

SAFETY NATIONAL CASUALTY CORPORATION

PRIVACY STATEMENT

Our Commitment To Our Customers

Safety National Casualty Corporation ("Safety National") is proud to have provided quality products and services to its customers for over 50 years. We greatly appreciate the trust that you and all of our customers place in us. We protect that trust by respecting the privacy of all of our customers, both present and past. The following will explain our privacy practices so that you will understand our commitment to your privacy.

We Respect Your Privacy

When you apply to Safety National for any type of insurance, you disclose information about you to us. The collection, use and disclosure of such information is regulated by law. Safety National and its affiliates maintain physical, electronic and procedural safeguards that comply with state and federal regulations to guard your personal information. Our employees are also advised of the importance of maintaining the confidentiality of your information.

Types Of Information We Collect

Safety National obtains most of our information directly from you, your agent or broker. The application you complete, as well as any additional information you provide, generally gives us most of the details we need to know. Depending on the nature of your insurance transaction, we may need further details about you.

We may obtain information from third parties, such as other insurance or reinsurance companies, medical providers, government agencies, information clearinghouses and other public records. We may also obtain information about you from your other transactions with us, our affiliates or others.

What We Do With Your Information

Information that has been collected about you will be retained in our files. We will review your information in evaluating your request for insurance coverage, determining your rates or underwriting risk, servicing your policy or adjusting claims. We may retain information about our former customers and would disclose that information only to affiliates and to non-affiliates as described in this notice or as otherwise permitted by law.

To Whom Do We Disclose Your Information

We will not disclose any non-public, personal information about our customers or former customers, except as permitted by law. That means we may disclose information we have collected about you to the following types of third parties:

- Our affiliated companies (Members and subsidiaries of the Tokio Marine Holdings, Inc. group of companies).
- Your agent or broker.
- Parties who perform a business or insurance function for Safety National, including reinsurance, underwriting, claims administration or adjusting, investigation, loss control and computer systems companies.
- Other insurance companies or agents as reasonably necessary concerning your application, policy or claim.
- Insurance regulatory or statistical reporting agencies.
- Law enforcement or governmental authorities in connection with suspected fraud or illegal activities.
- Authorized persons as ordered by subpoena, warrant or court order, or as required by law.

We do not disclose any non-public, personal information about you to non-affiliated companies for marketing purposes or for any other purpose except those specifically allowed by law and described above.

Independent Sales Agents or Brokers

Your policy may have been placed with us through an independent agent or broker ("Sales Agent"). Your Sales Agent may have gathered information about you. The use and protection of information obtained by your Sales Agent is their responsibility, not Safety National's. If you have questions about how your Sales Agent uses or discloses your information, please contact them directly.

SPECIFIC EXCESS
WORKERS' COMPENSATION AND
EMPLOYERS' LIABILITY INSURANCE AGREEMENT

SAFETY NATIONAL CASUALTY CORPORATION
ST. LOUIS, MISSOURI

(Hereinafter called the CORPORATION)

In consideration of the payment of premium and subject to all the terms of this Agreement, hereby agrees with the EMPLOYER named in the Declarations (hereinafter called the EMPLOYER), as follows:

A. Coverage of Agreement

This Agreement applies only to Loss sustained by the EMPLOYER because of liability imposed upon the EMPLOYER by the Workers' Compensation or Employers' Liability Laws of:

- (1) the State(s) designated in the Declarations, or
- (2) other State(s), provided that the Loss shall not be greater than it would have been had liability been imposed by the State(s) specified in the Declarations,

on account of bodily injury by accident or bodily injury by occupational disease due to Occurrences taking place within the Liability Period to Employees of the EMPLOYER engaged in the business operations specified in the Declarations and all other operations necessary, incidental, or appurtenant thereto. Bodily injury includes resulting death.

The inclusion of more than one EMPLOYER in the Declarations shall not increase the EMPLOYER's Self-Insured Retention nor the CORPORATION's Maximum Limit of Indemnity.

The insurance afforded by this Agreement applies to operations in the State(s) specified in the Declarations, including, however, incidental operations conducted by Employees who are regularly engaged in operations in the specified State(s), but who may be temporarily outside the specified State(s).

B. Insurance Under This Agreement

(1) Specific Excess Insurance

With respect to each Occurrence taking place within a Liability Period, the EMPLOYER shall retain as its own Loss, as defined below, the amount specified in Item 7 of the Declarations, and the CORPORATION agrees to reimburse the EMPLOYER only for such Loss in excess of such Self-Insured Retention, subject to the Maximum Limit of Indemnity Per Occurrence, or the Employers' Liability Maximum Limit of Indemnity Per Occurrence, whichever is applicable, as specified in Item 8 of the Declarations. The separate Employers' Liability Maximum Limit of Indemnity Per Occurrence shall not operate, in any case, to increase the total amount the CORPORATION agrees to reimburse the EMPLOYER for Loss per any one Occurrence as per Item 8(a) of the Declarations.

C. Definitions

- (1) "Loss" – shall mean actual payments, less recoveries, legally made by the EMPLOYER to Employees and their dependents in satisfaction of: (a) statutory benefits, (b) settlements of suits and claims, and (c) awards and judgments. Loss shall also include Claim Expenses, paid by the EMPLOYER, as defined in Paragraph (2) of this Section. The term Loss shall not include the items specifically excluded by Paragraph (3) of this Section.
- (2) "Claim Expenses" – shall mean court costs, interest upon awards and judgments and the reasonable allocated costs of investigation, adjustment, defense, and appeal, including pension or appeal bond costs (provided that the prosecution of such appeal and/or the posting of such pension or appeal bond is approved by the CORPORATION) of claims, suits or proceedings brought against the EMPLOYER under the Workers' Compensation or Employers' Liability Laws of the State(s) designated in the Declarations, or other State(s), as provided in Section A, even though such claims, suits, proceedings or demands are wholly groundless, false or fraudulent. Claim Expenses shall not include fees to the EMPLOYER's Service Company.
- (3) "Exclusions from Loss" – shall refer to the following amounts paid by the EMPLOYER, and specifically excluded from the term Loss:
 - (a) Salaries, wages, and remuneration provided to Employees;
 - (b) Fees to the EMPLOYER's Service Company and/or costs of self-administration of claims;
 - (c) Punitive or exemplary damages as they relate to claims made under the Employers' Liability coverage provided by this Agreement;
 - (d) Fines or penalties assessed against the EMPLOYER for any violation by the EMPLOYER, or its representative(s), of any statute or regulation, unless the fines or penalties result from a reasonable dispute as to Workers' Compensation benefits owed by the EMPLOYER;
 - (e) Assessments and taxes made upon the EMPLOYER as self-insurer whether imposed by statute, regulation, or otherwise;

(f) Any amounts required to be paid by the EMPLOYER because of:

- 1) Serious and willful misconduct of the EMPLOYER, including intentional torts and intentional acts or omissions resulting in injury, acts or omissions taken with reckless disregard of the possible occurrence of an injury or acts or omissions taken that are substantially certain to result in injury, regardless of whether or not said actions may be classified in the State(s) as intentional torts,
- 2) Coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any Employee and/or related personnel practices, policies, acts or omissions by the EMPLOYER,
- 3) Knowingly employing an Employee in violation of law,
- 4) Rejection by the EMPLOYER of any Workers' Compensation Law,
- 5) Failure to comply with any health, safety, or notification law or regulation,

(g) Loss voluntarily assumed by the EMPLOYER under any contract or agreement, whether express or implied;

(h) Loss for which the EMPLOYER carries a full coverage Workers' Compensation and Employers' Liability policy; and

(i) Any amount owed by the EMPLOYER pursuant to provision of any law that provides non-occupational disability benefits.

(4) "Occurrence" – shall mean accident. In addition, bodily injury by occupational disease must be caused or aggravated by the conditions of employment and shall be deemed to have occurred on the last day of the last exposure to those conditions of employment causing or aggravating such injury by occupational disease, or such dates as is otherwise established by the Workers' Compensation and Employers' Liability Laws of the appropriate State(s). Bodily injury by occupational disease sustained by each Employee shall be deemed to be a separate Occurrence unless such disease results directly from an accident.

(5) "Employee" – as respects liability imposed upon the EMPLOYER by the Workers' Compensation Law of any State, the word Employee shall mean any person performing work which renders the EMPLOYER liable under the Workers' Compensation Law of a State named in Item 2 of the Declarations, which is the State of the injured Employee's normal employment, for bodily injuries or occupational disease sustained by such person.

(6) "State" – shall mean any state, territory, or possession of the United States of America and the District of Columbia.

D. Reimbursement

If the EMPLOYER pays any Loss incurred in any Liability Period in excess of the Self-Insured Retention Per Occurrence, the CORPORATION shall reimburse the EMPLOYER upon receipt of a formal proof of loss and other evidence acceptable to the CORPORATION of such payment. Within a reasonable

period of time, reimbursement payments shall be made by the CORPORATION.

The CORPORATION shall have, and may exercise at any time, and from time to time, the right to offset any balance or balances, whether on account of premiums, Losses or otherwise, due from the EMPLOYER to the CORPORATION against any balance or balances due from the CORPORATION to the EMPLOYER under this Agreement.

E. Liability Period

The liability of the CORPORATION for Loss hereunder shall be determined separately for each Liability Period. The initial Liability Period shall commence at 12:01 A.M. on the Effective Date and end at 12:01 A.M. on the Anniversary Date, designated in Items 3 and 4 respectively, of the Declarations. Each succeeding Liability Period shall begin concurrently with the end of the previous Liability Period and continue for the same number of consecutive months as the initial Liability Period. All time is stated in local time for the State(s) designated in the Declarations.

In the event the EMPLOYER fails to give express written intent to continue coverage at the end of a given Liability Period, the Agreement shall be deemed terminated, and the Anniversary Date shall serve as the termination date of the Agreement.

F. Premium

Upon acceptance of the Agreement and at the beginning of each Payroll Reporting Period, as specified in Item 12 of the Declarations, the EMPLOYER shall pay to the CORPORATION the amount of the Deposit Premium specified in Item 11 of the Declarations. The EMPLOYER shall pay premiums when due. The Deposit Premium shall be held by the CORPORATION until the expiration of the Payroll Reporting Period. Within thirty (30) days after the close of each Payroll Reporting Period, the EMPLOYER shall render to the CORPORATION a report, upon a form satisfactory to the CORPORATION, exhibiting, by classification, the amount of such remuneration earned by Employees during such reporting period, and the EMPLOYER shall therewith pay to the CORPORATION the excess of the Earned Premium over the Deposit Premium previously paid. In case the Deposit Premium paid exceeds the Earned Premium, the CORPORATION shall return to the EMPLOYER the amount of such excess or give appropriate credit, subject to the proportion of Minimum Premium for the Liability Period in the case of multi-year Liability Periods.

Upon expiration of a Liability Period, a summary of voluntary payroll reports for such Liability Period shall be made to determine the Earned Premium under this Agreement. In no event, however, shall the Earned Premium in respect of any Liability Period be less than the Minimum Premium specified in the Declarations.

For each Payroll Reporting Period, the CORPORATION shall compute the Earned Premium as follows:

- (1) **Remuneration** – The remuneration earned, or man hours accumulated during such period by all Employees, including volunteers, engaged in each classification covered by this Agreement shall be computed in accordance with the rules set forth in the appropriate Manual of Workers' Compensation and Employers' Liability Insurance.
- (2) **Manual and Standard Premium** – The remuneration, or man-hours, so computed for Employees engaged in each such classification shall be multiplied by the Manual Rate per \$100 of remuneration/man-hour, in effect at the inception of each Payroll Reporting Period, and the products so obtained shall be added together to determine the Manual Premium. An Experience Modification Factor may be applied to the Manual Premium to determine a Standard Premium. Such Experience Modification Factor shall be determined at the inception of this Agreement and is subject to annual review and possible revision. A Standard Premium takes precedence over any Manual Premium.
- (3) **Earned Premium** – Against the Manual or Standard Premium shall be applied the Premium Rate, as specified in Item 9 of the Declarations, to determine the appropriate Earned Premium.

This Agreement is issued by the CORPORATION and accepted by the EMPLOYER subject to the agreement that, in the event of any change in the Rates per \$100 remuneration/man-hour, as stated in Item 6 of the Declarations, because of any general rate increase or any legislative amendment affecting the benefits under the Workers' Compensation Law of any State(s) named in Item 2 of the Declarations, such change, upon the effective date thereof, shall be, without endorsement, made a part of this Agreement.

G. Self-Insurer

The EMPLOYER, by acceptance of this Agreement, warrants that it is a duly qualified Self-Insurer in the State(s) designated in the Declarations, and will continue to maintain such qualifications during the currency of this Agreement. In the event the EMPLOYER should at any time while this Agreement is in force terminate such qualifications or if they should be cancelled or revoked, such loss of qualifications shall operate as notice of cancellation of this Agreement by the EMPLOYER, subject to the additional terms of the Cancellation Section of this Agreement.

H. Service and Administration

This Agreement contemplates the concurrent and continued existence of a separate service agreement between the EMPLOYER and the Service Company, its designated representative, named in Item 5 of the Declarations, providing services approved by the CORPORATION. The EMPLOYER agrees that its Service Company shall furnish the CORPORATION with quarterly loss runs concurrent with each Liability Period of this Agreement. The provision of loss runs alone does not relieve the EMPLOYER of its reporting obligations as set forth in Section I of this Agreement. In

addition, the electronic transfer of loss information by a Service Company of the EMPLOYER shall not constitute notice of a claim.

Cancellation of the service agreement between the Service Company and the EMPLOYER shall operate as a notice of cancellation of this Agreement by the EMPLOYER, subject to the additional terms of the Cancellation Section of this Agreement. Any change in service companies must be immediately communicated to and approved by the CORPORATION, and this obligation shall survive the termination or non-renewal of this Agreement.

I. Prompt Reporting of Claims

As soon as the EMPLOYER becomes aware, the EMPLOYER must provide prompt notice to the CORPORATION of: (a) any claim or action commenced against the EMPLOYER which exceeds, or is likely to exceed, fifty percent (50%) of the Self-Insured Retention Per Occurrence specified in Item 7 of the Declarations and (b) the reopening of any claim in which a further award might involve liability of the CORPORATION under this Agreement.

In addition, the following categories of claims shall be reported to the CORPORATION immediately, regardless of any question of potential involvement of the CORPORATION:

1. Fatalities;
2. Paraplegics and quadriplegics;
3. Serious burns, defined as 2nd or 3rd degree burns involving 25% or more of the body;
4. Brain injury;
5. Spinal cord injury;
6. Amputation of a major extremity; and
7. Any Occurrence which results in a serious injury to two or more Employees.

If the CORPORATION is prejudiced by the EMPLOYER's failure to provide prompt notice of a claim in accordance with the requirements set forth above and/or as otherwise provided by the Law of any State(s), the CORPORATION may elect to deny coverage for Loss arising from such claim. To constitute prompt, sufficient notice, the EMPLOYER must provide complete information as to the details of the injury, disease, or death.

J. Defense of Claims

The EMPLOYER shall investigate and settle or defend all claims and shall conduct the defense and appeal of all actions, suits, and proceedings commenced against it. The EMPLOYER shall forward promptly to the CORPORATION copies of any pleadings or reports as may be requested. The CORPORATION shall not be obliged to assume charge of the investigation, defense, appeal or settlement of any claim, suit, or proceeding brought against the EMPLOYER, but the CORPORATION shall be given the opportunity to investigate, defend, or participate with the EMPLOYER in the investigation and defense of any claim, if, in the opinion of the CORPORATION, its liability under this Agreement might be involved.

K. Good Faith Claims Administration

The EMPLOYER shall use diligence, prudence, and good faith in the investigation, defense, pursuit of recovery from others and settlement of all claims. The EMPLOYER shall not unreasonably refuse to settle any claim which, in the exercise of sound judgment with respect to the entire claim, should be settled, provided, however, that the EMPLOYER shall not make any payment or agree to any settlement for any sum which would involve the limits of the CORPORATION's liability hereunder without the approval of the CORPORATION.

If the CORPORATION is prejudiced by the EMPLOYER's failure to exercise diligence, prudence, and good faith, the CORPORATION may elect to disclaim coverage for Loss from such claim.

L. Inspection and Audit

The CORPORATION shall have the right, but not the obligation, to inspect the premises and equipment and/or to audit the books and records of the EMPLOYER and of its agents and representatives, including all records relating to payroll and claims matters, at any reasonable time during the period of this Agreement and within three (3) years after final settlement of all claims due to Occurrences happening during the term of this Agreement. An audit to determine Manual or Standard Premium shall supersede any and all prior voluntary payroll reports by the EMPLOYER, and will be used to determine the final adjustment of premiums due to the CORPORATION. Should a determination be made that additional audit premium is due to the CORPORATION, the due date for payment of such audit premium shall be thirty (30) days after the date of billing.

M. Other Insurance

If the EMPLOYER carries other valid and collectible insurance, reinsurance, or indemnity with any other insurer or reinsurer covering a Loss also covered by this Agreement (other than insurance or reinsurance that is purchased to apply in excess of the sum of the Self-Insured Retention and the Maximum Limits of Indemnity hereunder), the insurance afforded by this Agreement shall apply in excess of and shall not contribute with such other insurance or reinsurance.

N. Recovery from Others

The EMPLOYER agrees to prosecute any and all valid claims the EMPLOYER may have against any other party or source that may mitigate any Loss under this Agreement and return to the CORPORATION any amount so recovered, less the reasonable expense of collecting such amounts.

The CORPORATION shall have the EMPLOYER's rights to prosecute any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. The EMPLOYER agrees that it will assist the CORPORATION in any prosecution of any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. Any amounts recovered by the EMPLOYER or the CORPORATION from any party or source that may

mitigate any Loss under this Agreement shall first be used to pay the expenses of collection and to reimburse the CORPORATION for any amount it may have paid the EMPLOYER for the Liability Period concerned, and all remaining amounts collected shall be paid to the EMPLOYER.

O. Change in Agreement

No condition, provision, or declaration of this Agreement shall be waived or altered at any time, except as specified in Section F, except by endorsement signed by the President or a Senior Vice President and the Secretary or an Assistant Secretary of the CORPORATION.

This Agreement hereby terminates, supersedes, and replaces all previously issued Workers' Compensation Insurance or Reinsurance Agreements, as amended, between the EMPLOYER and the CORPORATION.

If terms of this Agreement are in conflict with any law applicable to this Agreement, this statement amends this Agreement to conform to such law. In addition, in the event any terms are in conflict with applicable laws, the remaining terms of the Agreement shall be enforceable.

P. Cancellation

This Agreement may be cancelled by either party giving the other party written notice not less than sixty (60) days prior to the date of cancellation, except, that if the CORPORATION cancels for non-payment of any premium, the cancellation shall become effective ten (10) days after dispatch of notice by the CORPORATION. The date of cancellation then becomes the termination date of the final Liability Period. This Agreement does not apply to Loss as a result of Occurrences taking place after the effective date of such cancellation.

If cancellation is effected by the EMPLOYER, the Manual or Standard Premium shall be determined by the short rate tables used for casualty insurance, and the Earned Premium shall be the product of the Premium Rate (Item 9) times the Manual or Standard Premium (or the Total Annual Remuneration) so arrived at, but not less than the Minimum Premium specified in the Declarations.

If cancellation is effected by the CORPORATION for non-payment of premium, the EMPLOYER shall pay the CORPORATION Earned Premium for the period up to the date of cancellation.

If the CORPORATION cancels for any other reason, the Manual or Standard Premium (or the Total Annual Remuneration) shall be determined upon a pro rata basis and the Earned Premium adjusted in accordance therewith.

Q. Assignment

An assignment of interest under this Agreement will not bind the CORPORATION unless an endorsement signed by the President or a Senior Vice President and the Secretary or an Assistant Secretary of the CORPORATION assigning interest under this Agreement is issued by the CORPORATION.

R. Bankruptcy or Insolvency of Employer

The bankruptcy or insolvency of the EMPLOYER will not relieve the CORPORATION or the EMPLOYER of its duties and liabilities under this Agreement. After payments have been made by or on behalf of the EMPLOYER, reimbursements due under this Agreement will be made by the CORPORATION as if the EMPLOYER had not become bankrupt or insolvent, but not in excess of the CORPORATION's limit of indemnity.

S. Sole Representative

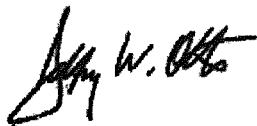
If more than one EMPLOYER is named in Item 1 of the Declarations, or an endorsement related thereto, the EMPLOYER first named in Item 1, or a related endorsement, will act on behalf of all EMPLOYERS to give or receive notice of cancellation, to receive return premium or reimbursement, or to request changes in this Agreement.

T. Acceptance

By acceptance of this Agreement, the EMPLOYER agrees that the statements in this Agreement, in the Declarations, and

in the application are the EMPLOYER's representations; that this Agreement is issued in reliance upon such representations; that this Agreement embodies all agreements existing between the EMPLOYER and the CORPORATION, or any of its agents, relating to this excess insurance, and that full compliance by the EMPLOYER with all terms of this Agreement is a condition precedent to the CORPORATION's liability hereunder.

IN WITNESS WHEREOF, SAFETY NATIONAL CASUALTY CORPORATION has caused this Agreement to be executed by printing below the facsimile signatures of its President and Secretary and by the actual signature of its Secretary on the Declarations.



Secretary



President

SAFETY NATIONAL CASUALTY CORPORATION
1832 SCHUETZ ROAD
ST. LOUIS, MO 63146

DECLARATIONS – SPECIFIC EXCESS

SP 4050238

Item 1. **Employer:** MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND INCLUDING ONLY THE INSURED MEMBERS OF THE FUND ON FILE WITH THE CORPORATION (PER ENDORSEMENT 0411)

Address: 9 CAMPUS DRIVE, SUITE 16, PARSIPPANY, NJ 07054

Item 2. **This Agreement covers all business operations of the EMPLOYER as a Self-Insurer in the following State(s):** NEW JERSEY

Item 3. **Effective Date:** 12:01 A.M. January 01, 2014

Item 4. **Anniversary Date:** 12:01 A.M. January 01, 2016

Item 5. **The Service Company shall be** QUAL-LYNX

Item 6. CLASSIFICATIONS OF OPERATIONS	Code Number	Estimated Total Annual Remuneration/Manhours	Rate Per \$ 100 Remuneration/Manhours
See Attached			

Total Estimated Manual Premium	N/A
SNCC Experience Modification Factor	N/A
Total Estimated Standard Premium	N/A

Item 7. **Self-Insured Retention Per Occurrence** \$ 2,000,000

Item 8. (a) Maximum Limit of Indemnity Per Occurrence Statutory
(b) Employers' Liability Maximum Limit of Indemnity Per Occurrence \$ 5,000,000

Item 9. **Premium Rate** See Endt 0342

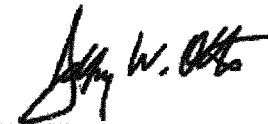
Item 10. **Minimum Premium for the Liability Period** \$ 5,540,208

Item 11. **Deposit Premium for the Payroll Reporting Period** \$ 2,770,104

Item 12. **Payroll Reporting Period** Annually as of January 01

Item 13. **Endorsements** See Endorsement Schedule

Signed at St. Louis, Missouri on April 08, 2014



Secretary

Countersigned this day of

By: N/A

DSP-0195

ITEM 6

Policy No: SP 4050238

Declarations:

St	Classifications of Operations	Code No.	Estimated Total Annual Remuneration/ Manhours	Rate per \$100 Remuneration/ Manhours	Estimated Premium
NJ	Street Or Road Maintenance - Municipal - County Or State Departments & Drivers	5509	\$ 199,726,956	N/A	N/A
	Contractor - Executive Supervisor	5606	If Any		
	Landfill	6217	\$ 2,415,610		
	Sewer Construction & Drivers	6306	If Any		
	Waterworks Operation & Drivers	7520	\$ 70,202,712		
	Electric Light Or Power Co NOC & Drivers	7539	\$ 10,158,893		
	Sewerage Disposal Plant Operation & Drivers	7580	\$ 88,213,941		
	Firemen - Paid & Drivers	7711	\$ 181,019,888		
	Firemen - Volunteer & Drivers	7711.B	\$ 21,177,894		
	First Aid Or Rescue Squad - Paid & Drivers	7715	\$ 23,623,554		
	First Aid Or Rescue Squad - Volunteer & Drivers	7715.B	\$ 8,829,001		
	Sheriff's Officers, Policemen Or Correctional Institution	7720	\$ 1,113,884,231		
	Salespersons-Outside	8742	\$ 1,436,685		
	Clerical Office Employees NOC	8810	\$ 423,387,424		
	Clerical Office Employees NOC (Police Dept)	8810.B	\$ 79,990,076		
	Clerical Office Employees NOC	88102	\$ 6,308,184		
	Clerical Office Employees NOC	88103	\$ 5,128,118		
	Library - Public - Professional Employees & Clerical	8838	\$ 78,583,507		
	Buildings NOC - Operation By Owner Or Lessee	9015	\$ 48,905,941		
	Housing Authority - Clerical, Salespersons, & Drivers	9033	\$ 90,579,344		
	Park NOC & Drivers	9102	\$ 89,244,926		
	Street Cleaning & Drivers	9402	\$ 13,633,155		
	Garbage Collection & Drivers	9403	\$ 78,308,290		
	Municipal, Township, County Or State Employee NOC	9410	\$ 222,433,291		
	Municipal, Township, County Or State Employee NOC	9410.B	\$ 13,372,100		
			\$ 2,870,573,721		
	Total Payroll		\$ 2,870,573,721		

1004 00 1101 (XWC)

Endorsement Schedule

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

Policy No: SP 4050238

Effective Date: 12:01 A.M. January 01, 2014

Number	Title
0411 00 0196 (XWC)	INSURED MEMBERS OF ASSOCIATION
0026 00 1291 (XWC)	NEW JERSEY AMENDMENT REGARDING INSOLVENCY AND CANCELLATION
0242 00 1291 (XWC)	LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT
0276 02 0408 (XWC)	BROAD FORM ALL STATES FOR EMPLOYEE TRAVEL
0277 00 1291 (XWC)	DEPOSIT PREMIUM PAYMENT
0322 01 1198 (XWC)	120-DAYS NOTICE OF CANCELLATION
0342 01 0892 (XWC)	PREMIUM RATES
0346 01 0908 (XWC)	LIMITED SAME COMMUNICABLE DISEASE-SPECIFIC EXCESS
0428 01 0307 (XWC)	FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE
0436 00 1096 (XWC)	UNINTENTIONAL ERROR AND OMISSIONS BY EMPLOYER
0451 08 0112 (XWC)	REVISED PREMIUM SECTION ENDORSEMENT
0454 00 0697 (XWC)	MARITIME COVERAGE ENDORSEMENT (LIMITED TO A STATE BENEFIT)
0817 01 0112 (XWC)	EMPLOYER DEFINITION
1061 10 1207 (XWC)	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
1180 02 0112 (XWC)	REVISED INSPECTION AND AUDIT SECTION ENDORSEMENT
2010 02 1208 (XWC)	REVISED INTENTIONAL TORT AND UNLAWFUL EMPLOYMENT PRACTICES EXCLUSION - SPECIFIC EXCESS AGREEMENTS

0411 00 0196 (XWC)

ENDORSEMENT

INSURED MEMBERS OF ASSOCIATION

Effective 12:01 A.M., Local Time, January 01, 2014

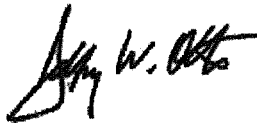
In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that Item 1 of the Declarations, EMPLOYER, shall include only the Insured Members on file with the CORPORATION.

"Insured Members on file with the CORPORATION" shall be defined as those members of the association/EMPLOYER listed as members on the official "Member List - MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND (NJ)" (hereinafter "Member List") which shall be furnished to the CORPORATION on a quarterly basis. It is further understood that the effective date for inclusion of a particular Insured Member of the association/EMPLOYER, as well as the cancellation date indicating when an Insured Member ceases to be a member of the association/EMPLOYER, shall hereby correspond with the respective effective date and cancellation date reflected on such official Member List.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0026 00 1291 (XWC)

ENDORSEMENT

NEW JERSEY AMENDMENT REGARDING INSOLVENCY AND CANCELLATION

Effective 12:01 A.M., Local Time, January 01, 2014

In consideration of the terms and conditions under which this Agreement is written, it is hereby understood and agreed that the following language regarding Insolvency and Cancellation be added to this Agreement:

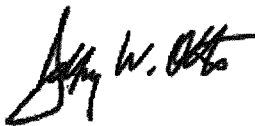
INSOLVENCY - It is understood and agreed that bankruptcy or insolvency of the Insured or of the Insured's estate, or any default of the Insured, shall not relieve the CORPORATION of any of its obligations to pay promptly and when due all compensation and other benefits required of the Insured by the Workers' Compensation Law. It is further agreed that in the event of bankruptcy or insolvency of the Insured or of the Insured's estate, or in the event of any default of the Insured, payment shall be made directly to the Insurance Commissioner, State of New Jersey, for and in the behalf of the account of the injured Employee.

CANCELLATION - Notice of Cancellation will be sent to the Commissioner of Insurance, State of New Jersey, Trenton, New Jersey, in writing stating when, not less than thirty (30) days thereafter, such cancellation shall be effective.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0242 00 1291 (XWC)

ENDORSEMENT

LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT

Effective 12:01 A.M., Local Time, January 01, 2014

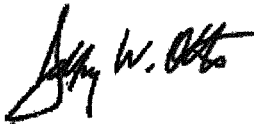
In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

The term, "Workers' Compensation Law," includes the Longshoremen's and Harbor Workers' Compensation Act (USL&H) (33 USC Sections 901-950), and any amendment to that Act that is in effect during the Liability Period. This endorsement does not apply to work subject to the Defense Base Act, the Outer Continental Shelf Lands Act, or the Nonappropriated Fund Instrumentalities Act.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

BROAD FORM ALL STATES FOR EMPLOYEE TRAVEL

Effective 12:01 A.M., Local Time, January 01, 2014

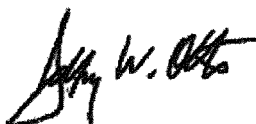
In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that this Agreement shall include the following:

1. If the EMPLOYER undertakes operations in or, at the request of the EMPLOYER, an Employee travels to or is temporarily assigned to, any State not designated in Item 2 of the Declarations, this Agreement applies to such operations, travel or temporary assignment. Should EMPLOYER undertake operations in a state not designated in Item 2 of the Declarations, the EMPLOYER shall give notice to the CORPORATION before or within a reasonable time after the commencement of such operations. The EMPLOYER shall take whatever action is necessary to come within the Workers' Compensation and occupational disease laws of such State.
2. Should an Employee, at the direction of the EMPLOYER, travel to or be temporarily assigned to any State or States not designated in Item 2 of the Declarations, this Agreement shall provide coverage for Loss sustained by the EMPLOYER because of liability imposed upon the EMPLOYER by the Workers' Compensation or Employers' Liability Laws of such non-designated State.
3. This Agreement also applies to Loss sustained by the EMPLOYER because of liability imposed upon the EMPLOYER by the Workers' Compensation and Employers' Liability Laws of such non-designated State.
4. Any Loss covered by this Endorsement shall be subject to all the limitations of this Agreement including but not limited to the Self-Insured Retention Per Occurrence or the Limitation Per Occurrence and the Maximum Limit(s) of Indemnity of the CORPORATION for the Liability Period.
5. The word "State" as used in this Endorsement shall mean any State of the United States of America and the District of Columbia.
6. The insurance afforded by this Endorsement does not cover fines or penalties imposed on the EMPLOYER for failure to comply with the requirements of any Workers' Compensation Law.
7. All of the provisions of this Agreement, insofar as such provisions are not inconsistent herewith, are applicable to the insurance afforded by the Agreement by virtue of this Endorsement.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0277 00 1291 (XWC)

ENDORSEMENT

DEPOSIT PREMIUM PAYMENT

Effective 12:01 A.M., Local Time, January 01, 2014

It is hereby understood and agreed that the Deposit Premium of \$ 2,770,104, shall be payable as follows:

\$ 923,552.00 due January 01, 2014

\$ 923,276.00 due February 15, 2014

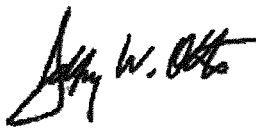
\$ 923,276.00 due April 01, 2014

All payments made by the EMPLOYER shall be credited against the Earned Premium as determined by audit performed following the expiration of the Liability Period of this Agreement.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0322 01 1198 (XWC)

ENDORSEMENT

120-DAYS NOTICE OF CANCELLATION

Effective 12:01 A.M., Local Time, January 01, 2014

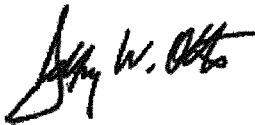
In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

The portion of the first paragraph of the Section entitled Cancellation, which reads, "... not less than sixty (60) days prior to the date of cancellation..." is amended to read, "...not less than one hundred twenty (120) days prior to the date of cancellation...".

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0342 01 0892 (XWC)

ENDORSEMENT

PREMIUM RATES

Effective 12:01 A.M., Local Time, January 01, 2014

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

DECLARATIONS:

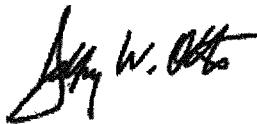
Item 9. (a) Premium Rate for the period, January 01, 2014 through January 01, 2015: \$ 0.0965

(b) Premium Rate for the period, January 01, 2015 through January 01, 2016: \$ 0.0989

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0346 01 0908 (XWC)

ENDORSEMENT

LIMITED SAME COMMUNICABLE DISEASE-SPECIFIC EXCESS

Effective 12:01 A.M., Local Time, January 01, 2014

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that the Section titled Definitions, shall be revised as follows:

1. Paragraph (4) shall be revised to include the following:

With respect to bodily injury caused by the Same Communicable Disease, occurrence shall mean accident or a series of related events having a detectable common source of causation at the workplace, that results in bodily injury to two or more Employees who are infected with the Same Communicable Disease, which infection is manifested during the Liability Period of this Agreement.

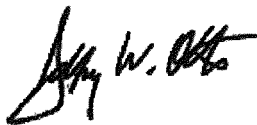
2. Paragraph (7) shall be added and shall read as follows:

- (7) "Same Communicable Disease" - shall mean specifically diagnosed infectious disease caused by an infectious organism which is transmitted from one source to another, directly or indirectly, which is the same proximate cause of bodily injury to each infected Employee. It is understood and agreed, however, that tuberculosis is excluded from the definition of "Same Communicable Disease." Accordingly, this Agreement shall not apply to, and therefore shall provide no coverage for any Occurrence involving tuberculosis as respects Same Communicable Disease.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE

Effective 12:01 A.M., Local Time, January 01, 2014

SECTION 1. SCOPE OF INSURANCE

- A The insurance afforded by this Agreement also applies to Employees, as defined in Section 2 of this Endorsement, who are employed to work at locations within the following country or countries:
- anywhere in the world outside the United States or United States possessions and territories, except: Afghanistan, Algeria, Belarus, Burma, Burundi, Central African Republic, Chad, Colombia, Cote d'Ivoire, Cuba, Democratic Republic of Congo, Eritrea, Guinea, Haiti, Iran, Iraq, Israel, Kenya, Lebanon, Libya, Mali, Mauritania, Niger, Nigeria, North Korea, Pakistan, Philippines, Republic of South Sudan, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, West Bank and Gaza, Yemen, and Zimbabwe.*
- B Benefits payable under this Endorsement are the same as those that would be payable if the Employees in question were subject to the Worker's Compensation Law of the following State or States: NEW JERSEY
- C Benefits payable under this Endorsement shall include repatriation expense in an amount up to \$ 25,000 with respect to any one Employee and as otherwise subject to the CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability.
- D The CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability is limited to \$ 100,000 and applies in excess of the Self-Insured Retention Per Occurrence.

SECTION 2. EMPLOYEES COVERED

- A It is agreed that the insurance provided by this Agreement also applies to those Employees of the EMPLOYER who are hired or assigned by the EMPLOYER to work at locations within the country or countries not excluded in this Endorsement.
- B This insurance, with respect to any such Employee, shall attach from the moment such Employee is hired or assigned for such work and shall cease from the moment the employment or assignment for such work is terminated. If the Employee has been hired in the United States of America, coverage continues after termination of employment until the Employee returns to the United States of America or for a reasonable period of time for the opportunity to return to the United States of America, unless termination of employment is due to the Employee's resignation.
- C This insurance shall not apply to persons other than citizens or residents of the United States of America within the country or countries stated in this Endorsement except as stated herein: NONE
- D The benefits payable hereunder shall also be deemed payable to or for an Employee who contracts an endemic disease, providing that such disease shall have manifested itself within thirty (30) days from the moment such Employee's employment or assignment for such work is terminated.

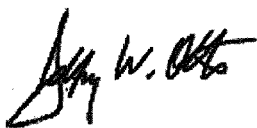
0428 01 0307 (XWC)

ENDORSEMENT (CONTINUED)

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0436 00 1096 (XWC)

ENDORSEMENT

UNINTENTIONAL ERROR AND OMISSIONS BY EMPLOYER

Effective 12:01 A.M., Local Time, January 01, 2014

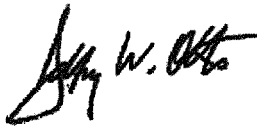
In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

Any unintentional errors or omissions by the EMPLOYER which relate to this Agreement, shall not constitute grounds for a declination of coverage by the CORPORATION.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0451 08 0112 (XWC)

ENDORSEMENT

REVISED PREMIUM SECTION ENDORSEMENT

Effective 12:01 A.M., Local Time, January 01, 2014

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that Section F. Premium is deleted in its entirety and replaced by the following:

F. Premium

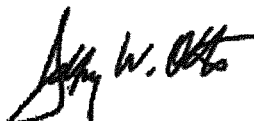
Upon acceptance of the Agreement and at the beginning of each Payroll Reporting Period, as specified in Item 12 of the Declarations, the EMPLOYER shall pay to the CORPORATION the amount of the Deposit Premium specified in Item 11 of the Declarations. The Deposit Premium shown in the Declarations as applicable to each Payroll Reporting Period is an estimate based on the Estimated Total Annual Remuneration/Man-Hours stated in Item 6 of the Declarations. During the Liability Period, the EMPLOYER shall report to the CORPORATION, on no less frequently than a quarterly basis, any and all new Insured Members added during such period. The EMPLOYER shall be billed by the CORPORATION for additional premium based on the annual remuneration applicable to such new Insured Member. The EMPLOYER shall pay premiums within thirty (30) days after the date of billing.

Remuneration earned, or man-hours accumulated, during the Liability Period by all Employees, including volunteers, engaged in each classification covered by this Agreement, shall be computed in accordance with the rules set forth in the appropriate Manual of Workers' Compensation and Employers' Liability Insurance.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION


Secretary


President

0454 00 0697 (XWC)

ENDORSEMENT

MARITIME COVERAGE ENDORSEMENT (LIMITED TO A STATE BENEFIT)

Effective 12:01 A.M., Local Time, January 01, 2014

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

The coverage afforded by Employers' Liability Laws, as specified in this Agreement, shall include Loss on account of bodily injury to a master or member of the crew of a vessel. However, it is also understood that this Agreement shall apply to such Loss, but only to the extent that such Loss does not exceed the benefits payable under the NEW JERSEY Worker's Compensation Law. In addition, such coverage shall be subject to the following additional provisions:

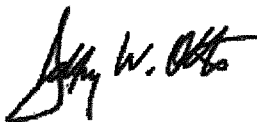
This coverage does not include Loss on account of:

1. bodily injury covered by a Protection and Indemnity Policy or similar policy issued to the EMPLOYER or for the EMPLOYER'S benefit. This exclusion applies even if the other policy does not apply because of an other insurance clause, deductible or limitation of liability clause, or any similar clause.
2. the EMPLOYER'S duty to provide transportation, wages, maintenance and cure.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION


Secretary


President

0817 01 0112 (XWC)

ENDORSEMENT

EMPLOYER DEFINITION

Effective 12:01 A.M., Local Time, January 01, 2014

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

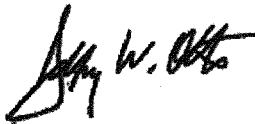
For purposes of this Agreement, "EMPLOYER" shall include:

- (1) An EMPLOYER named in Item 1 of the Declarations. If an EMPLOYER named in Item 1 of the Declarations is a partnership or joint venture, then a partner in the partnership or individual member of the joint venture is covered as an EMPLOYER, but only in their capacity as an employer of employees of the partnership or joint venture.
- (2) An EMPLOYER'S subsidiary, division or affiliated company now existing or as may hereafter be constituted, provided a 51% majority interest is owned or controlled by an EMPLOYER named in Item 1 of the Declarations.
- (3) A business entity over which an EMPLOYER named in Item 1 of the Declarations has day-to-day management control.
- (4) Municipal Excess Liability Residual Claim Fund.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Effective 12:01 A.M., Local Time, January 01, 2014

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

Coverage for workers' compensation losses caused by certified acts of terrorism is included in this Agreement as set forth under the Terrorism Risk Insurance Act of 2002 as amended ("the Act").

