of this work shall be reproduced without the written consent of the architect and shall not be used for any other project without the written consent of the architect.



Project:
ADDITION TO:
Pacyber
www.pacyber.com

974 Marcon Blvd. Suite 200-280
Allentown, PA 18017

Issues and Revisions

No	Date	Description
1	01/11/17	For Review

File No: 17-PEN-02
Drawn by: AMS
Designed by: FLORIAN PLAN

Sheet No

A1.01

Bonsall Shafferman Architects & Space Planners

EXHIBIT B

TENANT IMPROVEMENTS

Landlord shall, using new, building standard materials and in a good and workmanlike manner in compliance with applicable laws:

- **Repaint and re-carpet the Expansion Premises.**
- **Demise the Expansion Premises from the remainder of Suite 220.**
- **Combine the utilities from the Existing Premises to the Expansion Premises.**
- **Remove a wall between two adjoining offices located in the Expansion Premises to create a conference room.**
- **Create an opening to adjoin the Existing Premises and the Expansion Premises.**

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT (this “Second Amendment”), is made on this 22nd day of June, 2022, by and between **974 MARCON BLVD, LP** a Delaware limited partnership (“Landlord”), and **THE PENNSYLVANIA CYBER CHARTER SCHOOL**, a non-profit Pennsylvania corporation (“Tenant”).

BACKGROUND:

A. Landlord and Tenant are parties to that certain Lease Agreement dated June 14, 2012 (the “Original Lease”), as amended by that certain First Amendment to Lease Agreement dated October 28, 2016 (the “First Amendment” and, together with the Original Lease, collectively, the “Lease”), covering that certain premises (the “Premises”) consisting of approximately 3,850 rentable square feet and located in Landlord’s building (the “Building”) at 974 Marcon Boulevard, Allentown, Pennsylvania 18109, as more fully described in the Lease.

B. Tenant desires to extend the Term of the Lease and Landlord has agreed to such extension, subject to the provisions of this Second Amendment. Accordingly, Landlord and Tenant desire to amend the Lease.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and covenants contained herein and in the Lease, and intending to be legally bound, hereby agree that the Lease is amended as follows:

1. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Lease.

2. The Term of the Lease is hereby extended for one (1) additional period of twelve (12) months (the “Second Extended Term”) commencing on September 1, 2022 and expiring at 11:59 P.M. local time on August 31, 2023.

3. Tenant’s Minimum Annual Rent obligation for the Premises during the Second Extended Term shall be as follows:

<u>Period</u>	<u>Annual</u>	<u>Monthly</u>
9/1/22 – 8/31/23	\$42,350.00	\$3,529.17

4. Tenant continues to accept the Premises in its “as is” “where is” condition and Landlord shall have no obligations whatsoever to improve or pay for improvements to the Premises for Tenant’s use and occupancy.

5. Section 30 of the Original Lease and Section 7 of the First Amendment are hereby deleted in their entirety.

6. The parties hereto agree that they have dealt with no brokers in connection with this Second Amendment, except ALT Realty (the “Broker”). Landlord agrees to pay any commission due by Landlord to the Broker pursuant to any separate written agreement with Landlord. Each party hereto agrees to indemnify and hold the other harmless from any and all claims for commissions or fees in connection with this Second Amendment from any other real estate brokers or agents with whom they may have dealt.

7. Except as expressly modified herein, the Lease shall remain in full force and effect in accordance with its terms. Specifically, without limitation, in the event of any default by Tenant of any of its obligations under the Lease, as hereby amended, Landlord shall be entitled to pursue all remedies available under the Lease, as hereby amended, or otherwise at law or in equity. Accordingly, Tenant agrees to the following:

(a) When the Lease, as hereby amended, and the Term or any extension thereof shall have been terminated on account of any default by Tenant, or when the Term or any extension thereof shall have expired, Tenant hereby authorizes any attorney of any court of record of the Commonwealth of Pennsylvania to appear for Tenant and for anyone claiming by, through or under Tenant and to confess judgment against all such parties, and in favor of Landlord, in ejectment and for the recovery of possession of the Premises, for which the Lease, as hereby amended, or a true and correct copy thereof shall be good and sufficient warrant. **AFTER THE ENTRY OF ANY SUCH JUDGMENT A WRIT OF POSSESSION MAY BE ISSUED THEREON WITHOUT FURTHER NOTICE TO TENANT AND WITHOUT A HEARING.** If for any reason after such action shall have been commenced it shall be determined and possession of the Premises remain in or be restored to Tenant, Landlord shall have the right for the same default and upon any subsequent default(s) or upon the termination of the Lease, as hereby amended, or Tenant's right of possession as therein set forth, to again confess judgment as therein provided, for which the Lease, as hereby amended, or a true and correct copy thereof shall be good and sufficient warrant.