For purposes of this Endorsement, a "certified act of terrorism" is defined as any act:

- a. That is certified by the Secretary of the Treasury in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism; and,
- b. That is violent or dangerous to human life, property or infrastructure; and,
- c. That results 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,
- d. 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.

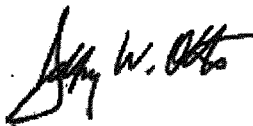
Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your Agreement, and any applicable federal and/or state laws, rules, or regulations. Under the Act, terrorism losses would be partially reimbursed by the U.S. Government under a formula established by the Act. Under this formula, the U.S. Government would generally reimburse 85% of covered terrorism losses exceeding a deductible paid by the CORPORATION. The Act contains a \$100 billion cap that limits the reimbursement from the U.S. Government as well as from all insurers. If aggregate insured losses for all insurers exceed \$100 billion, the EMPLOYER's coverage may be reduced.

The portion of the EMPLOYER'S annual premium that is attributable to coverage for losses caused by a certified act of terrorism is: 0.5%.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

1180 02 0112 (XWC)

ENDORSEMENT

REVISED INSPECTION AND AUDIT SECTION ENDORSEMENT

Effective 12:01 A.M., Local Time, January 01, 2014

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that Section L. **Inspection and Audit**, is deleted in its entirety and replaced by the following:

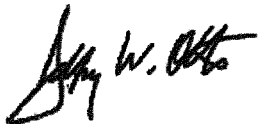
L. Inspection and Audit

The CORPORATION shall have the right, but not the obligation, to inspect the premises and equipment and/or to audit the books and records of the EMPLOYER and of its agents and representatives, to the extent such books and records relate to claims matters, at any reasonable time during the period of this Agreement and within three (3) years after final settlement of all claims due to Occurrences happening during the term of this Agreement.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

REVISED INTENTIONAL TORT AND UNLAWFUL EMPLOYMENT PRACTICES EXCLUSION - SPECIFIC
EXCESS AGREEMENTS

Effective 12:01 A.M., Local Time, January 01, 2014

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that subparagraph (f) of paragraph (3), "Exclusions from Loss" of the Definitions section of this Agreement shall be deleted and replaced as follows:

- (f) Any amounts required to be paid by the EMPLOYER because of:
- 1) Loss under the Workers' Compensation coverage of this Agreement resulting from:
 - (i) The EMPLOYER's serious and willful misconduct;
 - (ii) The EMPLOYER's failure to comply with any health, safety or notification laws or regulations; and/or
 - (iii) The EMPLOYER's discharge, coercion or discrimination against any Employee in violation of the Workers' Compensation Law.
 - 2) Loss under the Employers' Liability coverage of this Agreement resulting from:
 - (i) Bodily injury intentionally caused or aggravated by the EMPLOYER; and/or
 - (ii) The EMPLOYER's coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any Employee, or any personnel practices, policies, acts or omissions.
 - 3) Loss under the Workers' Compensation and/or Employers' Liability coverage of this Agreement resulting from:
 - (i) The EMPLOYER knowingly employing an Employee in violation of the law; and/or
 - (ii) The rejection by the EMPLOYER of any Workers' Compensation Law.

In addition, the following shall be added as paragraph (7) of the Definitions section of this Agreement:

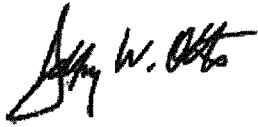
- (7) "Employers' Liability" or "Employers' Liability Laws" – shall mean liability imposed upon the EMPLOYER on account of bodily injury by accident or bodily injury by occupational disease arising out of and in the course of the injured Employee's employment and not otherwise covered under the applicable Workers' Compensation Law of the State(s).

ENDORSEMENT (CONTINUED)

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

1015 00 1209 (XWC)

ENDORSEMENT # 001

GENERAL CHANGE ENDORSEMENT - SPECIFIC EXCESS

Effective 12:01 A.M., Local Time, January 01, 2014

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

☐ Item 1 – Employer Address	☐ Item 8(a) – Maximum Limit of Indemnity Per Occurrence
☐ Item 2 – States	☐ Item 8(b) – E.L. Maximum Limit of Indemnity Per Occurrence
☐ Item 3 – Effective Date	☐ Item 9 – Premium Rate
☐ Item 4 – Anniversary Date	☐ Item 10 – Minimum Premium for the Liability Period
☐ Item 5 – Service Company	☒ Item 11 – Deposit Premium for the Payroll Reporting Period
☐ Item 6 – Manual Premium/Exp. Mod/Standard Premium	☐ Item 12 – Payroll Reporting Period
☐ Item 7 – Self-Insured Retention Per Occurrence	☐ Item 13 – Endorsements

In consideration of the return Premium of \$1,364, and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that this Agreement is amended to read as follows:

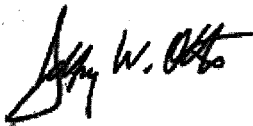
Deposit Premium for the Payroll Reporting Period:

\$ 2,768,740

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

Countersigned this day of

By: _____ N/A



A member of the Tokio Marine Group

1832 Schuetz Road
St. Louis, MO 63146-3540
888.995.5300 • 314.995.5300

May 19, 2014

Mr. Joseph Hrubash
Conner Strong Companies, Inc.
9 Campus Drive
Parsippany, NJ 07054

**RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
SP 4050238
January 1, 2014 – January 1, 2015**

Dear Joe:

Please find enclosed the original and two copies of the following documents:

- Endorsement #001, 1015 00 1209 (XWC), General Change Endorsement – Specific Excess amending Item 11 – Deposit Premium for the Payroll Reporting Period
- Credit invoice in the amount of \$1,364

If you have any questions, please do not hesitate to contact me at 314-692-1388.

Sincerely,

Brad Ogle
Assistant Vice President- Excess WC Associations

BO:ko
Enclosures

1015 00 1209 (XWC)

ENDORSEMENT # 002

GENERAL CHANGE ENDORSEMENT - SPECIFIC EXCESS

Effective 12:01 A.M., Local Time, January 01, 2014

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

☐ Item 1 – Employer Address	☐ Item 8(a) – Maximum Limit of Indemnity Per Occurrence
☐ Item 2 – States	☐ Item 8(b) – E.L. Maximum Limit of Indemnity Per Occurrence
☐ Item 3 – Effective Date	☐ Item 9 – Premium Rate
☐ Item 4 – Anniversary Date	☒ Item 10 – Minimum Premium for the Liability Period
☐ Item 5 – Service Company	☒ Item 11 – Deposit Premium for the Payroll Reporting Period
☐ Item 6 – Manual Premium/Exp. Mod/Standard Premium	☐ Item 12 – Payroll Reporting Period
☐ Item 7 – Self-Insured Retention Per Occurrence	☐ Item 13 – Endorsements

In consideration of the return Premium of \$ 36,793, and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that this Agreement is amended to read as follows:

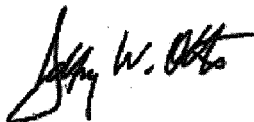
Minimum Premium for the Liability Period: \$ 5,463,894

Deposit Premium for the Payroll Reporting Period: \$ 2,731,947

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION


Secretary


President

Countersigned this day of

By: _____ N/A



A member of the Tokio Marine Group

1832 Schuetz Road
St. Louis, MO 63146-3540
888.995.5300 • 314.995.5300

June 20, 2014

Mr. Joe Hrubash
Conner Strong Companies, Inc.
9 Campus Dr., Suite 16
Parsippany, NJ 07054

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
SP 4050238
01/01/2014 – 01/01/2015

Dear Joe:

Please find enclosed the original and two copies of the following documents:

- Endorsement #002 1015 00 1209 (XWC), General Change Endorsement – Specific Excess, amending Item 10 – Minimum Premium for the Liability Period and Item 11 - Deposit Premium for the Payroll Reporting Period
- Credit Invoice in the amount of \$36,793

If you have any questions, please do not hesitate to contact me at 314-692-1388.

Sincerely,

Brad Ogle
Assistant Vice President – Excess WC Associations

BO: st
Enclosures

1015 00 1209 (XWC)

ENDORSEMENT # 003

GENERAL CHANGE ENDORSEMENT - SPECIFIC EXCESS

Effective 12:01 A.M., Local Time, January 01, 2014

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

☐ Item 1 – Employer Address	☐ Item 8(a) – Maximum Limit of Indemnity Per Occurrence
☐ Item 2 – States	☐ Item 8(b) – E.L. Maximum Limit of Indemnity Per Occurrence
☐ Item 3 – Effective Date	☐ Item 9 – Premium Rate
☐ Item 4 – Anniversary Date	☐ Item 10 – Minimum Premium for the Liability Period
☐ Item 5 – Service Company	☒ Item 11 – Deposit Premium for the Payroll Reporting Period
☐ Item 6 – Manual Premium/Exp. Mod/Standard Premium	☐ Item 12 – Payroll Reporting Period
☐ Item 7 – Self-Insured Retention Per Occurrence	☐ Item 13 – Endorsements

In consideration of the payment of the additional Deposit Premium of \$ 253, and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that this Agreement is amended to read as follows:

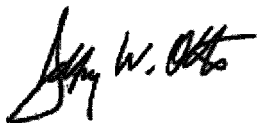
Deposit Premium for the Payroll Reporting Period:

\$ 2,732,200

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION


Secretary


President

Countersigned this day of

By: _____ N/A



A member of the Tokio Marine Group

1832 Schuetz Road
St. Louis, MO 63146-3540
888.995.5300 • 314.995.5300

October 17, 2014

Mr. Joe Hrubash
Conner Strong Companies, Inc.
9 Campus Dr., Suite 16
Parsippany, NJ 07054

**RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
SP 4050238
01/01/2014 – 01/01/2015**

Dear Joe:

Please find enclosed the original and two copies of the following documents:

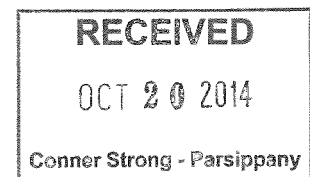
- Endorsement #003 1015 00 1209 (XWC), General Change Endorsement – Specific Excess, amending Item 11 - Deposit Premium for the Payroll Reporting Period
- 1015 00 1209 (XWC), Employer Change of Insured Members
- Billing Invoice in the amount of \$253

If you have any questions, please do not hesitate to contact me at 314-692-1335.

Sincerely,

Doug Martin
Senior Regional Underwriting Manager - Associations

DM: dm
Enclosures



1015 00 1209 (XWC)

ENDORSEMENT # 004

GENERAL CHANGE ENDORSEMENT - SPECIFIC EXCESS

Effective 12:01 A.M., Local Time, January 01, 2014

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

☐ Item 1 – Employer Address	☐ Item 8(a) – Maximum Limit of Indemnity Per Occurrence
☐ Item 2 – States	☐ Item 8(b) – E.L. Maximum Limit of Indemnity Per Occurrence
☐ Item 3 – Effective Date	☐ Item 9 – Premium Rate
☐ Item 4 – Anniversary Date	☐ Item 10 – Minimum Premium for the Liability Period
☒ Item 5 – Service Company	☐ Item 11 – Deposit Premium for the Payroll Reporting Period
☐ Item 6 – Manual Premium/Exp. Mod/Standard Premium	☐ Item 12 – Payroll Reporting Period
☐ Item 7 – Self-Insured Retention Per Occurrence	☐ Item 13 – Endorsements

Is amended to read:

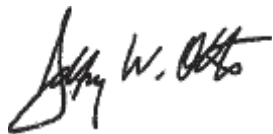
Service Company: See Attached Service Company Schedule

1776, SERVICE COMPANY SCHEDULE

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

Countersigned this day of

By: _____ N/A

1776 00 0512 (XWC)

SERVICE COMPANY SCHEDULE

Effective 12:01 A.M., Local Time, January 01, 2014

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that Item 5 of the Declarations of the Agreement is amended to read as follows:

Item 5. The Service Company(ies) shall be:

<u>For the Insured Members of:</u>	<u>Name of Service Company</u>
CAMDEN JIF	AMERIHEALTH CASUALTY SERVICES
ALL OTHER INSURED MEMBERS	QUAL-LYNX

1015 00 1209 (XWC)

ENDORSEMENT # 005

GENERAL CHANGE ENDORSEMENT - SPECIFIC EXCESS

Effective 12:01 A.M., Local Time, January 01, 2014

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

☐ Item 1 – Employer Address	☐ Item 8(a) – Maximum Limit of Indemnity Per Occurrence
☐ Item 2 – States	☐ Item 8(b) – E.L. Maximum Limit of Indemnity Per Occurrence
☐ Item 3 – Effective Date	☐ Item 9 – Premium Rate
☐ Item 4 – Anniversary Date	☐ Item 10 – Minimum Premium for the Liability Period
☒ Item 5 – Service Company	☐ Item 11 – Deposit Premium for the Payroll Reporting Period
☐ Item 6 – Manual Premium/Exp. Mod/Standard Premium	☐ Item 12 – Payroll Reporting Period
☐ Item 7 – Self-Insured Retention Per Occurrence	☐ Item 13 – Endorsements

Is amended to read:

Service Company: QUAL-LYNX

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

Countersigned this day of

By: _____ N/A



DECLARATIONS

EXCESS INSURANCE POLICY

SUBJECT TO THE PROVISIONS OF THE UNDERLYING INSURANCE, THIS POLICY MAY ONLY APPLY TO ANY CLAIM FIRST MADE AGAINST THE INSUREDS OR LOSS DISCOVERED DURING THE POLICY PERIOD PROVIDED THAT SUCH CLAIM OR LOSS IS REPORTED IN WRITING TO THE UNDERWRITERS PURSUANT TO THE POLICY PROVISIONS. AMOUNTS INCURRED AS DEFENSE COSTS SHALL REDUCE AND MAY EXHAUST THE APPLICABLE LIMITS OF LIABILITY AND ARE SUBJECT TO THE RETENTIONS. THE UNDERWRITERS SHALL NOT BE LIABLE FOR ANY DEFENSE COSTS OR FOR ANY JUDGMENT OR SETTLEMENT AFTER THE LIMIT OF LIABILITY HAS BEEN EXHAUSTED. PLEASE READ THIS POLICY CAREFULLY.

These Declarations along with the completed and signed **Application** and the Policy with endorsements shall constitute the contract between the **Insureds** and the Underwriters.

Underwriters: Syndicate 2623/623 at Lloyd's.
Policy Number: W1DA05180201
Authority Ref. Number: B6012BUSANMSL1801

Item 1. **Named Insured:**

The Participating Members of the New Jersey Utility Authorities Joint Insurance Fund

Principal Address:

9 Campus Drive
Suite 216
Parsippany, NJ 07054

Item 2. **Policy Period:**

From: 01-Jan-2018

To: 01-Jan-2019

Both dates at 12:01 a.m. Local Time at the Principal Address stated in Item 1

Item 3. **Limit of Liability:**

\$6,000,000 Each claim, including costs and expenses incurred in the defense or settlement of such claim.

\$6,000,000 Aggregate for the **Policy Period**, including costs and expenses incurred in the defense or settlement of all claims.

Item 4. **Premium:** \$36,068

Item 5. Notification Under this Policy:

a. Notification pursuant to Clause VI shall be given to:	b. All other notices under this Policy shall be given to:
Beazley USA Services 30 Batterson Park Road Farmington, CT 06032 Tel: (860) 677-3700 Fax: (860) 679-0247 or xxxxxx@xxxxxxx.xxx	Beazley USA Services, Inc. 30 Batterson Park Road Farmington, CT 06032 Tel: (860) 677-3700 Fax: (860) 679-0247 or xxxxxx@xxxxxxx.xxx

Item 6. **Followed Policy:**

Insurer: Indian Harbor Insurance Company
Policy No.: MTP003949205
Limit of Liability: \$6,000,000
Retention: \$10,000

Item 7. **Underlying Insurance:**
N/A

Item 8. **Service of process in any suit shall be made upon:**

Mendes & Mount, LLP
750 7th Ave # 24
New York, NY 10019

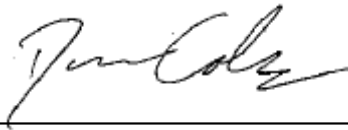
Item 9. **Choice of Law:** New York

Item 10. Endorsements Effective at Inception

1. E05161 112013 ed.	Follow Form and Drop Down Schedule Over Underlying Sublimit
2. SCHEDULE2018	Lloyd's Security Schedule 2018
3. NMA1256	Nuclear Incident Exclusion Clause-Liability-Direct (Broad) (U.S.A.)
4. NMA1477	Radioactive Contamination Exclusion Clause-Liability-Direct (U.S.A.)
5. E02804 032011 ed.	Sanction Limitation and Exclusion Clause
6. E05635 032014 ed.	Reliance on the Application of the Follow Policy
7. E09672 012017 ed.	Prior Knowledge Exclusion

Dated: 29-Mar-2018

At: 30 Batterson Park Road
Farmington
Connecticut 06032
(the office of the Correspondent)

by 
Beazley USA Services, Inc. (Correspondent)

Effective date of this Endorsement: 01-Jan-2018

This Endorsement is attached to and forms a part of Policy Number: W1DA05180201

Syndicate 2623/623 at Lloyd's. referred to in this endorsement as either the "Insurer" or the "Underwriters"

FOLLOW FORM AND DROP DOWN SCHEDULE OVER UNDERLYING SUBLIMIT

This endorsement modifies insurance provided under the following:

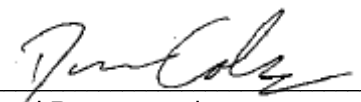
EXCESS INSURANCE POLICY

In consideration of the premium charged for the Policy, it is hereby understood and agreed that notwithstanding Clause IV., this Policy shall drop down and follow form of the terms, conditions and limitations of such coverage provided in the Schedule below; provided, that the Underwriters' aggregate limit of liability applicable to such coverage shall be part of, and not in addition to, the Underwriters' aggregate limit of liability set forth in Item 3. of the Declarations.

SCHEDULE

Sublimit Amount	Sublimited Coverage	Section/Endorsement of Followed Policy	Underwriters' aggregate limit of liability applicable to such coverage
\$3,000,000	Media	Third Party Liability Coverages	\$3,000,000
\$3,000,000	Privacy and Cyber Security	Third Party Liability Coverages	\$3,000,000
\$3,000,000	Privacy Regulatory Defense, Awards & Fines	Third Party Liability Coverages	\$3,000,000
\$3,000,000	Business Interruption & Extra Expense	First Party Coverages	\$3,000,000
\$3,000,000	Data Recovery	First Party Coverages	\$3,000,000
\$3,000,000	Cyber-Extortion	First Party Coverages	\$3,000,000
\$3,000,000	Data Breach Response and Crisis Management Coverage	First Party Coverages	\$3,000,000

All other terms and conditions of this Policy remain unchanged.


Authorized Representative

Effective date of this Endorsement: 01-Jan-2018

This Endorsement is attached to and forms a part of Policy Number: W1DA05180201

Syndicate 2623/623 at Lloyd's. Referred to in this endorsement as either the "Insurer" or the "Underwriters"

LLOYD'S SECURITY SCHEDULE

Syndicate 2623 82%

Syndicate 623 18%

ALL OTHER TERMS, conditions and limitations of said Certificate shall remain unchanged.

Effective date of this Endorsement: 01-Jan-2018

This Endorsement is attached to and forms a part of Policy Number: W1DA05180201

NUCLEAR INCIDENT EXCLUSION CLAUSE-LIABILITY-DIRECT (BROAD) (U.S.A.)

EXCESS INSURANCE POLICY

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:

- I. 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.
- II. 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.
- III. 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.

IV. 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.

Effective date of this Endorsement: 01-Jan-2018

This Endorsement is attached to and forms a part of Policy Number: W1DA05180201

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE-LIABILITY-DIRECT (U.S.A.)

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.

Effective date of this Endorsement: 01-Jan-2018

This Endorsement is attached to and forms a part of Policy Number: W1DA05180201

Syndicate 2623/623 at Lloyd's. Referred to in this endorsement as either the "Insurer" or the "Underwriters"

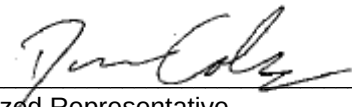
SANCTION LIMITATION AND EXCLUSION CLAUSE

This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY

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.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

Effective date of this Endorsement: 01-Jan-2018

This Endorsement is attached to and forms a part of Policy Number: W1DA05180201

Syndicate 2623/623 at Lloyd's. referred to in this endorsement as either the "Insurer" or the "Underwriters"

RELIANCE ON THE APPLICATION OF THE FOLLOW POLICY

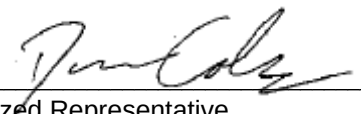
This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY

In consideration of the premium charged for the Policy, it is hereby understood and agreed that the first paragraph of this Policy is deleted in its entirety and replaced with the following:

In consideration of the payment of the premium, in reliance on the application (as that term is defined in the **Followed Policy**), the Underwriters and **Named Insured**, on behalf of all **Insureds**, agree as follows:

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

Effective date of this Endorsement: 01-Jan-2018

This Endorsement is attached to and forms a part of Policy Number: W1DA05180201

Syndicate 2623/623 at Lloyd's. referred to in this endorsement as either the "Insurer" or the "Underwriters"

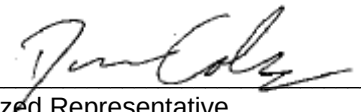
PRIOR KNOWLEDGE EXCLUSION

This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY

In consideration of the premium charged for the Policy, it is hereby understood and agreed that this Policy shall not apply to loss or damages in connection with or resulting from any claim based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any wrongful act or any fact, circumstance or situation of which any **Insured** was aware prior to 01-Jan-2017 with respect to the coverage afforded under the **Followed Policy**.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

EXCESS INSURANCE POLICY

In consideration of the payment of the premium, in reliance upon all information and representations provided or made available by the **Insureds** to the Underwriters in connection with the underwriting of this Policy, the Underwriters and **Named Insured**, on behalf of all **Insureds**, agree as follows:

I. INSURING CLAUSE

This Policy shall provide coverage in accordance with all of the terms, conditions and limitations (including, but not limited to, the exclusions and notice requirements) of the **Followed Policy** except for the Limit of Liability, the premium or as otherwise set forth herein. Coverage hereunder shall attach only after all of the **Underlying Limits** have been exhausted through payments by the insurers of the **Underlying Insurance** of amounts covered under the **Underlying Insurance**. In the event of financial impairment or insolvency of an insurer of the **Underlying Insurance**, the risk of uncollectibility of such **Underlying Insurance** (in whole or in part) is expressly retained by the **Insureds** and is not insured by or assumed by the Underwriters.

II. DEFINITIONS

- A. **Followed Policy** means the insurance policy identified in Item 6. of the Declarations.
- B. **Insureds** mean all persons and entities covered under the **Followed Policy**.
- C. **Named Insured** means all persons and entities set forth in Item 1. of the Declarations.
- D. **Policy Period** means the period set forth in Item 2. of the Declarations.
- E. **Underlying Insurance** means the **Followed Policy** and all other underlying insurance policies, if any, identified in Item 7. of the Declarations.
- F. **Underlying Limits** mean an amount equal to the aggregate of all limits of liability of the **Underlying Insurance**.

III. LIMIT OF LIABILITY

The amount set forth in Item 3. of the Declarations shall be the maximum aggregate Limit of Liability of the Underwriters for all coverage under this Policy, regardless of the number of claims made against the **Insureds** or the time of payment and regardless of whether or not an extended reporting period applies.

IV. CHANGES TO UNDERLYING INSURANCE AND DEPLETION OF UNDERLYING LIMITS

If, subsequent to the inception date of this Policy, the terms, conditions or limitations of an **Underlying Insurance** are modified, the **Insureds** must notify the Underwriters in writing, as soon as practicable, of such modification. If any changes to the **Followed Policy**: (a) expand coverage, (b) change the policyholder name or address, or (c) modify premium, this Policy shall not follow those changes unless the Underwriters agree in writing to do so. If any coverage under any **Underlying Insurance** is subject to a sub-limit, then this Policy provides no coverage excess of such sub-limit, but the Underwriters shall recognize payment of such amount as reducing the **Underlying Limit** by such amount. Furthermore, if any amount covered under any policy issued to the **Insureds** outside of the United States of America (a "Foreign Policy") and the **Underlying Insurance** expressly provides for the reduction of the **Underlying Limit** by reason of payment of such amount under the applicable Foreign Policy, then the Underwriters shall recognize payment of such amount as reducing the **Underlying Limit** by such amount.

V. UNDERWRITERS RIGHTS

The Underwriters have the same rights and protections as the insurer of the **Followed Policy** and, where the **Followed Policy** is not issued on an 'insurers duty to defend' basis, the Underwriters shall have the right, but not the obligation, at their sole discretion, to elect to participate in the investigation, settlement, prosecution or defense of any claim.

VI. NOTICES

Where notice is permitted or required by the **Followed Policy**, the **Insureds** have the same rights and obligations to notify the Underwriters under this Policy, except that such notice shall be given to the Underwriters at the applicable address set forth in Item 5. of the Declarations. Notice to any other insurer shall not constitute notice to the Underwriters unless also given to the Underwriters as provided above.

VII. 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 Policy, the Underwriters, at the request of the **Named Insured**, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of 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 the firm named in Item 8. of the Declarations, and that in any suit instituted against any one of them upon this Policy, the Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The firm named in Item 8. of the Declarations is authorized and directed to accept service of process on behalf of the Underwriters in any such suit and/or upon the request of the **Named Insured** to give a written undertaking to the **Named Insured** that they will enter a general appearance upon the 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 therefor, the Underwriters designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his 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 **Named Insured** or any beneficiary hereunder arising out of this Policy, and designate the firm named in Item 8. of the Declarations, as the person to whom the said officer is authorized to mail such process or a true copy thereof.

VIII. CHOICE OF LAW

Any dispute involving this Policy shall be resolved by applying the law of the state designated in Item 9. of the Declarations.



Claims Reporting Information

XL CATLIN

Please be advised of the following claims reporting address:

via email:

proclaimnewnotices@xlcattlin.com

OR

via regular mail:

XL Catlin
c/o Xerox
PO Box 614002
Orlando, FL 32861-4002

CyberRiskConnect

Privacy, Security and Technology Insurance



Thank you for choosing XL Catlin for your cyber insurance. We value your business and look forward to working with you. Please use the information below for contacting XL Catlin's Breach Hotline and for accessing XL Catlin's online cyber risk management portal, [CyberRiskConnect.com](https://cyberriskconnect.com/).

XL Catlin Breach Hotline

Should you experience a data breach or cyber security breach, call the XL Catlin Breach Hotline at **1-855-566-4724** to obtain immediate triage assistance. Please be aware that contacting the hotline does not satisfy the claim notification requirements of your policy. For claim notification requirements, refer to your policy.

CyberRiskConnect.com

As an XL Catlin policyholder, your company has exclusive access to XL Catlin's proprietary online resource, [CyberRiskConnect.com](https://cyberriskconnect.com/).

Follow these steps to register:

1. Using a web browser navigate to: <https://cyberriskconnect.com/>
2. Complete the New User Registration section including your access code. Your access code is **10448**.

This web portal contains cyber risk pre and post breach risk management including:

- **Cyber Liability Library:** latest cyber risk articles and videos, as well as product and policy information from our XL Catlin cyber team
- **Cyber Training Videos:** a series of educational videos designed to help train clients on their role in keeping sensitive information secure focusing on network security and privacy, incident response planning, the importance of risk assessments and HIPAA
- **Incident Roadmap:** suggested steps to take following a data breach or cyber security breach
- **Vendor Partner Resources:** a directory to help clients gain quick access to our recently expanded, pre-qualified network of third-party vendors with expertise in pre- and post-breach disciplines, including network vulnerability testing, IT risk assessments, incident response planning, security awareness training, PCI compliance, security incident response planning, data breach tabletops, and more
- **Meet the Team:** includes XL Catlin's Cyber & Technology underwriting and claims team contact information
- **News Center:** articles and commentary discussing trends, major breach events, security awareness strategies, risk management guidance, and helpful industry links
- **Risk Manager's Toolbox:** includes a cyber-risk assessment survey, breach notification guides, what-if modelling tools to estimate the cost of a breach, research tools to monitor the type, frequency and severity of incidents

Please note CyberRiskConnect.com is a private site for customers of XL Catlin only. Do not share portal access instructions with anyone outside your organization. You are responsible for maintaining the confidentiality of the access code provided to you. Up to five individuals from your organization may register and use the portal. This portal contains a directory of experienced providers of cyber risk management and breach services. Unless otherwise indicated or approved, payment for services provided by these companies is your responsibility.

NOTICE TO POLICYHOLDERS

PRIVACY POLICY

The XL Catlin insurance group (the “Companies”), believes personal information that we collect about our customers, potential customers, and proposed insureds (referred to collectively in this Privacy Policy as “customers”) must be treated with the highest degree of confidentiality. For this reason and in compliance with the Title V of the Gramm-Leach-Bliley Act (“GLBA”), we have developed a Privacy Policy that applies to all of our companies. For purposes of our Privacy Policy, the term “personal information” includes all information we obtain about a customer and maintain in a personally identifiable way. In order to assure the confidentiality of the personal information we collect and in order to comply with applicable laws, all individuals with access to personal information about our customers are required to follow this policy.

Our Privacy Promise

Your privacy and the confidentiality of your business records are important to us. Information and the analysis of information is essential to the business of insurance and critical to our ability to provide to you excellent, cost-effective service and products. We understand that gaining and keeping your trust depends upon the security and integrity of our records concerning you. Accordingly, we promise that:

1. We will follow strict standards of security and confidentiality to protect any information you share with us or information that we receive about you;
2. We will verify and exchange information regarding your credit and financial status only for the purposes of underwriting, policy administration, or risk management and only with reputable references and clearinghouse services;
3. We will not collect and use information about you and your business other than the minimum amount of information necessary to advise you about and deliver to you excellent service and products and to administer our business;
4. We will train our employees to handle information about you or your business in a secure and confidential manner and only permit employees authorized to use such information to have access to such information;
5. We will not disclose information about you or your business to any organization outside the XL Catlin insurance group of Companies or to third party service providers unless we disclose to you our intent to do so or we are required to do so by law;
6. We will not disclose medical information about you, your employees, or any claimants under any policy of insurance, unless you provide us with written authorization to do so, or unless the disclosure is for any specific business exception provided in the law;
7. We will attempt, with your help, to keep our records regarding you and your business complete and accurate, and will advise you how and where to access your account information (unless prohibited by law), and will advise you how to correct errors or make changes to that information; and
8. We will audit and assess our operations, personnel and third party service providers to assure that your privacy is respected.

Collection and Sources of Information

We collect from a customer or potential customer only the personal information that is necessary for (a) determining eligibility for the product or service sought by the customer, (b) administering the product or service obtained, and (c) advising the customer about our products and services. The information we collect generally comes from the following sources:

- Submission – During the submission process, you provide us with information about you and your business, such as your name, address, phone number, e-mail address, and other types of personal identification information;
- Quotes – We collect information to enable us to determine your eligibility for the particular insurance product and to determine the cost of such insurance to you. The information we collect will vary with the type of insurance you seek;

- Transactions – We will maintain records of all transactions with us, our affiliates, and our third party service providers, including your insurance coverage selections, premiums, billing and payment information, claims history, and other information related to your account;
- Claims – If you obtain insurance from us, we will maintain records related to any claims that may be made under your policies. The investigation of a claim necessarily involves collection of a broad range of information about many issues, some of which does not directly involve you. We will share with you any facts that we collect about your claim unless we are prohibited by law from doing so. The process of claim investigation, evaluation, and settlement also involves, however, the collection of advice, opinions, and comments from many people, including attorneys and experts, to aid the claim specialist in determining how best to handle your claim. In order to protect the legal and transactional confidentiality and privileges associated with such opinions, comments and advice, we will not disclose this information to you; and
- Credit and Financial Reports – We may receive information about you and your business regarding your credit. We use this information to verify information you provide during the submission and quote processes and to help underwrite and provide to you the most accurate and cost-effective insurance quote we can provide.

Retention and Correction of Personal Information

We retain personal information only as long as required by our business practices and applicable law. If we become aware that an item of personal information may be materially inaccurate, we will make reasonable effort to re-verify its accuracy and correct any error as appropriate.

Storage of Personal Information

We have in place safeguards to protect data and paper files containing personal information.

Sharing/Disclosing of Personal Information

We maintain procedures to assure that we do not share personal information with an unaffiliated third party for marketing purposes unless such sharing is permitted by law. Personal information may be disclosed to an unaffiliated third party for necessary servicing of the product or service or for other normal business transactions as permitted by law.

We do not disclose personal information to an unaffiliated third party for servicing purposes or joint marketing purposes unless a contract containing a confidentiality/non-disclosure provision has been signed by us and the third party. Unless a consumer consents, we do not disclose “consumer credit report” type information obtained from an application or a credit report regarding a customer who applies for a financial product to any unaffiliated third party for the purpose of serving as a factor in establishing a consumer’s eligibility for credit, insurance or employment. “Consumer credit report type information” means such things as net worth, credit worthiness, lifestyle information (piloting, skydiving, etc.) solvency, etc. We also do not disclose to any unaffiliated third party a policy or account number for use in marketing. We may share with our affiliated companies information that relates to our experience and transactions with the customer.

Policy for Personal Information Relating to Nonpublic Personal Health Information

We do not disclose nonpublic personal health information about a customer unless an authorization is obtained from the customer whose nonpublic personal information is sought to be disclosed. However, an authorization shall not be prohibited, restricted or required for the disclosure of certain insurance functions, including, but not limited to, claims administration, claims adjustment and management, detection, investigation or reporting of actual or potential fraud, misrepresentation or criminal activity, underwriting, policy placement or issuance, loss control and/or auditing.

Access to Your Information

Our employees, employees of our affiliated companies, and third party service providers will have access to information we collect about you and your business as is necessary to effect transactions with you. We may also disclose information about you to the following categories of person or entities:

- Your independent insurance agent or broker;
- An independent claim adjuster or investigator, or an attorney or expert involved in the claim;
- Persons or organizations that conduct scientific studies, including actuaries and accountants;
- An insurance support organization;
- Another insurer if to prevent fraud or to properly underwrite a risk;
- A state insurance department or other governmental agency, if required by federal, state or local laws; or
- Any persons entitled to receive information as ordered by a summons, court order, search warrant, or subpoena.

Violation of the Privacy Policy

Any person violating the Privacy Policy will be subject to discipline, up to and including termination.

For more information or to address questions regarding this privacy statement, please contact your broker.

NOTICE TO POLICYHOLDERS

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")

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 Policyholder Notice provides information concerning possible impact on your insurance coverage due to the impact of U.S. Trade Sanctions¹. Please read this Policyholder Notice carefully.

In accordance with the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") regulations, or any other U.S. Trade Sanctions applied by any regulatory body, 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, is a Specially Designated National and Blocked Person ("SDN"), or is owned or controlled by an SDN, this insurance will be considered a blocked or frozen contract. When an insurance policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

¹ "U.S Trade Sanctions" may be promulgated by Executive Order, act of Congress, regulations from the U.S. Departments of State, Treasury, or Commerce, regulations from the State Insurance Departments, etc.

NOTICE TO POLICYHOLDERS

FRAUD NOTICE

Arkansas	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Colorado	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.
District of Columbia	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.
Florida	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 of the third degree.
Kansas	A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.
Kentucky	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.
Louisiana	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Maine	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 denial of insurance benefits.
Maryland	Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
New Jersey	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
New Mexico	ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

NOTICE TO POLICYHOLDERS

New York	General: All applications for commercial insurance, other than automobile insurance: 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 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. All applications for automobile insurance and all claim forms: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation. Fire: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime. The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.
Ohio	Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
Oklahoma	WARNING: 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.
Pennsylvania	All Commercial Insurance, Except As Provided for Automobile Insurance: 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. Automobile Insurance: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.
Puerto Rico	Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

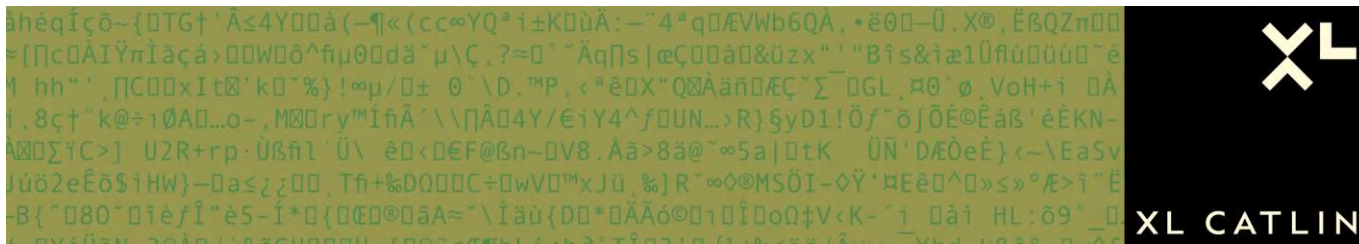
NOTICE TO POLICYHOLDERS

Rhode Island	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Tennessee	All Commercial Insurance, Except As Provided for Workers' Compensation It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits. Workers' Compensation: It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.
Utah	Workers' Compensation: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.
Virginia	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
Washington	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
West Virginia	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
All Other States	Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison. (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties).

NOTICE TO POLICYHOLDERS

NEW JERSEY

NOTICE TO POLICYHOLDER: This policy is written by a surplus lines insurer and is not subject to the filing or approval requirements of the New Jersey Department of Banking and Insurance. Such a policy may contain conditions, limitations, exclusions and different terms than a policy issued by an insurer granted a Certificate of Authority by the New Jersey Department of Banking and Insurance. The insurer has been approved by the Department as an eligible surplus lines insurer, but the policy is not covered by the New Jersey Insurance Guaranty Fund, and only a policy of medical malpractice liability insurance as defined in N.J.S.A. 17:30D-3d or a policy of property insurance covering owner-occupied dwellings of less than four dwelling units are covered by the New Jersey Surplus Lines Guaranty Fund.



Regulatory Office

505 Eagleview Blvd., Ste. 100

Dept: Regulatory

Exton, PA 19341-1120

(800) 688-1840

Company Providing Coverage: Indian Harbor Insurance Company

Cyber and Technology Liability Policy

DECLARATIONS

NOTICE:

THIS INSURANCE IS ISSUED PURSUANT TO THE NEW JERSEY SURPLUS LINES LAW.

POLICY NUMBER: MTP003949205 **RENEWAL OF:** MTP003949204

ITEM 1. NAMED INSURED: NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
Address: 9 CAMPUS DRIVE
SUITE 16
PARSIPPANY, NJ 07054

ITEM 2. POLICY PERIOD:
Effective Date: January 1, 2018 Expiration Date: January 1, 2019
12:01 A.M. Standard Time at the address of the Named Insured as stated herein.

ITEM 3. PREMIUM: \$ 63,048

ITEM 4. NOTICE OF A CLAIM:

By email: proclaimnewnotices@xlcatlin.com; or

By certified post mail: XL Catlin, P.O. Box 614002, Orlando, Florida 32861-4002.

ITEM 5. XL BREACH HOTLINE: 1.855.566.4724

ITEM 6. PROFESSIONAL SERVICES:
N/A

ITEM 7. COVERAGE SCHEDULE:

LIMIT OF LIABILITY ELECTION			
Combined Limits		Separate Limits	
☒		☐	
Combined Policy Aggregate Limit	\$ 6,000,000	Data Breach Response and Crisis Management Aggregate Limit	N/A
		Third and First Party Aggregate Limit	N/A
COVERAGES			
Insuring Agreements	Sublimits	Retention	Retro Date
Third Party Liability Coverages			
Technology and Professional Services	N/A	N/A	N/A
Media	\$ 3,000,000	\$ 10,000	01/01/2013
Privacy and Cyber Security	\$ 3,000,000	\$ 10,000	01/01/2013
Privacy Regulatory Defense, Awards and Fines	\$ 3,000,000	\$ 10,000	01/01/2013
First Party Coverages			
Business Interruption and Extra Expense	\$ 3,000,000	10 Hours	N/A
Data Recovery	\$ 3,000,000	\$ 10,000	N/A
Cyber-Extortion	\$ 3,000,000	\$ 10,000	N/A
Data Breach Response and Crisis Management Coverage			
Data Breach Response and Crisis Management	\$ 3,000,000	\$ 10,000	N/A

ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE:

Endorsement Number	Endorsement Form Number	Endorsement Title
	TCD 050 0215	Cyber and Technology Liability Policy
	TCD 000 07 15	Cyber and Technology Liability Policy Declarations
	PN CW 02 1015	Privacy Policy
	PN CW 05 1017	U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC")
	PN CW 01 0617	Notice To Policyholders - Fraud Notice
	PN NJ 01 0416	New Jersey Policy Holder Notice
	IL MP 9104 0314 IHIC	In Witness - Indian Harbor Insurance Company
Endorsement No. 001	TCD MANUS 1214	Manuscript Endorsement
Endorsement No. 002	TCD MANUS 1214	Manuscript Endorsement
Endorsement No. 003	TCD MANUS 1214	Manuscript Endorsement
Endorsement No. 004	TCD MANUS 1214	Manuscript Endorsement
Endorsement No. 005	TCD MANUS 1214	Manuscript Endorsement
Endorsement No. 006	TCD MANUS 1214	Manuscript Endorsement
Endorsement No. 007	TVI 900 0817	Certified Acts of Terrorism Coverage and Premium Disclosure
Endorsement No. 008	XL-NJSOP 11 10	Service of Process

ITEM 9. PRODUCER NAME: Public Risk Underwriters of Texas
Address: 101 W. Renner Road, Suite 450
Richardson, TX 75082

Date

Authorized Representative

Cyber and Technology Liability Policy

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Cyber and Technology Liability Policy

SECTION I.A. OF THIS POLICY IS A THIRD PARTY LIABILITY COVERAGE SECTION AND APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED IN ACCORDANCE WITH THE TERMS IN THE POLICY. CLAIM EXPENSES ARE WITHIN AND REDUCE THE LIMIT OF LIABILITY. PLEASE REVIEW THE POLICY CAREFULLY.

Words and phrases in blue are defined in Section IV.

In consideration of the premium paid by the Insured **Named Insured**, in reliance upon the **application**, and subject to the Declarations, limitations, conditions, provisions and other terms of this Policy, the **Insurer** and the **Insured** agree, with respect to the Insuring Agreements purchased, as stated on the Declarations page, as follows:

I. Insuring Agreements

A. THIRD PARTY LIABILITY COVERAGES

1. Technology and Professional Services

The **Insurer** will pay on behalf of an **Insured claim expenses** and **damages** that the **Insured** is legally obligated to pay as the result of a **claim** first made against the **Insured** during the **policy period** or extended reporting period (if applicable) alleging a **technology and professional services wrongful act** committed by the **Insured** or by a third party for the benefit of an **Insured** and for whose acts and omissions an **Insured** is legally responsible.

2. Media

The **Insurer** will pay on behalf of an **Insured claim expenses** and **damages** that the **Insured** is legally obligated to pay as the result of a claim first made against the **Insured** during the policy period or extended reporting period (if applicable) alleging a **media wrongful act** committed by the **Insured**.

3. Privacy and Cyber Security

The **Insurer** will pay on behalf of an **Insured claim expenses** and **damages** that the **Insured** is legally obligated to pay as the result of a **claim** first made against the **Insured** during the **policy period** or extended reporting period (if applicable) alleging a **privacy and security wrongful act** committed by the **Insured**, an **outsourced provider** or a **rogue employee**.

4. Privacy Regulatory Defense, Awards and Fines

The **Insurer** will pay on behalf of an **Insured claim expenses** and **regulatory damages** that the **Insured Company** is legally obligated to pay as the result of a **privacy regulatory action**.

5. Supplemental Third Party Liability Prevention

Upon the **Insured's** exhaustion of the retention applicable to the Insuring Agreement under which the **Insurer** is providing coverage the **Insurer** will pay for **claim avoidance costs**, at the **Insurer's** sole discretion and with prior written consent, that the **Insured** thereafter incurs as a direct result of the **Insured's** reasonable investigation of a potentially covered circumstance that it reports to the **Insurer** in accordance with Section VI. Notice. Such **claim avoidance costs** will be part of, and not in addition to, the limit of liability, as stated in Item 7. on the Declarations page, and will in no way serve to increase or supplement such aggregate limit of liability.

B. FIRST PARTY COVERAGES

1. Business Interruption and Extra Expense
The **Insurer** will pay for **loss of business income** and reimburse the **Insured Company** for **extra expense** during the **period of restoration** that the **Insured Company** incurs resulting from **cyber security breach** directly causing a total or partial interruption or deterioration in the **Insured Company's** business operations.
2. Data Recovery
The **Insurer** will reimburse the **Insured Company** for **data recovery expenses** that the **Insured Company** incurs directly resulting from a **cyber security breach**.
3. Cyber-Extortion
The **Insurer** will reimburse the **Insured Company** for **cyber-extortion expenses** that the **Insured Company** incurs directly resulting from and in response to a **cyber-extortion threat**.

C. DATA BREACH RESPONSE AND CRISIS MANAGEMENT COVERAGE

The **Insurer** will pay **data breach response and crisis management costs** that the **Insured Company** incurs for a continuous twelve (12) month period resulting from a **data breach** that is first discovered by an **executive officer** and as soon as notice of the **data breach** is reported to the **Insurer**.

D. CONDITIONS

1. The coverage provided under Sections I.A.1. Technology and Professional Services, I.A.2. Media, I.A.3. Privacy and Cyber Security and I.A.4. Privacy Regulatory Defense, Awards and Fines shall apply only if:
 - (a) the first such **third party wrongful act** or **related matter** occurs on or after the **retroactive date** as stated in Item 7. on the Declarations page and prior to the Policy expiration date, as stated in Item 2. on the Declarations page;
 - (b) prior to the Policy's effective date, as stated in Item 2. on the Declarations page, or that of the first such policy issued and continuously renewed by the **Insurer**, of which this Policy is a renewal, no **executive officer** knew or could have reasonably foreseen that such **third party wrongful act** or **related matter** did or likely would result in a **claim**;
 - (c) the **claim** is reported to the **Insurer** during the **policy period** or extended reporting period (if applicable) and is reported in accordance with Section VI. Notice; and
 - (d) notice of such **third party wrongful act** or **related matter** alleged or contained in any **claim** or in any circumstance has not been provided under any other prior policy of which this Policy is a renewal or replacement, or any subsequent policy, irrespective of whether such prior or subsequent policy was issued by the **Insurer** or other entity.
2. The coverage provided under Sections I.B. First Party Coverages and I.C. Data Breach Response and Crisis Management Coverage shall apply only if:
 - (a) an **executive officer** first becomes aware of such **first party incident** or **related matter** during the **policy period**;
 - (b) such **first party incident** is reported to the **Insurer** during the **policy period** or automatic extended reporting period (if applicable) and is reported in accordance with Section VI. Notice; and

- 7(c) notice of such [first party incident](#) or [related matter](#) has not been provided under any prior policy of which this Policy is a renewal or replacement, or any subsequent policy, irrespective of whether such prior or subsequent policy was issued by the [Insurer](#) or other entity.

II. Defense and Settlement

A. DEFENSE

The [Insurer](#) has the right and duty to defend any [claim](#) covered under Sections I.A.1. Technology and Professional Services, I.A.2. Media, I.A.3. Privacy and Cyber Security and I.A.4. Privacy Regulatory Defense, Awards and Fines made against an Insured even if the allegations in the [claim](#) are groundless, false or fraudulent. The [Insurer](#) will select and appoint defense counsel.

B. SETTLEMENT

The [Insurer](#) has the right with the prior written consent of the [Insured](#), such consent may not be unreasonably withheld, to settle a [claim](#). If the [Insured](#) refuses to consent to any such settlement recommended by the [Insurer](#) and agreed to by the claimant, then the [Insurer's](#) duty to defend ends and the [Insurer's](#) limit of liability for such [claim](#) will not exceed the amount for which the [Insurer](#) could have settled such [claim](#) had the [Insured](#) consented to settlement, plus [claim expenses](#) incurred up to the time the [Insurer](#) made its settlement recommendation, plus an additional fifty percent (50%) of [claim expenses](#) and [damages](#) incurred by an [Insured](#) after the [Insurer](#) had made its settlement recommendation. All such payments by the [Insurer](#) are subject to Section III. Limit of Liability and Retention. Notwithstanding the foregoing, the [Insurer](#) shall have the right but not the duty to participate in the continuing defense of such [claim](#).

III. Limit of Liability and Retention

A. LIMIT OF LIABILITY OPTION

The [Insured](#) shall elect the Policy's limits to apply on a Combined Limits or Separate Limits basis, as stated in Item 7. on the Declaration page.

1. Combined Limits

- (a) If the [Insured](#) elects Combined Limits then the Policy's Combined Policy Aggregate Limit, as stated in Item 7. on the Declarations page, is the [Insurer's](#) maximum liability for [loss](#) under all Insuring Agreements combined, inclusive of [data breach response and crisis management costs](#) regardless of the number of [claims](#), Insuring Agreements triggered or individuals or entities making [claims](#). Upon exhaustion of such limit of liability, the [Insurer](#) will not be liable to pay any further [loss](#) with respect to this Policy.
- (b) If a [sublimit](#) with respect to an Insuring Agreement is stated in Item 7. on the Declarations page, then such [sublimit](#) will be the [Insurer's](#) maximum liability for [loss](#) with respect to such Insuring Agreement. Upon exhaustion of such [sublimit](#), the [Insurer](#) will not be liable to pay any further [loss](#) with respect to the coverage provided by the subject Insuring Agreement. Each [sublimit](#) will be part of, and not in addition to, this Policy's Combined Policy Aggregate Limit of Liability and will in no way serve to increase or supplement such limit of liability. All payments made under a [sublimit](#) will reduce such limit of liability.

2. Separate Limits

If the [Insured](#) elects Separate Limits then the Policy's:

- (a) Third and First Party Aggregate Limit, as stated in Item 7. on the Declarations page, is the **Insurer's** maximum liability for all **damages, regulatory damages, claim expenses, loss of business income, extra expense, data recovery expenses, cyber-extortion expenses** and **claim avoidance costs** for all Third Party Liability Coverages and First Party Coverages, regardless of the number of **Insureds, claims, first party incidents**, or individuals or entities making **claims**.
- If a **sublimit** with respect to an Insuring Agreement is stated in Item 7. on the Declarations page, then such **sublimit** will be the **Insurer's** maximum liability for **loss** with respect to such Insuring Agreement. Upon exhaustion of such **sublimit**, the **Insurer** will not be liable to pay any further **loss** with respect to the coverage provided by the subject Insuring Agreement. Each **sublimit** will be part of, and not in addition to, the Policy's Third Party Liability and First Party Aggregate Limit of Liability and will in no way serve to increase or supplement such limit of liability. All payments made under a **sublimit** will reduce such limit of liability.
- (b) Data Breach Response and Crisis Management Aggregate Limit of Liability
- Data Breach Response and Crisis Management Aggregate Limit, as stated in Item 7. on the Declarations page, is the **Insurer's** maximum liability for all for Data Breach Response and Crisis Management Coverage regardless of the number of **data breaches**.

3. Exhaustion of Limit

Upon exhaustion of the Combined Policy Aggregate Limit of Liability under the Combined Limits option or the Third Party and First Party Aggregate Limit of Liability or the Data Breach Response and Crisis Management Aggregate Limit of Liability under the Separate Limits option or after the **Insurer** has deposited or escrowed with a court of competent jurisdiction any amounts remaining in the Policy's aggregate limit of liability prior to exhaustion, the **Insurer** will not be liable to pay any further **loss** under the Policy.

B. RETENTIONS

1. Solely with respect to coverage provided on a Combined Limits basis, the **Insurer** is liable only for that portion of covered **damages, regulatory damages** and **claim expenses** resulting from a **third party wrongful act** and for that portion of covered **first party costs** resulting from a **first party incident** that is in excess of the applicable Insuring Agreement's retention amount, as stated in Item 7. on the Declarations page. If more than a single retention applies to a **claim** and/or **first party incident**, then the **Insured** is responsible for paying the highest applicable retention. The retention will be borne entirely by the **Insured** alone and not by the **Insurer**.
2. Solely with respect to coverage provided on a Separate Limits basis, the **Insurer** is liable only for that portion of covered **damages, regulatory damages** and **claim expenses** resulting from a **third party wrongful act** and for that portion of any covered **loss of business income, extra expense, data recovery expenses, cyber-extortion expenses, data breach response and crisis management costs** and **claim avoidance costs** resulting from a **cyber security breach** or **cyber-extortion threat** that is in excess of the applicable Insuring Agreement's retention amount, as stated in Item 7. on the Declarations. If more than a single retention applies to a **claim** and/or **first party incident**, then the **Insured** is responsible for paying the highest applicable retention. The retention will be borne entirely by the **Insured** alone and not by the **Insurer**.

As respects Data Breach Response and Crisis Management Coverage a separate retention will apply and the **Insurer** is liable only for that portion of any covered **data breach response and crisis management costs** directly resulting from a **data breach**.

C. RELATED MATTERS AND RELATED LOSSES

1. Related Third Party Wrongful Acts
Covered **claims** resulting from **related matters** will be treated as a single **claim** first made against the **Insured** at the time the first such **related matters** occurred irrespective of whether such **related matters** occurred prior to or during the **policy period** and irrespective of the number of **related matters**, the identity or number of **Insureds** involved, or the number and timing of such **related matters**.
2. Related First Party Incidents
 - (a) All **related matters** involving **first party incidents** (other than **cyber-extortion threats**) will be considered a single **first party incident** which shall be deemed to have been discovered on the date on which the earliest such **first party incident** was discovered by an **executive offer**.
 - (b) All **related matters** involving **cyber-extortion threats** will be considered a single **cyber-extortion threat** first occurring on the date the first such **cyber-extortion threats** occurred.
3. Related Loss
All **loss** will be considered a single **loss** occurring on the date the first **related matter** giving rise to such **loss** first occurred or is first discovered, irrespective of the number of **related losses**, the identity or number of **Insured's** involved or the number and timing of such **related losses**.

IV. Definitions

A. APPLICATION

This Policy's **application** includes the signed application, information, statements, representations, attachments, exhibits and other material submitted to the **Insurer** in connection with the underwriting of the Policy or any other policy of which this Policy is a renewal or replacement. The **application** shall be deemed a part of this Policy as if physically attached.

B. BREACH RESPONSE PROVIDERS

The **Insurer's** pre-approved breach response providers available on the eRisk Hub® website or upon request of the **Insurer**.

C. CLAIM

1. A written demand for monetary damages, services, or injunctive or other non-monetary relief;
2. A civil proceeding for monetary damages, services, or injunctive or other non-monetary relief that is commenced by service of a complaint or similar pleading, including any appeal thereof;
3. A mandatory arbitration or other mandatory alternative dispute resolution proceeding for monetary damages, services, or injunctive or other non-monetary relief that is commenced by a written demand, including any appeal thereof, or a non-mandatory arbitration or other alternative dispute resolution proceeding to which the **Insurer** has consented in writing; and
4. A **privacy regulatory action** with respect to Section I.A.4. Privacy Regulatory Defense, Awards and Fines.

D. CLAIM EXPENSES

1. Reasonable and necessary fees for the defense of a [claim](#) defended by an attorney selected by the [Insurer](#) in accordance with Section II. Defense and Settlement as well as other reasonable and necessary fees, costs and expenses that result from the investigation, adjustment, negotiation, arbitration, defense or appeal of a [claim](#); and
2. Premiums on appeal bonds, attachment bonds or similar bonds. Provided, however, the [Insurer](#) is not obligated to apply for or furnish any such bond.

E. CLAIM AVOIDANCE COSTS

Those costs incurred by the [Insured](#) whose intention is to prevent a [claim](#) that may arise from a circumstance the [Insured](#) reports in accordance with Section VI.A. Notice of Circumstance.

[Claim Avoidance Costs](#) do not include:

1. payments recoverable by the [Insured](#);
2. any element of profit for the [Insured](#);
3. any charge or credit against any fee owed or payable to the [Insured](#); and
4. costs, fees or other expenses the [Insured](#) incurs to establish or document the existence or amount of [claim avoidance costs](#).

F. CONFIDENTIAL BUSINESS INFORMATION

Any non-public third party business information, whether encrypted or unencrypted, that cannot be lawfully obtained or known by the general public, including trade secrets, customer lists, drawings, financial information and marketing plans that are provided to the [Insured](#) by a third party.

G. CONSUMER REDRESS AMOUNT

That sum of money that the [Insured](#) is legally obligated to deposit in a fund for the payment of consumer claims as the result of a litigated [privacy regulatory action](#) or by written agreement by the claimant, [Insured](#) and [Insurer](#).

H. COVERAGE SECTIONS

[I.A. Third Party Liability Coverages](#), [I.B. First Party Coverages](#) and [I.C. Data Breach Response and Crisis Management Coverage](#).

I. CYBER-EXTORTION EXPENSES

1. Reasonable and necessary money, property or other consideration surrendered as payment by or on behalf of the [Insured Company](#) to which the [Insurer](#) has consented, such consent may not be unreasonably withheld, in order to prevent or limit a [cyber-extortion threat](#); and
2. The reasonable and necessary costs agreed to by the [Insured Company](#) and the [Insurer](#) to conduct an investigation to determine the cause and scope of a [cyber-extortion threat](#).

J. CYBER-EXTORTION THREAT

A threat against a **network** first made during the **policy period** to:

1. disrupt the **Insured's** business operations;
2. alter, damage, or destroy data stored on the **network**;
3. use the **network** to generate and transmit malware to third parties;
4. deface the **Insured's** website; and
5. access **personally identifiable information**, **protected health information** or **confidential business information** stored on the **network**,

made by a person or group, whether acting alone or in collusion with others, demanding payment or a series of payments in consideration for the elimination, mitigation or removal of the threat.

K. CYBER SECURITY BREACH

Any unauthorized: access to, use or misuse of, modification to the **network**, and/or denial of **network** resources by attacks perpetuated through malware, viruses, worms, and Trojan horses, spyware and adware, zero-day attacks, hacker attacks and denial of service attacks.

L. DAMAGES

1. Compensatory damages resulting from a judgment, award or settlement agreement, including pre-judgment and post-judgment interest, which the **Insured** becomes legally obligated to pay as a result of a **claim**; and
2. Punitive, exemplary damages and multiple damages, if the insuring of such damages is permitted under the laws and public policy of the jurisdiction under which the Policy is construed. Enforceability of punitive, exemplary damages and multiple damages will be governed by the applicable law that most favors coverage for such damages.

Damages do not include:

1. the return of any fees paid to an **Insured** or the offset of any future fees to be charged by or owed to an **Insured**;
2. lost investment income;
3. costs incurred by an **Insured** to withdraw or recall **technology products**, including products that incorporate an **Insured's technology products**, **technology services** or **professional services**;
4. costs incurred by an **Insured** to correct, re-perform or complete any **technology services** or **professional services**;
5. costs incurred by an **Insured** or by a third party at the direction of the **Insured** to remediate, repair, replace, restore, modify, update, upgrade, supplement, correct or otherwise improve a **network** to a level of functionality beyond that which existed prior to a **cyber security breach**;
6. civil or criminal fines or penalties or compliance violation remedies imposed on an **Insured**; provided, however, this provision does not apply to the coverage provided under Section I.A.4. Privacy Regulatory Defense, Awards and Fines;
7. liquidated damages in a written contract or agreement in excess of an **Insured's** liability that otherwise result from a **third party wrongful act**;
8. the monetary value of an electronic fund transfer or transaction that is lost or diminished during transfer;

9. any amounts incurred prior to the **Insured** providing notice of a **claim** pursuant to the terms of this policy;
10. the value of non-monetary relief, including any amount attributable to or arising therefrom; and
11. royalty or licensing fees or payments.

M. DATA BREACH

The actual or reasonably suspected theft, loss or unauthorized acquisition of data, which an **executive officer** first becomes aware of during the **policy period**, that has or may compromise the security, confidentiality and/or integrity of **personally identifiable information**, **protected health information** or **confidential business information**.

N. DATA BREACH REPORTING REQUIREMENT

Any provision in a law, statute or regulation, domestic or foreign, that requires the **Insured** to provide notification to affected persons of a breach of such person's **personally identifiable information** or **protected health information**.

O. DATA BREACH RESPONSE AND CRISIS MANAGEMENT COSTS

1. Costs charged by **Breach Response Providers** to:
 - (a) determine the legal applicability of and actions necessary to respond to a **data breach reporting requirement**;
 - (b) perform computer forensics to determine the existence, cause and scope of a **data breach** or **cyber security breach**;
 - (c) notify individuals of a **data breach** who are required to be notified pursuant to any **data breach reporting requirement**;
 - (d) voluntarily notify individuals of a **data breach** who may not be required to be notified under an applicable **data breach reporting requirement**;
 - (e) operate a call center to manage **data breach** inquiries;
 - (f) provide credit or identity monitoring and identity protection and restoration services or any similar service for those individuals whose **personally identifiable information** was or may have been breached;
 - (g) provide medical identity restoration for those individuals whose **protected health information** was or may have been breached;
 - (h) minimize harm to the **Insured Company's** reputation by hiring a public relations or crisis communications firm, and
2. Any reasonable and necessary costs charged by a qualified provider who is not a **Breach Response Providers** and who the **Insurer** has consented in writing, such consent may not be unreasonably withheld, prior to the services being rendered to provide comparable services to those detailed in 1.(a) through 1.(h) above; provided, however, the maximum rate the **Insurer** will pay for such services shall not exceed the **Breach Response Providers** pre-negotiated rates; and
3. Costs charged by a PCI Forensics Investigator to perform forensics to determine the existence, cause and scope of a breach or suspected breach of cardholder data.

P. DATA RECOVERY EXPENSES

Reasonable and necessary costs incurred by the **Insured Company** with the **Insurer's** prior written consent, such consent may not be unreasonably withheld, to:

1. determine whether damaged or destroyed computer programs, software or electronic data can be replaced, recreated, restored or repaired; and
2. replace, recreate, restore or repair such damaged or destroyed computer programs, software or electronic data residing on the **network** to substantially the form in which it existed immediately prior to a **cyber security breach**.

Q. EXECUTIVE OFFICER

Any duly elected or appointed Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Privacy Officer, Chief Security Officer, Chief Technology Officer, Chief Risk Officer, Chief Legal Officer, Risk Manager, General Counsel and in-house attorney designated to be in charge of litigation, or the functional equivalent of any of the foregoing, of the **Insured**.

R. EXTRA EXPENSE

Reasonable and necessary expenses in excess of the **Insured's** normal operating expenses that the **Insured** incurs to reduce or avoid **loss of business income**.

S. FIRST PARTY COSTS

Any **loss of business income**, **extra expense**, **data recovery expenses**, **cyber-extortion expenses**, **data breach response and crisis management costs** and **claim avoidance costs**.

First Party Costs do not include any amounts incurred prior to the **Insured** providing notice of the **first party incident**.

T. FIRST PARTY INCIDENT

A **cyber security breach**, **cyber-extortion threat** or **data breach**.

U. INSURED

The **Insured Company**; and

1. any past, present or future officer, director, member, principal, partner, trustee, employee (other than a **rogue employee**), leased worker and temporary employee of the **Insured Company** acting in their capacity and in accordance with their authority as such;
2. any entity that an **Insured Company** is required by written contract to be insured under the Policy, but only for **third party wrongful acts** committed by the **Insured Company** or any persons identified in Section IV.U.1. and Section IV.U.3.;
3. any independent contractor performing services for the **Insured Company** under a written contract but solely with respect to such independent contractor's duties on behalf and for the benefit of the **Insured Company**; and
4. with respect to Section I.A.2. Media, any person or entity that disseminates **matter** on behalf and for the benefit of an **Insured** where, prior to such dissemination, an **Insured** has agreed in writing to include such person or entity as an **Insured** under the Policy.

V. INSURED COMPANY

The [Named Insured](#) and any [subsidiary](#).

W. INSURER

The Insurance Company stated on the Declarations page.

X. LOSS

All [damages](#), [claim expenses](#), [regulatory damages](#) and [first party costs](#).

Y. LOSS OF BUSINESS INCOME

1. Net income (net profit or loss before income taxes) that could have reasonably been earned or net loss that could have reasonably been avoided; and
2. Continuing normal and reasonable operating expenses, including payroll.

A [loss of business income](#) calculation is based upon the amount of actual [loss of business income](#) the [Insured Company](#) sustains per hour during the [period of restoration](#).

Z. MANAGEMENT CONTROL

1. Ownership interests representing more than fifty percent (50%) of the voting, appointment or designation power of a company for the selection of a majority of (i) the board of directors of a corporation (ii) the management committee members of a joint venture or partnership or (iii) the members of the management board of a limited liability company; or
2. The right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an entity, to select, appoint or designate a majority of (i) the board of directors of a corporation (ii) the management committee members of a joint venture or partnership or (iii) the members of the management board of a limited liability company.

AA. MATTER

The content of any communication of any kind whatsoever, whether public or private, regardless of the nature or form of such content or the medium by which such content is communicated, including but not limited to language, data, facts, fiction, music, photographs, images, artistic expression, or visual or graphical materials.

BB. MEDIA WRONGFUL ACT

Any:

1. libel, slander, or any other form of defamation or harm to the character or reputation of any person or entity, including product disparagement or trade libel;
2. copyright infringement or misappropriation of property rights, information or ideas or dilution or infringement of title, slogan, trademark, trade name, service mark or service name;
3. common law unfair competition or unfair trade practices alleged in conjunction with the acts described above in Sections IV.BB.1. and IV.BB.2.;
4. invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, and misappropriation of name or likeness;
5. infliction of emotional distress or mental anguish;

6. false arrest, detention or imprisonment, harassment, trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy;
7. plagiarism, piracy or misappropriation of ideas under implied contract; and
8. economic harm to a third party directly resulting from the party's reliance or failure to rely upon the content of **matter** which is false or erroneous,

resulting from an **Insured's** acquiring, blogging, broadcasting, collecting, disseminating, distributing, editing, exhibiting, gathering, obtaining, producing, publishing, releasing, researching, recording, tweeting or uttering **matter** through traditional and digital methods including but not limited to cable television, radio, movie and music studios, newspapers, magazines, books and print publications, website, apps, CD-ROMs and DVDs.

CC. NAMED INSURED

The entity stated in Item 1. on the Declarations page.

DD. NETWORK

A connected system of computing hardware, software, firmware and associated electronic components under the ownership, operation or control of, or leased by, an **Insured**.

EE. OUTSOURCED PROVIDER

Any third party, including a cloud service provider, to which an **Insured** has contracted to provide professional services or to process, maintain or transmit **personally identifiable information**, **protected health information** or **confidential business information** on behalf and for the benefit of an **Insured**.

FF. PERIOD OF RESTORATION

That period of time that begins at the end of the **waiting period** and which continues until the earlier of:

1. the date the **Insured Company's** operations are restored to the condition that existed immediately prior to the **cyber security breach**; or
2. one hundred-twenty (120) days after the date of the **cyber security breach**.

GG. PERSONALLY IDENTIFIABLE INFORMATION

Information, whether printed or digital, encrypted or unencrypted, in an **Insured's** or **outsourced provider's** care, custody or control, that alone or in conjunction can be used to uniquely identify an individual, including but not limited to such information as name, social security number, address, birth date, physical characteristics, IP address, biometric record, unique mobile device identifier, geo-location data, mobile telephone number, email address, user name, text message or email, call log, contacts and address book entries, financial or payment information, health or medical information, photos or videos or internet browsing history and non-public personal information as defined by the Gramm-Leach-Bliley Act; provided, however, **personally identifiable information** does not include information that is lawfully available to the general public.

HH. POLICY PERIOD

The period of time stated in Item 2. on the Declarations page, beginning on the effective date and expiring on the date of termination, expiration or cancellation of the Policy, whichever is earliest.

II. POLLUTANTS

Any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the United States Environmental Protection Agency or any federal, state, county, municipal or local counterpart thereof or any foreign equivalent. Such substances include but are not limited to solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials, nuclear materials, nuclear waste, asbestos, including materials to be recycled, reconditioned, or reclaimed. Pollutants shall also mean any air emission, odor, waste water, oil or oil products, lead or lead products, latex infectious or medical waste, noise, dust, fibers, germs, fungus (including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi) and electric or magnetic or electromagnetic field.

JJ. PRIVACY AND SECURITY WRONGFUL ACT

Any:

1. Loss or theft of or failure to protect [personally identifiable information](#), [protected health information](#) or [confidential business information](#);
2. violation of any law, statute or regulation governing the authenticity, availability, confidentiality, storage, control, disclosure, integrity or use of [personally identifiable information](#) or [protected health information](#);
3. violation of a [data breach reporting requirement](#);
4. failure to reasonably implement privacy or security practices required by governmental law or regulations; and
5. failure to prevent a [cyber security breach](#) that results in:
 - (a) the inability of an authorized user to gain access to the [network](#);
 - (b) the malicious addition, alteration, copy, destruction, deletion, disclosure, damage, removal or theft of data residing on the [network](#);
 - (c) a denial of service attack emanating from the [network](#) which damages or destroys third party's hardware, computer programs or electronic data residing on a third party's network; or
 - (d) the transmission of malware from the [network](#) to third parties.

KK. PRIVACY REGULATORY ACTION

A written request for information, civil investigative demand or civil proceeding brought by or on behalf of a governmental or regulatory authority first initiated and reported during the [policy period](#) against an [Insured](#) that results from an actual or alleged [privacy and security wrongful act](#) committed by the [Insured](#), an [outsourced provider](#) or a [rogue employee](#).

LL. PRIVACY REGULATORY FINE

A civil monetary fine or penalty imposed on an [Insured](#) by a governmental or regulatory authority.

MM. PROFESSIONAL SERVICES

The services stated in Item 6. on the Declarations page.

NN. PROTECTED HEALTH INFORMATION

All protected and individually identifiable health information, whether printed or digital, encrypted or unencrypted, held or transmitted by an [Insured](#) or its business associate, as those terms are defined by HITECH, the Health Insurance Portability and Accountability Act of 1996 Privacy Rule or any amendment thereto, including the Health Information Technology for Economic and Clinical Health Act and final Omnibus Rule issued on January 17, 2013.

OO. REGULATORY DAMAGES

Any [consumer redress amount](#) and [privacy regulatory fines](#).

PP. RELATED LOSSES

All [losses](#) that directly result or arise from the same, similar or continuous [claims](#) or [first party incidents](#).

QQ. RELATED MATTERS

1. All [third party wrongful acts](#) that are the same, similar or arise from a continuous nexus of facts, circumstances, acts, errors or omissions, whether logically or causally related or connected; and
2. All [first party incidents](#) that are the same, similar or arise from a continuous nexus of facts, circumstances, acts, errors or omissions, whether logically or causally related or connected.

RR. RETROACTIVE DATE

The applicable date, if any, stated in Item 7. on the Declarations page for each Insuring Agreement in Section I.A. Third Party Liability Coverages.

SS. ROGUE EMPLOYEE

An employee of the [Insured Company](#) who deliberately acts outside the course and scope of employment and whose intentional conduct results in a [claim](#); provided, however, [rogue employee](#) does not include an [executive officer](#).

TT. SUBLIMIT

The applicable amount, if any, stated in Item 7. on the Declarations page for each Insuring Agreement within each [Coverage Section](#).

UU. SUBSIDIARY

1. Any entity over which the [Named Insured](#), directly or indirectly, has or had [management control](#) through or by way of one or more subsidiaries on or before the effective date of the [policy period](#);
2. Any entity in which the [Named Insured](#) acquires [management control](#) during the [policy period](#), either directly or indirectly, whose gross revenue does not exceed fifteen percent (15%) of the gross revenue of the [Insured Company](#); and
3. Any entity of which the [Named Insured](#) acquires [management control](#) during the [policy period](#), either directly or indirectly, whose gross revenue exceeds fifteen percent (15%) of the gross revenue of the [Insured Company](#):
 - (a) but only for a period of sixty (60) days following the [Name Insured's](#) direct or indirect ability to exert [management control](#); and

- (b) after such sixty (60) period but only if (1) the **Named Insured** provides the **Insurer** with full particulars of such entity and agrees to remit any additional premium and amendments to the Policy relating to such entity and (2) the **Insurer** has agreed to add such entity as a **subsidiary** by way of a written endorsement to the Policy.

For purposes of this definition, revenue is measured by the most recent fiscal year prior to the effective of the Policy.

Notwithstanding the foregoing, coverage afforded by this Policy will apply only to **third party wrongful acts** and **third party incidents** occurring after the effective date that the **Insured Company** has obtained **management control** of such **subsidiary** and prior to the time that such **Insured Company** ceased to have **management control** of such **subsidiary** unless:

1. the **Insurer** is notified in writing of such change in circumstances prior to the effective date thereof and agrees in writing to provide coverage for **third party wrongful acts** and **first party incident** occurring on or after such effective date; and
2. the **Insured Company** accepts any special terms, conditions and exclusions and pays any additional premium charge required by the **Insurer**.

VV. TECHNOLOGY AND PROFESSIONAL SERVICES WRONGFUL ACT

Any:

1. act, error, omission, neglect, negligent misrepresentation or breach of duty;
2. injury to a person arising out of defamation, including libel, slander, or other defamatory or disparaging statements or materials;
3. infringement of an intellectual property right except as otherwise excluded in Section V.N. Patent and Section V.O. Trade Secrets;
4. the failure of **technology products** to perform the intended function or serve their intended purpose; and
5. the failure of **technology services**, **professional services** or **technology products** to meet any applicable legal or industry standard concerning quality, safety or fitness for a particular purpose.

WW. TECHNOLOGY PRODUCTS

Computer or telecommunications hardware or software products, components or peripherals or electronic products or components:

1. created, designed, distributed, manufactured, or sold by or on behalf and for the benefit of an **Insured**; and
2. leased or licensed by an **Insured** to third parties, including software updates, service packs and other maintenance releases provided for such products.

XX. TECHNOLOGY SERVICES

Any computer, cloud computing, information technology, telecommunication, electronic services and any related consulting and staffing services including but not limited to data processing, data and application hosting, the provision of managed services, software as a service (SaaS), platform as a service (PaaS), infrastructure as a service (IaaS), network as a service (NaaS), computer systems analysis, computer consulting and training, programming, computer systems installation, management, repair, and maintenance, network design and Internet service.

YY. THIRD PARTY WRONGFUL ACT

A [technology and professional services wrongful act](#), [media wrongful act](#) and [privacy and security wrongful act](#).

ZZ. WAITING PERIOD

The number of hours stated in Item 7. on the Declarations page that must elapse prior to commencement of the [period of restoration](#).

V. Exclusions

The Policy does not apply to any [claim](#) or [first party incident](#) alleging, arising out of, based upon or attributable to:

A. DELIBERATE ACTS

dishonest, intentional or knowing wrongful, fraudulent, criminal or malicious:

1. acts, errors or omissions; or
2. willful violations of law, including privacy laws or regulations,

by an [Insured](#), other than a [rogue employee](#) as applicable; provided, however, the [Insurer](#) will provide the [Insured](#) with a defense of any otherwise covered [claim](#) and pay any otherwise covered [claim expenses](#) until there is a final, non-appealable judgment or adjudication in any action or proceeding as to such dishonest, intentional or knowing wrongful, fraudulent, criminal or malicious conduct, at which time the [Insured](#) shall reimburse the [Insurer](#) for all [claim expenses](#).

Notwithstanding the foregoing, criminal proceedings are not covered under the Policy regardless of the allegations made against an [Insured](#).

For the purposes of determining the applicability of this exclusion the knowledge of or conduct by:

1. a natural person [Insured](#) will not be imputed to any other natural person [Insured](#) ; and
2. an [executive officer](#) will be imputed to the [Insured Company](#).

B. PERSONAL PROFIT

the gaining of any profit, remuneration, or financial or non-financial advantage to which the [Insured](#) is not entitled; provided, however, the [Insurer](#) will provide the [Insured](#) with a defense of any otherwise covered [claim](#) and pay any otherwise covered [claim expenses](#) until there is a final, non-appealable judgment or adjudication in any action or proceeding as to such gaining of profit, remuneration, or financial or non-financial advantage to which the [Insured](#) is not entitled, at which time the [Insureds](#) shall reimburse the [Insurer](#) for all [claim expenses](#).

C. UNINSURABLE MATTERS

matters deemed uninsurable under the law pursuant to which this Policy is construed.

D. PRIOR ACTS

[third party wrongful acts](#) occurring prior to the [retroactive date](#) and [first party incidents](#) discovered prior to the effective date of this Policy.

E. BODILY INJURY AND PROPERTY DAMAGE

bodily injury, sickness, disease, emotional distress, mental injury, mental tension, mental anguish, pain and suffering, humiliation or shock sustained by any person, including death that results from any of these, or damage to or destruction of any tangible property, including loss of use thereof whether or not it is damaged or destroyed; provided, however, this exclusion will not apply to any otherwise covered [claim](#) for emotional distress, mental injury, mental tension or mental anguish, pain and suffering, humiliation or shock that directly results from a covered [third party wrongful act](#).

F. EMPLOYMENT PRACTICES

the following actually or allegedly occurring in connection with a person's employment or application for employment with the [Insureds](#): discrimination, retaliation, sexual or any other type of harassment, wrongful dismissal, discharge or termination, whether actual or constructive, wrongful discipline, wrongful deprivation of career opportunity, wrongful demotion or change in employment status, wrongful evaluation, negligent hiring, discipline, supervision or retention, failure to promote, failure to grant tenure, employment related misrepresentation, failure to adopt or comply with adequate workplace or employment policies or procedures, failure to train, breach of any oral, written, or implied employment contract; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) under Section I.A.3. Privacy and Cyber Security.

G. OWNED ENTITY

[claims](#) made against the [Insureds](#) if, at the time the [third party wrongful acts](#) giving rise to such [claim](#) was committed:

1. the [Insured](#) controlled, owned, operated or managed the claimant; or
2. the [Insured](#) was an owner, partner, director, officer or employee of the claimant;

For the purpose of this exclusion, a ten percent (10%) or more owner of the voting stock of a publicly held corporation or a forty percent (40%) or more owner of the voting stock of a privately held corporation shall be deemed to control, own, operate or manage any such corporation making such [claim](#).

H. INSURED V. INSURED

[claim](#) made against an [Insured](#) and brought by, or on behalf of an [Insured](#) or parent company, successor or assignee of an [Insured](#); provided, however, this exclusion shall not apply to an otherwise covered [claim](#) made by any past, present or future officer, director, member, principal, partner, trustee, employee or leased worker or temporary employee of the [Insured Company](#):

1. when the [claim](#) is made outside of their capacity and pursuant to their authority as such; or,
2. to an [Insured](#) alleging a [privacy and security wrongful act](#).

I. ERISA

breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by ERISA, the Employee Retirement Income Security Act of 1974, or any analogous federal, state or local statutory or common law; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) under Section I.A.3. Privacy and Cyber Security.

J. SECURITIES

the purchase, sale, or offer or solicitation of an offer to purchase, sell or solicit securities or any violation of a securities law, including the Securities Act of 1933, the Securities Exchange Act of 1934, and any regulation promulgated under or pursuant to the foregoing, or any federal, state or local laws analogous to the foregoing (including “Blue Sky” laws), whether such law is statutory, regulatory or common law.

K. RICO

violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act, or “RICO”) and any regulation promulgated under or pursuant to the foregoing or any federal, state or local law analogous to the foregoing, whether such law is statutory, regulatory or common law.

L. ANTITRUST AND UNFAIR COMPETITION

unfair methods of competition and unfair or deceptive acts or practices including deceptive advertising and pricing, price fixing, restraint of trade, monopolization or any violation of the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act, or any other federal, state or local law, whether statutory, regulatory or common law, addressing anti-trust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) under Section I.A.3. Privacy and Cyber Security and Section I.A.4. Privacy Regulatory Defense, Awards and Fines and an otherwise covered [claim](#) resulting from subsection 3. [media wrongful act](#) under Section I.A.2. Media.