(b) In addition to the rights and remedies provided in subsection (a) above, if an Event of Default occurs relating to Tenant's non-payment of Rent due under the Lease, as hereby amended, Tenant hereby authorizes any attorney of any court of record of the Commonwealth of Pennsylvania to appear for Tenant and to confess judgment against Tenant, and in favor of Landlord, for all sums due under the Lease, as hereby amended, plus interest, costs and an attorney's collection commission equal to the greater of 10% of all sums or \$1,000.00, for which the Lease, as hereby amended, or a true and correct copy thereof shall be good and sufficient warrant. **TENANT UNDERSTANDS THAT THE FOREGOING PERMITS LANDLORD TO ENTER JUDGMENT AGAINST TENANT WITHOUT PRIOR NOTICE OR HEARING. ONCE SUCH A JUDGMENT HAS BEEN ENTERED AGAINST TENANT, ONE OR MORE WRITS OF EXECUTION OR WRITS OF GARNISHMENT MAY BE ISSUED THEREON WITHOUT FURTHER NOTICE TO TENANT AND WITHOUT A HEARING, AND, PURSUANT TO SUCH WRITS, LANDLORD MAY CAUSE THE SHERIFF OF THE COUNTY IN WHICH ANY PROPERTY OF TENANT IS LOCATED TO SEIZE TENANT'S PROPERTY BY LEVY OR ATTACHMENT. IF THE JUDGMENT AGAINST TENANT REMAINS UNPAID AFTER SUCH LEVY OR ATTACHMENT, LANDLORD CAN CAUSE SUCH PROPERTY TO BE SOLD BY THE SHERIFF EXECUTING THE WRITS, OR, IF SUCH PROPERTY CONSISTS OF A DEBT OWED TO TENANT BY ANOTHER ENTITY, LANDLORD CAN CAUSE SUCH DEBT TO BE PAID DIRECTLY TO LANDLORD IN AN AMOUNT UP TO BUT NOT TO EXCEED THE AMOUNT OF THE JUDGMENT OBTAINED BY LANDLORD AGAINST TENANT, PLUS THE COSTS OF THE EXECUTION.** Such authority shall not be exhausted by one exercise thereof, but judgment may be confessed as aforesaid from time to time as often as any of said rental and other sums shall fall due or be in arrears, and such powers may be exercised as well after the expiration of the initial Term of the Lease, as hereby amended, and during any extended or renewal Term of the Lease, as hereby amended, and after the expiration of any extended or renewal Term of the Lease, as hereby amended.

(c) The warrants of attorney to confess judgment set forth above shall continue in full force and effect and be unaffected by amendments to the Lease or other agreements between Landlord and Tenant even if any such amendments or other agreements increase Tenant's obligations or expand the size of the Premises.

(d) **TENANT EXPRESSLY AND ABSOLUTELY KNOWINGLY AND EXPRESSLY WAIVES AND RELEASES (i) ANY RIGHT, INCLUDING, WITHOUT LIMITATION, UNDER ANY APPLICABLE STATUTE, WHICH TENANT MAY HAVE TO RECEIVE A NOTICE TO QUIT PRIOR TO LANDLORD COMMENCING AN ACTION FOR REPOSSESSION OF THE PREMISES AND (ii) ANY RIGHT WHICH TENANT MAY HAVE TO NOTICE AND TO HEARING PRIOR TO A LEVY UPON OR ATTACHMENT OF TENANT'S PROPERTY OR THEREAFTER AND (iii) ANY PROCEDURAL ERRORS IN CONNECTION WITH THE ENTRY OF ANY SUCH JUDGMENT OR IN THE ISSUANCE OF ANY ONE OR MORE WRITS OF POSSESSION OR EXECUTION OR GARNISHMENT THEREON.**

8. Tenant acknowledges and agrees that the Lease is in full force and effect and Tenant has no claims or offsets against Rent due or to become due hereunder.