M. UNSOLICITED COMMUNICATIONS

unsolicited electronic dissemination of faxes, e-mails or other communications by or on behalf of an [Insured](#) to actual or prospective customers of an [Insured](#) or any other third party, including but not limited to actions brought under the Telephone Consumer Protection Act, the CAN-SPAM Act of 2003 or other analogous federal, state or local statute, law, regulation or common law; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) directly resulting from a [cyber security breach](#) under Section I.A.3. Privacy and Cyber Security and any [loss of business income](#) otherwise covered under Section I.B.1. Business Interruption and Extra Expense.

N. PATENT

actual or alleged infringement, misappropriation, dilution, misuse or inducement to infringe, misappropriate, dilute or misuse any patent or patent right.

O. TRADE SECRETS

actual or alleged misappropriation of trade secrets; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) directly resulting from a [cyber security breach](#) under Section I.A.3. Privacy and Cyber Security.

P. POLLUTION

actual, alleged or threatened emission, discharge, dispersal, seepage, release or escape of [pollutants](#) or testing for, monitoring, removal, containment, treatment, detoxification, neutralization or cleanup of any [pollutants](#).

Q. CONTRACTUAL

any obligation an **Insured** has underwritten contract; provided, however, this exclusion shall not apply to liability an **Insured** would have in the absence of a contract or an **Insured's**:

1. breach of an exclusivity or confidentiality provision contained in a written agreement;
2. violation of an intellectual property right except a violation of a patent right;
3. negligent performance of **technology services** or **professional services** for a client or customer; or
4. provision of **technology products** to a client or customer which contain a material defect.

R. FORCE MAJEURE

fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, or act of God, however caused.

S. WAR

strikes or similar labor action, war, whether declared or not, invasion, act of foreign enemy, civil war, mutiny, coup d'état, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions; provided, however, this exclusion shall not apply to any actual, alleged or threatened attack against the **network**, with the intention to cause harm or further social, ideological, religious or political objectives or to intimidate any person or entity in furtherance of such objectives.

T. INFRASTRUCTURE FAILURE

electrical, mechanical, Internet, telecommunication, cable or satellite failure, fluctuation or outage not under an **Insured's** operational control, however caused, including but not limited to any electrical power interruption, short-circuit, surge, brownout or blackout.

U. GOVERNMENTAL ORDERS

any court order or demand requiring the **Insured** to provide law enforcement, administrative, regulatory or judicial body or other governmental authority access to **personally identifiable information**, **protected health information** or **confidential business information**.

V. OVER-REDEMPTION

price discounts, prizes, awards, coupons or any other valuable consideration given in excess of the contracted or expected amount.

W. UNAUTHORIZED COLLECTION AND USE

unauthorized or unlawful collection, acquisition or use of **personally identifiable information** or **protected health information**; provided, however, this exclusion shall not apply to a **claim** directly resulting from the acts of a **rogue employee**.

VI. Notice

A. NOTICE OF CIRCUMSTANCE

Solely with respect to Sections I.A.1. Technology and Professional Services, I.A.2. Media, I.A.3. Privacy and Cyber Security and I.A.4. Privacy Regulatory Defense, Awards and Fines, if during the **policy period** or the extended reporting period (if applicable), an **Insured** first becomes aware of any circumstance that may reasonably be expected to be the basis of a **claim** being made against an **Insured**, and if during the **policy period** the **Insured** provides the **Insurer** written notice of such circumstance along with any **third party wrongful act**, the reasons for anticipating such **claim**, with full particulars as to the dates, persons and entities involved, then any resulting **claim** which is subsequently made against an **Insured** and reported to the **Insurer** that arises out of such circumstance or **related matter** will be considered made at the time such notice of circumstance was provided.

B. NOTICE OF CLAIM AND FIRST PARTY INCIDENT

The **Insured**, as a condition precedent to the obligations of the **Insurer** under the Policy, must provide to the **Insurer** written notice of any **claim** first made against an **Insured** and any **first party incident** first discovered as soon as reasonably practicable after an **executive officer** becomes aware of such **claim** or **first party incident**.

Notwithstanding the foregoing, each **claim** under a Third Party Liability Coverage Section must be reported as soon as reasonably practicable after an **executive officer** becomes aware of such **claim**, but in no event, later than sixty (60) days after the end of the **policy period**.

C. NOTICE TO WHOM

1. Notice of a **claim** and/or **first party incident** must be provided to the **Insurer** and notice of a **third party wrongful act** or circumstance may be reported to the **Insurer** as stated in Item 4. on the Declarations page.
2. In addition to the notice requirement above, notice of a **first party incident** must also be provided to the **Insurer** via the XL Breach Hotline as stated in Item 5. on the Declarations page. Notice to the XL Breach Hotline alone will not serve as proper notice under the Policy.
3. The email/certified post mail defined above shall be deemed effective when received by the **Insurer**.

D. WHEN A CLAIM IS DEEMED MADE

A **claim** will be deemed made pursuant to definition of **claim** clause: (1) IV.C.1. and IV.C.3., on the earliest date an **executive officer** receives the first written demand; (2) IV.C.2., on the date of service; and (3) IV.C.4., on the date an **executive officer** receives written notice of such action.

E. INSURED'S CLAIM AND FIRST PARTY INCIDENT OBLIGATIONS

1. In connection with a:
 - (a) **claim**, the **Insured** will, as a condition precedent to the obligations of the **Insurer** under the Policy, provide the **Insurer** with all information that the **Insurer** reasonably requires, including full particulars as to the dates, persons and entities involved in the **claim** and the manner in which the **Insured** first became aware of the **claim**;
 - (b) **first party incident**, as a condition precedent to the obligations of the **Insurer** under the Policy, the **Insured Company** will provide the **Insurer** proof of loss with full particulars within three (3) months: after the first discovery by an **executive officer** of the **first party incident** (other than a **cyber-extortion threat**); or first occurrence of the **cyber extortion threat**.

F. ASSISTANCE AND COOPERATION

1. The **Insured** will reasonably cooperate with the **Insurer** and upon the **Insurer's** request:
 - (a) assist the **Insurer** in the investigation of any **third party wrongful act** and **first party incident**;
 - (b) attend hearings, depositions and trials;
 - (c) assist the **Insurer** in defending and effecting settlements of **claims**;
 - (d) secure and provide evidence which includes but not limited to obtain the attendance of witnesses;
 - (e) allow the **Insurer** to participate in the handling and management of any suit or proceeding;
 - (f) assist the **Insurer** in enforcing any right, contribution or indemnity against a third party which may be liable to the **Insured**; and
 - (g) allow a computer forensics expert access to systems, files and information.
2. The **Insured** will take all reasonable steps to limit and mitigate any **loss** arising from any **third party wrongful act** or **first party incident** for which coverage may be or is sought under the Policy. The **Insured** will do nothing which in any way increases the **Insurer's** exposure under the Policy or in any way prejudices the **Insurer's** potential or actual rights of recovery.

VII. Cancellation and Non-Renewal

A. CANCELLATION BY THE NAMED INSURED

Except for nonpayment of premium, as set forth below, the **Named Insured** has the exclusive right to cancel the Policy. Cancellation may be effected by mailing to the **Insurer** written notice stating when such cancellation will be effective. In such event, the **Insurer** will retain the pro rata portion of earned premium.

B. CANCELLATION BY THE INSURER

The **Insurer** may cancel the Policy only for nonpayment of premium. The **Insurer** will provide not less than ten (10) days written notice stating the reason for cancellation and when the Policy will be canceled. Notice of cancellation will be sent to the **Named Insured**.

C. NON-RENEWAL OF COVERAGE

The **Insurer** is under no obligation to renew the Policy upon its expiration. If the **Insurer** elects to non-renew the Policy, the **Insurer** will deliver or mail to the **Named Insured** written notice stating such at least sixty (60) days prior to the Policy's expiration date, as stated in Item 2. on the Declarations page. The offering of terms and conditions different from the expiring terms and conditions, including limits of liability, retention or premium, will not constitute a refusal to renew or a cancellation of the Policy.

VIII. Extended Reporting Period

A. AUTOMATIC EXTENDED REPORTING PERIOD

Effective upon the date of termination or cancellation of the Policy for any reason other than nonpayment of premium, the **Named Insured** will automatically be provided a period of sixty (60) days in which to give written notice to the **Insurer** of:

1. **claims** first made against the **Insured** during the **policy period** or the automatic extended reporting period for **third party wrongful act** committed by an **Insured** after the **retroactive date** and prior to the end of the **policy period**; or
2. **first party incidents** that are first discovered by an **Insured** during said sixty (60) day period and otherwise covered by the Policy.

B. OPTIONAL EXTENDED REPORTING PERIOD

Effective upon the date of termination or cancellation of the Policy for any reason other than nonpayment of premium, the **Named Insured** will have the right to purchase an optional extended reporting period of one (1), two (2) or three (3) years. Such right must be exercised by the **Named Insured** within sixty (60) days of the date of termination or cancellation of the Policy by providing written notice to the **Insurer** and remitting the amount of additional premium described below in which to provide written notice to the **Insurer** of **claims** first made against the **Insured** during the optional extended reporting period for **third party wrongful acts** committed by an **Insured** after the **retroactive date** and prior to the end of the **policy period**.

The additional premium for the optional extended reporting period will be for a:

1. one (1) year optional extended reporting period, one hundred percent (100%) of the annual premium for the Policy;
2. two (2) year optional extended reporting period, one hundred fifty percent (150%) of the annual premium for the Policy; or
3. three (3) year optional extended reporting period, one hundred seventy-five percent (175%) of the annual premium for the Policy.

C. CONDITIONS

1. The automatic extended reporting period and the optional extended reporting period cannot be canceled and any additional premium charged for the optional extended reporting period will be fully earned at inception.
2. The first sixty (60) days of the optional extended reporting period, if purchased, will run concurrently with the automatic extended reporting period.
3. The limit of liability of the **Insurer** under the automatic extended reporting period and the optional extended reported period will be part of and not in addition to the limits of liability for the Policy.

IX. General Conditions

A. CHANGE IN CONTROL

If, during the **policy period**, the **Named Insured** consolidates with, merges into, or sells all or substantially all of its assets to another entity, or if any entity acquires **management control** of the **Named Insured**, then the Policy will remain in full force but only with respect to **third party wrongful acts** and **first party incidents** (other than **cyber-extortion threats**) involving the **Named Insured** that occurred prior to the date of the consolidation, merger, sale or acquisition of **management control**; provided, however, coverage will remain in force for **third party wrongful acts** and **first party incidents** (other than **cyber-extortion threats**) first discovered and for **cyber-extortion threats** first occurring subsequent to the date of the consolidation, merger, sale or acquisition of **management control**, if within thirty (30) days of the takeover effective date (1) the **Insurer** receives written notice containing full details of the transaction, (2) the **Named Insured** accepts all Policy amendments required by the **Insurer**, including the addition of special terms, conditions and exclusions, and (3) the **Named Insured** pays any additional premium charge.

B. ACTION AGAINST THE INSURER

No action may be brought against the **Insurer** unless, as a condition precedent thereto, (1) the **Insured** has fully complied with all of the terms, conditions and other provisions of the Policy, and (2) the amount of the **Insured's** obligation to pay has been finally determined, either by judgment against the **Insured** after an adversarial trial and appeal or by written agreement by the claimant, **Insured** and **Insurer**.

No person or entity will have the right under the Policy to (1) join the **Insurer** or its agents and representatives as a defendant, co-defendant or other party in any action against the **Insured** to determine the **Insured's** liability or (2) implead the **Insurer** or its agents and representatives in any such action.

C. BANKRUPTCY

Bankruptcy or insolvency of the **Named Insured** will not relieve the **Insurer** of any of its obligations hereunder.

D. OTHER INSURANCE

The Policy is excess over and will not contribute with any other valid and collectible insurance, whether prior or contemporaneous, unless such other insurance is expressly written to be excess of this Policy.

E. SUBROGATION

In the event of payment of **loss** by the **Insurer** under the Policy, the **Insurer** is subrogated to all of the **Insured's** rights of recovery against any person or entity to the extent of such payment. The **Insured** warrants and agrees to execute and deliver instruments and papers and do whatever else is required by the **Insurer** to secure, prosecute and collect on such rights. The **Insured** further warrants and agrees not to prejudice such rights.

If, prior to a **claim** being made, the **Insured Company** has waived its rights to recovery against a person or entity in any written contract or agreement, then the **Insurer** will waive its rights to subrogation against such person or entity to the same extent as the **Insured Company's** waiver.

F. TERRITORY

The Policy applies to [third party wrongful acts](#) and [first party incidents](#) occurring and [claims](#) made anywhere in the world other than any country barred by the Office of Foreign Assets Control (OFAC).

G. REPRESENTATION CLAUSE

In issuing the Policy, the [Insurer](#) has relied upon the [application](#). The [Insured](#) warrants that the content of and materials provided to the [Insurer](#) are true, accurate and complete and are material to the [Insurer's](#) acceptance of the risk to which the Policy applies. Any material misrepresentation, concealment or misstatement by the [Insured](#) will render the Policy null and void with respect to any natural person [Insured](#) who knew of such material misrepresentation, concealment or misstatement and with respect to the [Insured Company](#) if an [executive officer](#) knew of such material misrepresentation, concealment or misstatement and relieve the [Insurer](#) from all obligations and liability herein with regard to said [Insured](#) parties.

H. NAMED INSURED SOLE AGENT

The [Named Insured](#) will be the sole agent and will act on behalf of the [Insured](#) for the purpose of:

1. providing and/or receiving notices, amendments to or cancelling of the Policy;
2. completing the [application](#);
3. making statements, representations and warranties;
4. remitting premium and receiving the return premium that may become due;
5. paying the retention; and
6. exercising or declining to exercise any right under the Policy.

I. POLICY CHANGES

Notice to any agent of the [Insurer](#) or knowledge possessed by any such agent or by any other person will not affect a waiver or a change in any part of the Policy, and will not prevent or preclude the [Insurer](#) from asserting or invoking any right under or provision of the Policy. None of the provisions of the Policy will be waived, changed or modified except by a written and signed endorsement issued by the [Insurer](#) to form a part of the Policy.

J. ASSIGNMENT

The [Insured](#) may not assign any rights, remedies, privileges or protections under the Policy and any such assignment is not valid unless the [Insurer's](#) written consent is endorsed thereon.

K. ALTERNATIVE DISPUTE RESOLUTION

Any dispute arising out of or relating to the Policy, including but not limited to its construction, application and validity, or any breach thereof, will first be submitted to non-binding mediation administered by a mediation facility to which the [Insurer](#) and the [Insured](#) mutually agree. The [Insured](#) and the [Insurer](#) will attempt in good faith to settle the dispute in accordance with the commercial mediation rules of the American Arbitration Association ('AAA') in effect at the time of the dispute. No award of punitive damages will be made in any such mediation. Each party will bear its own fees and costs in connection with any such mediation, but the costs incurred through AAA, including the fees and expenses of the mediator, will be shared equally by the parties unless the mediation award provides otherwise. All mediation proceedings will be held in a United States city where either the [Named Insured](#) or the [Insurer](#) has its principal place of business, at the election of the party commencing mediation.

In the event such non-binding mediation does not result in a settlement of the dispute either party has the right:

1. to commence a judicial proceeding; and
2. with consent of the other party, to commence an arbitration proceeding in accordance with the commercial arbitration rules of AAA in effect at the time of dispute.

The decision of the arbitrator or arbitrators will be final and binding and any award may be confirmed and enforced in any court of competent jurisdiction.

IN WITNESS

INDIAN HARBOR INSURANCE COMPANY

REGULATORY OFFICE
505 EAGLEVIEW BOULEVARD, SUITE 100
DEPARTMENT: REGULATORY
EXTON, PA 19341-1120
PHONE: 800-688-1840

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.



Joseph Tocco
President



Toni Ann Perkins
Secretary

ENDORSEMENT #001

This endorsement, effective 12:01 a.m., January 1, 2018 forms a part of Policy No. MTP003949205 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANUSCRIPT ENDORSEMENT

This endorsement modifies insurance provided under the following:

Cyber and Technology Liability Policy

LONG NAMED INSURED ENDORSEMENT

In consideration of the premium charged, it is understood and agreed that **Item 1. NAMED INSURED** on the Declarations of the Policy is deleted in its entirety and replaced with the following:

Item 1: NAMED INSURED:

THE PARTICIPATING MEMBERS OF THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND

All other terms and conditions of this Policy shall remain the same.

ENDORSEMENT #002

This endorsement, effective 12:01 a.m., January 1, 2018 forms a part of Policy No. MTP003949205 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANUSCRIPT ENDORSEMENT

This endorsement modifies insurance provided under the following:

Cyber and Technology Liability Policy

INSURED ENDORSEMENT

In consideration of the premium charged, it is agreed that the entity or entities named below shall be added as additional **Insureds** under this Policy, but only for **third party wrongful acts** committed after the specified **retroactive date** and any **first party incident** occurring after the effective date.

ADDITIONAL INSURED	RETROACTIVE DATE
BAYSHORE REGIONAL SEWAGE AUTHORITY; BEACHWOOD SEWERAGE AUTHORITY; BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; BERKELEY TOWNSHIP SEWERAGE AUTHORITY; BERNARDS SEWERAGE AUTHORITY; BORDENTOWN SEWERAGE AUTHORITY; BRICK TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; BUENA BOROUGH MUNICIPAL UTILITIES AUTHORITY; CAPE MAY COUNTY MUNICIPAL UTILITIES AUTHORITY; CARLSTADT SEWERAGE AUTHORITY; CARNEY'S POINT SEWERAGE AUTHORITY; CINNAMINSON SEWERAGE AUTHORITY; CLINTON TOWNSHIP SEWERAGE AUTHORITY; DEPTFORD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY; EATONTOWN SEWERAGE AUTHORITY; EGG HARBOR TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; EVESHAM MUNICIPAL UTILITIES AUTHORITY; FRANKLIN TOWNSHIP SEWERAGE AUTHORITY; HACKETTSTOWN MUNICIPAL UTILITIES AUTHORITY; HAMILTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; HANOVER TOWNSHIP SEWERAGE AUTHORITY; HILLSBOROUGH MUNICIPAL UTILITIES AUTHORITY; JACKSON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; JERSEY CITY MUNICIPAL UTILITIES AUTHORITY; KEARNY MUNICIPAL UTILITIES AUTHORITY; LACEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; LAKEWOOD MUNICIPAL UTILITIES AUTHORITY; LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY; LITTLE EGG HARBOR MUNICIPAL UTILITIES AUTHORITY;	01/01/2013; 01/01/2016 for East Windsor Municipal Utilities Authority and Two Rivers Water Reclamation Authority

LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; LONG BRANCH SEWERAGE AUTHORITY; LOWER TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; MANASQUAN RIVER REGIONAL SEWERAGE AUTHORITY; MANTUA TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; MERCHANTVILLE-PENNSAUKEN WATER COMMISSION; MIDDLETOWN TOWNSHIP SEWERAGE AUTHORITY; MONMOUTH BAYSHORE OUTFALL AUTHORITY; MONROE MUNICIPAL UTILITIES AUTHORITY; MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY; MUSCONETCONG SEWERAGE AUTHORITY; NORTH ARLINGTON-LYNDHURST JOINT MEETING; NORTH BERGEN MUNICIPAL UTILITIES AUTHORITY; NORTHWEST BERGEN COUNTY UTILITIES AUTHORITY; OCEAN TOWNSHIP SEWERAGE AUTHORITY; PASSAIC VALLEY WATER COMMISSION; PENNS GROVE SEWERAGE AUTHORITY; PENNSAUKEN SEWERAGE AUTHORITY; PENNSVILLE SEWERAGE AUTHORITY; PINE HILL BOROUGH MUNICIPAL UTILITIES AUTHORITY; PLAINFIELD AREA REGIONAL SEWERAGE AUTHORITY; PLAINFIELD MUNICIPAL UTILITIES AUTHORITY; POMPTON LAKES MUNICIPAL UTILITIES AUTHORITY; RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; READINGTON-LEBANON SEWERAGE AUTHORITY; RIVERSIDE SEWERAGE AUTHORITY; ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY; SECAUCUS MUNICIPAL UTILITIES AUTHORITY; SOMERSET RARITAN VALLEY SEWERAGE AUTHORITY; SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY; STONY BROOK REGIONAL SEWARAGE AUTHORITY; TOMS RIVER MUNICIPAL UTILITIES AUTHORITY; TWO RIVERS WATER RECLAMATION AUTHORITY; UNION COUNTY UTILITIES AUTHORITY; WANAQUE VALLEY REGIONAL SEWERAGE AUTHORITY; WARREN COUNTY PEQUEST RIVER MUNICIPAL UTILITIES AUTHORITY; WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY (GLOUCESTER COUNTY); WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY (MORRIS COUNTY); WEST MILFORD MUNICIPAL UTILITIES AUTHORITY; WESTERN MONMOUTH MUNICIPAL UTILITIES AUTHORITY; WOODSTOWN SEWERAGE AUTHORITY;	

All other terms and conditions of this Policy shall remain the same.

ENDORSEMENT #003

This endorsement, effective 12:01 a.m., January 1, 2018 forms a part of Policy No. MTP003949205 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANUSCRIPT ENDORSEMENT

This endorsement modifies insurance provided under the following:

Cyber and Technology Liability Policy

PCI DSS COVERAGE AMENDATORY

In consideration of the premium charged, it is agreed that:

1. Section I.A. Third Party Liability Coverages is amended by adding the following new Insuring

Agreement: PCI DSS Coverage

The **Insurer** will reimburse the **Insured** for **PCI DSS fines and costs** that the **Insured** is legally obligated to pay as the result of a **claim** first made against the **Insured** during the **policy period** or extended reporting period (if applicable) alleging a **PCI DSS wrongful act** by the **Insured** or an **outsourced provider**. Provided, however, coverage under this Insuring Agreement is sublimited to the amount set forth below:

Insuring Agreements	Sublimits	Retention	Retro Date
Third Party Liability Coverages			
PCI DSS Coverage	\$ 50,000	\$ 25,000	01/01/2016

2. Section IV. Definitions is amended by adding the following new terms:

MERCHANT SERVICES AGREEMENT

An agreement between the **Insured** and a financial institution, credit/debit card company, credit/debit card processor or Independent service operator enabling the **Insured** to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.

PCI DSS FINES AND COSTS

Fines, penalties, assessments, fraud recovery and operational expense recovery that the Insured is contractually obligated to pay under its Merchant Services Agreement(s) as the result of a **PCI DSS wrongful act** by the **Insured** or an **outsourced provider**. Provided, however, PCI DSS fines and costs does not mean interchange fees, discount fees or prospective service fees.

PCI DSS WRONGFUL ACT

Any actual or alleged **cyber security breach** or **privacy and security wrongful act** resulting in the unauthorized acquisition of cardholder data as defined under PCI-DSS.

3. Section IV. Definitions is amended by deleting and replacing the following terms:

LOSS

All damages, claim expenses, regulatory damages, first party costs and PCI DSS fines and costs.

THIRD PARTY WRONGFUL ACT

A technology and professional services wrongful act, media wrongful act, privacy and security wrongful act and PCI DSS wrongful act.

4. Section III.A.2.(a) Separate Limits is deleted and replaced as follows:

Third and First Party Aggregate Limit, as stated in Item 7. on the Declarations page and the PCI DSS Coverage sublimit, as stated in Item 1. above, is the Insurer's maximum liability for all damages, claim expenses, regulatory damages, PCI DSS Fines and Costs, loss of business income, extra expense, data recovery expenses, cyber-extortion expenses and claim avoidance costs for all Third Party Liability Coverages and First Party Coverages, regardless of the number of Insureds, claims, first party incidents, or individuals or entities making claims.

5. Section III.B. Retentions is deleted and replaced as follows:

B. RETENTIONS

1. Solely with respect to coverage provided on a Combined Limits basis, the Insurer is liable only for that portion of covered damages, regulatory damages, PCI DSS fines and costs and claim expenses resulting from a third party wrongful act and for that portion of covered first party costs resulting from a first party incident that is in excess of the applicable Insuring Agreement's retention amount, as stated in Item 7. on the Declarations page. If more than a single retention applies to a claim and/or first party incident, then the Insured is responsible for paying the highest applicable retention. The retention will be borne entirely by the Insured alone and not by the Insurer.
2. Solely with respect to coverage provided on a Separate Limits basis, the Insurer is liable only for that portion of covered damages, regulatory damages, PCI DSS fines and costs and claim expenses resulting from a third party wrongful act and for that portion of any covered loss of business income, extra expense, data recovery expenses, cyber-extortion expenses, data breach response and crisis management costs and claim avoidance costs resulting from a cyber security breach or cyber-extortion threat that is in excess of the applicable Insuring Agreement's retention amount, as stated in Item 7. on the Declarations or Item 1. above. If more than a single retention applies to a claim and/or first party incident, then the Insured is responsible for paying the highest applicable retention. The retention will be borne entirely by the Insured alone and not by the Insurer.

6. Section V. Exclusions, Q. Contractual is deleted and replaced as follows:

CONTRACTUAL

any obligation an Insured has underwritten contract; provided, however, this exclusion shall not apply to liability an Insured would have in the absence of a contract or an Insured's:

1. breach of an exclusivity or confidentiality provision contained in a written agreement;
2. violation of an intellectual property right except a violation of a patent right;
3. negligent performance of technology services or professional services for a client or customer;

4. provision of [technology products](#) to a client or customer which contain a material defect; or
5. obligation to indemnify, reimburse or compensate pursuant to a [Merchant Services Agreement](#).

All other terms and conditions of this Policy shall remain the same.

ENDORSEMENT #004

This endorsement, effective 12:01 a.m., January 1, 2018 forms a part of Policy No. MTP003949205 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANUSCRIPT ENDORSEMENT

This endorsement modifies insurance provided under the following:

Cyber and Technology Liability Policy

SYSTEM FAILURE COVERAGE ENDORSEMENT

In consideration of the premium charged, it is agreed that:

1. **Section I. Insuring Agreements B.1. Business Interruption and Extra Expense** is deleted and replaced as follows:

Business Interruption and Extra Expense

The **Insurer** will pay for **loss of business income** and reimburse the **Insured Company** for **extra expense** during the **period of restoration** that the **Insured Company** incurs resulting from a **cyber security breach** or **system failure** directly causing a total or partial interruption or deterioration in the **Insured Company's** business operations.

2. **Section IV. Definitions**, is amended to include the following additional definition:

SYSTEM FAILURE

The unintentional and unplanned outage or failure of the network, however caused, including but not limited to administrative errors.

3. **Section V. Exclusions** is amended by adding the following new exclusion:

Solely with respect to a **system failure**, an **Insured's** failure to install and test patches within a reasonable amount of time;

4. **Section III. Limit of Liability and Retention** is amended to include the following:

The **Insurer's** maximum aggregate limit of liability for **loss of business income** and **extra expense** resulting from a **system failure** shall be \$50,000, which is part of, and not in addition to, the aggregate limit of liability for each Policy Period set forth in Item 7. of the Declarations. However, the **Insurer's** maximum aggregate limit of liability for Business Interruption and Extra Expense not resulting from a **system failure** shall remain unchanged as stated in the First Party Coverages outlined in Item. 7. of the Declarations.

Notwithstanding the number of hours set forth in Item 7. of the Declarations, the retention amount applicable to a **system failure** shall be 10 hours.

The retention amount specified in Item 7. on the Declarations page shall continue with respect to loss of Business Income and Extra Expense not resulting from a **system failure**.

All other terms and conditions of this Policy shall remain the same.

ENDORSEMENT #005

This endorsement, effective 12:01 a.m., January 1, 2018 forms a part of Policy No. MTP003949205 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANUSCRIPT ENDORSEMENT

This endorsement modifies insurance provided under the following:

Cyber and Technology Liability Policy

SOCIAL ENGINEERING FINANCIAL FRAUD ENDORSEMENT

In consideration of the premium charged, it is agreed that:

- Item 4. Coverage Schedule of the Declarations is amended by adding a new Insuring Agreement, Sublimit and Retention as indicated below:

Insuring Agreements	Sublimit	Retention
Social Engineering Financial Fraud	\$50,000	\$10,000

- Section **I. B. First Party Coverages** is amended to include the following new coverage:

Social Engineering Financial Fraud

The **Insurer** will pay or reimburse the **Insured Company** for **social engineering financial fraud loss** in excess of the applicable retention directly resulting from a **social engineering financial fraud event**.

- Section **D.2. Conditions** is amended to include the following new provision:

The coverage provided under Section **I.B.** Social Engineering Financial Fraud shall apply only if the **Insured** verifies the instruction to transfer **money** or **securities** by following a pre-arranged callback or other established procedural method to authenticate the validity of the request prior to acting upon any transfer instruction.

- Section **IV. Definitions**, is amended to include the following new defined terms:

AUTHORIZED EMPLOYEE

An employee of the **Insured Company** who is authorized by the **Insured Company** to transfer, or to instruct others to transfer, **money** or **securities**.

MONEY

The **Insured's**:

1. Currency, coins and bank notes in current use and having a face value; and
2. Traveler's checks and money orders held for sale to the public.

SECURITIES

The **Insured's** negotiable and nonnegotiable instruments or contracts representing either **money** or property, and includes tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value

in a meter) in current use, and evidences of debt issued in connection with credit or charge cards, which cards are not issued by the **Insured**.

SOCIAL ENGINEERING FINANCIAL FRAUD LOSS

Loss of **money** or **securities** in a **social engineering financial fraud**.

SOCIAL ENGINEERING FINANCIAL FRAUD

The transfer of **money** or **securities** to an account outside the **Insured's** control pursuant to instructions made by a person purporting to be an **authorized employee, outsourced provider** or customer of the **Insured**, when such instructions prove to have been fraudulent and issued by a person who is not an **authorized employee, outsourced provider**, or customer of the **Insured**.

- Section **IV. Definitions**, is amended by deleting and replacing the following definitions:

FIRST PARTY COSTS

Any **loss of business income, extra expense, data recovery expenses, cyber-extortion expenses, data breach response and crisis management costs, claim avoidance costs and social engineering financial fraud loss**.

Except with respect to **social engineering financial fraud loss, First Party Costs** do not include any amounts incurred prior to the **Insured** providing notice of the **first party incident**.

FIRST PARTY INCIDENT

A **cyber security breach, cyber-extortion threat, data breach or social engineering financial fraud event**.

- Solely with respect to the coverage provided by this Endorsement, Section **IV. L. Damages** is amended by deleting part 8. "the monetary value of an electronic fund transfer or transaction that is lost or diminished during transfer."
- Solely with respect to the coverage provided by this Endorsement, Section **IX. D. Other Insurance** is deleted and replaced as follows:

Coverage provided under this Social Engineering Financial Fraud Endorsement is excess to the coverage provided by any crime insurance policy; provided, however, notwithstanding the foregoing or anything in this Policy to the contrary, the **Insurer** will recognize erosion of the Retention applicable to Social Engineering Financial Fraud coverage by any payments made by or on behalf of the **Insured Company** pursuant to such crime insurance policy issued to the **Insured Company**, but only if such payments are for **social engineering financial fraud losses** that would otherwise be covered under this endorsement.

All other terms and conditions of this Policy shall remain the same.

ENDORSEMENT #006

This endorsement, effective 12:01 a.m., January 1, 2018 forms a part of Policy No. MTP003949205 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANUSCRIPT ENDORSEMENT

This endorsement modifies insurance provided under the following:

Cyber and Technology Liability Policy

DEDUCTIBLE ENDORSEMENT

In consideration of the premium charged, it is agreed that all references to retention shall be replaced with deductible. The Limit of Liability applicable to **loss** under each Insuring Agreement will not be reduced by the amount of such deductible. The **insurer** shall pay any part or all of the deductible amount to defend or effect settlement of any third party **claim** and upon notification of the action taken, the **Named Insured** shall promptly reimburse the **insurer** for such part of the deductible amount as has been paid by the **insurer**.

All other terms and conditions of this Policy shall remain the same.

ENDORSEMENT #007

This endorsement, effective 12:01 a.m., January 1, 2018 forms a part of Policy No. MTP003949205 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CERTIFIED ACTS OF TERRORISM COVERAGE AND PREMIUM DISCLOSURE

This endorsement modifies insurance provided under the following:

CyberRiskConnect

Coverage for "certified acts of terrorism" for the types of insurance subject to the Terrorism Risk Insurance Act is already included in your current Policy. "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.

You are hereby notified that 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.

Under your existing coverage, any losses resulting from "certified acts of terrorism" may be partially reimbursed by the United States Government under a formula established by federal law. 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 Insurer providing the coverage. However, your policy may contain other exclusions that may affect your coverage. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of terrorism exclusion, do not serve to create coverage for any loss that is otherwise excluded under this Policy.

The portion of your annual premium that is attributable to coverage for "certified acts of terrorism" is: \$ [waived](#). Any premium waiver is only valid for the current Policy Period.

All other terms and conditions of this Policy remain unchanged.

ENDORSEMENT #008

This endorsement, effective 12:01 a.m., January 1, 2018 forms a part of Policy No. MTP003949205 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company

SERVICE OF PROCESS

The Commissioner of Insurance of the State of New Jersey is hereby designated the true and lawful attorney of the Company upon whom may be served all lawful process in any action, suit or proceeding arising out of this policy. The Company further designates:

Sarah Mims
Assistant Secretary
505 Eagleview Boulevard, Suite 100
Exton, Pennsylvania 19341-0636

as its agent in New Jersey to whom such process shall be forwarded by the Commissioner of Insurance.

For Illinois exposures, the Insurer further designates the Director of the Illinois Division of Insurance and his successors in office, as its 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 an Illinois exposure and this contract of insurance.

All other terms and conditions of this policy remain unchanged.

(Authorized Representative)



XL CATLIN

ENDORSEMENT #006

This endorsement, effective 12:01 a.m., January 1, 2014 forms a part of Policy No. MTP003949201 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANUSCRIPT ENDORSEMENT

This endorsement modifies insurance provided under the following:

XL ECLIPSE PRO 2.0 - TECHNOLOGY AND MISCELLANEOUS PROFESSIONAL SERVICES, TECHNOLOGY PRODUCTS, NETWORK SECURITY, PRIVACY, AND MEDIA COMMUNICATIONS INSURANCE POLICY

DEDUCTIBLE AMENDATORY ENDORSEMENT

In consideration of the premium charged, it is understood and agreed that **Item 5. DEDUCTIBLES** on the Declarations of the Policy is deleted in its entirety and replaced with the following:

Item 5. DEDUCTIBLES (inclusive of **claim expenses**) and **WAITING PERIOD**:

(a) \$ 10,000	Each claim (except as designated in 5 (b) through 5 (f))
(b) \$ 10,000	For privacy notification costs from each data breach as per Insuring Agreements I.E.2. and II.D.
(c) \$ 10,000	Each claim for regulatory fines as per Insuring Agreement I.E.2.
(d) \$ 10,000	Each extortion threat and extortion damages as per Insuring Agreement II.A.
(e) \$ 10,000	For crisis management expenses from each network breach or privacy wrongful act as per Insuring Agreement II.B.
(f) \$ N/A	Each network breach causing Business Interruption and reduction in business income as per Insuring Agreement II.C.
(g) 10 hour waiting period	For Business Interruption for Insuring Agreement II.C.

All other provisions of this policy remain unchanged.



XL CATLIN



Claims Reporting Information

Please be advised that the following replaces the claims reporting address in the CONDITIONS section, part A. Reporting of Claims and Potential Claims of this Policy:

via email: proclaimnewnotices@xlgroup.com

OR

via post mail: XL Insurance
PO Box 614002
Orlando, FL 32861-4002



XL Data Breach Hotline

Should you experience a data breach event, call the data breach hotline at **1-855-566-4724** for immediate triage assistance. Please be aware that this service is provided by Lewis, Brisbois, Bisgaard and Smith and contacting the data breach hotline does NOT satisfy the claim notification requirements of your policy.



As an adjunct of your policy with XL Group, your company now has access to the **eRisk Hub®**, powered by NetDiligence®.

The eRisk Hub is a private web-based portal containing information and technical resources that can assist you in the prevention of network, cyber and privacy losses and support you in the timely reporting and recovery of losses if an incident occurs.

The eRisk Hub portal is an internet-based service that features news, content and services from leading practitioners in risk management, computer forensics, forensic accounting, crisis communications, legal counsel, and other highly-specialized segments of cyber risk.

Please note the following:

The eRisk Hub portal is a private site for customers of XL Group only. Do not share portal access instructions with anyone outside your organization. You are responsible for maintaining the confidentiality of the **Access Code** provided to you.

Up to three individuals from your organization may register and use the portal. Ideal candidates include your company's Risk Manager, Compliance Manager, Privacy Officer, IT Operations Manager or Legal Counsel.

This portal contains a directory of experienced providers of cyber risk management and breach recovery services. XL Group does not endorse these companies or their respective services. Before you engage any of these companies, we urge you to conduct your own due diligence to ensure the companies and their services meet your needs. Unless otherwise indicated or approved, payment for services provided by these companies is your responsibility.

To register for the XL Group eRisk Hub:

- Go to <https://www.eriskhub.com/xl.php>.
- Complete the registration form. Your **Access Code** is **10448**.
- Once registered, you can access the portal immediately with the User ID and password you established during registration.

NOTICE TO POLICYHOLDERS

PRIVACY POLICY

The XL America, Inc. insurance group (the “Companies”), believes personal information that we collect about our customers, potential customers, and proposed insureds (referred to collectively in this Privacy Policy as “customers”) must be treated with the highest degree of confidentiality. For this reason and in compliance with the Title V of the Gramm-Leach-Bliley Act (“GLBA”), we have developed a Privacy Policy that applies to all of our companies. For purposes of our Privacy Policy, the term “personal information” includes all information we obtain about a customer and maintain in a personally identifiable way. In order to assure the confidentiality of the personal information we collect and in order to comply with applicable laws, all individuals with access to personal information about our customers are required to follow this policy.

Our Privacy Promise

Your privacy and the confidentiality of your business records are important to us. Information and the analysis of information is essential to the business of insurance and critical to our ability to provide to you excellent, cost-effective service and products. We understand that gaining and keeping your trust depends upon the security and integrity of our records concerning you. Accordingly, we promise that:

1. We will follow strict standards of security and confidentiality to protect any information you share with us or information that we receive about you;
2. We will verify and exchange information regarding your credit and financial status only for the purposes of underwriting, policy administration, or risk management and only with reputable references and clearinghouse services;
3. We will not collect and use information about you and your business other than the minimum amount of information necessary to advise you about and deliver to you excellent service and products and to administer our business;
4. We will train our employees to handle information about you or your business in a secure and confidential manner and only permit employees authorized to use such information to have access to such information;
5. We will not disclose information about you or your business to any organization outside the XL insurance group of Companies or to third party service providers unless we disclose to you our intent to do so or we are required to do so by law;
6. We will not disclose medical information about you, your employees, or any claimants under any policy of insurance, unless you provide us with written authorization to do so, or unless the disclosure is for any specific business exception provided in the law;
7. We will attempt, with your help, to keep our records regarding you and your business complete and accurate, and will advise you how and where to access your account information (unless prohibited by law), and will advise you how to correct errors or make changes to that information; and
8. We will audit and assess our operations, personnel and third party service providers to assure that your privacy is respected.

Collection and Sources of Information

We collect from a customer or potential customer only the personal information that is necessary for (a) determining eligibility for the product or service sought by the customer, (b) administering the product or service obtained, and (c) advising the customer about our products and services. The information we collect generally comes from the following sources:

- Submission – During the submission process, you provide us with information about you and your business, such as your name, address, phone number, e-mail address, and other types of personal identification information;
- Quotes – We collect information to enable us to determine your eligibility for the particular insurance product and to determine the cost of such insurance to you. The information we collect will vary with the type of insurance you seek;

- Transactions – We will maintain records of all transactions with us, our affiliates, and our third party service providers, including your insurance coverage selections, premiums, billing and payment information, claims history, and other information related to your account;
- Claims – If you obtain insurance from us, we will maintain records related to any claims that may be made under your policies. The investigation of a claim necessarily involves collection of a broad range of information about many issues, some of which does not directly involve you. We will share with you any facts that we collect about your claim unless we are prohibited by law from doing so. The process of claim investigation, evaluation, and settlement also involves, however, the collection of advice, opinions, and comments from many people, including attorneys and experts, to aid the claim specialist in determining how best to handle your claim. In order to protect the legal and transactional confidentiality and privileges associated with such opinions, comments and advice, we will not disclose this information to you; and
- Credit and Financial Reports – We may receive information about you and your business regarding your credit. We use this information to verify information you provide during the submission and quote processes and to help underwrite and provide to you the most accurate and cost-effective insurance quote we can provide.

Retention and Correction of Personal Information

We retain personal information only as long as required by our business practices and applicable law. If we become aware that an item of personal information may be materially inaccurate, we will make reasonable effort to re-verify its accuracy and correct any error as appropriate.

Storage of Personal Information

We have in place safeguards to protect data and paper files containing personal information.

Sharing/Disclosing of Personal Information

We maintain procedures to assure that we do not share personal information with an unaffiliated third party for marketing purposes unless such sharing is permitted by law. Personal information may be disclosed to an unaffiliated third party for necessary servicing of the product or service or for other normal business transactions as permitted by law.

We do not disclose personal information to an unaffiliated third party for servicing purposes or joint marketing purposes unless a contract containing a confidentiality/non-disclosure provision has been signed by us and the third party. Unless a consumer consents, we do not disclose “consumer credit report” type information obtained from an application or a credit report regarding a customer who applies for a financial product to any unaffiliated third party for the purpose of serving as a factor in establishing a consumer’s eligibility for credit, insurance or employment. “Consumer credit report type information” means such things as net worth, credit worthiness, lifestyle information (piloting, skydiving, etc.) solvency, etc. We also do not disclose to any unaffiliated third party a policy or account number for use in marketing. We may share with our affiliated companies information that relates to our experience and transactions with the customer.

Policy for Personal Information Relating to Nonpublic Personal Health Information

We do not disclose nonpublic personal health information about a customer unless an authorization is obtained from the customer whose nonpublic personal information is sought to be disclosed. However, an authorization shall not be prohibited, restricted or required for the disclosure of certain insurance functions, including, but not limited to, claims administration, claims adjustment and management, detection, investigation or reporting of actual or potential fraud, misrepresentation or criminal activity, underwriting, policy placement or issuance, loss control and/or auditing.

Access to Your Information

Our employees, employees of our affiliated companies, and third party service providers will have access to information we collect about you and your business as is necessary to effect transactions with you. We may also disclose information about you to the following categories of person or entities:

- Your independent insurance agent or broker;
- An independent claim adjuster or investigator, or an attorney or expert involved in the claim;
- Persons or organizations that conduct scientific studies, including actuaries and accountants;
- An insurance support organization;
- Another insurer if to prevent fraud or to properly underwrite a risk;
- A state insurance department or other governmental agency, if required by federal, state or local laws; or
- Any persons entitled to receive information as ordered by a summons, court order, search warrant, or subpoena.

Violation of the Privacy Policy

Any person violating the Privacy Policy will be subject to discipline, up to and including termination.

For more information or to address questions regarding this privacy statement, please contact your broker.

NOTICE TO POLICYHOLDERS

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")

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 Policyholder Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC and possibly the U.S. Department of State. **Please read this Policyholder Notice carefully.**

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
- Narcotics traffickers

as *Specially Designated Nationals and Blocked Persons*. This list can be found on the U.S. Department of the Treasury's web site - <http://www.treas.gov/ofac>.

The Secretary of the Treasury also has identified a number of entities in the insurance, petroleum, and petrochemicals industries determined to be owned or controlled by the Iranian government. Business transactions with any of these entities are expressly prohibited. These entities have been added to OFAC's list of *Financial Institutions Determined To Be Owned or Controlled by the Government of Iran*. This list can be found on the U.S. Department of the Treasury's web site - <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/iran.aspx>, see List of CISADA and NDAA Prohibitions or Conditions

In accordance with OFAC regulations, or any applicable regulation promulgated by the U.S. Department of State, 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 will be immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

NOTICE TO POLICYHOLDERS

FRAUD NOTICE

Arkansas	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Colorado	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.
District of Columbia	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.
Florida	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 of the third degree.
Kansas	A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.
Kentucky	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.
Louisiana	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Maine	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 denial of insurance benefits.
Maryland	Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
New Jersey	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
New Mexico	ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

NOTICE TO POLICYHOLDERS

New York	General: All applications for commercial insurance, other than automobile insurance: 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 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. All applications for automobile insurance and all claim forms: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation. Fire: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime. The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.
Ohio	Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
Oklahoma	WARNING: 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.
Pennsylvania	All Commercial Insurance, Except As Provided for Automobile Insurance: 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. Automobile Insurance: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.
Puerto Rico	Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

NOTICE TO POLICYHOLDERS

Rhode Island	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Tennessee	All Commercial Insurance, Except As Provided for Workers' Compensation It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits. Workers' Compensation: It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.
Utah	Workers' Compensation: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.
Virginia	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
Washington	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
West Virginia	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
All Other States	Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison. (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties).

NOTICE TO POLICYHOLDERS

NEW JERSEY

NEW JERSEY POLICY HOLDER NOTICE

NOTICE TO POLICYHOLDER: THIS POLICY IS WRITTEN BY A DOMESTIC SURPLUS LINES INSURER, AN ELIGIBLE UNAUTHORIZED INSURER PURSUANT TO SECTION 2 OF P.L. 2011 c.39 (C. 17:22-6.69b), AND IS NOT SUBJECT TO THE RATE OR FORM FILING OR APPROVAL REQUIREMENTS OF THE NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE. THIS POLICY MAY CONTAIN CONDITIONS, LIMITATIONS, EXCLUSIONS AND DIFFERENT TERMS THAN A POLICY OTHERWISE ISSUED BY A NEW JERSEY AUTHORIZED OR ADMITTED INSURER. THIS POLICY IS NOT COVERED BY THE NEW JERSEY PROPERTY-LIABILITY GUARANTY ASSOCIATION. THIS POLICY MAY BE COVERED BY THE NEW JERSEY SURPLUS LINES INSURANCE GUARANTY FUND, BUT ONLY TO THE EXTENT PROVIDED PURSUANT TO SECTION 2 OF P.L. 1984, c. 101 (C. 17:22-6.71).



Regulatory Office
Indian Harbor Insurance Company
505 Eagleview Blvd. Suite 100
Dept: Regulatory
Exton, PA 19341-0636
Telephone: 800-688-1840

XL ECLIPSE PRO 2.0

TECHNOLOGY AND MISCELLANEOUS PROFESSIONAL SERVICES, TECHNOLOGY PRODUCTS, NETWORK SECURITY, PRIVACY, AND MEDIA COMMUNICATIONS INSURANCE DECLARATIONS

THIS IS A CLAIMS MADE AND REPORTED INSURANCE POLICY. PLEASE READ IT CAREFULLY.

PRODUCER: Public Risk Underwriters of Texas
101 W. Renner Road, Suite 450
Richardson, TX 75082

PRODUCER NO.: 02523

POLICY NO.: MTP003949202

RENEWAL OF: MTP003949201

THIS IS A CLAIMS MADE AND REPORTED POLICY. THIS POLICY APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD. CLAIM EXPENSES ARE WITHIN AND REDUCE THE LIMIT OF LIABILITY. PLEASE REVIEW THIS POLICY CAREFULLY.

Item 1. NAMED INSURED: NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND

Item 2. ADDRESS: 9 CAMPUS DRIVE
SUITE 16

City/State/Zip Code: PARSIPPANY, NJ 07054

Item 3. POLICY PERIOD:

FROM: January 1, 2015 **TO:** January 1, 2016
12:01 A.M. Standard Time at the address of the Named Insured as stated herein.

Item 4. LIMITS OF LIABILITY (Inclusive of claim expenses):

- (a) \$ 3,000,000 Each **Claim**
- (b) \$ 6,000,000 Policy Aggregate – subject to the following Aggregate sublimits:
- (i) \$ 1,000,000 for all **privacy notification costs** as per Insuring Agreements I.E.2 and II.D.
- (ii) \$ 1,000,000 for all regulatory fines and claim expenses for Privacy Liability as per Insuring Agreement I.E.2.
- (iii) \$ 1,000,000 for all **extortion damages** for **extortion threat** as per Insuring Agreement II. A.
- (iv) \$ 1,000,000 for all **crisis management expenses** as per Insuring Agreement II. B..
- (v) \$ 1,000,000 for all **reduction in business income** caused by Business Interruption as per Insuring Agreement II.C.

Item 5. DEDUCTIBLES (inclusive of claim expenses) and WAITING PERIOD:

- (a) \$ 10,000 Each **claim** (except as designated in 5 (b) through 5 (f))
- (b) \$ 10,000 For **privacy notification costs** from each **data breach** as per Insuring Agreements I.E.2. and II.D.
- (c) \$ 10,000 Each **claim** for **regulatory fines** as per Insuring Agreement I.E.2.
- (d) \$ 10,000 Each **extortion threat** and **extortion damages** as per Insuring Agreement II.A.
- (e) \$ 10,000 For crisis management expenses from each network breach or privacy wrongful act as per Insuring Agreement II.B.
- (f) \$ NA Each **network breach** causing Business Interruption and **reduction in business income** as per Insuring Agreement II.C.
- (g) 10 hour waiting period For Business Interruption for Insuring Agreement II.C.

Item 6. PREMIUM: \$ 43,200

Item 7. PROFESSIONAL SERVICES:
N/A

Item 8. RETROACTIVE DATE (if applicable): January 1, 2013

Item 9. CONTINUITY DATE: N/A

Item10. ENDORSEMENTS ATTACHED AT POLICY EFFECTIVE DATE:

Endorsement Number	Endorsement Form Number	Endorsement Title
	PN CW 02 05 05	Notice To Policyholders - Privacy Policy
	PN CW 05 0914	Notice To Policyholders - U.S. Treasury Department's Office of Foreign Assets Control ("OFAC")
	PN CW 01 0613	Notice To Policyholders - Fraud Notice
	PN NJ 01 0312	New Jersey Policy Holder Notice - Surplus Lines
	IL MP 9104 0314 IHIC	In Witness - Indian Harbor Insurance Company
	PROFESSIONAL SERVICES	Professional Services to Appear on the Dec Page
Endorsement No. 001	MTP-EP-101 0112	Long Named Insured Endorsement
Endorsement No. 002	MTP-EP-103 0112	Manuscript Endorsement
Endorsement No. 003	MTP-EP-103 0112	Manuscript Endorsement
Endorsement No. 004	XL-NJSOP 11 10	Service of Process
	MTP-EP-PF 0112	XL Eclipse Pro 2.0 Technology And Miscellaneous Professional Services, Technology Products, Network Security, Privacy, And Media Communications Insurance Policy

Date

Authorized Representative

XL ECLIPSE PRO 2.0

TECHNOLOGY AND MISCELLANEOUS PROFESSIONAL SERVICES, TECHNOLOGY PRODUCTS, NETWORK SECURITY, PRIVACY, AND MEDIA COMMUNICATIONS INSURANCE POLICY

THIS IS A CLAIMS MADE AND REPORTED POLICY. THIS POLICY APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD. CLAIM EXPENSES ARE WITHIN AND REDUCE THE LIMIT OF LIABILITY. PLEASE REVIEW THIS POLICY CAREFULLY.

Words and phrases that appear in **bold** print have special meanings that are defined in **SECTION V. DEFINITIONS**.

I. THIRD PARTY INSURING AGREEMENTS

Provided always that the act, error, omission, **personal injury** or **privacy wrongful act** was committed on or subsequent to the **retroactive date** specified in Item 8. in the Declarations and that prior to the inception date of this policy no **Insured** had any reason to believe that the act, error, omission, **personal injury** or **privacy wrongful act** might be the basis of a **claim**, then the **Company** agrees as follows:

A. Technology and Miscellaneous Professional Services Liability Coverage

The **Company** will pay on behalf of the **Insured** all sums in excess of the deductible that the **Insured** becomes legally obligated to pay as **damages** and **claim expenses** as a result of a **claim** first made against the **Insured** and reported in writing to the **Company** during the **policy period** or any Extended Reporting Period, by reason of an act, error or omission in the performance of **technology services** or **miscellaneous professional services** by an **Insured**.

B. Technology Products Liability Coverage

The **Company** will pay on behalf of the **Insured** all sums in excess of the deductible that the **Insured** becomes legally obligated to pay as **damages** and **claim expenses** as a result of a **claim** first made against the **Insured** and reported in writing to the **Company** during the **policy period** or any Extended Reporting Period, by reason of an act, error or omission by an **Insured** that results in the failure of a **technology product** to properly perform the function intended.

C. Media Communications Liability Coverage

The **Company** will pay on behalf of the **Insured** all sums in excess of the deductible that the **Insured** becomes legally obligated to pay as **damages** and **claim expenses** as a result of a **claim** first made against the **Insured** and reported in writing to the **Company** during the **policy period** or any Extended Reporting Period for **personal injury** in **media communications** by an **Insured** or by someone for whom the **Insured** is legally responsible, including **liability assumed under contract**.

D. Network Security Liability Coverage

The **Company** will pay on behalf of the **Insured** all sums in excess of the deductible that the **Insured** becomes legally obligated to pay as **damages** and **claim expenses** as a result of a **claim** first made against the **Insured** and reported in writing to the **Company** during the **policy period** or any Extended Reporting Period, by reason of an act, error or omission by an **Insured** that either (i) causes a **network breach** or (ii) prevents a third party who is authorized to do so from gaining access to a **computer system**.

E. Privacy Liability Coverage

1. The **Company** will pay on behalf of the **Insured** all sums in excess of the deductible that the **Insured** becomes legally obligated to pay as **damages** and **claim expenses** as a result of a **claim** first made against the **Insured** and reported in writing to the **Company** during the **policy period** or any Extended Reporting Period by reason of a **privacy wrongful act** that the **Insured** or its **cloud service provider** commits or fails to prevent.
2. The **Company** will pay on behalf of the **Insured** all sums in excess of the deductible that the **Insured** becomes legally obligated to pay as **privacy notification costs** and **regulatory fines** as a result of a **claim** first made against the **Insured** and reported to the **Company** during the **policy period** or any Extended Reporting Period resulting from a violation of a **privacy law** by reason of a **privacy wrongful act** that the **Insured** or its **cloud service provider** commits or fails to prevent, but only up to the sublimit, if any, stated in Item 4.(b)(i) in the Declarations.

II. FIRST PARTY INSURING AGREEMENTS

A. Extortion Threat

The **Company** will pay the **Insured** for **extortion damages** in excess of the deductible incurred with the **Company's** prior written consent as a result of an **extortion threat** first made during the **policy period** against an **Insured** in its capacity as such and reported to the **Company** during the **policy period** or any Extended Reporting Period, provided that the **extortion threat** was not made by any **Insured** or any person acting or proceeding with the knowledge and consent of, at the direction or request of, or with the assistance of any **Insured**, but only up to the sublimit, if purchased, stated in Item 4.(b)(ii) in the Declarations.

B. Crisis Management Expense

The **Company** will pay the **Insured** for **crisis management expenses** in excess of the deductible incurred with the **Company's** prior written consent for the purpose of averting or reducing damage to the **Insured's** reputation, because of a **network breach** to the **Insured's computer system** or a **privacy wrongful act**, provided that the **network breach** or **privacy wrongful act** occurs during the **policy period** and is reported to the **Company** during the **policy period** or any Extended Reporting Period, but only up to the sublimit, if purchased, stated in Item 4.(b)(iii) in the Declarations.

C. Business Interruption

The **Company** will pay the **Insured** for the amount of **reduction in business income** in excess of the deductible that the **Insured** sustains during the **period of restoration** of an actual interruption of the use of the **Insured's computer system**, subject to the **waiting period** set forth in the Declarations, provided that the **reduction in business income** is directly caused by a **network breach** to the **Insured's computer system** that occurs during the **policy period** and is reported to the **Company** during the **policy period** or any Extended Reporting Period, but only up to the sublimit, if purchased, stated in Item 4.(b)(iv) in the Declarations.

D. Privacy Notification Costs

The **Company** will pay **privacy notification costs**, in excess of the deductible, that the **Insured** incurs with the **Company's** prior written consent due to the failure of an **Insured** or its **cloud service provider** to prevent **unauthorized access**, to the extent such **unauthorized access** (1)

results in a **data breach**, (2) results from an unintentional failure to follow the **Insured's privacy policy**, and (3) occurs and is reported in writing to the **Company** during the **policy period** or any Extended Reporting Period, but only up to the sublimit, if purchased, stated in Item 4.(b)(v) in the Declarations.

III. DEFENSE AND SETTLEMENT

A. Defense

The **Company** has the right and duty to defend any **claim** against the **Insured** seeking **damages** to which this policy applies under Section I, Third Party Insuring Agreements, even if the allegations are groundless, false or fraudulent. Defense counsel may be designated by the **Company** or, at the **Company's** option, by the **Insured** with the **Company's** written consent.

B. Settlement

The **Company** will have the right to settle, with the written consent of the **Named Insured**, any **claim** under this policy. If the **Named Insured** refuses to consent to a settlement within the policy's applicable limit of liability that is recommended by the **Company** and acceptable to the claimant, then the **Company's** limit of liability under this policy will be reduced to the amount of **damages** for which the **claim** could have been settled, plus all **claim expenses** incurred up to the time the **Company** made its recommendation, plus fifty percent (50%) of **claims expenses** incurred after the **Company** made its recommendation, the total of which will not exceed the limit of liability specified in the Declarations.

IV. LIMITS OF LIABILITY AND DEDUCTIBLE

A. Limit of Liability - Each Claim

The **Company's** limit of liability for **damages** and **claim expenses** for each **claim** will not exceed the amount shown in Item 4.(a) in the Declarations for "Each **Claim**."

B. Limit of Liability - Policy Aggregate and Aggregate Sublimits

The **Company's** total limit of liability under this policy, including the **Company's** total liability for all **damages**, **regulatory fines**, **privacy notification costs** and **claim expenses** under Section I; **extortion damages** under Section II.A; **crisis management expenses** under Section II.B; **reductions in business income** under Section II.C; and all **privacy notification costs** under Section II.D, will not exceed the aggregate amount shown in Item 4.(b) in the Declarations as the "Policy Aggregate."

The following Aggregate Sublimits, Items 4(b)(i) to 4(b)(v) in the Declarations are part of and not in addition to the "Policy Aggregate" limit of liability:

1. The sublimit of liability stated in Item 4(b)(i) in the Declarations is the aggregate limit for all **privacy notification costs** under Third Party Insuring Agreement I.E.2 and First Party Insuring Agreement II.D.;
2. The sublimit of liability stated in Item 4(b)(ii) in the Declarations is the aggregate limit for all **regulatory fines** and **claim expenses** for **Privacy Liability** under Third Party Insuring Agreement I.E.2.;
3. The sublimit of liability stated in Item 4(b)(iii) in the Declarations is the aggregate limit for all **extortion damages** for **extortion threat** under First Party Insuring Agreement II.A.;

4. The sublimit of liability stated in Item 4(b)(iv) in the Declarations is the aggregate limit for all **crisis management expenses** under First Party Insuring Agreement II.B.; and
5. The sublimit of liability stated in Item 4(b)(v) in the Declarations is the aggregate limit for all **reduction in business income** caused by Business Interruption under First Party Insuring Agreement II.C.

C. Exhaustion of Limits

The **Company** is not obligated to pay any **damages, claim expenses, regulatory fines, extortion damages, crisis management expenses, reduction in business income, or privacy notification costs** or defend or continue to defend any **claim** after the applicable limit of liability has been exhausted by the payment of **damages, claim expenses, regulatory fines, extortion damages, crisis management expenses, reduction in business income, or privacy notification costs** or any combination thereof; or after the **Company** has deposited the remaining available limit of liability into a court of competent jurisdiction or tendered the remaining available limit of liability to the **Named Insured** or, if applicable, to the excess insurer(s) of the **Named Insured**.

D. Deductible

1. The deductible amount shown in Item 5.(a) of the Declarations is the **Insured's** obligation for each **claim** under Item 4(a) and applies to the payment of **damages and claim expenses**. The deductible will be paid by the **Named Insured**. The limits of liability set forth in the Declarations are in addition to and in excess of the deductible.
2. The deductible amount stated in Item 5.(b) of the Declarations is the **Insured's** obligation for each **data breach**, or series of related **data breaches**, giving rise to **privacy notification costs**. The deductible will be paid by the **Named Insured**. The sublimit set forth in Item 4.(b)(i) in the Declarations is in excess of the deductible stated in Item 5.(b).
3. The deductible amount stated in Item 5.(c) in the Declarations is the **Insured's** obligation for each **claim** under Item 4(b)(ii) and applies to the payment of **regulatory fines and claim expenses for Privacy Liability**. The deductible will be paid by the **Named Insured**. The sublimit set forth in Item 4.(b)(ii) in the Declarations is in excess of the deductible stated in Item 5.(c).
4. The deductible amount stated in Item 5.(d) in the Declarations is the **Insured's** obligation for each **extortion threat**, or series of related **extortion threats**, giving rise to **extortion damages** under Item 4(b)(iii). The deductible will be paid by the **Named Insured**. The sublimit set forth in Item 4.(b)(iii) in the Declarations is in excess of the deductible stated in Item 5.(d).
5. The deductible amount stated in Item 5.(e) in the Declarations is the **Insured's** obligation for each **network breach and privacy wrongful act**, or series of related **network breaches or privacy wrongful acts**, giving rise to **crisis management expenses**. The deductible will be paid by the **Named Insured**. The sublimit set forth in Item 4.(b)(iv) in the Declarations is in excess of the deductible stated in Item 5.(e).
6. The deductible amount stated in Item 5.(f) in the Declarations is the **Insured's** obligation for each **network breach**, or series of related **network breaches**, giving rise to **reduction in business income** following the 10 hour waiting period for Business Interruption. The deductible will be paid by the **Named Insured**. The sublimit set forth in **Item 4.(b)(v)** in the Declarations is in excess of the deductible stated in Item 5.(f).

E. Early Claim Resolution Incentive

If a **claim** is resolved or concluded, with the consent of the **Named Insured** and the **Company**, as reflected in a settlement agreement, order, dismissal, or judgment, within one (1) year following the date that the **claim** is reported in writing to the **Company**, the **Named Insured** will be reimbursed or credited fifty percent (50%) of the deductible, but the total amount of all reimbursements and credits shall not to exceed a maximum amount of twenty-five thousand dollars (\$25,000) per **policy period** for all such **claims** resolved or concluded in accordance with this Paragraph E.

F. Multiple Insureds, Claims and Claimants

1. The Aggregate Limits of Liability shown in the Declarations, Items 4.(b), 4.(b)(i), 4.(b)(ii), 4.(b)(iii), 4.(b)(iv), and 4.(b)(v), are the maximum amounts the **Company** will pay under this policy for **damages, claim expenses, regulatory fines, extortion damages, crisis management expenses, reduction in business income, and privacy notification costs**, regardless of the number of **Insureds, claims, claimants, extortion threats, network breaches**, business interruptions, or **data breaches** giving rise to liability under this policy.
2. The each **claim** limit of liability shown in the Declarations is the maximum amount the **Company** will pay under this policy each **claim** for **damages, regulatory fines, privacy notification costs** and **claim expenses**, regardless of the number of **Insureds** and claimants.
3. All **claims** arising from the same or a series of related, repeated or similar acts, errors, omissions, **personal injuries**, or **privacy wrongful acts** or from any continuing acts, errors, omissions, **personal injuries**, or **privacy wrongful acts** will be considered a single **claim** for purposes of this policy, regardless of the number of claimants or **Insureds** involved in the **claim**. All such **claims** shall be deemed to have been made at the time of the first such **claim**.
4. All **extortion threats** giving rise to **extortion damages** arising out of a series of related, repeated or similar **extortion threats** will be considered a single **extortion threat** for purposes of this policy, regardless of the number of claimants or **Insureds** involved. All such **extortion threats** shall be deemed to have occurred at the time of the earliest of all such **extortion threats**.
5. All **network breaches** or **privacy wrongful acts** giving rise to **crisis management expenses** and all **network breaches** giving rise to **reduction in business income** that arise out of a series of related, repeated or similar **network breaches** or **privacy wrongful acts** will be considered a single **network breach** or **privacy wrongful act** for purposes of this policy, regardless of the number of claimants or **Insureds** involved. All such **network breaches** and **privacy wrongful acts** shall be deemed to have occurred at the time the **Named Insured** first became aware of the earliest of such **network breaches** or **privacy wrongful act**.
6. All **data breaches** giving rise to **privacy notification costs** arising out of a series of related, repeated or similar **data breaches** will be considered a single **data breach** for purposes of this policy, regardless of the number of claimants or **Insureds** involved. All such **data breaches** shall be deemed to have occurred at the time the **Named Insured** first became aware of the first **data breach**.

7. In the event that a **claim, network breach, data breach, personal injury, privacy wrongful act and/or extortion threat** triggers in whole, or in part, more than one Insuring Agreement:

- a. the applicable **deductible** for each such Insuring Agreement shall apply to the portion of such **claim, network breach, data breach, personal injury, privacy wrongful act and/or extortion threat** falling under such Insuring Agreement, provided that the sum of all **deductibles** applicable to such claim under all such Insuring Agreements shall not exceed the largest of such applicable **deductibles**; and
- b. the remaining applicable limits of liability under each such Insuring Agreement shall apply to the portion of such **claim, network breach, data breach, personal injury, privacy wrongful act and/or extortion threat** covered under such Insuring Agreement, provided that the **Company's** maximum aggregate liability for all **claim expenses and damages** falling under all such Insuring Agreements, combined, on account of such **claim, network breach, data breach, personal injury, privacy wrongful act and/or extortion threat** shall not exceed the largest of such remaining applicable limits of liability. This paragraph 7 further limits and does not increase the **Company's** maximum liability with respect to such **claim, network breach, data breach, personal injury, privacy wrongful act and/or extortion threat**.

G. Payments for Trial Attendance

The **Company** will pay as payments for trial attendance up to two hundred and fifty dollars (\$250) for loss of earnings to the **Insured** for each day or part of a day the **Insured** is in attendance, at the **Company's** request, at a trial, hearing or arbitration involving a **claim** against the **Insured**.

Payments for trial attendance pursuant to this section are not subject to the deductible and are in addition to the limits of liability. In no event shall the total amount of payments for trial attendance exceed five thousand dollars (\$5,000) per **policy period**.

V. DEFINITIONS

- A. **Advertising** means material disseminated, broadcast, or published to either the general public or specific market segments which promote the service, business, or product of either (a) the **Named Insured** or (b) a client of the **Named Insured** where such material was disseminated at the prior written request of the **Named Insured**.
- B. **Bodily injury** means physical injury, sickness or disease sustained by any person, including death resulting from any of these at any time. **Bodily injury** also means mental illness, mental anguish, or emotional distress, pain or suffering, or shock sustained by that person, whether or not resulting from physical injury, sickness, disease or death of any person.
- C. **Breach notification law** means a local, state, federal or foreign statute or regulation requiring the **Insured** to protect the confidentiality and/or security of **personally identifiable information** and requires notice to persons whose **personally identifiable information** was accessed or may have reasonably been deemed accessed by an unauthorized person or entity.
- D. **Claim** means:
 1. a written demand received by an **Insured** for monetary damages or services, including the service of suit or initiation of arbitration proceedings;

2. the initiation of a suit or arbitration proceeding against an **Insured** seeking injunctive relief; or
3. with respect to coverage provided under Third Party Insuring Clause I.E.2 only, the institution of a **regulatory proceeding** against the **Named Insured**.

E. Claim expenses mean:

1. reasonable and necessary fees for the defense of a **claim** charged by attorneys designated by the **Company** or designated by the **Insured** with the **Company's** prior written consent;
2. all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, negotiation, arbitration, defense or appeal of a **claim**, if incurred by the **Company** or by the **Insured** with the **Company's** prior written consent; and
3. premiums on appeal bonds, attachment bonds or similar bonds, but the **Company** is not obligated to apply for or furnish any such bond.

In all cases, **claim expenses** do not include **regulatory fines** or attorney fees awarded to a third-party.

Claim expenses will be paid first and will reduce the limit of liability available to pay **damages**. **Claim expenses** do not include (a) fees, costs, or expenses of any **Employee** or officer of the **Company**, (b) salaries, wages, or other compensation of any Employee or officer or any **Insured**, or (c) loss of earnings or other loss of remuneration of any **Insured**.

- F. Cloud service provider** means a third-party service provider that provides infrastructure services, hardware resources, platform services, data storage services or software services contained in a remote location through a public or private network to an **Insured** pursuant to a service level agreement.
- G. Company** means the insurance company named in the Declarations.
- H. Computer system** means a system of computer hardware, software, and associated electronic devices that is operated or owned by the **Named Insured**, a **subsidiary** or a **newly acquired subsidiary**.
- I. Crisis management expenses** means reasonable and necessary fees and expenses incurred by the Insured, including the cost of public relations consultants, credit monitoring services, identity monitoring, and identity restoration, resulting from the Insured's legal obligation to comply with a privacy law.
- J. Damages** means the compensatory portion of a judgment, award or settlement entered into with the **Company's** written consent, and pre-judgment and post-judgment interest on any covered awarded against the **Insured**, and the costs associated with a covered judgment or award.

Damages do not include:

1. the noncompensatory portion of any monetary judgment or award, including a judgment or award for restitution or any other equitable remedy;
2. non-**regulatory fines**, penalties, forfeitures, liquidated damages, sanctions, or taxes;
3. punitive or exemplary damages;

4. the multiplied portion of any multiplied awards;
5. the cost to comply with the non-monetary portion of any judgment or award, including injunctive, equitable, or declaratory relief, specific performance, or any agreement to provide such relief;
6. costs incurred to correct, re-perform or complete any **miscellaneous professional services, technology services**, or media **communications**;
7. discounts, coupons, prizes, awards or other incentives offered to the **Insured's** customers or clients.

However, with respect to any **claim**, it is understood and agreed that **damages** include punitive or exemplary damages if the insuring of punitive or exemplary damages is permitted under the laws and public policy of the applicable jurisdiction.

For the purposes of this policy, the term "applicable jurisdiction" shall mean that jurisdiction most favorable to the insurability of punitive or exemplary damages provided that the jurisdiction is:

- a. where the punitive or exemplary damages were awarded or imposed;
 - b. where any act which forms the basis of the **claim** took place; or
 - c. where the **Insured** against whom the punitive or exemplary damages are awarded is incorporated, resides, or has its principal place of business.
- K. Data breach** means the unauthorized taking, use or disclosure of **personally identifiable information**, in paper or electronic form, or information stored on a **computer system**, including but not limited to, charge, debit, and credit card information, banking, financial, and investment services account information, proprietary information, and personal, private, and confidential information.
- L. Denial of Service Attack** means an unauthorized act by a third-party that affects the normal functioning and operation of the Named Insured's **Computer System** or **Website** resulting in the prevention of authorized.
- M. Employee** means any individual whose labor and service is engaged by and directed by the Insured. This includes part-time, leased and temporary employees, independent contractors and volunteers.
- N. Extortion damages** means money paid by an **Insured** in its capacity as such, with the **Company's** prior written consent to a person reasonably believed to be making an **extortion threat**, for the purpose of ending an **extortion threat** against the **Insured**. **Extortion damages** shall include reasonable and necessary expense incurred by an **Insured** with the **Company's** prior written consent that directly relates to the Insured's efforts to investigate and/or end an **extortion threat**.
- O. Extortion threat** means a credible threat to:
1. hinder, restrict access to, or corrupt an **Insured's computer system or the Insured's Website**;
 2. introduce **malicious code** into an **Insured's computer system**; or

3. disclose, damage or use the confidential information of a third party taken from an **Insured's computer system** as a result of **unauthorized access** to such **computer system**.

P. Insured means the **Named Insured** and any of the persons or entities listed below:

1. any **subsidiary** or **newly acquired subsidiary**;
2. under Section I, Third Party Insuring Agreements, any present or former partner, member, officer, director or **Employee** of the **Named Insured**, a **subsidiary** or a **newly acquired subsidiary**, but only with the respect to acts, errors, omissions, **personal injury**, or **privacy wrongful acts** committed within the scope of such person's duties performed on behalf and for the benefit of the **Named Insured**, a **subsidiary**, or a **newly acquired subsidiary**;
3. under Section I, Third Party Insuring Agreements, any leased **Employee** but only while acting under the direct supervision and exclusively at the direction and for the benefit of the **Named Insured**, a **subsidiary**, or a **newly acquired subsidiary**;
4. under Section I, Third Party Insuring Agreements, the estate, heirs, executors, administrators, assigns and legal representatives of an **Insured** in the event of such **Insured's** death, incapacity, insolvency or bankruptcy, but solely by reason of an act, error, omission, **personal injury**, or **privacy wrongful act** of such **Insured** and only to the extent that such **Insured** would have been provided coverage under this policy; and
5. under Section I, Third Party Insuring Agreements, the lawful spouse, including any natural person qualifying as a domestic partner under the provisions of any applicable state, federal or local law in the United States, of any **Insured**, but solely by reason of an act, error, omission, **personal injury**, or **privacy wrongful act** of the **Insured** other than such spouse or domestic partner and only to the extent that such **Insured** also is provided coverage under this policy.

With respect to subparagraphs 1, 2 and 3 above, a person or entity is an **Insured** only with respect to acts, errors, omissions, **personal injuries**, or **privacy wrongful acts** committed by the **Insured** in its capacity as such. With respect to subparagraphs 4 and 5 above, a person or entity is an **Insured** only with respect to acts, errors, omissions, **personal injuries**, or **privacy wrongful acts** committed by a person or entity that is a **Named Insured** or an **Insured** under subparagraphs 1, 2 or 3, in its capacity as such.

- Q. Liability assumed under contract** means liability for **damages** for **personal injury** which the Insured has assumed under a written indemnity agreement that (i) was executed by the Insured before the occurrence of the **personal injury** for which indemnity is sought, and (ii) applies to **personal injury** caused in whole or in part by the content of a **media communication**.
- R. Malicious code** means an unauthorized, corrupting, or harmful virus, Trojan Horse, worm, logic bomb or other similar software program, code or script designed to insert itself onto a computer disk or into computer memory and migrate from one computer to another.
- S. Media communication** means the publishing, transmission, display, broadcast, web cast, dissemination, distribution or release of information by or on behalf of the **Named Insured**.
- T. Miscellaneous professional services** means those services specified in Item 7. in the Declarations, performed by or on behalf of the **Named Insured** for others, but does not include **technology services**, **media communications**, or any services involving the creation, design,

assembly, leasing, repair, maintenance, development, sale, distribution, installation, licensing or manufacturing of **technology products**.

U. Named Insured means the persons or entities specified in Item 1. in the Declarations.

V. Network breach means:

1. the alleged or actual **unauthorized access** to a **computer system** that results in:
 - a. theft, deletion or corruption of electronic data on a **computer system**;
 - b. a **data breach** in the **computer system**; or
 - c. Denial of Service Attacks against Internet sites or computers; or
2. transmission of **malicious code** from a **computer system**; or
3. negligent and/or inadvertent transmission of a computer virus to a third-party.

W. Newly acquired subsidiary means any entity newly formed or acquired by the **Named Insured** during the **policy period** in which the **Named Insured** has more than fifty percent (50%) of the legal or beneficial interest; provided, however, that if the total assets of an entity that is newly formed or acquired by the **Named Insured** exceed fifteen percent (15%) of the total assets of the **Named Insured**, or if the total revenues of the entity that is newly formed or acquired by the **Named Insured** exceed fifteen percent (15%) of the total revenues of the **Named Insured**, the entity is a **newly acquired subsidiary** only if each of the following conditions take place:

1. within sixty (60) days of such formation or acquisition, the **Named Insured** has provided the **Company** with full particulars of such **newly acquired subsidiary** and the **Company** has agreed in writing to insure such **newly acquired subsidiary**; and
2. the **Named Insured** has paid the additional premium, if any, charged by the **Company** and has agreed to any amendment of the provisions of this policy required by the **Company**.

The **Company** will only provide coverage with respect to a **Claim** when the act, error, omission, **privacy wrongful act or personal injury**, or **extortion threat, network breach, or data breach** is committed on or after the date such **newly acquired subsidiary** qualifies as a **newly qualified subsidiary**.

X. Period of Restoration means the time period that (a) begins after expiration of the **waiting period** following the actual interruption of the use of the **computer system** and (b) ends when the actual interruption of the use of the **computer system** ends. In no event, however, shall the period of restoration exceed sixty (60) days.

Y. Personally identifiable information means an individual's name in combination with one or more of the following:

1. information concerning the individual that constitutes "non-public personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, 15 U.S.C. §6809(4), and regulations issued pursuant to the Act;
2. **protected health information**;
3. the individual's social security number, drivers license or state identification number, credit, debit, or other financial account numbers; or

4. security codes, access codes, passwords or personal identification numbers (PINs) that allow access to the individual's financial account information.

Provided, however, **personally identifiable information** does not mean information that is lawfully available to the public, including information from any local, state, federal or foreign governmental entity or body.

- Z. Personal injury** means injury, other than **bodily injury**, to a third-party arising out of one or more of the following offenses by an **Insured** in a **media communication**:
1. libel, slander, or other defamatory or disparaging statements or materials;
 2. oral or written publication of material that violates an individual's right of privacy;
 3. plagiarism, piracy or misappropriation of ideas or style of doing business; and
 4. infringement or misappropriation of copyright, title, slogan, trademark, trade name, trade dress, logo, service mark or service name.
- AA. Policy period** means the period of time from the effective date shown in Item 3. in the Declarations to the date of termination, expiration or cancellation of this policy, whichever is earliest.
- BB. Pollutants** means any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the United States Environmental Protection Agency or any federal, state, county, municipal or local counterpart thereof or any foreign equivalent. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials, including materials to be recycled, reconditioned, or reclaimed. **Pollutants** shall also mean any other air emission, odor, waste water, oil or oil products, infectious or medical waste, noise, dust, fibers, germs, fungus (including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi) and electric or magnetic or electromagnetic field.
- CC. Privacy law** means a local, state, federal or foreign statute or regulation requiring the protection of **personally identifiable information** and that imposes a civil fine or civil monetary penalty for the unauthorized disclosure of **personally identifiable information**.
- DD. Privacy notification costs** mean reasonable and necessary:
1. costs to hire a security expert to determine the existence and cause of any theft of, **unauthorized access** to, or disclosure of **personally identifiable information**;
 2. costs to notify consumers of a **data breach**;
 3. costs to notify consumers under a **breach notification law or privacy law**; and
 4. fees incurred to determine the actions necessary to comply with a **breach notification law**.
- Privacy notification costs** will be paid first and will reduce the limit of liability available to pay **damages**. **Privacy notification costs** do not mean salaries, fees, costs or expenses of Employees or officers of any Insured or loss of earnings or overhead.
- EE. Privacy policy** means the **Insured's** written policies, practices and procedures for the acquisition, use, disclosure, transmission, correction, or supplementation of **personally identifiable information**.

FF. Privacy wrongful act means:

1. the unintentional disclosure or mishandling of **personally identifiable information** by an **Insured** or a **cloud service provider**;
2. the unauthorized taking, misappropriation or misuse of **personally identifiable information** by a third party or an **Employee**, without the knowledge of any **Insured**, including the theft of **personally identifiable information** by an **Employee** of the **Named Insured**, a **subsidiary** or a **newly acquired subsidiary**;
3. the **Insured's** unintentional failure to timely disclose a **network breach** in violation of any **breach notification law**; or
4. actual or alleged violation of any **privacy law**

GG. Property damage means:

1. physical injury to tangible property, including all resulting loss of use of that property; and
2. loss of use of tangible property that is not physically injured, damaged, lost, or destroyed.

However, with respect to Third Party Insuring Agreement I.B, **property damage** does not mean the failure of a **technology product** that is not physically injured, damaged, lost, or destroyed to properly perform the function intended.

HH. Protected health information means an individual's medical or health care information that constitutes "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and regulations issued pursuant to the Act, 45 C.F.R. 160.103.

II. Reduction in business income means:

1. the additional net profit the Insured would have earned, or the additional net loss the Insured would have avoided or not incurred, if the **network breach** had not occurred;
2. with respect to the Insured's operations dependent on the affected **computer system** only;
3. before taxes; and
4. not including other consequential losses such as contractual penalties, third party liability, and costs incurred to restore, upgrade, or remedy defects in the **computer system**.

JJ. Regulatory fine means a civil fine or civil monetary penalty imposed in a **regulatory proceeding** payable by the **Insured** to the government entity bringing such **regulatory proceeding** in such entity's regulatory or official capacity.

KK. Regulatory proceeding means an administrative proceeding or investigation commenced by or on behalf of any local, state, federal or foreign governmental entity in such entity's regulatory capacity.

LL. Retroactive date means the date shown in Item 8. in the Declarations, on or after which an act or omission must have been committed for coverage under this policy to apply.