9. The effectiveness of this Second Amendment shall be conditioned upon Landlord's mortgagee approving and consenting to same.

10. This Second Amendment shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

11. This Second Amendment may be executed in counterparts, each of which shall constitute an original, but which, taken together, shall be one original agreement. Any counterpart of this Second Amendment may be executed and delivered by electronic transmission (including, without limitation, e-mail) or by portable document format (pdf) and shall have the same force and effect as an original.


[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Second Amendment to be duly executed, under seal, as of the day and year first above written.

LANDLORD:


974 MARCON BLVD, LP

By: PennCap Group 4 GP, LLC, its general partner

By: 
Name: Lisa Pektor
Title: President

TENANT:

THE PENNSYLVANIA CYBER CHARTER SCHOOL

By: 
Name: Brian Hayden, CEO
Title:

VJ
6/30/23

THIRD AMENDMENT TO LEASE AGREEMENT

THIS THIRD AMENDMENT TO LEASE AGREEMENT (this "Third Amendment"), is made on this 28th day of June, 2023, by and between **974 MARCON BLVD, LP**, a Delaware limited partnership ("Landlord"), and **THE PENNSYLVANIA CYBER CHARTER SCHOOL**, a non-profit Pennsylvania corporation ("Tenant").

BACKGROUND:

A. Landlord and Tenant are parties to that certain Lease Agreement dated June 14, 2012 (the "Original Lease"), as amended by that certain First Amendment to Lease Agreement dated October 28, 2016 (the "First Amendment"), and Second Amendment to Lease Agreement dated June 22, 2022 (the "Second Amendment" and, together with the Original Lease, and the First Amendment, collectively, the "Lease"), covering that certain premises (the "Premises") consisting of approximately 3,850 rentable square feet and located in Landlord's building (the "Building") at 974 Marcon Boulevard, Allentown, Pennsylvania 18109, as more fully described in the Lease.

B. Tenant desires to extend the Term of the Lease and Landlord has agreed to such extension, subject to the provisions of this Second Amendment. Accordingly, Landlord and Tenant desire to amend the Lease.

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and covenants contained herein and in the Lease, and intending to be legally bound, hereby agree that the Lease is amended as follows:

- 1. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Lease.
- 2. The Term of the Lease is hereby extended for one (1) additional period of twelve (12) months (the "Third Extended Term") commencing on September 1, 2023 and expiring at 11:59 P.M. local time on August 31, 2024, which last mentioned date shall hereafter be the "Expiration Date".
- 3. Tenant's Minimum Annual Rent obligation for the Premises during the Third Extended Term shall be as follows:

Period	Annual	Monthly
9/1/23 - 8/31/24	\$42,350.00	\$3,529.17

- 4. Tenant continues to accept the Premises in its "as is" "where is" condition and Landlord shall have no obligations whatsoever to improve or pay for improvements to the Premises for Tenant's use and occupancy.
- 5. Tenant agrees that it has dealt with no brokers in connection with this Third Amendment, except ALT Realty (the "Broker"). Tenant agrees to indemnify and hold Landlord harmless from any and all claims for commissions or fees in connection with the Third Extended Term and this Third Amendment from any other real estate brokers or agents with whom Tenant may have dealt.

6. Except as expressly modified herein, the Lease shall remain in full force and effect in accordance with its terms. Specifically, without limitation, in the event of any default by Tenant of any of its obligations under the Lease, as hereby amended, Landlord shall be entitled to pursue all remedies available under the Lease, as hereby amended, or otherwise at law or in equity. Accordingly, Tenant agrees to the following:

(a) When the Lease, as hereby amended, and the Term or any extension thereof shall have been terminated on account of any default by Tenant, or when the Term or any extension thereof shall have expired, Tenant hereby authorizes any attorney of any court of record of the Commonwealth of Pennsylvania to appear for Tenant and for anyone claiming by, through or under Tenant and to confess judgment against all such parties, and in favor of Landlord, in ejectment and for the recovery of possession of the Premises, for which the Lease, as hereby amended, or a true and correct copy thereof shall be good and sufficient warrant. **AFTER THE ENTRY OF ANY SUCH JUDGMENT A WRIT OF POSSESSION MAY BE ISSUED THEREON WITHOUT FURTHER NOTICE TO TENANT AND WITHOUT A HEARING.** If for any reason after such action shall have been commenced it shall be determined and possession of the Premises remain in or be restored to Tenant, Landlord shall have the right for the same default and upon any subsequent default(s) or upon the termination of the Lease, as hereby amended, or Tenant's right of possession as therein set forth, to again confess judgment as therein provided, for which the Lease, as hereby amended, or a true and correct copy thereof shall be good and sufficient warrant.

Initials on behalf of Tenant: 

(b) The warrant of attorney to confess judgment set forth above shall continue in full force and effect and be unaffected by amendments to the Lease or other agreements between Landlord and Tenant even if any such amendments or other agreements increase Tenant's obligations or expand the size of the Premises.

(c) **TENANT EXPRESSLY AND ABSOLUTELY KNOWINGLY AND EXPRESSLY WAIVES AND RELEASES (i) ANY RIGHT, INCLUDING, WITHOUT LIMITATION, UNDER ANY APPLICABLE STATUTE, WHICH TENANT MAY HAVE TO RECEIVE A NOTICE TO QUIT PRIOR TO LANDLORD COMMENCING AN ACTION FOR REPOSSESSION OF THE PREMISES AND (ii) ANY PROCEDURAL ERRORS IN CONNECTION WITH THE ENTRY OF ANY SUCH JUDGMENT OR IN THE ISSUANCE OF ANY ONE OR MORE WRITS OF POSSESSION AND (iii) TO THE FULLEST EXTENT PERMITTED BY LAW, ANY FIDUCIARY DUTIES OWED BY LANDLORD TO TENANT UNDER THE PROVISIONS OF 20 Pa. Cons. Stat. Ann. § 5601.3(b). TENANT ACKNOWLEDGES THAT IT IS ITS EXPECTATION THAT LANDLORD SHALL, UPON THE OCCURRENCE OF AN EVENT OF DEFAULT UNDER THE LEASE, AS HEREBY AMENDED, ENTER JUDGMENT BY CONFESSION AGAINST TENANT AND THEREAFTER RECOVER POSSESSION OF THE PREMISES, AND THAT SUCH ACTIONS BY LANDLORD ARE NOT CONTRARY TO TENANT'S BEST INTEREST, AND SUCH ACTION BY LANDLORD SHALL NOT CONSTITUTE AN ABSENCE OF LANDLORD'S GOOD FAITH, NOR AN ACTION BEYOND THE SCOPE OF AUTHORITY GRANTED BY THE LEASE, AS HEREBY AMENDED.**

Initials on behalf of Tenant: 

7. Tenant acknowledges and agrees that the Lease is in full force and effect and Tenant has no claims or offsets against Rent due or to become due hereunder.

8. This Third Amendment shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

9. This Third Amendment may be executed in counterparts, each of which shall constitute an original, but which, taken together, shall be one original agreement. Any counterpart of this Third Amendment may be executed and delivered by electronic transmission (including, without limitation, e-mail) or by portable document format (pdf) and shall have the same force and effect as an original.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Third Amendment to be duly executed, under seal, as of the day and year first above written.

LANDLORD:


974 MARCON BLVD, LP

By: PennCap Group 4 GP, LLC, its general partner

By: 
Name: Lisa Pektor
Title: President

TENANT:

THE PENNSYLVANIA CYBER CHARTER SCHOOL

By: 
Name: BRIAN HAYDEN
Title: CEO



August 30, 2023

LEASE COMMENCEMENT CERTIFICATE

PA Cyber Charter School

RE: 3rd Lease Amendment to Lease Agreement for premises located at 974 Marcon Blvd by and between 974 Marcon Blvd, LP as Landlord and PA Cyber Charter School ("Tenant")

This is to confirm the following with respect to the Lease:

Commencement Date.....**September 1, 2023**
Expiration Date:.....**August 31, 2024**

Your regular monthly payments will be due in the following amounts until adjusted in accordance with the Lease:

Monthly Rent Installment:.....**\$3,529.17**
Monthly Operating Payment:.....**\$1,553.97**
TOTAL MONTHLY PAYMENT:.....**\$5,083.14**

Should you have any questions with respect to this matter, please feel free to contact our office.