- MM. Subsidiary** means any entity of which the **Named Insured** owns, either legally or beneficially, more than a fifty percent (50%) interest. On the date during the **policy period** that the **Named Insured's** legal or beneficial ownership interest in such entity becomes less than fifty percent (50%), such entity will cease to be a **subsidiary** under this policy. In such event, coverage will be provided under this policy, but only with respect to any act, error or omission, **privacy wrongful act or personal injury**, or **extortion threat, network breach, or data breach** committed prior to such date in accordance with all other terms and conditions of this policy. No coverage will be afforded under this policy with respect to **claims** made against an **Insured** based on any act, error, omission, **privacy wrongful act or personal injury, or extortion threat, network breach or data breach** that was committed on or subsequent to such date.
- NN. Technology services** means computer and electronic services,
1. including data processing; data and application hosting; computer systems analysis, consulting and training; programming; and computer systems installation, management, repair, and maintenance;
 2. performed by or on behalf of the **Named Insured** for clients of the **Named Insured**; and
 3. but shall not mean **technology products**.
- OO. Technology product** means a computer or telecommunications hardware or software product that is created, manufactured, developed, distributed, licensed, leased or sold by the **Named Insured**, including software updates, service packs and other maintenance releases provided for such products.
- PP. Unauthorized access** means the gaining of access to a **computer system** by a person or persons not authorized by an **Insured** to do so.
- QQ. Waiting period** means the number of hours shown in Item 5.(g) of the Declarations that must expire before the **period of restoration** begins following an actual interruption of the **computer system**.
- RR. Website** means the designated Uniform Resource Locator address and the content, software and other materials accessible at such site through the Internet.

VI. EXCLUSIONS

This policy does not apply to any **claim**, damages, claim expenses, regulatory fines, **extortion threat, network breach, privacy wrongful act, or data breach**:

A. Deliberate Acts

Based upon or arising out of any dishonest, intentionally or knowingly wrongful, fraudulent, criminal or malicious act or omission by an **Insured**. Criminal proceedings are not covered under this policy regardless of the allegations made against the **Insured**.

B. Personal Profit

Based upon or arising out of the gaining of any **personal profit** or advantage to which the **Insured** is not legally entitled.

C. Prior Acts

Based upon or arising out of:

1. any fact, circumstance, situation, transaction, act, error, omission, or event which, before the inception date of this policy, was the subject of any notice given under any other insurance policy; or
2. any fact, circumstance, situation, transaction, act, error, omission, or event, related to, based on, arising out of, or having a common nexus with any fact, circumstance, situation, transaction, act, error, omission, or event which has been the subject of such notice.

D. Bodily Injury/Property Damage

Based upon or arising out of **bodily injury** or **property damage**.

E. Employment Practices

Based upon or arising out of employer-employee relations, policies, practices, acts, or omissions, any actual or alleged refusal to employ any person, or misconduct with respect to employees, discrimination, humiliation, harassment, or misconduct based on an individual's race, creed, color, age, gender, national origin, religion, disability, marital status or sexual preference or other classification.

F. Ownership

Based upon or arising out of **miscellaneous professional services, technology services, media communications** or **technology products** resulting in a **claim** by any person or entity if on or after the date or time of the act or omission giving rise to such **claim**:

1. any **Insured** controlled, owned, operated or managed such entity; or
2. any **Insured** was an owner, partner, member, director, officer or **Employee** of such person or entity.

Control of or ownership in a business enterprise is presumed if any **Insured** owned or held ten percent (10%) or more of the equity and/or debt instruments of such enterprise.

G. Insured v. Insured

Claims by or on behalf of an **Insured** under this policy against any other **Insured** hereunder. However, this exclusion shall not apply to any **claim**, otherwise covered under this policy:

1. made by an **Employee** of either the **Named Insured** or a **subsidiary** or **newly acquired subsidiary** otherwise covered under Third Party Insuring Agreement I.E.1; or
2. made by an **Employee** of either the **Named Insured** or a **subsidiary** or **newly acquired subsidiary** if a **claim** has been made against the **Employee** because of an act, error, omission, **personal injury** or **privacy wrongful act** by the **Employee** that was not within the scope of his or her duties for an **Insured**.

H. ERISA/Securities

Based upon or arising out of actual or alleged violation of:

1. the Employee Retirement Income Security Act of 1974;
2. the Securities Act of 1933;
3. the Securities Exchange Act of 1934;

or any rules, regulations or amendments issued in relation to such acts, or any similar state or federal statutes or regulations, including any **claim** based upon common law principles of liability.

However, this exclusion shall not apply to any **claim**, otherwise covered under this policy, based on the disclosure of **protected health information**.

I. Pollution

Based upon or arising out of, whether suddenly or over a long period of time, any:

1. actual, alleged or threatened emission, discharge, dispersal, seepage, release or escape of **pollutants**, whether suddenly or over a period of time; or
2. injury, damage, payments, costs or expense incurred as a result of any testing for, monitoring, removal, containment, treatment, detoxification, neutralization or cleanup of any **pollutants**.

J. Contract Liability

Based upon or arising out of the assumption by the **Insured** of any liability, unless such liability would have attached to the **Insured** in the absence of any assumption of liability; however, solely with respect to Third Party Insuring Agreement I.C., this exclusion does not apply to **liability assumed under contract**.

K. Guarantees

Based upon or arising out of any promise, representation, or guarantee:

1. for or relating to return on investment, cost savings, or profits;
2. for or relating to time of delivery; or
3. that commits the **Insured** to a standard of care or skill higher than the applicable industry standard.

L. Advertising

Based upon or arising out of:

1. fees, expenses, cost guarantees, cost representations, pricing guarantees, price representations, contract price, estimates of probable costs, or cost estimates actually or allegedly being exceeded;
2. any actual or alleged gambling, contest, lottery, promotional game or other game of chance;

3. inaccurate, inadequate, or incomplete description of the price of goods, products or services; or
4. the failure of goods, products or services to conform with any represented or implied quality or performance contained in **advertising**.

M. Product Recall

Based upon or arising out of any loss, cost or expenses incurred or that may be incurred by the **Insured** or others for the:

1. adjustment, withdrawal, recall, inspection, repair, replacement, reproduction, removal or disposal of:
 - a. any **technology products**, including any products or other property of others that incorporate **technology products**;
 - b. any products or other property on which **miscellaneous professional services** or **technology services** are performed; or
 - c. any work product resulting from or incorporating the results of **miscellaneous professional services** or **technology services**; or
2. reprinting, recall, withdrawal, removal or disposal of any **media communication**.

N. Business Practice

Based upon or arising out of any actual or alleged anti-trust violation, price fixing, restraint of trade, unfair competition, violation of consumer protection laws, or false, deceptive or unfair trade practices, including a violation of the Sherman Anti-Trust Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act, Organized Crime Control Act of 1970 or any similar local, state, federal, or foreign law. This exclusion, however, does not apply to **claims** based on **privacy wrongful acts** under consumer privacy protection laws, the Federal Trade Commission Act, or similar state laws known as the Little FTC Acts.

O. Patent

Based upon or arising out of any actual or alleged infringement of patent or patent rights or misuse of patent.

P. Privacy

Based upon or arising out of:

1. telemarketing or the distribution of unsolicited email, direct mail, or facsimiles;
2. the collection of information by means of electronic "spiders", "spy bots", "spyware" or similar means, wire tapping or bugging, video camera, or radio frequency identification tags; or
3. the **Insured's** unlawful collection, acquisition or use of **personally identifiable information**, or the **Insured's** failure to comply with a legal requirement to allow a person to opt-in or opt-out of the **Insured's** obtaining, acquisition, compilation or use of their **personally identifiable information**.

Q. Governmental Action

Claims brought by or on behalf of the Federal Trade Commission, the Federal Communications Commission, or any federal, state, local or foreign governmental entity, in such entity's regulatory or official capacity, except a **claim** covered under Third Party Insuring Agreement I.E.2. This exclusion does not apply to **claims** by any such governmental entity that could have been made by a non-governmental entity.

R. Software Responsibility

Based upon or arising out of any actual or alleged failure to install available software product updates and releases, or to apply security-related software patches, to computers and other components of a **computer system**. This exclusion does not apply if the practice and procedure of the **Insured** was to install available software product updates and releases and apply security-related software patches and if the failure to do so was not intentional, or grossly negligent.

S. Recovery of Profits, Royalties and Fees

Based upon or arising out of:

1. accounting or recovery of profits, royalties, fees or other monies claimed to be due from an **Insured** or for alleged excessive or unwarranted fees, compensation or charges of any kind made by an **Insured**; or
2. licensing fees or royalties ordered, directed or agreed to be paid by an **Insured** pursuant to a judgment, arbitration award, settlement agreement or similar order for the use of a person or entity's copyright, title, slogan trademark, trade name, trade dress, service mark, service name, patent, trade secret or other intellectual property right.

T. Acquisitions and Sales

Based upon or arising out of any act, error, omission, **personal injury**, or **privacy wrongful act** committed

1. by any entity newly formed or acquired by any **Insured** unless it becomes a **newly acquired subsidiary**,
2. by any entity that becomes a **newly acquired subsidiary** and before it became a **newly acquired subsidiary**, unless the **Company** agrees by endorsement to the policy to provide such coverage, or
3. by any entity that was a **subsidiary** or **newly acquired subsidiary** after it ceases to be a **subsidiary** or **newly acquired subsidiary**.

U. Mergers

Based upon or arising out of any act, error, omission, **personal injury**, or **privacy wrongful act** committed or any **extortion threat**, **network breach**, or **data breach** that occurs

1. after the **Named Insured**, or all or substantially all of its assets, are acquired by another entity,
2. after the **Named Insured** is merged or consolidated with or into another entity if the **Named Insured** is not the surviving entity, or

3. after any person or entity or group of persons and entities obtains the right to vote, select, or appoint more than fifty percent (50%) of the directors of the **Named Insured**.

V. Prior and Pending

based upon or arising out of, or in any way involving

1. any prior and/or pending, litigation, administrative or regulatory proceeding, demand letter or formal or informal governmental investigation which any **Insured** had knowledge of prior to the Continuity Date set forth in Item 9. of the Declarations, or
2. any fact, circumstance, situation, transaction or event, or series of similar facts, circumstances, situations, events or transactions underlying or alleged in such litigation, administrative or regulatory proceeding, demand letter or formal or informal governmental investigation or inquiry;

regardless of the legal theory upon which such **claim** is based.

W. Electrical Failure

based upon or arising out of, or in any way involving any electrical failure including electrical power interruption, surge, brownout or blackout, except this exclusion does not apply when the electrical failure is solely caused by an Insured's actual negligence in performing **technology services**. Loss of use means the inability to use or access such electric products, systems, work or property resulting from withdrawal or recall of such products, systems, work or property.

X. Electromagnetic Discharge

based upon, arising out of, or in way involving the existence, emission or discharge of any electromagnetic field, radiation or magnetism that allegedly or actually affects, health, safety or condition of any person or environment, or that affects the value, marketability, condition or use of any property.

VII. CONDITIONS

A. Reporting of Claims, Potential Claims, Extortion Threats, Network Breaches, and Data Breaches

1. The **Insured**, as a condition precedent to the obligations of the **Company** under this policy, will give written notice to the **Company** of any **claim** made against the **Insured**, and any **extortion threat, network breach, privacy wrongful act, or data breach**, as soon as reasonably possible during the **policy period**.

The **Company** agrees that the **Insured** may have up to, but not more than, sixty (60) days after the policy expiration to report in writing to the **Company** a **claim** made against the **Insured** during the **policy period**, if the reporting of such **claim** is as soon as reasonably possible.

The **Company** further agrees that the **Insured** may have up to, but not more than, sixty (60) days after the policy expiration to report in writing to the **Company** an **extortion threat, network breach, privacy wrongful act, or data breach** that occurred during the **policy period**, if the reporting of such event is as soon as reasonably possible.

2. If during the **policy period**, any **Insured** becomes aware of any act, error omission, **personal injury** or **privacy wrongful act** which may reasonably be expected to be the basis of a **claim** against any **Insured**, including but not limited to any notice, advice or threat, whether written or verbal, that any person or entity intends to hold the **Insured** responsible for any alleged act, error omission, **personal injury** or **privacy wrongful act**, and if during the **policy period** the **Insured** gives written notice to the **Company** of all available particulars, including:
- a. the specific act, error omission, **personal injury** or **privacy wrongful act**;
 - b. the dates and persons involved;
 - c. the identity of anticipated or possible claimants;
 - d. the circumstances by which the **Insured** first became aware of the possible claim; and
 - e. potential damages or injury;

then any **claim** that is subsequently made against the **Insured** arising out of such act or omission will be deemed to have been made on the date such written notice was received by the **Company**. Said documents and information should be mailed to the **Company** at the following address:

XL Group
P.O. Box 614002
Orlando, Florida 32861-4002
proclaimnewnotices@xlgroup.com

B. Assistance and Cooperation

- 1. The **Insured** will cooperate with the **Company** and upon the **Company's** request, attend hearings, depositions and trials and assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits and proceedings in connection with a **claim** or the obligation to pay **privacy notification costs**.
- 2. The **Insured** will assist in the enforcement of any right of contribution or indemnity against any person or organization who or which may be liable to any **Insured** in connection with a **claim** or the payment of **privacy notification costs**.
- 3. The **Insured** will not, except at the **Insured's** own cost, voluntarily make any payment, assume or admit any liability or incur any expense without the prior written consent of the **Company**.

C. Action Against the Company

- 1. No action may be brought against the **Company** unless, as a condition precedent thereto:
 - a. The **Insured** has fully complied with all the terms of this policy; and
 - b. With respect to liability to pay damages or regulatory fines under Third Party Insuring Agreements I.A, I.B, I.C, I.D, and I.E, the amount of the **Insured's** obligation to pay has been finally determined either by judgment against the

Insured after actual trial and appeal or by written agreement of the **Insured**, the claimant and the **Company**.

2. Nothing contained in this policy will give any person or organization the right to join the **Company** as a defendant or co-defendant or other party in any action against the **Insured** to determine the **Insured's** liability.

D. Bankruptcy

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate will not relieve the **Company** of any of its obligations hereunder.

E. Other Insurance

This policy is excess over any other valid and collectible insurance applicable to a **claim, extortion threat, network breach, privacy wrongful act, or data breach**, whether such other insurance is stated to be primary, contributory, excess, contingent, or otherwise.

F. Subrogation

In the event of any payment for any **damages, claim expenses, extortion damages**, costs of public relations consultants, reduction of business income, or **privacy notification costs** under this policy, the **Company** will be subrogated in the amount of such payment to all the **Insured's** rights of recovery against any person or organization. The **Insured** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** will do nothing to prejudice such rights.

G. Changes

Notice to any agent of the **Company** or knowledge possessed by any such agent or by any other person will not affect a waiver or a change in any part of this policy, and will not prevent or preclude the **Company** from asserting or invoking any right or provision of this policy. None of the provisions of this policy will be waived, changed or modified except by a written endorsement issued by the **Company** to form a part of this policy.

H. Cancellation/Nonrenewal

1. This policy may be cancelled by the **Named Insured** by returning it to the **Company**. The **Named Insured** may also cancel this policy by giving written notice to the **Company** stating at what future date cancellation is to be effective.
2. The **Company** may cancel or nonrenew this policy by sending written notice to the **Named Insured** at the address last known to the **Company**. The **Company** will provide written notice at least sixty (60) days before cancellation or nonrenewal is to be effective. However, if the **Company** cancels this policy because the **Insured** has failed to pay a premium when due, this policy may be canceled by the **Company** by mailing to the **Named Insured** written notice stating when, not less than ten (10) days thereafter, such cancellation will be effective. The time of surrender of the policy or the effective date and hour of cancellation stated in the notice will become the end of the **policy period**. Delivery of such written notice either by the **Named Insured** or by the **Company** will be equivalent to mailing.
3. If the **Company** cancels this policy, the earned premium will be computed pro rata. If the **Named Insured** cancels this policy, the **Company** will retain the customary short rate proportion of the premium. 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.

4. The offering of terms and conditions different from the expiring terms and conditions, including limits of liability, deductible or premium, shall not constitute a refusal to renew or a cancellation of this policy.

I. Territory

This Insurance applies to **claims** made anywhere in the world provided that any suit is brought against the **Insured** within the United States of America, its territories or possessions, Puerto Rico or Canada.

J. Named Insured Sole Agent

The **Named Insured** will be the sole agent and will act on behalf of all **Insureds** for the purpose of giving or receiving any notices, any amendments to or cancellation of this policy, for the completing of any applications and the making of any statements, representations and warranties, for the payment of any premium and the receipt of any return premium that may become due under this policy, for the payment of the deductible and the exercising or declining to exercise any right under this policy including the purchase of an Extended Reporting Period.

K. Entire Contract

By acceptance of this policy the **Insured** warrants that:

1. All of the information and statements provided to the **Company** by the **Insured**, including but not limited to the application and any supplemental information, are true, accurate and complete and will be deemed to constitute material representations made by the **Insured**;
2. This policy is issued in reliance upon the **Insured's** representations;
3. This policy, endorsements thereto, together with the completed and signed application and any and all supplementary information and statements provided by the **Insured** to the **Company** (all of which are attached hereto and deemed to be incorporated herein) embody all of the agreements existing between the **Insured** and the **Company** and shall constitute the entire contract between the **Insured** and the **Company**; and
4. Any material misrepresentation or concealment by the **Insured** or the **Insured's** agent will render the policy null and void and relieve the **Company** from all liability herein.

L. Notices

Any notices required to be given by the **Insured** will be submitted in writing to the **Company** or its authorized representative at the address specified in the Declarations. If mailed, the date of mailing of such notice will be deemed to be the date such notice was given and proof of mailing will be sufficient proof of notice.

M. Assignment

No assignment of interest of the **Insured** under this policy is valid, unless the **Company's** written consent is endorsed hereon.

N. Innocent Insureds

Whenever coverage under this policy would be excluded because of dishonest, fraudulent, criminal or malicious acts or omissions, the **Company** agrees that such insurance as would otherwise be afforded under this policy, will be applicable with respect to those **Insureds** who did not personally participate or personally acquiesce in or remain passive after having knowledge of such conduct. Each **Insured** must promptly comply with all provisions of this policy upon learning of any concealment.

VIII. EXTENDED REPORTING PERIODS

Extended Reporting Period means the applicable period of time after the end of the **policy period** for reporting **claims** to the **Company** that are first made against the **Insured** after the **policy period** or for reporting **extortion threats, network breaches, privacy wrongful acts, or data breaches** that the **Insured** first becomes aware of after the policy period. In the case of **claims**, the Extended Reporting Period applies only to a **claim** by reason of an act, error, omission, **personal injury**, or **privacy wrongful act** that is committed prior to the end of the **policy period** and on or subsequent to the **retroactive date** and that is otherwise covered by this policy. In the case of **extortion threats, network breaches, privacy wrongful acts, or data breaches**, the Extended Reporting Period applies only to **extortion threats, network breaches, privacy wrongful acts, or data breaches** that occur during the **policy period** and are otherwise covered by this policy.

A. Automatic Extended Reporting Period

If this policy is cancelled or nonrenewed by either the **Company** or by the **Named Insured**, the **Company** will provide to the **Named Insured** an automatic, noncancelable Extended Reporting Period starting at the termination of the **policy period** if the **Named Insured** has not obtained another policy of errors and omissions insurance within sixty (60) days of the termination of the **policy period**. This automatic Extended Reporting Period will terminate after sixty (60) days.

B. Optional Extended Reporting Period

1. If this policy is cancelled or nonrenewed by either the **Company** or by the **Named Insured**, then the **Named Insured** will have the right to purchase an optional Extended Reporting Period of one (1) or three (3) years. Such right must be exercised by the **Named Insured** within sixty (60) days of the termination of the **policy period** by providing:
 - a. written notice to the **Company**; and
 - b. with the written notice, the amount of additional premium described below.
2. The additional premium for the optional Extended Reporting Period will be:
 - a. for a one (1) year Extended Reporting Period, seventy-five percent (75%) of the annual premium for the policy; or
 - b. for a three (3) year Extended Reporting Period, one hundred fifty percent (150%) of the annual premium for the policy.
3. The first sixty (60) days of the optional Extended Reporting Period, if it is purchased, shall run concurrently with the automatic Extended Reporting Period.

C. Extended Reporting Period Limits of Liability

The limit of liability of the **Company** for all **claims** reported during the automatic and optional Extended Reporting Periods will be part of and not in addition to the limits of liability for the **policy period** set forth in **Item 4.** in the Declarations.

D. Elimination of Right to Any Extended Reporting Period

There is no right to any Extended Reporting Period if the **Company** cancels or refuses to renew this policy due to:

1. nonpayment of amounts due under this policy;
2. noncompliance by the **Insured** with any of the terms and conditions of this policy; or
3. any material misrepresentation or omission in the application or the supplementary information and statements provided by the **Insured** for this policy.

E. Extended Reporting Period - Not a New Policy

The Extended Reporting Period will not be construed to be a new policy and any **claim, Extortion Threat, Network Breach** or **Data Breach** reported during such period will otherwise be governed by this policy.

IN WITNESS

INDIAN HARBOR INSURANCE COMPANY

REGULATORY OFFICE
505 EAGLEVIEW BOULEVARD, SUITE 100
DEPARTMENT: REGULATORY
EXTON, PA 19341-1120
PHONE: 800-688-1840

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.



Joseph Tocco
President



Toni Ann Perkins
Secretary

ENDORSEMENT #001

This endorsement, effective 12:01 a.m., January 1, 2015 forms a part of Policy No. MTP003949202 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LONG NAMED INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

XL ECLIPSE PRO 2.0 - TECHNOLOGY AND MISCELLANEOUS PROFESSIONAL SERVICES, TECHNOLOGY PRODUCTS, NETWORK SECURITY, PRIVACY, AND MEDIA COMMUNICATIONS INSURANCE POLICY

In consideration of the premium paid, it is hereby understood and agreed that **Item 1. NAMED INSURED** on the Declarations of the Policy is deleted in its entirety and replaced with the following:

Item 1: NAMED INSURED: THE PARTICIPATING MEMBERS OF THE NEW JERSEY UTILITY
AUTHORITIES JOINT INSURANCE FUND

All other provisions of this policy remain the same.

ENDORSEMENT #002

This endorsement, effective 12:01 a.m., January 1, 2015 forms a part of Policy No. MTP003949202 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANUSCRIPT ENDORSEMENT

This endorsement modifies insurance provided under the following:

XL ECLIPSE PRO 2.0 - TECHNOLOGY AND MISCELLANEOUS PROFESSIONAL SERVICES, TECHNOLOGY PRODUCTS, NETWORK SECURITY, PRIVACY, AND MEDIA COMMUNICATIONS INSURANCE POLICY

INSURING AGREEMENTS ENDORSEMENT

In consideration of the premium charged, it is understood and agreed that in **Section I. THIRD PARTY INSURING AGREEMENTS**, items **A. (Technology and Miscellaneous Professional Services Liability Coverage)** and **B. (Technology Products Liability Coverage)** are deleted in their entirety.

All other provisions of this policy remain unchanged.

ENDORSEMENT #003

This endorsement, effective 12:01 a.m., January 1, 2015 forms a part of Policy No. MTP003949202 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANUSCRIPT ENDORSEMENT

This endorsement modifies insurance provided under the following:

XL ECLIPSE PRO 2.0 - TECHNOLOGY AND MISCELLANEOUS PROFESSIONAL SERVICES, TECHNOLOGY PRODUCTS, NETWORK SECURITY, PRIVACY, AND MEDIA COMMUNICATIONS INSURANCE POLICY

INSURED ENDORSEMENT

In consideration of the premium charged, it is understood and agreed that the entity(ies) named below shall be added as **Insureds** under this policy, but only for acts or omissions committed after the specified retroactive date (if applicable)

Insured: BAYONNE MUNICIPAL UTILITIES AUTHORITY; BAYSHORE REGIONAL SEWAGE AUTHORITY; BEACHWOOD SEWERAGE AUTHORITY; BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; BERKELEY TOWNSHIP SEWERAGE AUTHORITY; BERNARDS SEWERAGE AUTHORITY; BORDENTOWN SEWERAGE AUTHORITY; BRICK TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; BUENA BOROUGH MUNICIPAL UTILITIES AUTHORITY; CAPE MAY COUNTY MUNICIPAL UTILITIES AUTHORITY; CARLSTADT SEWERAGE AUTHORITY; CARNEY'S POINT SEWERAGE AUTHORITY; CINNAMINSON SEWERAGE AUTHORITY; CLINTON TOWNSHIP SEWERAGE AUTHORITY; DEPTFORD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; EATONTOWN SEWERAGE AUTHORITY; EGG HARBOR TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; EVESHAM MUNICIPAL UTILITIES AUTHORITY; FRANKLIN TOWNSHIP SEWERAGE AUTHORITY; HACKETTSTOWN MUNICIPAL UTILITIES AUTHORITY; HAMILTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; HANOVER TOWNSHIP SEWERAGE AUTHORITY; HILLSBOROUGH MUNICIPAL UTILITIES AUTHORITY; JACKSON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; KEARNY MUNICIPAL UTILITIES AUTHORITY; LACEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; LAKEWOOD MUNICIPAL UTILITIES AUTHORITY; LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY; LITTLE EGG HARBOR MUNICIPAL UTILITIES AUTHORITY; LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; LONG BRANCH SEWERAGE AUTHORITY; LOWER TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; MANASQUAN RIVER REGIONAL SEWERAGE AUTHORITY; MANTUA TOWNSHIP MUNICIPAL UTILITIES AUTHORITY;	Retroactive Date: January 1, 2013

MERCHANTVILLE-PENNSAUKEN WATER COMMISSION; MIDDLETOWN TOWNSHIP SEWERAGE AUTHORITY; MONMOUTH BAYSHORE OUTFALL AUTHORITY; MONROE MUNICIPAL UTILITIES AUTHORITY; MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY; MUSCONETCONG SEWERAGE AUTHORITY; NORTH ARLINGTON-LYNDHURST JOINT MEETING; NORTH BERGEN MUNICIPAL UTILITIES AUTHORITY; NORTHWEST BERGEN COUNTY UTILITIES AUTHORITY; OCEAN TOWNSHIP SEWERAGE AUTHORITY; PASSAIC VALLEY WATER COMMISSION; PENNS GROVE SEWERAGE AUTHORITY; PENNSAUKEN SEWERAGE AUTHORITY; PENNSVILLE SEWERAGE AUTHORITY; PINE HILL BOROUGH MUNICIPAL UTILITIES AUTHORITY; PLAINFIELD AREA REGIONAL SEWERAGE AUTHORITY; PLAINFIELD MUNICIPAL UTILITIES AUTHORITY; POMPTON LAKES MUNICIPAL UTILITIES AUTHORITY; RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; READINGTON-LEBANON SEWERAGE AUTHORITY; RIVERSIDE SEWERAGE AUTHORITY; ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY; SECAUCUS MUNICIPAL UTILITIES AUTHORITY; SOMERSET RARITAN VALLEY SEWERAGE AUTHORITY; SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY; STONY BROOK REGIONAL SEWARAGE AUTHORITY; TOMS RIVER MUNICIPAL UTILITIES AUTHORITY; UNION COUNTY UTILITIES AUTHORITY; TWO RIVERS WATER RECLAMATION AUTHORITY; UNION COUNTY UTILITIES AUTHORITY; WANAQUE VALLEY REGIONAL SEWERAGE AUTHORITY; WARREN COUNTY PEQUEST RIVER MUNICIPAL UTILITIES AUTHORITY; WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY (GLOUCESTER COUNTY); WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY (MORRIS COUNTY); WEST MILFORD MUNICIPAL UTILITIES AUTHORITY; WESTERN MONMOUTH MUNICIPAL UTILITIES AUTHORITY; WOODBINE MUNICIPAL UTILITIES AUTHORITY; WOODSTOWN SEWERAGE AUTHORITY;	

It is further understood and agreed that this endorsement shall not serve to increase the **Company's** limit of liability.

All other provisions of this policy remain unchanged.

ENDORSEMENT #004

This endorsement, effective 12:01 a.m., January 1, 2015 forms a part of Policy No. MTP003949202 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company

SERVICE OF PROCESS

The Commissioner of Insurance of the State of New Jersey is hereby designated the true and lawful attorney of the Company upon whom may be served all lawful process in any action, suit or proceeding arising out of this policy. The Company further designates:

Sarah Mims
Assistant Secretary
505 Eagleview Boulevard, Suite 100
Exton, Pennsylvania 19341-0636

as its agent in New Jersey to whom such process shall be forwarded by the Commissioner of Insurance.

For Illinois exposures, the Insurer further designates the Director of the Illinois Division of Insurance and his successors in office, as its 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 an Illinois exposure and this contract of insurance.

All other terms and conditions of this policy remain unchanged.

(Authorized Representative)





XL CATLIN
Brookfield Place
200 Liberty Street, 22nd Floor
New York, NY 10281
USA
Phone +1 212-915-7000
Fax +1 212-945-0820
www.xlcatlin.com

February 14, 2017

Mr. Mark Dillard
Public Risk Underwriters of Texas
101 W. Renner Road, Suite 450
Richardson, TX 75082

RE: NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
Policy Number : MTP003949204

Dear Mark:

We are pleased to enclose an original and one (1) copy of the above captioned policy.

Thank you for placing your insurance coverage with XL Catlin. We at XL Catlin feel that a key element of service to our brokers and insureds is efficient claims handling.

Enclosed please find instructions that should be followed in the event of a claim. Should any problems or questions arise concerning claims reporting procedures, you may contact XL Catlin Claims Administrators, Inc. at 1-800-432-2481.

Thank you for considering our office.

Sincerely,

A handwritten signature in cursive script that reads "Scott Schleicher".

Scott Schleicher
Senior Underwriter
XL Catlin

Enclosures

WINS ACCOUNT # 0005219066



Claims Reporting Information

XL CATLIN

Please be advised of the following claims reporting address:

via email:

proclaimnewnotices@xlcattlin.com

OR

via regular mail:

XL Catlin
c/o Xerox
PO Box 614002
Orlando, FL 32861-4002



INSURANCE
CYBER &
Technology

Thank you for choosing XL Catlin for your cyber liability insurance. We value your business and look forward to working with you.

Use the information below for contacting the XL Catlin Data Breach Hotline and for accessing XL Catlin's new online resource – [CyberRiskIQ.com](https://www.CyberRiskIQ.com) that provides easily accessible support for cybersecurity readiness and incident response services.

XL Catlin Data Breach Hotline

Should you experience a data breach event, call our data breach hotline at **1-855-566-4724** for immediate triage assistance. Please be aware that contacting the data breach hotline does NOT satisfy the claim notification requirements of your policy. For claims notification requirements, refer to your policy.

[CyberRiskIQ.com](https://www.CyberRiskIQ.com)

As an XL Catlin policyholder, your company has access to XL Catlin's new online resource – [CyberRiskIQ.com](https://www.CyberRiskIQ.com), containing information and technical resources that can assist you in the prevention of network attacks, cyber and privacy losses, and support you in the timely reporting and recovery of losses if an incident occurs. **Through a secure login on [CyberRiskIQ.com](https://www.CyberRiskIQ.com), you can access:**

- **Cyber Liability Library:** latest cyber risk articles and videos, as well as product and policy information from our XL Catlin cyber team.
- **Incident Roadmap:** suggested steps to take following a network or data breach incident.
- **Vendor Partner Resources:** a directory to help clients gain quick access to our recently expanded, pre-qualified network of third-party resources with expertise in pre- and post-breach disciplines, including network vulnerability testing, IT risk assessments, incident response planning, security awareness training, PCI compliance, security incident response planning, data breach tabletops, and more.
- **Meet the Team:** includes XL Catlin Cyber/Tech team contact information
- **News Center:** articles and commentary discussing trends, major breach events, security awareness strategies and, risk management guidance and helpful industry links.
- **Risk Manager's Toolbox:** includes a cyber-risk assessment survey, breach notification guides, what-if modeling tools to estimate the cost of a breach, research tools to monitor the type, frequency and severity of incidents occurring in your business sector, as well as privacy awareness training videos.

To register and access content on XL Catlin's [CyberRiskIQ.com](https://www.CyberRiskIQ.com)

- Go to www.CyberRiskIQ.com
- Complete the registration form and include your access code. **Your access code is 10448.**
- Once registered, you can access the portal immediately with the User ID and password you established during registration.

Please note the following:

- [CyberRiskIQ.com](https://www.CyberRiskIQ.com) is a private site for customers of XL Catlin only. Do not share portal access instructions with anyone outside your organization. You are responsible for maintaining the confidentiality of the **Access Code** provided to you.
- Up to three individuals from your organization may register and use the portal. Ideal candidates include your company's Risk Manager, Compliance Manager, Privacy Officer, IT Operations Manager or Legal Counsel.
- This portal contains a directory of experienced providers of cyber risk management and breach recovery services. XL Catlin does not endorse these companies or their respective services. Before you engage any of these companies, we urge you to conduct your own due diligence to ensure the companies and their services meet your needs. Unless otherwise indicated or approved, payment for services provided by these companies is your responsibility.

.....

MAKE YOUR WORLD GO

xlcattlin.com

XL Catlin is the global brand used by XL Group plc's insurance subsidiaries. In the US, the insurance companies of XL Group plc are: Catlin Indemnity Company, Catlin Insurance Company, Inc., Catlin Specialty Insurance Company, Greenwich Insurance Company, Indian Harbor Insurance Company, XL Insurance America, Inc., XL Insurance Company of New York, Inc., and XL Specialty Insurance Company. Not all of the insurers do business in all jurisdictions, nor is coverage available in all jurisdictions. Information and ratings (if listed) accurate as of December, 2015

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NOTICE TO POLICYHOLDERS

PRIVACY POLICY

The XL Catlin insurance group (the “Companies”), believes personal information that we collect about our customers, potential customers, and proposed insureds (referred to collectively in this Privacy Policy as “customers”) must be treated with the highest degree of confidentiality. For this reason and in compliance with the Title V of the Gramm-Leach-Bliley Act (“GLBA”), we have developed a Privacy Policy that applies to all of our companies. For purposes of our Privacy Policy, the term “personal information” includes all information we obtain about a customer and maintain in a personally identifiable way. In order to assure the confidentiality of the personal information we collect and in order to comply with applicable laws, all individuals with access to personal information about our customers are required to follow this policy.

Our Privacy Promise

Your privacy and the confidentiality of your business records are important to us. Information and the analysis of information is essential to the business of insurance and critical to our ability to provide to you excellent, cost-effective service and products. We understand that gaining and keeping your trust depends upon the security and integrity of our records concerning you. Accordingly, we promise that:

1. We will follow strict standards of security and confidentiality to protect any information you share with us or information that we receive about you;
2. We will verify and exchange information regarding your credit and financial status only for the purposes of underwriting, policy administration, or risk management and only with reputable references and clearinghouse services;
3. We will not collect and use information about you and your business other than the minimum amount of information necessary to advise you about and deliver to you excellent service and products and to administer our business;
4. We will train our employees to handle information about you or your business in a secure and confidential manner and only permit employees authorized to use such information to have access to such information;
5. We will not disclose information about you or your business to any organization outside the XL Catlin insurance group of Companies or to third party service providers unless we disclose to you our intent to do so or we are required to do so by law;
6. We will not disclose medical information about you, your employees, or any claimants under any policy of insurance, unless you provide us with written authorization to do so, or unless the disclosure is for any specific business exception provided in the law;
7. We will attempt, with your help, to keep our records regarding you and your business complete and accurate, and will advise you how and where to access your account information (unless prohibited by law), and will advise you how to correct errors or make changes to that information; and
8. We will audit and assess our operations, personnel and third party service providers to assure that your privacy is respected.

Collection and Sources of Information

We collect from a customer or potential customer only the personal information that is necessary for (a) determining eligibility for the product or service sought by the customer, (b) administering the product or service obtained, and (c) advising the customer about our products and services. The information we collect generally comes from the following sources:

- Submission – During the submission process, you provide us with information about you and your business, such as your name, address, phone number, e-mail address, and other types of personal identification information;
- Quotes – We collect information to enable us to determine your eligibility for the particular insurance product and to determine the cost of such insurance to you. The information we collect will vary with the type of insurance you seek;

- Transactions – We will maintain records of all transactions with us, our affiliates, and our third party service providers, including your insurance coverage selections, premiums, billing and payment information, claims history, and other information related to your account;
- Claims – If you obtain insurance from us, we will maintain records related to any claims that may be made under your policies. The investigation of a claim necessarily involves collection of a broad range of information about many issues, some of which does not directly involve you. We will share with you any facts that we collect about your claim unless we are prohibited by law from doing so. The process of claim investigation, evaluation, and settlement also involves, however, the collection of advice, opinions, and comments from many people, including attorneys and experts, to aid the claim specialist in determining how best to handle your claim. In order to protect the legal and transactional confidentiality and privileges associated with such opinions, comments and advice, we will not disclose this information to you; and
- Credit and Financial Reports – We may receive information about you and your business regarding your credit. We use this information to verify information you provide during the submission and quote processes and to help underwrite and provide to you the most accurate and cost-effective insurance quote we can provide.

Retention and Correction of Personal Information

We retain personal information only as long as required by our business practices and applicable law. If we become aware that an item of personal information may be materially inaccurate, we will make reasonable effort to re-verify its accuracy and correct any error as appropriate.

Storage of Personal Information

We have in place safeguards to protect data and paper files containing personal information.

Sharing/Disclosing of Personal Information

We maintain procedures to assure that we do not share personal information with an unaffiliated third party for marketing purposes unless such sharing is permitted by law. Personal information may be disclosed to an unaffiliated third party for necessary servicing of the product or service or for other normal business transactions as permitted by law.

We do not disclose personal information to an unaffiliated third party for servicing purposes or joint marketing purposes unless a contract containing a confidentiality/non-disclosure provision has been signed by us and the third party. Unless a consumer consents, we do not disclose “consumer credit report” type information obtained from an application or a credit report regarding a customer who applies for a financial product to any unaffiliated third party for the purpose of serving as a factor in establishing a consumer’s eligibility for credit, insurance or employment. “Consumer credit report type information” means such things as net worth, credit worthiness, lifestyle information (piloting, skydiving, etc.) solvency, etc. We also do not disclose to any unaffiliated third party a policy or account number for use in marketing. We may share with our affiliated companies information that relates to our experience and transactions with the customer.

Policy for Personal Information Relating to Nonpublic Personal Health Information

We do not disclose nonpublic personal health information about a customer unless an authorization is obtained from the customer whose nonpublic personal information is sought to be disclosed. However, an authorization shall not be prohibited, restricted or required for the disclosure of certain insurance functions, including, but not limited to, claims administration, claims adjustment and management, detection, investigation or reporting of actual or potential fraud, misrepresentation or criminal activity, underwriting, policy placement or issuance, loss control and/or auditing.

Access to Your Information

Our employees, employees of our affiliated companies, and third party service providers will have access to information we collect about you and your business as is necessary to effect transactions with you. We may also disclose information about you to the following categories of person or entities:

- Your independent insurance agent or broker;
- An independent claim adjuster or investigator, or an attorney or expert involved in the claim;
- Persons or organizations that conduct scientific studies, including actuaries and accountants;
- An insurance support organization;
- Another insurer if to prevent fraud or to properly underwrite a risk;
- A state insurance department or other governmental agency, if required by federal, state or local laws; or
- Any persons entitled to receive information as ordered by a summons, court order, search warrant, or subpoena.

Violation of the Privacy Policy

Any person violating the Privacy Policy will be subject to discipline, up to and including termination.

For more information or to address questions regarding this privacy statement, please contact your broker.

NOTICE TO POLICYHOLDERS

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")

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 Policyholder Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC and possibly the U.S. Department of State. **Please read this Policyholder Notice carefully.**

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
- Narcotics traffickers

as *Specially Designated Nationals and Blocked Persons*. This list can be found on the U.S. Department of the Treasury's web site - <http://www.treas.gov/ofac>.