Sincerely,

Ken Horiguchi

Ken Horiguchi
 Assistant Property Manager

FOURTH AMENDMENT TO LEASE

THIS FOURTH AMENDMENT TO LEASE (this "Fourth Amendment") is made as of June
18, 2024, between **DENHOLTZ 974 MARCON BLVD LLC** ("Landlord") and **THE PENNSYLVANIA**
CYBER CHARTER SCHOOL ("Tenant").

RECITALS:

A. Landlord's predecessor in interest and Tenant entered into a Lease Agreement dated June 14, 2012, as amended by First Amendment to Lease Agreement dated October 28, 2016, by Second Amendment to Lease Agreement dated June 22, 2022, and by Third Amendment to Lease Agreement dated June 28, 2023 (as amended, the "Lease"), which Lease demises certain premises comprised of approximately 3,850 Rentable Square Feet in Suite 200 (the "Demised Premises") of the building located at 974 Marcon Boulevard, Allentown, Pennsylvania.

B. Tenant and Landlord desire to extend the term of the Lease and to memorialize and confirm other changes to the terms and conditions of the Lease as set forth below.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged, Landlord and Tenant hereby agree as follows:

1. The above Recitals are specifically incorporated herein by reference.
2. In the event the terms or conditions of this Fourth Amendment conflict with, disagree with, or add to any term(s) or condition(s) of the Lease, this Fourth Amendment shall be deemed controlling and shall supersede any contradictory provision(s).
3. All capitalized terms and other terms not otherwise defined herein shall have the meanings ascribed to them in the Lease.
4. The term "Rent" shall be deemed to include any and all sums to be paid by Tenant to Landlord pursuant to the terms of the Lease, including, without limitation, all obligations which may have been previously defined as Rent, rent, rental, base rent, Base Rent, Basic Rent, base rental, Base Rental and/or Additional Rent.
5. All references in the Lease to Landlord shall mean Denholtz 974 Marcon Blvd LLC. Landlord's address shall be as follows:

For payment of Rent*, notices and correspondence:

c/o Concrete Management LLC
116 Chestnut Street
Suite 102
Red Bank, NJ 07701

Wire Instructions:

Account name:	Denholtz Industrial Propco Borrower LLC
Account number:	1021002921
ABA number:	221272303
Bank name:	The Provident Bank
Bank Address:	111 Wood Ave. South 2nd Flr Iselin, NJ 08830

Please reference Tenant name

*All payments of Rent shall be delivered to Landlord at the address set forth above or to any other place designated by Landlord or through Landlord's on-line portal where Rent can be paid electronically using a checking account. Landlord reserves the right to impose an administrative fee of \$50.00 for Rent payments remitted via check.

6. The Term of the Lease is hereby extended by thirty nine (39) months commencing on September 1, 2024 and terminating on November 30, 2027. All references to the "term" or the "Term" under the Lease shall mean the term as extended by this Fourth Amendment.

7. As of September 1, 2024:

(a) Base Rent shall be:

<u>Period</u>	<u>Annual Base Rent</u>	<u>Monthly Base Rent</u>
September 1, 2024 through September 30, 2024	\$0.00	\$0.00
October 1, 2024 through September 30, 2025	\$46,200.00	\$3,850.00
October 1, 2025 through October 31, 2025	\$0.00	\$0.00
November 1, 2025 through October 31, 2026	\$48,048.00	\$4,004.00
November 1, 2026 through November 30, 2026	\$0.00	\$0.00
December 1, 2026 through November 30, 2027	\$49,969.92	\$4,164.16

(b) Tenant's Percentage shall be 9.75%, subject to adjustment per terms of the Lease.

(c) The Operating Expense Payment shall be \$900.05 per month, subject to adjustment per terms of the Lease.

(d) The Tax Payment shall be \$653.92 per month, subject to adjustment per terms of the Lease.

8. Tenant is in possession of the Demised Premises and shall continue to lease Demised Premises in its "AS IS" condition.

9. Landlord is holding the sum of \$2,833.84 as Security and shall continue to hold same pursuant to the terms of the Lease.

10. Any and all options or rights to renew or extend the Term of the Lease, termination or cancellation options, rights of first refusal and/or rights of first offer which may have previously been granted to Tenant have been exercised or waived by Tenant and are hereby deleted and deemed null, void and of no further force or effect.

11. CONFESSION OF JUDGMENT FOR POSSESSION. WHEN THIS LEASE SHALL BE TERMINATED BY REASON OF A DEFAULT BY TENANT OR ANY OTHER REASON WHATSOEVER, EITHER DURING THE ORIGINAL TERM OR ANY RENEWAL OR EXTENSION THEREOF, AND ALSO WHEN THE TERM OR ANY EXTENSION THEREOF SHALL HAVE EXPIRED, IT SHALL BE LAWFUL FOR ANY ATTORNEY AS ATTORNEY FOR TENANT TO CONFESS JUDGMENT IN EJECTMENT IN ANY COMPETENT COURT AGAINST TENANT AND ALL PERSONS CLAIMING UNDER TENANT FOR THE RECOVERY BY LANDLORD OF POSSESSION OF THE DEMISED PREMISES, FOR WHICH THIS LEASE SHALL BE LANDLORD'S SUFFICIENT WARRANT. UPON SUCH CONFESSION OF JUDGMENT FOR POSSESSION, IF LANDLORD SO DESIRES, A WRIT OF EXECUTION OR OF POSSESSION MAY ISSUE FORTHWITH, WITHOUT ANY PRIOR WRIT OR PROCEEDINGS WHATSOEVER. IF FOR ANY REASON AFTER SUCH ACTION SHALL HAVE BEEN COMMENCED, THE SAME SHALL BE DETERMINED AND THE POSSESSION OF THE DEMISED PREMISES SHALL REMAIN IN OR BE RESTORED TO TENANT, THEN LANDLORD SHALL HAVE THE RIGHT UPON ANY SUBSEQUENT OR CONTINUING EVENT OF DEFAULT, OR AFTER EXPIRATION OF THE LEASE, OR UPON THE TERMINATION OF THIS LEASE AS SET FORTH ABOVE, TO CONFESS JUDGMENT IN EJECTMENT AGAINST TENANT AS SET FORTH ABOVE TO RECOVER POSSESSION OF THE DEMISED PREMISES.



Tenant Initial

12. Landlord and Tenant each warrant and represent to the other that neither employed, dealt with nor negotiated with any broker in connection with this transaction other than CBRE, Inc. ("Broker") and each agrees to indemnify and hold harmless the other against any loss, cost or expense (including reasonable attorneys' fees) arising out of a breach of such representation by the indemnitor. Landlord shall pay any commission owing Broker pursuant to a separate agreement.

13. Landlord and Tenant affirm that the Lease is in full force and effect, and Tenant certifies that all obligations of Landlord under the Lease as of this date have been fully performed and complied with by Landlord. By entering into this Fourth Amendment, Landlord does not and shall not be deemed either (a) to waive or forgive any default, rent arrears or other conditions with respect to the Lease or the use of the Demised Premises, whether or not in existence or known to Landlord at the date hereof, or (b) to consent to any matter as to which Landlord's consent is required under the terms of the Lease, except such as may heretofore have been waived in writing or consented to in writing by Landlord.

14. Tenant represents and warrants that it has obtained all required consents to enter into this Fourth Amendment.

15. Except as expressly modified or amended by this Fourth Amendment, all of the terms, covenants and conditions of the Lease are hereby ratified and confirmed and, except insofar as reference to the contrary is made in any such instrument, all references to the "Lease" in any future correspondence or notice shall be deemed to refer to the Lease as modified by this Fourth Amendment.

16. This Fourth Amendment is offered for signature by Tenant and it is understood that this Fourth Amendment shall not be binding upon Landlord or Tenant unless and until Landlord and Tenant shall have executed and unconditionally delivered a fully executed copy of this Fourth Amendment to each other. The parties agree that this Fourth Amendment may be executed and delivered by electronic signatures and that the signatures appearing on this Fourth Amendment are the same as handwritten signatures for the purposes of validity, enforceability and admissibility.

IN WITNESS WHEREOF, the parties have this day set their hands and seals.

Signed, Sealed and Delivered
in the presence of:

Susana Alves

Cassandra Kulland

LANDLORD:
DENHOLTZ 974 MARCON BLVD LLC
Concrete Management LLC, Authorized Signatory

By: 
Greg Brown (Jun 19, 2024 11:38 EDT)

Name: Gregory Brown
Title: Chief Operating Officer

TENANT:
THE PENNSYLVANIA CYBER CHARTER SCHOOL

By: 

Name: Brian Hayden
Title: CEO