The Secretary of the Treasury also has identified a number of entities in the insurance, petroleum, and petrochemicals industries determined to be owned or controlled by the Iranian government. Business transactions with any of these entities are expressly prohibited. These entities have been added to OFAC's list of *Financial Institutions Determined To Be Owned or Controlled by the Government of Iran*. This list can be found on the U.S. Department of the Treasury's web site - <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/iran.aspx>, see List of CISADA and NDAA Prohibitions or Conditions

In accordance with OFAC regulations, or any applicable regulation promulgated by the U.S. Department of State, 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 will be immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

NOTICE TO POLICYHOLDERS

FRAUD NOTICE

Arkansas	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Colorado	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 for insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.
District of Columbia	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.
Florida	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 of the third degree.
Kansas	A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.
Kentucky	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.
Louisiana	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Maine	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 denial of insurance benefits.
Maryland	Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
New Jersey	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO POLICYHOLDERS

New Mexico	ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.
New York	General: All applications for commercial insurance, other than automobile insurance: 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 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. All applications for automobile insurance and all claim forms: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation. Fire: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime. The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.
Ohio	Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
Oklahoma	WARNING: 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.
Pennsylvania	All Commercial Insurance, Except As Provided for Automobile Insurance: 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. Automobile Insurance: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.

NOTICE TO POLICYHOLDERS

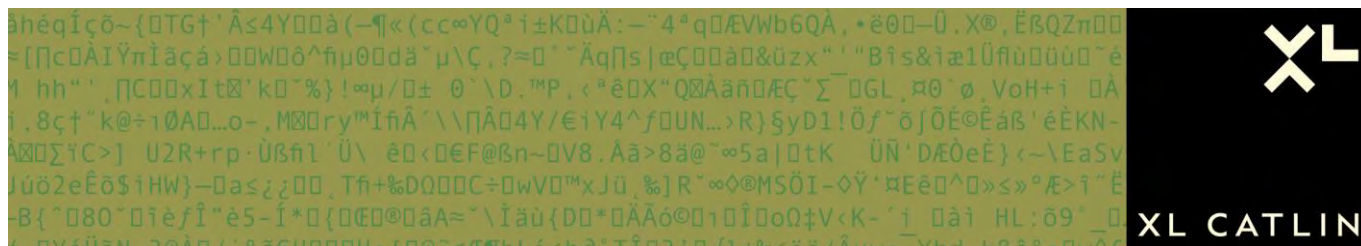
Puerto Rico	Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.
Rhode Island	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Tennessee	All Commercial Insurance, Except As Provided for Workers' Compensation It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits. Workers' Compensation: It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.
Utah	Workers' Compensation: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.
Virginia	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
Washington	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
West Virginia	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
All Other States	Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison. (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties).

NOTICE TO POLICYHOLDERS

NEW JERSEY

NEW JERSEY POLICY HOLDER NOTICE

NOTICE TO POLICYHOLDER: THIS POLICY IS WRITTEN BY A DOMESTIC SURPLUS LINES INSURER, AN ELIGIBLE UNAUTHORIZED INSURER PURSUANT TO SECTION 2 OF P.L. 2011 c.39 (C. 17:22-6.69b), AND IS NOT SUBJECT TO THE RATE OR FORM FILING OR APPROVAL REQUIREMENTS OF THE NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE. THIS POLICY MAY CONTAIN CONDITIONS, LIMITATIONS, EXCLUSIONS AND DIFFERENT TERMS THAN A POLICY OTHERWISE ISSUED BY A NEW JERSEY AUTHORIZED OR ADMITTED INSURER. THIS POLICY IS NOT COVERED BY THE NEW JERSEY PROPERTY-LIABILITY GUARANTY ASSOCIATION. THIS POLICY MAY BE COVERED BY THE NEW JERSEY SURPLUS LINES INSURANCE GUARANTY FUND, BUT ONLY TO THE EXTENT PROVIDED PURSUANT TO SECTION 2 OF P.L. 1984, c. 101 (C. 17:22-6.71).



Regulatory Office

505 Eagleview Blvd., Ste. 100

Dept: Regulatory

Exton, PA 19341-1120

(800) 688-1840

Company Providing Coverage: **Indian Harbor Insurance Company**

Cyber and Technology Liability Policy

DECLARATIONS

NOTICE:

THIS INSURANCE IS ISSUED PURSUANT TO THE NEW JERSEY SURPLUS LINES LAW.

POLICY NUMBER: MTP003949204 RENEWAL OF: MTP003949203

ITEM 1. NAMED INSURED: NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
Address: 9 CAMPUS DRIVE
SUITE 16
PARSIPPANY, NJ 07054

ITEM 2. POLICY PERIOD:
Effective Date: January 1, 2017 Expiration Date: January 1, 2018
12:01 A.M. Standard Time at the address of the Named Insured as stated herein.

ITEM 3. PREMIUM: \$ 60,912

ITEM 4. NOTICE OF A CLAIM:

By email: proclaimnewnotices@xlcatlin.com; or

By certified post mail: XL Catlin, P.O. Box 614002, Orlando, Florida 32861-4002.

ITEM 5. XL BREACH HOTLINE: 1.855.566.4724

ITEM 6. PROFESSIONAL SERVICES:

N/A

ITEM 7. COVERAGE SCHEDULE:

LIMIT OF LIABILITY ELECTION			
Combined Limits		Separate Limits	
☒		☐	
Combined Policy Aggregate Limit	6,000,000	Data Breach Response and Crisis Management Aggregate Limit	N/A
		Third and First Party Aggregate Limit	N/A
COVERAGES			
Insuring Agreements	Sublimits	Retention	Retro Date
Third Party Liability Coverages			
Media	3,000,000	10,000	01/01/2013
Privacy and Cyber Security	3,000,000	10,000	01/01/2013
Privacy Regulatory Defense, Awards and Fines	3,000,000	10,000	01/01/2013
First Party Coverages			
Business Interruption and Extra Expense	3,000,000	10 Hours	N/A
Data Recovery	3,000,000	10,000	N/A
Cyber-Extortion	3,000,000	10,000	N/A
Data Breach Response and Crisis Management Coverage			
Data Breach Response and Crisis Management	3,000,000	10,000	N/A

ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE:

Endorsement Number	Endorsement Form Number	Endorsement Title
	TCD 050 0215	Cyber and Technology Liability Policy
	PN CW 02 1015	Privacy Policy
	PN CW 05 0914	U.S. Treasury Department's Office of Foreign Assets Control ("OFAC")
	PN CW 01 0915	Notice To Policyholders - Fraud Notice
	PN NJ 01 0312	New Jersey Policy Holder Notice - Surplus Lines
	IL MP 9104 0314 IHIC	In Witness - Indian Harbor Insurance Company
Endorsement No. 001	TCD MANUS 1214	Manuscript Endorsement
Endorsement No. 002	TCD MANUS 1214	Manuscript Endorsement
Endorsement No. 003	TCD 424 0215	PCI DSS Coverage Amendatory Endorsement
Endorsement No. 004	XL-NJSOP 11 10	Service of Process

ITEM 9. PRODUCER NAME: Public Risk Underwriters of Texas
Address: 101 W. Renner Road, Suite 450
Richardson, TX 75082

_____	_____
Date	Authorized Representative

Cyber and Technology Liability Policy

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Cyber and Technology Liability Policy

SECTION I.A. OF THIS POLICY IS A THIRD PARTY LIABILITY COVERAGE SECTION AND APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED IN ACCORDANCE WITH THE TERMS IN THE POLICY. CLAIM EXPENSES ARE WITHIN AND REDUCE THE LIMIT OF LIABILITY. PLEASE REVIEW THE POLICY CAREFULLY.

Words and phrases in blue are defined in Section IV.

In consideration of the premium paid by the Insured **Named Insured**, in reliance upon the **application**, and subject to the Declarations, limitations, conditions, provisions and other terms of this Policy, the **Insurer** and the **Insured** agree, with respect to the Insuring Agreements purchased, as stated on the Declarations page, as follows:

I. Insuring Agreements

A. THIRD PARTY LIABILITY COVERAGES

1. Technology and Professional Services

The **Insurer** will pay on behalf of an **Insured claim expenses** and **damages** that the **Insured** is legally obligated to pay as the result of a **claim** first made against the **Insured** during the **policy period** or extended reporting period (if applicable) alleging a **technology and professional services wrongful act** committed by the **Insured** or by a third party for the benefit of an **Insured** and for whose acts and omissions an **Insured** is legally responsible.

2. Media

The **Insurer** will pay on behalf of an **Insured claim expenses** and **damages** that the **Insured** is legally obligated to pay as the result of a claim first made against the **Insured** during the policy period or extended reporting period (if applicable) alleging a **media wrongful act** committed by the **Insured**.

3. Privacy and Cyber Security

The **Insurer** will pay on behalf of an **Insured claim expenses** and **damages** that the **Insured** is legally obligated to pay as the result of a **claim** first made against the **Insured** during the **policy period** or extended reporting period (if applicable) alleging a **privacy and security wrongful act** committed by the **Insured**, an **outsourced provider** or a **rogue employee**.

4. Privacy Regulatory Defense, Awards and Fines

The **Insurer** will pay on behalf of an **Insured claim expenses** and **regulatory damages** that the **Insured Company** is legally obligated to pay as the result of a **privacy regulatory action**.

5. Supplemental Third Party Liability Prevention

Upon the **Insured's** exhaustion of the retention applicable to the Insuring Agreement under which the **Insurer** is providing coverage the **Insurer** will pay for **claim avoidance costs**, at the **Insurer's** sole discretion and with prior written consent, that the **Insured** thereafter incurs as a direct result of the **Insured's** reasonable investigation of a potentially covered circumstance that it reports to the **Insurer** in accordance with Section VI. Notice. Such **claim avoidance costs** will be part of, and not in addition to, the limit of liability, as stated in Item 7. on the Declarations page, and will in no way serve to increase or supplement such aggregate limit of liability.

B. FIRST PARTY COVERAGES

1. Business Interruption and Extra Expense
The **Insurer** will pay for **loss of business income** and reimburse the **Insured Company** for **extra expense** during the **period of restoration** that the **Insured Company** incurs resulting from **cyber security breach** directly causing a total or partial interruption or deterioration in the **Insured Company's** business operations.
2. Data Recovery
The **Insurer** will reimburse the **Insured Company** for **data recovery expenses** that the **Insured Company** incurs directly resulting from a **cyber security breach**.
3. Cyber-Extortion
The **Insurer** will reimburse the **Insured Company** for **cyber-extortion expenses** that the **Insured Company** incurs directly resulting from and in response to a **cyber-extortion threat**.

C. DATA BREACH RESPONSE AND CRISIS MANAGEMENT COVERAGE

The **Insurer** will pay **data breach response and crisis management costs** that the **Insured Company** incurs for a continuous twelve (12) month period resulting from a **data breach** that is first discovered by an **executive officer** and as soon as notice of the **data breach** is reported to the **Insurer**.

D. CONDITIONS

1. The coverage provided under Sections I.A.1. Technology and Professional Services, I.A.2. Media, I.A.3. Privacy and Cyber Security and I.A.4. Privacy Regulatory Defense, Awards and Fines shall apply only if:
 - (a) the first such **third party wrongful act** or **related matter** occurs on or after the **retroactive date** as stated in Item 7. on the Declarations page and prior to the Policy expiration date, as stated in Item 2. on the Declarations page;
 - (b) prior to the Policy's effective date, as stated in Item 2. on the Declarations page, or that of the first such policy issued and continuously renewed by the **Insurer**, of which this Policy is a renewal, no **executive officer** knew or could have reasonably foreseen that such **third party wrongful act** or **related matter** did or likely would result in a **claim**;
 - (c) the **claim** is reported to the **Insurer** during the **policy period** or extended reporting period (if applicable) and is reported in accordance with Section VI. Notice; and
 - (d) notice of such **third party wrongful act** or **related matter** alleged or contained in any **claim** or in any circumstance has not been provided under any other prior policy of which this Policy is a renewal or replacement, or any subsequent policy, irrespective of whether such prior or subsequent policy was issued by the **Insurer** or other entity.
2. The coverage provided under Sections I.B. First Party Coverages and I.C. Data Breach Response and Crisis Management Coverage shall apply only if:
 - (a) an **executive officer** first becomes aware of such **first party incident** or **related matter** during the **policy period**;
 - (b) such **first party incident** is reported to the **Insurer** during the **policy period** or automatic extended reporting period (if applicable) and is reported in accordance with Section VI. Notice; and

- 7(c) notice of such [first party incident](#) or [related matter](#) has not been provided under any prior policy of which this Policy is a renewal or replacement, or any subsequent policy, irrespective of whether such prior or subsequent policy was issued by the [Insurer](#) or other entity.

II. Defense and Settlement

A. DEFENSE

The [Insurer](#) has the right and duty to defend any [claim](#) covered under Sections I.A.1. Technology and Professional Services, I.A.2. Media, I.A.3. Privacy and Cyber Security and I.A.4. Privacy Regulatory Defense, Awards and Fines made against an Insured even if the allegations in the [claim](#) are groundless, false or fraudulent. The [Insurer](#) will select and appoint defense counsel.

B. SETTLEMENT

The [Insurer](#) has the right with the prior written consent of the [Insured](#), such consent may not be unreasonably withheld, to settle a [claim](#). If the [Insured](#) refuses to consent to any such settlement recommended by the [Insurer](#) and agreed to by the claimant, then the [Insurer's](#) duty to defend ends and the [Insurer's](#) limit of liability for such [claim](#) will not exceed the amount for which the [Insurer](#) could have settled such [claim](#) had the [Insured](#) consented to settlement, plus [claim expenses](#) incurred up to the time the [Insurer](#) made its settlement recommendation, plus an additional fifty percent (50%) of [claim expenses](#) and [damages](#) incurred by an [Insured](#) after the [Insurer](#) had made its settlement recommendation. All such payments by the [Insurer](#) are subject to Section III. Limit of Liability and Retention. Notwithstanding the foregoing, the [Insurer](#) shall have the right but not the duty to participate in the continuing defense of such [claim](#).

III. Limit of Liability and Retention

A. LIMIT OF LIABILITY OPTION

The [Insured](#) shall elect the Policy's limits to apply on a Combined Limits or Separate Limits basis, as stated in Item 7. on the Declaration page.

1. Combined Limits

- (a) If the [Insured](#) elects Combined Limits then the Policy's Combined Policy Aggregate Limit, as stated in Item 7. on the Declarations page, is the [Insurer's](#) maximum liability for [loss](#) under all Insuring Agreements combined, inclusive of [data breach response and crisis management costs](#) regardless of the number of [claims](#), Insuring Agreements triggered or individuals or entities making [claims](#). Upon exhaustion of such limit of liability, the [Insurer](#) will not be liable to pay any further [loss](#) with respect to this Policy.
- (b) If a [sublimit](#) with respect to an Insuring Agreement is stated in Item 7. on the Declarations page, then such [sublimit](#) will be the [Insurer's](#) maximum liability for [loss](#) with respect to such Insuring Agreement. Upon exhaustion of such [sublimit](#), the [Insurer](#) will not be liable to pay any further [loss](#) with respect to the coverage provided by the subject Insuring Agreement. Each [sublimit](#) will be part of, and not in addition to, this Policy's Combined Policy Aggregate Limit of Liability and will in no way serve to increase or supplement such limit of liability. All payments made under a [sublimit](#) will reduce such limit of liability.

2. Separate Limits

If the [Insured](#) elects Separate Limits then the Policy's:

- (a) Third and First Party Aggregate Limit, as stated in Item 7. on the Declarations page, is the **Insurer's** maximum liability for all **damages, regulatory damages, claim expenses, loss of business income, extra expense, data recovery expenses, cyber-extortion expenses** and **claim avoidance costs** for all Third Party Liability Coverages and First Party Coverages, regardless of the number of **Insureds, claims, first party incidents**, or individuals or entities making **claims**.
- If a **sublimit** with respect to an Insuring Agreement is stated in Item 7. on the Declarations page, then such **sublimit** will be the **Insurer's** maximum liability for **loss** with respect to such Insuring Agreement. Upon exhaustion of such **sublimit**, the **Insurer** will not be liable to pay any further **loss** with respect to the coverage provided by the subject Insuring Agreement. Each **sublimit** will be part of, and not in addition to, the Policy's Third Party Liability and First Party Aggregate Limit of Liability and will in no way serve to increase or supplement such limit of liability. All payments made under a **sublimit** will reduce such limit of liability.
- (b) Data Breach Response and Crisis Management Aggregate Limit of Liability
- Data Breach Response and Crisis Management Aggregate Limit, as stated in Item 7. on the Declarations page, is the **Insurer's** maximum liability for all for Data Breach Response and Crisis Management Coverage regardless of the number of **data breaches**.

3. Exhaustion of Limit

Upon exhaustion of the Combined Policy Aggregate Limit of Liability under the Combined Limits option or the Third Party and First Party Aggregate Limit of Liability or the Data Breach Response and Crisis Management Aggregate Limit of Liability under the Separate Limits option or after the **Insurer** has deposited or escrowed with a court of competent jurisdiction any amounts remaining in the Policy's aggregate limit of liability prior to exhaustion, the **Insurer** will not be liable to pay any further **loss** under the Policy.

B. RETENTIONS

1. Solely with respect to coverage provided on a Combined Limits basis, the **Insurer** is liable only for that portion of covered **damages, regulatory damages** and **claim expenses** resulting from a **third party wrongful act** and for that portion of covered **first party costs** resulting from a **first party incident** that is in excess of the applicable Insuring Agreement's retention amount, as stated in Item 7. on the Declarations page. If more than a single retention applies to a **claim** and/or **first party incident**, then the **Insured** is responsible for paying the highest applicable retention. The retention will be borne entirely by the **Insured** alone and not by the **Insurer**.
2. Solely with respect to coverage provided on a Separate Limits basis, the **Insurer** is liable only for that portion of covered **damages, regulatory damages** and **claim expenses** resulting from a **third party wrongful act** and for that portion of any covered **loss of business income, extra expense, data recovery expenses, cyber-extortion expenses, data breach response and crisis management costs** and **claim avoidance costs** resulting from a **cyber security breach** or **cyber-extortion threat** that is in excess of the applicable Insuring Agreement's retention amount, as stated in Item 7. on the Declarations. If more than a single retention applies to a **claim** and/or **first party incident**, then the **Insured** is responsible for paying the highest applicable retention. The retention will be borne entirely by the **Insured** alone and not by the **Insurer**.

As respects Data Breach Response and Crisis Management Coverage a separate retention will apply and the **Insurer** is liable only for that portion of any covered **data breach response and crisis management costs** directly resulting from a **data breach**.

C. RELATED MATTERS AND RELATED LOSSES

1. **Related Third Party Wrongful Acts**

Covered **claims** resulting from **related matters** will be treated as a single **claim** first made against the **Insured** at the time the first such **related matters** occurred irrespective of whether such **related matters** occurred prior to or during the **policy period** and irrespective of the number of **related matters**, the identity or number of **Insureds** involved, or the number and timing of such **related matters**.
2. **Related First Party Incidents**
 - (a) All **related matters** involving **first party incidents** (other than **cyber-extortion threats**) will be considered a single **first party incident** which shall be deemed to have been discovered on the date on which the earliest such **first party incident** was discovered by an **executive offer**.
 - (b) All **related matters** involving **cyber-extortion threats** will be considered a single **cyber-extortion threat** first occurring on the date the first such **cyber-extortion threats** occurred.
3. **Related Loss**

All **loss** will be considered a single **loss** occurring on the date the first **related matter** giving rise to such **loss** first occurred or is first discovered, irrespective of the number of **related losses**, the identity or number of **Insured's** involved or the number and timing of such **related losses**.

IV. Definitions

A. APPLICATION

This Policy's **application** includes the signed application, information, statements, representations, attachments, exhibits and other material submitted to the **Insurer** in connection with the underwriting of the Policy or any other policy of which this Policy is a renewal or replacement. The **application** shall be deemed a part of this Policy as if physically attached.

B. BREACH RESPONSE PROVIDERS

The **Insurer's** pre-approved breach response providers available on the eRisk Hub® website or upon request of the **Insurer**.

C. CLAIM

1. A written demand for monetary damages, services, or injunctive or other non-monetary relief;
2. A civil proceeding for monetary damages, services, or injunctive or other non-monetary relief that is commenced by service of a complaint or similar pleading, including any appeal thereof;
3. A mandatory arbitration or other mandatory alternative dispute resolution proceeding for monetary damages, services, or injunctive or other non-monetary relief that is commenced by a written demand, including any appeal thereof, or a non-mandatory arbitration or other alternative dispute resolution proceeding to which the **Insurer** has consented in writing; and
4. A **privacy regulatory action** with respect to Section I.A.4. Privacy Regulatory Defense, Awards and Fines.

D. CLAIM EXPENSES

1. Reasonable and necessary fees for the defense of a **claim** defended by an attorney selected by the **Insurer** in accordance with Section II. Defense and Settlement as well as other reasonable and necessary fees, costs and expenses that result from the investigation, adjustment, negotiation, arbitration, defense or appeal of a **claim**; and
2. Premiums on appeal bonds, attachment bonds or similar bonds. Provided, however, the **Insurer** is not obligated to apply for or furnish any such bond.

E. CLAIM AVOIDANCE COSTS

Those costs incurred by the **Insured** whose intention is to prevent a **claim** that may arise from a circumstance the **Insured** reports in accordance with Section VI.A. Notice of Circumstance.

Claim Avoidance Costs do not include:

1. payments recoverable by the **Insured**;
2. any element of profit for the **Insured**;
3. any charge or credit against any fee owed or payable to the **Insured**; and
4. costs, fees or other expenses the **Insured** incurs to establish or document the existence or amount of **claim avoidance costs**.

F. CONFIDENTIAL BUSINESS INFORMATION

Any non-public third party business information, whether encrypted or unencrypted, that cannot be lawfully obtained or known by the general public, including trade secrets, customer lists, drawings, financial information and marketing plans that are provided to the **Insured** by a third party.

G. CONSUMER REDRESS AMOUNT

That sum of money that the **Insured** is legally obligated to deposit in a fund for the payment of consumer claims as the result of a litigated **privacy regulatory action** or by written agreement by the claimant, **Insured** and **Insurer**.

H. COVERAGE SECTIONS

I.A. Third Party Liability Coverages, I.B. First Party Coverages and I.C. Data Breach Response and Crisis Management Coverage.

I. CYBER-EXTORTION EXPENSES

1. Reasonable and necessary money, property or other consideration surrendered as payment by or on behalf of the **Insured Company** to which the **Insurer** has consented, such consent may not be unreasonably withheld, in order to prevent or limit a **cyber-extortion threat**; and
2. The reasonable and necessary costs agreed to by the **Insured Company** and the **Insurer** to conduct an investigation to determine the cause and scope of a **cyber-extortion threat**.

J. CYBER-EXTORTION THREAT

A threat against a **network** first made during the **policy period** to:

1. disrupt the **Insured's** business operations;
2. alter, damage, or destroy data stored on the **network**;
3. use the **network** to generate and transmit malware to third parties;
4. deface the **Insured's** website; and
5. access **personally identifiable information**, **protected health information** or **confidential business information** stored on the **network**,

made by a person or group, whether acting alone or in collusion with others, demanding payment or a series of payments in consideration for the elimination, mitigation or removal of the threat.

K. CYBER SECURITY BREACH

Any unauthorized: access to, use or misuse of, modification to the **network**, and/or denial of **network** resources by attacks perpetuated through malware, viruses, worms, and Trojan horses, spyware and adware, zero-day attacks, hacker attacks and denial of service attacks.

L. DAMAGES

1. Compensatory damages resulting from a judgment, award or settlement agreement, including pre-judgment and post-judgment interest, which the **Insured** becomes legally obligated to pay as a result of a **claim**; and
2. Punitive, exemplary damages and multiple damages, if the insuring of such damages is permitted under the laws and public policy of the jurisdiction under which the Policy is construed. Enforceability of punitive, exemplary damages and multiple damages will be governed by the applicable law that most favors coverage for such damages.

Damages do not include:

1. the return of any fees paid to an **Insured** or the offset of any future fees to be charged by or owed to an **Insured**;
2. lost investment income;
3. costs incurred by an **Insured** to withdraw or recall **technology products**, including products that incorporate an **Insured's technology products**, **technology services** or **professional services**;
4. costs incurred by an **Insured** to correct, re-perform or complete any **technology services** or **professional services**;
5. costs incurred by an **Insured** or by a third party at the direction of the **Insured** to remediate, repair, replace, restore, modify, update, upgrade, supplement, correct or otherwise improve a **network** to a level of functionality beyond that which existed prior to a **cyber security breach**;
6. civil or criminal fines or penalties or compliance violation remedies imposed on an **Insured**; provided, however, this provision does not apply to the coverage provided under Section I.A.4. Privacy Regulatory Defense, Awards and Fines;
7. liquidated damages in a written contract or agreement in excess of an **Insured's** liability that otherwise result from a **third party wrongful act**;
8. the monetary value of an electronic fund transfer or transaction that is lost or diminished during transfer;

9. any amounts incurred prior to the **Insured** providing notice of a **claim** pursuant to the terms of this policy;
10. the value of non-monetary relief, including any amount attributable to or arising therefrom; and
11. royalty or licensing fees or payments.

M. DATA BREACH

The actual or reasonably suspected theft, loss or unauthorized acquisition of data, which an **executive officer** first becomes aware of during the **policy period**, that has or may compromise the security, confidentiality and/or integrity of **personally identifiable information**, **protected health information** or **confidential business information**.

N. DATA BREACH REPORTING REQUIREMENT

Any provision in a law, statute or regulation, domestic or foreign, that requires the **Insured** to provide notification to affected persons of a breach of such person's **personally identifiable information** or **protected health information**.

O. DATA BREACH RESPONSE AND CRISIS MANAGEMENT COSTS

1. Costs charged by **Breach Response Providers** to:
 - (a) determine the legal applicability of and actions necessary to respond to a **data breach reporting requirement**;
 - (b) perform computer forensics to determine the existence, cause and scope of a **data breach** or **cyber security breach**;
 - (c) notify individuals of a **data breach** who are required to be notified pursuant to any **data breach reporting requirement**;
 - (d) voluntarily notify individuals of a **data breach** who may not be required to be notified under an applicable **data breach reporting requirement**;
 - (e) operate a call center to manage **data breach** inquiries;
 - (f) provide credit or identity monitoring and identity protection and restoration services or any similar service for those individuals whose **personally identifiable information** was or may have been breached;
 - (g) provide medical identity restoration for those individuals whose **protected health information** was or may have been breached;
 - (h) minimize harm to the **Insured Company's** reputation by hiring a public relations or crisis communications firm, and
2. Any reasonable and necessary costs charged by a qualified provider who is not a **Breach Response Providers** and who the **Insurer** has consented in writing, such consent may not be unreasonably withheld, prior to the services being rendered to provide comparable services to those detailed in 1.(a) through 1.(h) above; provided, however, the maximum rate the **Insurer** will pay for such services shall not exceed the **Breach Response Providers** pre-negotiated rates; and
3. Costs charged by a PCI Forensics Investigator to perform forensics to determine the existence, cause and scope of a breach or suspected breach of cardholder data.

P. DATA RECOVERY EXPENSES

Reasonable and necessary costs incurred by the **Insured Company** with the **Insurer's** prior written consent, such consent may not be unreasonably withheld, to:

1. determine whether damaged or destroyed computer programs, software or electronic data can be replaced, recreated, restored or repaired; and
2. replace, recreate, restore or repair such damaged or destroyed computer programs, software or electronic data residing on the **network** to substantially the form in which it existed immediately prior to a **cyber security breach**.

Q. EXECUTIVE OFFICER

Any duly elected or appointed Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Privacy Officer, Chief Security Officer, Chief Technology Officer, Chief Risk Officer, Chief Legal Officer, Risk Manager, General Counsel and in-house attorney designated to be in charge of litigation, or the functional equivalent of any of the foregoing, of the **Insured**.

R. EXTRA EXPENSE

Reasonable and necessary expenses in excess of the **Insured's** normal operating expenses that the **Insured** incurs to reduce or avoid **loss of business income**.

S. FIRST PARTY COSTS

Any **loss of business income**, **extra expense**, **data recovery expenses**, **cyber-extortion expenses**, **data breach response and crisis management costs** and **claim avoidance costs**.

First Party Costs do not include any amounts incurred prior to the **Insured** providing notice of the **first party incident**.

T. FIRST PARTY INCIDENT

A **cyber security breach**, **cyber-extortion threat** or **data breach**.

U. INSURED

The **Insured Company**; and

1. any past, present or future officer, director, member, principal, partner, trustee, employee (other than a **rogue employee**), leased worker and temporary employee of the **Insured Company** acting in their capacity and in accordance with their authority as such;
2. any entity that an **Insured Company** is required by written contract to be insured under the Policy, but only for **third party wrongful acts** committed by the **Insured Company** or any persons identified in Section IV.U.1. and Section IV.U.3.;
3. any independent contractor performing services for the **Insured Company** under a written contract but solely with respect to such independent contractor's duties on behalf and for the benefit of the **Insured Company**; and
4. with respect to Section I.A.2. Media, any person or entity that disseminates **matter** on behalf and for the benefit of an **Insured** where, prior to such dissemination, an **Insured** has agreed in writing to include such person or entity as an **Insured** under the Policy.

V. INSURED COMPANY

The [Named Insured](#) and any [subsidiary](#).

W. INSURER

The Insurance Company stated on the Declarations page.

X. LOSS

All [damages](#), [claim expenses](#), [regulatory damages](#) and [first party costs](#).

Y. LOSS OF BUSINESS INCOME

1. Net income (net profit or loss before income taxes) that could have reasonably been earned or net loss that could have reasonably been avoided; and
2. Continuing normal and reasonable operating expenses, including payroll.

A [loss of business income](#) calculation is based upon the amount of actual [loss of business income](#) the [Insured Company](#) sustains per hour during the [period of restoration](#).

Z. MANAGEMENT CONTROL

1. Ownership interests representing more than fifty percent (50%) of the voting, appointment or designation power of a company for the selection of a majority of (i) the board of directors of a corporation (ii) the management committee members of a joint venture or partnership or (iii) the members of the management board of a limited liability company; or
2. The right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an entity, to select, appoint or designate a majority of (i) the board of directors of a corporation (ii) the management committee members of a joint venture or partnership or (iii) the members of the management board of a limited liability company.

AA. MATTER

The content of any communication of any kind whatsoever, whether public or private, regardless of the nature or form of such content or the medium by which such content is communicated, including but not limited to language, data, facts, fiction, music, photographs, images, artistic expression, or visual or graphical materials.

BB. MEDIA WRONGFUL ACT

Any:

1. libel, slander, or any other form of defamation or harm to the character or reputation of any person or entity, including product disparagement or trade libel;
2. copyright infringement or misappropriation of property rights, information or ideas or dilution or infringement of title, slogan, trademark, trade name, service mark or service name;
3. common law unfair competition or unfair trade practices alleged in conjunction with the acts described above in Sections IV.BB.1. and IV.BB.2.;
4. invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, and misappropriation of name or likeness;
5. infliction of emotional distress or mental anguish;

6. false arrest, detention or imprisonment, harassment, trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy;
7. plagiarism, piracy or misappropriation of ideas under implied contract; and
8. economic harm to a third party directly resulting from the party's reliance or failure to rely upon the content of **matter** which is false or erroneous,

resulting from an **Insured's** acquiring, blogging, broadcasting, collecting, disseminating, distributing, editing, exhibiting, gathering, obtaining, producing, publishing, releasing, researching, recording, tweeting or uttering **matter** through traditional and digital methods including but not limited to cable television, radio, movie and music studios, newspapers, magazines, books and print publications, website, apps, CD-ROMs and DVDs.

CC. NAMED INSURED

The entity stated in Item 1. on the Declarations page.

DD. NETWORK

A connected system of computing hardware, software, firmware and associated electronic components under the ownership, operation or control of, or leased by, an **Insured**.

EE. OUTSOURCED PROVIDER

Any third party, including a cloud service provider, to which an **Insured** has contracted to provide professional services or to process, maintain or transmit **personally identifiable information**, **protected health information** or **confidential business information** on behalf and for the benefit of an **Insured**.

FF. PERIOD OF RESTORATION

That period of time that begins at the end of the **waiting period** and which continues until the earlier of:

1. the date the **Insured Company's** operations are restored to the condition that existed immediately prior to the **cyber security breach**; or
2. one hundred-twenty (120) days after the date of the **cyber security breach**.

GG. PERSONALLY IDENTIFIABLE INFORMATION

Information, whether printed or digital, encrypted or unencrypted, in an **Insured's** or **outsourced provider's** care, custody or control, that alone or in conjunction can be used to uniquely identify an individual, including but not limited to such information as name, social security number, address, birth date, physical characteristics, IP address, biometric record, unique mobile device identifier, geo-location data, mobile telephone number, email address, user name, text message or email, call log, contacts and address book entries, financial or payment information, health or medical information, photos or videos or internet browsing history and non-public personal information as defined by the Gramm-Leach-Bliley Act; provided, however, **personally identifiable information** does not include information that is lawfully available to the general public.

HH. POLICY PERIOD

The period of time stated in Item 2. on the Declarations page, beginning on the effective date and expiring on the date of termination, expiration or cancellation of the Policy, whichever is earliest.

II. POLLUTANTS

Any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the United States Environmental Protection Agency or any federal, state, county, municipal or local counterpart thereof or any foreign equivalent. Such substances include but are not limited to solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials, nuclear materials, nuclear waste, asbestos, including materials to be recycled, reconditioned, or reclaimed. Pollutants shall also mean any air emission, odor, waste water, oil or oil products, lead or lead products, latex infectious or medical waste, noise, dust, fibers, germs, fungus (including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi) and electric or magnetic or electromagnetic field.

JJ. PRIVACY AND SECURITY WRONGFUL ACT

Any:

1. Loss or theft of or failure to protect [personally identifiable information](#), [protected health information](#) or [confidential business information](#);
2. violation of any law, statute or regulation governing the authenticity, availability, confidentiality, storage, control, disclosure, integrity or use of [personally identifiable information](#) or [protected health information](#);
3. violation of a [data breach reporting requirement](#);
4. failure to reasonably implement privacy or security practices required by governmental law or regulations; and
5. failure to prevent a [cyber security breach](#) that results in:
 - (a) the inability of an authorized user to gain access to the [network](#);
 - (b) the malicious addition, alteration, copy, destruction, deletion, disclosure, damage, removal or theft of data residing on the [network](#);
 - (c) a denial of service attack emanating from the [network](#) which damages or destroys third party's hardware, computer programs or electronic data residing on a third party's network; or
 - (d) the transmission of malware from the [network](#) to third parties.

KK. PRIVACY REGULATORY ACTION

A written request for information, civil investigative demand or civil proceeding brought by or on behalf of a governmental or regulatory authority first initiated and reported during the [policy period](#) against an [Insured](#) that results from an actual or alleged [privacy and security wrongful act](#) committed by the [Insured](#), an [outsourced provider](#) or a [rogue employee](#).

LL. PRIVACY REGULATORY FINE

A civil monetary fine or penalty imposed on an [Insured](#) by a governmental or regulatory authority.

MM. PROFESSIONAL SERVICES

The services stated in Item 6. on the Declarations page.

NN. PROTECTED HEALTH INFORMATION

All protected and individually identifiable health information, whether printed or digital, encrypted or unencrypted, held or transmitted by an [Insured](#) or its business associate, as those terms are defined by HITECH, the Health Insurance Portability and Accountability Act of 1996 Privacy Rule or any amendment thereto, including the Health Information Technology for Economic and Clinical Health Act and final Omnibus Rule issued on January 17, 2013.

OO. REGULATORY DAMAGES

Any [consumer redress amount](#) and [privacy regulatory fines](#).

PP. RELATED LOSSES

All [losses](#) that directly result or arise from the same, similar or continuous [claims](#) or [first party incidents](#).

QQ. RELATED MATTERS

1. All [third party wrongful acts](#) that are the same, similar or arise from a continuous nexus of facts, circumstances, acts, errors or omissions, whether logically or causally related or connected; and
2. All [first party incidents](#) that are the same, similar or arise from a continuous nexus of facts, circumstances, acts, errors or omissions, whether logically or causally related or connected.

RR. RETROACTIVE DATE

The applicable date, if any, stated in Item 7. on the Declarations page for each Insuring Agreement in Section I.A. Third Party Liability Coverages.

SS. ROGUE EMPLOYEE

An employee of the [Insured Company](#) who deliberately acts outside the course and scope of employment and whose intentional conduct results in a [claim](#); provided, however, [rogue employee](#) does not include an [executive officer](#).

TT. SUBLIMIT

The applicable amount, if any, stated in Item 7. on the Declarations page for each Insuring Agreement within each [Coverage Section](#).

UU. SUBSIDIARY

1. Any entity over which the [Named Insured](#), directly or indirectly, has or had [management control](#) through or by way of one or more subsidiaries on or before the effective date of the [policy period](#);
2. Any entity in which the [Named Insured](#) acquires [management control](#) during the [policy period](#), either directly or indirectly, whose gross revenue does not exceed fifteen percent (15%) of the gross revenue of the [Insured Company](#); and
3. Any entity of which the [Named Insured](#) acquires [management control](#) during the [policy period](#), either directly or indirectly, whose gross revenue exceeds fifteen percent (15%) of the gross revenue of the [Insured Company](#):
 - (a) but only for a period of sixty (60) days following the [Name Insured's](#) direct or indirect ability to exert [management control](#); and

- (b) after such sixty (60) period but only if (1) the **Named Insured** provides the **Insurer** with full particulars of such entity and agrees to remit any additional premium and amendments to the Policy relating to such entity and (2) the **Insurer** has agreed to add such entity as a **subsidiary** by way of a written endorsement to the Policy.

For purposes of this definition, revenue is measured by the most recent fiscal year prior to the effective of the Policy.

Notwithstanding the foregoing, coverage afforded by this Policy will apply only to **third party wrongful acts** and **third party incidents** occurring after the effective date that the **Insured Company** has obtained **management control** of such **subsidiary** and prior to the time that such **Insured Company** ceased to have **management control** of such **subsidiary** unless:

1. the **Insurer** is notified in writing of such change in circumstances prior to the effective date thereof and agrees in writing to provide coverage for **third party wrongful acts** and **first party incident** occurring on or after such effective date; and
2. the **Insured Company** accepts any special terms, conditions and exclusions and pays any additional premium charge required by the **Insurer**.

VV. TECHNOLOGY AND PROFESSIONAL SERVICES WRONGFUL ACT

Any:

1. act, error, omission, neglect, negligent misrepresentation or breach of duty;
2. injury to a person arising out of defamation, including libel, slander, or other defamatory or disparaging statements or materials;
3. infringement of an intellectual property right except as otherwise excluded in Section V.N. Patent and Section V.O. Trade Secrets;
4. the failure of **technology products** to perform the intended function or serve their intended purpose; and
5. the failure of **technology services**, **professional services** or **technology products** to meet any applicable legal or industry standard concerning quality, safety or fitness for a particular purpose.

WW. TECHNOLOGY PRODUCTS

Computer or telecommunications hardware or software products, components or peripherals or electronic products or components:

1. created, designed, distributed, manufactured, or sold by or on behalf and for the benefit of an **Insured**; and
2. leased or licensed by an **Insured** to third parties, including software updates, service packs and other maintenance releases provided for such products.

XX. TECHNOLOGY SERVICES

Any computer, cloud computing, information technology, telecommunication, electronic services and any related consulting and staffing services including but not limited to data processing, data and application hosting, the provision of managed services, software as a service (SaaS), platform as a service (PaaS), infrastructure as a service (IaaS), network as a service (NaaS), computer systems analysis, computer consulting and training, programming, computer systems installation, management, repair, and maintenance, network design and Internet service.

YY. THIRD PARTY WRONGFUL ACT

A [technology and professional services wrongful act](#), [media wrongful act](#) and [privacy and security wrongful act](#).

ZZ. WAITING PERIOD

The number of hours stated in Item 7. on the Declarations page that must elapse prior to commencement of the [period of restoration](#).

V. Exclusions

The Policy does not apply to any [claim](#) or [first party incident](#) alleging, arising out of, based upon or attributable to:

A. DELIBERATE ACTS

dishonest, intentional or knowing wrongful, fraudulent, criminal or malicious:

1. acts, errors or omissions; or
2. willful violations of law, including privacy laws or regulations,

by an [Insured](#), other than a [rogue employee](#) as applicable; provided, however, the [Insurer](#) will provide the [Insured](#) with a defense of any otherwise covered [claim](#) and pay any otherwise covered [claim expenses](#) until there is a final, non-appealable judgment or adjudication in any action or proceeding as to such dishonest, intentional or knowing wrongful, fraudulent, criminal or malicious conduct, at which time the [Insured](#) shall reimburse the [Insurer](#) for all [claim expenses](#).

Notwithstanding the foregoing, criminal proceedings are not covered under the Policy regardless of the allegations made against an [Insured](#).

For the purposes of determining the applicability of this exclusion the knowledge of or conduct by:

1. a natural person [Insured](#) will not be imputed to any other natural person [Insured](#) ; and
2. an [executive officer](#) will be imputed to the [Insured Company](#).

B. PERSONAL PROFIT

the gaining of any profit, remuneration, or financial or non-financial advantage to which the [Insured](#) is not entitled; provided, however, the [Insurer](#) will provide the [Insured](#) with a defense of any otherwise covered [claim](#) and pay any otherwise covered [claim expenses](#) until there is a final, non-appealable judgment or adjudication in any action or proceeding as to such gaining of profit, remuneration, or financial or non-financial advantage to which the [Insured](#) is not entitled, at which time the [Insureds](#) shall reimburse the [Insurer](#) for all [claim expenses](#).

C. UNINSURABLE MATTERS

matters deemed uninsurable under the law pursuant to which this Policy is construed.

D. PRIOR ACTS

[third party wrongful acts](#) occurring prior to the [retroactive date](#) and [first party incidents](#) discovered prior to the effective date of this Policy.

E. BODILY INJURY AND PROPERTY DAMAGE

bodily injury, sickness, disease, emotional distress, mental injury, mental tension, mental anguish, pain and suffering, humiliation or shock sustained by any person, including death that results from any of these, or damage to or destruction of any tangible property, including loss of use thereof whether or not it is damaged or destroyed; provided, however, this exclusion will not apply to any otherwise covered [claim](#) for emotional distress, mental injury, mental tension or mental anguish, pain and suffering, humiliation or shock that directly results from a covered [third party wrongful act](#).

F. EMPLOYMENT PRACTICES

the following actually or allegedly occurring in connection with a person's employment or application for employment with the [Insureds](#): discrimination, retaliation, sexual or any other type of harassment, wrongful dismissal, discharge or termination, whether actual or constructive, wrongful discipline, wrongful deprivation of career opportunity, wrongful demotion or change in employment status, wrongful evaluation, negligent hiring, discipline, supervision or retention, failure to promote, failure to grant tenure, employment related misrepresentation, failure to adopt or comply with adequate workplace or employment policies or procedures, failure to train, breach of any oral, written, or implied employment contract; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) under Section I.A.3. Privacy and Cyber Security.

G. OWNED ENTITY

[claims](#) made against the [Insureds](#) if, at the time the [third party wrongful acts](#) giving rise to such [claim](#) was committed:

1. the [Insured](#) controlled, owned, operated or managed the claimant; or
2. the [Insured](#) was an owner, partner, director, officer or employee of the claimant;

For the purpose of this exclusion, a ten percent (10%) or more owner of the voting stock of a publicly held corporation or a forty percent (40%) or more owner of the voting stock of a privately held corporation shall be deemed to control, own, operate or manage any such corporation making such [claim](#).

H. INSURED V. INSURED

[claim](#) made against an [Insured](#) and brought by, or on behalf of an [Insured](#) or parent company, successor or assignee of an [Insured](#); provided, however, this exclusion shall not apply to an otherwise covered [claim](#) made by any past, present or future officer, director, member, principal, partner, trustee, employee or leased worker or temporary employee of the [Insured Company](#):

1. when the [claim](#) is made outside of their capacity and pursuant to their authority as such; or,
2. to an [Insured](#) alleging a [privacy and security wrongful act](#).

I. ERISA

breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by ERISA, the Employee Retirement Income Security Act of 1974, or any analogous federal, state or local statutory or common law; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) under Section I.A.3. Privacy and Cyber Security.

J. SECURITIES

the purchase, sale, or offer or solicitation of an offer to purchase, sell or solicit securities or any violation of a securities law, including the Securities Act of 1933, the Securities Exchange Act of 1934, and any regulation promulgated under or pursuant to the foregoing, or any federal, state or local laws analogous to the foregoing (including “Blue Sky” laws), whether such law is statutory, regulatory or common law.

K. RICO

violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act, or “RICO”) and any regulation promulgated under or pursuant to the foregoing or any federal, state or local law analogous to the foregoing, whether such law is statutory, regulatory or common law.

L. ANTITRUST AND UNFAIR COMPETITION

unfair methods of competition and unfair or deceptive acts or practices including deceptive advertising and pricing, price fixing, restraint of trade, monopolization or any violation of the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act, or any other federal, state or local law, whether statutory, regulatory or common law, addressing anti-trust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) under Section I.A.3. Privacy and Cyber Security and Section I.A.4. Privacy Regulatory Defense, Awards and Fines and an otherwise covered [claim](#) resulting from subsection 3. [media wrongful act](#) under Section I.A.2. Media.

M. UNSOLICITED COMMUNICATIONS

unsolicited electronic dissemination of faxes, e-mails or other communications by or on behalf of an [Insured](#) to actual or prospective customers of an [Insured](#) or any other third party, including but not limited to actions brought under the Telephone Consumer Protection Act, the CAN-SPAM Act of 2003 or other analogous federal, state or local statute, law, regulation or common law; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) directly resulting from a [cyber security breach](#) under Section I.A.3. Privacy and Cyber Security and any [loss of business income](#) otherwise covered under Section I.B.1. Business Interruption and Extra Expense.

N. PATENT

actual or alleged infringement, misappropriation, dilution, misuse or inducement to infringe, misappropriate, dilute or misuse any patent or patent right.

O. TRADE SECRETS

actual or alleged misappropriation of trade secrets; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) directly resulting from a [cyber security breach](#) under Section I.A.3. Privacy and Cyber Security.

P. POLLUTION

actual, alleged or threatened emission, discharge, dispersal, seepage, release or escape of [pollutants](#) or testing for, monitoring, removal, containment, treatment, detoxification, neutralization or cleanup of any [pollutants](#).

Q. CONTRACTUAL

any obligation an **Insured** has underwritten contract; provided, however, this exclusion shall not apply to liability an **Insured** would have in the absence of a contract or an **Insured's**:

1. breach of an exclusivity or confidentiality provision contained in a written agreement;
2. violation of an intellectual property right except a violation of a patent right;
3. negligent performance of **technology services** or **professional services** for a client or customer; or
4. provision of **technology products** to a client or customer which contain a material defect.

R. FORCE MAJEURE

fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, or act of God, however caused.

S. WAR

strikes or similar labor action, war, whether declared or not, invasion, act of foreign enemy, civil war, mutiny, coup d'état, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions; provided, however, this exclusion shall not apply to any actual, alleged or threatened attack against the **network**, with the intention to cause harm or further social, ideological, religious or political objectives or to intimidate any person or entity in furtherance of such objectives.

T. INFRASTRUCTURE FAILURE

electrical, mechanical, Internet, telecommunication, cable or satellite failure, fluctuation or outage not under an **Insured's** operational control, however caused, including but not limited to any electrical power interruption, short-circuit, surge, brownout or blackout.

U. GOVERNMENTAL ORDERS

any court order or demand requiring the **Insured** to provide law enforcement, administrative, regulatory or judicial body or other governmental authority access to **personally identifiable information**, **protected health information** or **confidential business information**.

V. OVER-REDEMPTION

price discounts, prizes, awards, coupons or any other valuable consideration given in excess of the contracted or expected amount.

W. UNAUTHORIZED COLLECTION AND USE

unauthorized or unlawful collection, acquisition or use of **personally identifiable information** or **protected health information**; provided, however, this exclusion shall not apply to a **claim** directly resulting from the acts of a **rogue employee**.

VI. Notice

A. NOTICE OF CIRCUMSTANCE

Solely with respect to Sections I.A.1. Technology and Professional Services, I.A.2. Media, I.A.3. Privacy and Cyber Security and I.A.4. Privacy Regulatory Defense, Awards and Fines, if during the **policy period** or the extended reporting period (if applicable), an **Insured** first becomes aware of any circumstance that may reasonably be expected to be the basis of a **claim** being made against an **Insured**, and if during the **policy period** the **Insured** provides the **Insurer** written notice of such circumstance along with any **third party wrongful act**, the reasons for anticipating such **claim**, with full particulars as to the dates, persons and entities involved, then any resulting **claim** which is subsequently made against an **Insured** and reported to the **Insurer** that arises out of such circumstance or **related matter** will be considered made at the time such notice of circumstance was provided.

B. NOTICE OF CLAIM AND FIRST PARTY INCIDENT

The **Insured**, as a condition precedent to the obligations of the **Insurer** under the Policy, must provide to the **Insurer** written notice of any **claim** first made against an **Insured** and any **first party incident** first discovered as soon as reasonably practicable after an **executive officer** becomes aware of such **claim** or **first party incident**.

Notwithstanding the foregoing, each **claim** under a Third Party Liability Coverage Section must be reported as soon as reasonably practicable after an **executive officer** becomes aware of such **claim**, but in no event, later than sixty (60) days after the end of the **policy period**.

C. NOTICE TO WHOM

1. Notice of a **claim** and/or **first party incident** must be provided to the **Insurer** and notice of a **third party wrongful act** or circumstance may be reported to the **Insurer** as stated in Item 4. on the Declarations page.
2. In addition to the notice requirement above, notice of a **first party incident** must also be provided to the **Insurer** via the XL Breach Hotline as stated in Item 5. on the Declarations page. Notice to the XL Breach Hotline alone will not serve as proper notice under the Policy.
3. The email/certified post mail defined above shall be deemed effective when received by the **Insurer**.

D. WHEN A CLAIM IS DEEMED MADE

A **claim** will be deemed made pursuant to definition of **claim** clause: (1) IV.C.1. and IV.C.3., on the earliest date an **executive officer** receives the first written demand; (2) IV.C.2., on the date of service; and (3) IV.C.4., on the date an **executive officer** receives written notice of such action.

E. INSURED'S CLAIM AND FIRST PARTY INCIDENT OBLIGATIONS

1. In connection with a:
 - (a) **claim**, the **Insured** will, as a condition precedent to the obligations of the **Insurer** under the Policy, provide the **Insurer** with all information that the **Insurer** reasonably requires, including full particulars as to the dates, persons and entities involved in the **claim** and the manner in which the **Insured** first became aware of the **claim**;
 - (b) **first party incident**, as a condition precedent to the obligations of the **Insurer** under the Policy, the **Insured Company** will provide the **Insurer** proof of loss with full particulars within three (3) months: after the first discovery by an **executive officer** of the **first party incident** (other than a **cyber-extortion threat**); or first occurrence of the **cyber extortion threat**.

F. ASSISTANCE AND COOPERATION

1. The **Insured** will reasonably cooperate with the **Insurer** and upon the **Insurer's** request:
 - (a) assist the **Insurer** in the investigation of any **third party wrongful act** and **first party incident**;
 - (b) attend hearings, depositions and trials;
 - (c) assist the **Insurer** in defending and effecting settlements of **claims**;
 - (d) secure and provide evidence which includes but not limited to obtain the attendance of witnesses;
 - (e) allow the **Insurer** to participate in the handling and management of any suit or proceeding;
 - (f) assist the **Insurer** in enforcing any right, contribution or indemnity against a third party which may be liable to the **Insured**; and
 - (g) allow a computer forensics expert access to systems, files and information.
2. The **Insured** will take all reasonable steps to limit and mitigate any **loss** arising from any **third party wrongful act** or **first party incident** for which coverage may be or is sought under the Policy. The **Insured** will do nothing which in any way increases the **Insurer's** exposure under the Policy or in any way prejudices the **Insurer's** potential or actual rights of recovery.

VII. Cancellation and Non-Renewal

A. CANCELLATION BY THE NAMED INSURED

Except for nonpayment of premium, as set forth below, the **Named Insured** has the exclusive right to cancel the Policy. Cancellation may be effected by mailing to the **Insurer** written notice stating when such cancellation will be effective. In such event, the **Insurer** will retain the pro rata portion of earned premium.

B. CANCELLATION BY THE INSURER

The **Insurer** may cancel the Policy only for nonpayment of premium. The **Insurer** will provide not less than ten (10) days written notice stating the reason for cancellation and when the Policy will be canceled. Notice of cancellation will be sent to the **Named Insured**.

C. NON-RENEWAL OF COVERAGE

The **Insurer** is under no obligation to renew the Policy upon its expiration. If the **Insurer** elects to non-renew the Policy, the **Insurer** will deliver or mail to the **Named Insured** written notice stating such at least sixty (60) days prior to the Policy's expiration date, as stated in Item 2. on the Declarations page. The offering of terms and conditions different from the expiring terms and conditions, including limits of liability, retention or premium, will not constitute a refusal to renew or a cancellation of the Policy.

VIII. Extended Reporting Period

A. AUTOMATIC EXTENDED REPORTING PERIOD

Effective upon the date of termination or cancellation of the Policy for any reason other than nonpayment of premium, the **Named Insured** will automatically be provided a period of sixty (60) days in which to give written notice to the **Insurer** of:

1. **claims** first made against the **Insured** during the **policy period** or the automatic extended reporting period for **third party wrongful act** committed by an **Insured** after the **retroactive date** and prior to the end of the **policy period**; or
2. **first party incidents** that are first discovered by an **Insured** during said sixty (60) day period and otherwise covered by the Policy.

B. OPTIONAL EXTENDED REPORTING PERIOD

Effective upon the date of termination or cancellation of the Policy for any reason other than nonpayment of premium, the **Named Insured** will have the right to purchase an optional extended reporting period of one (1), two (2) or three (3) years. Such right must be exercised by the **Named Insured** within sixty (60) days of the date of termination or cancellation of the Policy by providing written notice to the **Insurer** and remitting the amount of additional premium described below in which to provide written notice to the **Insurer** of **claims** first made against the **Insured** during the optional extended reporting period for **third party wrongful acts** committed by an **Insured** after the **retroactive date** and prior to the end of the **policy period**.

The additional premium for the optional extended reporting period will be for a:

1. one (1) year optional extended reporting period, one hundred percent (100%) of the annual premium for the Policy;
2. two (2) year optional extended reporting period, one hundred fifty percent (150%) of the annual premium for the Policy; or
3. three (3) year optional extended reporting period, one hundred seventy-five percent (175%) of the annual premium for the Policy.

C. CONDITIONS

1. The automatic extended reporting period and the optional extended reporting period cannot be canceled and any additional premium charged for the optional extended reporting period will be fully earned at inception.
2. The first sixty (60) days of the optional extended reporting period, if purchased, will run concurrently with the automatic extended reporting period.
3. The limit of liability of the **Insurer** under the automatic extended reporting period and the optional extended reported period will be part of and not in addition to the limits of liability for the Policy.

IX. General Conditions

A. CHANGE IN CONTROL

If, during the **policy period**, the **Named Insured** consolidates with, merges into, or sells all or substantially all of its assets to another entity, or if any entity acquires **management control** of the **Named Insured**, then the Policy will remain in full force but only with respect to **third party wrongful acts** and **first party incidents** (other than **cyber-extortion threats**) involving the **Named Insured** that occurred prior to the date of the consolidation, merger, sale or acquisition of **management control**; provided, however, coverage will remain in force for **third party wrongful acts** and **first party incidents** (other than **cyber-extortion threats**) first discovered and for **cyber-extortion threats** first occurring subsequent to the date of the consolidation, merger, sale or acquisition of **management control**, if within thirty (30) days of the takeover effective date (1) the **Insurer** receives written notice containing full details of the transaction, (2) the **Named Insured** accepts all Policy amendments required by the **Insurer**, including the addition of special terms, conditions and exclusions, and (3) the **Named Insured** pays any additional premium charge.

B. ACTION AGAINST THE INSURER

No action may be brought against the **Insurer** unless, as a condition precedent thereto, (1) the **Insured** has fully complied with all of the terms, conditions and other provisions of the Policy, and (2) the amount of the **Insured's** obligation to pay has been finally determined, either by judgment against the **Insured** after an adversarial trial and appeal or by written agreement by the claimant, **Insured** and **Insurer**.

No person or entity will have the right under the Policy to (1) join the **Insurer** or its agents and representatives as a defendant, co-defendant or other party in any action against the **Insured** to determine the **Insured's** liability or (2) implead the **Insurer** or its agents and representatives in any such action.

C. BANKRUPTCY

Bankruptcy or insolvency of the **Named Insured** will not relieve the **Insurer** of any of its obligations hereunder.

D. OTHER INSURANCE

The Policy is excess over and will not contribute with any other valid and collectible insurance, whether prior or contemporaneous, unless such other insurance is expressly written to be excess of this Policy.

E. SUBROGATION

In the event of payment of **loss** by the **Insurer** under the Policy, the **Insurer** is subrogated to all of the **Insured's** rights of recovery against any person or entity to the extent of such payment. The **Insured** warrants and agrees to execute and deliver instruments and papers and do whatever else is required by the **Insurer** to secure, prosecute and collect on such rights. The **Insured** further warrants and agrees not to prejudice such rights.

If, prior to a **claim** being made, the **Insured Company** has waived its rights to recovery against a person or entity in any written contract or agreement, then the **Insurer** will waive its rights to subrogation against such person or entity to the same extent as the **Insured Company's** waiver.

F. TERRITORY

The Policy applies to [third party wrongful acts](#) and [first party incidents](#) occurring and [claims](#) made anywhere in the world other than any country barred by the Office of Foreign Assets Control (OFAC).

G. REPRESENTATION CLAUSE

In issuing the Policy, the [Insurer](#) has relied upon the [application](#). The [Insured](#) warrants that the content of and materials provided to the [Insurer](#) are true, accurate and complete and are material to the [Insurer's](#) acceptance of the risk to which the Policy applies. Any material misrepresentation, concealment or misstatement by the [Insured](#) will render the Policy null and void with respect to any natural person [Insured](#) who knew of such material misrepresentation, concealment or misstatement and with respect to the [Insured Company](#) if an [executive officer](#) knew of such material misrepresentation, concealment or misstatement and relieve the [Insurer](#) from all obligations and liability herein with regard to said [Insured](#) parties.

H. NAMED INSURED SOLE AGENT

The [Named Insured](#) will be the sole agent and will act on behalf of the [Insured](#) for the purpose of:

1. providing and/or receiving notices, amendments to or cancelling of the Policy;
2. completing the [application](#);
3. making statements, representations and warranties;
4. remitting premium and receiving the return premium that may become due;
5. paying the retention; and
6. exercising or declining to exercise any right under the Policy.

I. POLICY CHANGES

Notice to any agent of the [Insurer](#) or knowledge possessed by any such agent or by any other person will not affect a waiver or a change in any part of the Policy, and will not prevent or preclude the [Insurer](#) from asserting or invoking any right under or provision of the Policy. None of the provisions of the Policy will be waived, changed or modified except by a written and signed endorsement issued by the [Insurer](#) to form a part of the Policy.

J. ASSIGNMENT

The [Insured](#) may not assign any rights, remedies, privileges or protections under the Policy and any such assignment is not valid unless the [Insurer's](#) written consent is endorsed thereon.

K. ALTERNATIVE DISPUTE RESOLUTION

Any dispute arising out of or relating to the Policy, including but not limited to its construction, application and validity, or any breach thereof, will first be submitted to non-binding mediation administered by a mediation facility to which the [Insurer](#) and the [Insured](#) mutually agree. The [Insured](#) and the [Insurer](#) will attempt in good faith to settle the dispute in accordance with the commercial mediation rules of the American Arbitration Association ('AAA') in effect at the time of the dispute. No award of punitive damages will be made in any such mediation. Each party will bear its own fees and costs in connection with any such mediation, but the costs incurred through AAA, including the fees and expenses of the mediator, will be shared equally by the parties unless the mediation award provides otherwise. All mediation proceedings will be held in a United States city where either the [Named Insured](#) or the [Insurer](#) has its principal place of business, at the election of the party commencing mediation.

In the event such non-binding mediation does not result in a settlement of the dispute either party has the right:

1. to commence a judicial proceeding; and
2. with consent of the other party, to commence an arbitration proceeding in accordance with the commercial arbitration rules of AAA in effect at the time of dispute.

The decision of the arbitrator or arbitrators will be final and binding and any award may be confirmed and enforced in any court of competent jurisdiction.

IN WITNESS

INDIAN HARBOR INSURANCE COMPANY

REGULATORY OFFICE
505 EAGLEVIEW BOULEVARD, SUITE 100
DEPARTMENT: REGULATORY
EXTON, PA 19341-1120
PHONE: 800-688-1840

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.



Joseph Tocco
President



Toni Ann Perkins
Secretary

ENDORSEMENT #001

This endorsement, effective 12:01 a.m., January 1, 2017 forms a part of Policy No. MTP003949204 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANUSCRIPT ENDORSEMENT

This endorsement modifies insurance provided under the following:

Cyber and Technology Liability Policy

LONG NAMED INSURED ENDORSEMENT

In consideration of the premium charged, it is understood and agreed that **Item 1. NAMED INSURED** on the Declarations of the Policy is deleted in its entirety and replaced with the following:

Item 1: NAMED INSURED:

THE PARTICIPATING MEMBERS OF THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND

All other terms and conditions of this Policy shall remain the same.

ENDORSEMENT #002

This endorsement, effective 12:01 a.m., January 1, 2017 forms a part of Policy No. MTP003949204 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANUSCRIPT ENDORSEMENT

This endorsement modifies insurance provided under the following:

Cyber and Technology Liability Policy

INSURED ENDORSEMENT

In consideration of the premium charged, it is agreed that the entity or entities named below shall be added as additional **Insureds** under this Policy, but only for **third party wrongful acts** committed after the specified **retroactive date** and any **first party incident** occurring after the effective date.

ADDITIONAL INSURED	RETROACTIVE DATE
BAYSHORE REGIONAL SEWAGE AUTHORITY; BEACHWOOD SEWERAGE AUTHORITY; BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; BERKELEY TOWNSHIP SEWERAGE AUTHORITY; BERNARDS SEWERAGE AUTHORITY; BORDENTOWN SEWERAGE AUTHORITY; BRICK TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; BUENA BOROUGH MUNICIPAL UTILITIES AUTHORITY; CAPE MAY COUNTY MUNICIPAL UTILITIES AUTHORITY; CARLSTADT SEWERAGE AUTHORITY; CARNEY'S POINT SEWERAGE AUTHORITY; CINNAMINSON SEWERAGE AUTHORITY; CLINTON TOWNSHIP SEWERAGE AUTHORITY; DEPTFORD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY; EATONTOWN SEWERAGE AUTHORITY; EGG HARBOR TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; EVESHAM MUNICIPAL UTILITIES AUTHORITY; FRANKLIN TOWNSHIP SEWERAGE AUTHORITY; HACKETTSTOWN MUNICIPAL UTILITIES AUTHORITY; HAMILTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; HANOVER TOWNSHIP SEWERAGE AUTHORITY; HILLSBOROUGH MUNICIPAL UTILITIES AUTHORITY; JACKSON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; JERSEY CITY MUNICIPAL UTILITIES AUTHORITY; KEARNY MUNICIPAL UTILITIES AUTHORITY; LACEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; LAKEWOOD MUNICIPAL UTILITIES AUTHORITY; LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY;	01/01/2013; 01/01/2016 for East Windsor Municipal Utilities Authority and Two Rivers Water Reclamation Authority

LITTLE EGG HARBOR MUNICIPAL UTILITIES AUTHORITY; LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; LONG BRANCH SEWERAGE AUTHORITY; LOWER TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; MANASQUAN RIVER REGIONAL SEWERAGE AUTHORITY; MANTUA TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; MERCHANTVILLE-PENNSAUKEN WATER COMMISSION; MIDDLETOWN TOWNSHIP SEWERAGE AUTHORITY; MONMOUTH BAYSHORE OUTFALL AUTHORITY; MONROE MUNICIPAL UTILITIES AUTHORITY; MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY; MUSCONETCONG SEWERAGE AUTHORITY; NORTH ARLINGTON-LYNDHURST JOINT MEETING; NORTH BERGEN MUNICIPAL UTILITIES AUTHORITY; NORTHWEST BERGEN COUNTY UTILITIES AUTHORITY; OCEAN TOWNSHIP SEWERAGE AUTHORITY; PASSAIC VALLEY WATER COMMISSION; PENNS GROVE SEWERAGE AUTHORITY; PENNSAUKEN SEWERAGE AUTHORITY; PENNSVILLE SEWERAGE AUTHORITY; PINE HILL BOROUGH MUNICIPAL UTILITIES AUTHORITY; PLAINFIELD AREA REGIONAL SEWERAGE AUTHORITY; PLAINFIELD MUNICIPAL UTILITIES AUTHORITY; POMPTON LAKES MUNICIPAL UTILITIES AUTHORITY; RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; READINGTON-LEBANON SEWERAGE AUTHORITY; RIVERSIDE SEWERAGE AUTHORITY; ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY; SECAUCUS MUNICIPAL UTILITIES AUTHORITY; SOMERSET RARITAN VALLEY SEWERAGE AUTHORITY; SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY; STONY BROOK REGIONAL SEWARAGE AUTHORITY; TOMS RIVER MUNICIPAL UTILITIES AUTHORITY; TWO RIVERS WATER RECLAMATION AUTHORITY; UNION COUNTY UTILITIES AUTHORITY; WANAQUE VALLEY REGIONAL SEWERAGE AUTHORITY; WARREN COUNTY PEQUEST RIVER MUNICIPAL UTILITIES AUTHORITY; WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY (GLOUCESTER COUNTY); WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY (MORRIS COUNTY); WEST MILFORD MUNICIPAL UTILITIES AUTHORITY; WESTERN MONMOUTH MUNICIPAL UTILITIES AUTHORITY; WOODBINE MUNICIPAL UTILITIES AUTHORITY; WOODSTOWN SEWERAGE AUTHORITY;	

All other terms and conditions of this Policy shall remain the same.

ENDORSEMENT #003

This endorsement, effective 12:01 a.m., January 1, 2017 forms a part of Policy No. MTP003949204 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PCI DSS COVERAGE AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

Cyber and Technology Liability Policy

In consideration of the premium charged, it is agreed that:

1. Section **I. Insuring Agreements**, Paragraph **A. THIRD PARTY LIABILITY COVERAGES** is amended by adding the following new Insuring Agreement:

PCI DSS Coverage

The **Insurer** will reimburse the **Insured** for **PCI DSS fines and costs** that the **Insured** is legally obligated to pay as the result of a **claim** first made against the **Insured** during the **policy period** or extended reporting period (if applicable) alleging a **PCI DSS wrongful act** by the **Insured** or an **outsourced provider**. Provided, however, coverage under this Insuring Agreement is sublimited to the amount set forth below:

Insuring Agreements	Sublimits	Retention	Retro Date
Third Party Liability Coverages			
PCI DSS Coverage	\$ 50,000	\$ 25,000	01/01/2016

2. Section **IV. Definitions** is amended by adding the following new definitions:

MERCHANT SERVICES AGREEMENT

An agreement between the **Insured** and a financial institution, credit/debit card company, credit/debit card processor or Independent service operator enabling the **Insured** to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.

PCI DSS FINES AND COSTS

Monetary fines, fraud recoveries, operational reimbursement and assessments owed by the **Insured** under the contractual obligations of a **Merchant Services Agreement**. Provided, however, PCI DSS fines and costs does not mean interchange fees, discount fees or prospective service fees.

PCI DSS WRONGFUL ACT

Any actual or alleged failure to comply with PCI Data Security Standards resulting from a **cyber security breach** or **privacy and security wrongful act**.

3. Solely with respect to the coverage afforded by this endorsement, Section **IV. Definitions** Paragraphs **X. LOSS** and **YY. THIRD PARTY WRONGFUL ACT** are deleted in their entirety and replaced with the following:
 - X. LOSS**

All damages, claim expenses, regulatory damages, first party costs and PCI DSS fines and costs.
 - YY. THIRD PARTY WRONGFUL ACT**

A technology and professional services wrongful act, media wrongful act, privacy and security wrongful act and PCI DSS wrongful act.
4. Section **III. Limit of Liability and Retention**, Paragraph **A. LIMIT OF LIABILITY OPTION**, Item 2. Separate Limits, (a) is deleted in its entirety and replaced with the following:
 - (a) Third and First Party Aggregate Limit, as stated in Item 7. on the Declarations page and the PCI DSS Coverage sublimit, as stated in Item 1. above, is the Insurer's maximum liability for all damages, claim expenses, regulatory damages, PCI DSS Fines and Costs, loss of business income, extra expense, data recovery expenses, cyber-extortion expenses and claim avoidance costs for all Third Party Liability Coverages and First Party Coverages, regardless of the number of Insureds, claims, first party incidents, or individuals or entities making claims.
5. Section **III. Limit of Liability and Retention**, Paragraph **B. RETENTIONS** is deleted and replaced as follows:
 - B. RETENTIONS**
 1. Solely with respect to coverage provided on a Combined Limits basis, the Insurer is liable only for that portion of covered damages, regulatory damages, PCI DSS fines and costs and claim expenses resulting from a third party wrongful act and for that portion of covered first party costs resulting from a first party incident that is in excess of the applicable Insuring Agreement's retention amount, as stated in Item 7. on the Declarations page. If more than a single retention applies to a claim and/or first party incident, then the Insured is responsible for paying the highest applicable retention. The retention will be borne entirely by the Insured alone and not by the Insurer.
 2. Solely with respect to coverage provided on a Separate Limits basis, the Insurer is liable only for that portion of covered damages, regulatory damages, PCI DSS fines and costs and claim expenses resulting from a third party wrongful act and for that portion of any covered loss of business income, extra expense, data recovery expenses, cyber-extortion expenses, data breach response and crisis management costs and claim avoidance costs resulting from a cyber security breach or cyber-extortion threat that is in excess of the applicable Insuring Agreement's retention amount, as stated in Item 7. on the Declarations or Item 1. above. If more than a single retention applies to a claim and/or first party incident, then the Insured is responsible for paying the highest applicable retention. The retention will be borne entirely by the Insured alone and not by the Insurer.

As respects Data Breach Response and Crisis Management Coverage, a separate retention will apply and the Insurer is liable for that portion of any covered data breach response and crisis management costs directly resulting from a data breach.

6. Section **V. Exclusions**, Paragraph **Q. CONTRACTUAL** is deleted in its entirety and replaced with the following:

Q. CONTRACTUAL

any obligation an Insured has under written contract; provided, however, this exclusion shall not apply to liability an Insured would have in the absence of a contract or an Insured's:

1. breach of an exclusivity or confidentiality provision contained in a written agreement;
2. violation of an intellectual property right except a violation of a patent right;
3. performance of technology services or professional services;
4. provision of technology products; or
5. breach of a Merchant Services Agreement.

All other terms and conditions of this Policy shall remain the same.

ENDORSEMENT #004

This endorsement, effective 12:01 a.m., January 1, 2017 forms a part of Policy No. MTP003949204 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company

SERVICE OF PROCESS

The Commissioner of Insurance of the State of New Jersey is hereby designated the true and lawful attorney of the Company upon whom may be served all lawful process in any action, suit or proceeding arising out of this policy. The Company further designates:

Sarah Mims
Assistant Secretary
505 Eagleview Boulevard, Suite 100
Exton, Pennsylvania 19341-0636

as its agent in New Jersey to whom such process shall be forwarded by the Commissioner of Insurance.

For Illinois exposures, the Insurer further designates the Director of the Illinois Division of Insurance and his successors in office, as its 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 an Illinois exposure and this contract of insurance.

All other terms and conditions of this policy remain unchanged.

(Authorized Representative)

XL Group
Insurance
Reinsurance



Claims Reporting Information

Please be advised that the following replaces the claims reporting address in the CONDITIONS section, part A. Reporting of Claims and Potential Claims of this Policy:

via email: proclaimnewnotices@xlgroup.com

OR

via post mail: XL Insurance
PO Box 614002
Orlando, FL 32861-4002



XL Data Breach Hotline

Should you experience a data breach event, call the data breach hotline at **1-855-566-4724** for immediate triage assistance. Please be aware that this service is provided by Nelson Levine deLuca & Horst and contacting the data breach hotline does NOT satisfy the claim notification requirements of your policy.



eRisk Hub Resource

As an adjunct of your policy with XL Group, your company now has access to the **eRisk Hub®**, powered by NetDiligence®.

The eRisk Hub is a private web-based portal containing information and technical resources that can assist you in the prevention of network, cyber and privacy losses and support you in the timely reporting and recovery of losses if an incident occurs.

The eRisk Hub portal is an internet-based service that features news, content and services from leading practitioners in risk management, computer forensics, forensic accounting, crisis communications, legal counsel, and other highly-specialized segments of cyber risk.

Please note the following:

The eRisk Hub portal is a private site for customers of XL Group only. Do not share portal access instructions with anyone outside your organization. You are responsible for maintaining the confidentiality of the **Access Code** provided to you.

Up to three individuals from your organization may register and use the portal. Ideal candidates include your company's Risk Manager, Compliance Manager, Privacy Officer, IT Operations Manager or Legal Counsel.

This portal contains a directory of experienced providers of cyber risk management and breach recovery services. XL Group does not endorse these companies or their respective services. Before you engage any of these companies, we urge you to conduct your own due diligence to ensure the companies and their services meet your needs. Unless otherwise indicated or approved, payment for services provided by these companies is your responsibility.

To register for the XL Group eRisk Hub:

- Go to <https://www.eriskhub.com/xl.php>.
- Complete the registration form. Your **Access Code** is **10448**.
- Once registered, you can access the portal immediately with the User ID and password you established during registration.

NOTICE TO POLICYHOLDERS

PRIVACY POLICY

The XL America, Inc. insurance group (the “Companies”), believes personal information that we collect about our customers, potential customers, and proposed insureds (referred to collectively in this Privacy Policy as “customers”) must be treated with the highest degree of confidentiality. For this reason and in compliance with the Title V of the Gramm-Leach-Bliley Act (“GLBA”), we have developed a Privacy Policy that applies to all of our companies. For purposes of our Privacy Policy, the term “personal information” includes all information we obtain about a customer and maintain in a personally identifiable way. In order to assure the confidentiality of the personal information we collect and in order to comply with applicable laws, all individuals with access to personal information about our customers are required to follow this policy.

Our Privacy Promise

Your privacy and the confidentiality of your business records are important to us. Information and the analysis of information is essential to the business of insurance and critical to our ability to provide to you excellent, cost-effective service and products. We understand that gaining and keeping your trust depends upon the security and integrity of our records concerning you. Accordingly, we promise that:

1. We will follow strict standards of security and confidentiality to protect any information you share with us or information that we receive about you;
2. We will verify and exchange information regarding your credit and financial status only for the purposes of underwriting, policy administration, or risk management and only with reputable references and clearinghouse services;
3. We will not collect and use information about you and your business other than the minimum amount of information necessary to advise you about and deliver to you excellent service and products and to administer our business;
4. We will train our employees to handle information about you or your business in a secure and confidential manner and only permit employees authorized to use such information to have access to such information;
5. We will not disclose information about you or your business to any organization outside the XL insurance group of Companies or to third party service providers unless we disclose to you our intent to do so or we are required to do so by law;
6. We will not disclose medical information about you, your employees, or any claimants under any policy of insurance, unless you provide us with written authorization to do so, or unless the disclosure is for any specific business exception provided in the law;
7. We will attempt, with your help, to keep our records regarding you and your business complete and accurate, and will advise you how and where to access your account information (unless prohibited by law), and will advise you how to correct errors or make changes to that information; and
8. We will audit and assess our operations, personnel and third party service providers to assure that your privacy is respected.

Collection and Sources of Information

We collect from a customer or potential customer only the personal information that is necessary for (a) determining eligibility for the product or service sought by the customer, (b) administering the product or service obtained, and (c) advising the customer about our products and services. The information we collect generally comes from the following sources:

- Submission – During the submission process, you provide us with information about you and your business, such as your name, address, phone number, e-mail address, and other types of personal identification information;
- Quotes – We collect information to enable us to determine your eligibility for the particular insurance product and to determine the cost of such insurance to you. The information we collect will vary with the type of insurance you seek;

- Transactions – We will maintain records of all transactions with us, our affiliates, and our third party service providers, including your insurance coverage selections, premiums, billing and payment information, claims history, and other information related to your account;
- Claims – If you obtain insurance from us, we will maintain records related to any claims that may be made under your policies. The investigation of a claim necessarily involves collection of a broad range of information about many issues, some of which does not directly involve you. We will share with you any facts that we collect about your claim unless we are prohibited by law from doing so. The process of claim investigation, evaluation, and settlement also involves, however, the collection of advice, opinions, and comments from many people, including attorneys and experts, to aid the claim specialist in determining how best to handle your claim. In order to protect the legal and transactional confidentiality and privileges associated with such opinions, comments and advice, we will not disclose this information to you; and
- Credit and Financial Reports – We may receive information about you and your business regarding your credit. We use this information to verify information you provide during the submission and quote processes and to help underwrite and provide to you the most accurate and cost-effective insurance quote we can provide.

Retention and Correction of Personal Information

We retain personal information only as long as required by our business practices and applicable law. If we become aware that an item of personal information may be materially inaccurate, we will make reasonable effort to re-verify its accuracy and correct any error as appropriate.

Storage of Personal Information

We have in place safeguards to protect data and paper files containing personal information.

Sharing/Disclosing of Personal Information

We maintain procedures to assure that we do not share personal information with an unaffiliated third party for marketing purposes unless such sharing is permitted by law. Personal information may be disclosed to an unaffiliated third party for necessary servicing of the product or service or for other normal business transactions as permitted by law.

We do not disclose personal information to an unaffiliated third party for servicing purposes or joint marketing purposes unless a contract containing a confidentiality/non-disclosure provision has been signed by us and the third party. Unless a consumer consents, we do not disclose “consumer credit report” type information obtained from an application or a credit report regarding a customer who applies for a financial product to any unaffiliated third party for the purpose of serving as a factor in establishing a consumer’s eligibility for credit, insurance or employment. “Consumer credit report type information” means such things as net worth, credit worthiness, lifestyle information (piloting, skydiving, etc.) solvency, etc. We also do not disclose to any unaffiliated third party a policy or account number for use in marketing. We may share with our affiliated companies information that relates to our experience and transactions with the customer.

Policy for Personal Information Relating to Nonpublic Personal Health Information

We do not disclose nonpublic personal health information about a customer unless an authorization is obtained from the customer whose nonpublic personal information is sought to be disclosed. However, an authorization shall not be prohibited, restricted or required for the disclosure of certain insurance functions, including, but not limited to, claims administration, claims adjustment and management, detection, investigation or reporting of actual or potential fraud, misrepresentation or criminal activity, underwriting, policy placement or issuance, loss control and/or auditing.

Access to Your Information

Our employees, employees of our affiliated companies, and third party service providers will have access to information we collect about you and your business as is necessary to effect transactions with you. We may also disclose information about you to the following categories of person or entities:

- Your independent insurance agent or broker;
- An independent claim adjuster or investigator, or an attorney or expert involved in the claim;
- Persons or organizations that conduct scientific studies, including actuaries and accountants;
- An insurance support organization;
- Another insurer if to prevent fraud or to properly underwrite a risk;
- A state insurance department or other governmental agency, if required by federal, state or local laws; or
- Any persons entitled to receive information as ordered by a summons, court order, search warrant, or subpoena.

Violation of the Privacy Policy

Any person violating the Privacy Policy will be subject to discipline, up to and including termination.

For more information or to address questions regarding this privacy statement, please contact your broker.

NOTICE TO POLICYHOLDERS

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")

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 Policyholder Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC and possibly the U.S. Department of State. **Please read this Policyholder Notice carefully.**

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
- Narcotics traffickers

as *Specially Designated Nationals and Blocked Persons*. This list can be found on the U.S. Department of the Treasury's web site - <http://www.treas.gov/ofac>.

The Secretary of the Treasury also has identified a number of entities in the insurance, petroleum, and petrochemicals industries determined to be owned or controlled by the Iranian government. Business transactions with any of these entities are expressly prohibited. These entities have been added to OFAC's list of *Financial Institutions Determined To Be Owned or Controlled by the Government of Iran*. This list can be found on the U.S. Department of the Treasury's web site - <http://www.treas.gov/offices/enforcement/lists/>

In accordance with OFAC regulations, or any applicable regulation promulgated by the U.S. Department of State, 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 will be immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

PN CW 05 1010

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SULC 04/15/2014

NOTICE TO POLICYHOLDERS

FRAUD NOTICE

Arkansas	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Colorado	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.
District of Columbia	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.
Florida	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 of the third degree.
Kansas	A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.
Kentucky	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.
Louisiana	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Maine	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 denial of insurance benefits.
Maryland	Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
New Jersey	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
New Mexico	ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

NOTICE TO POLICYHOLDERS

New York	General: All applications for commercial insurance, other than automobile insurance: 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 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. All applications for automobile insurance and all claim forms: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation. Fire: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime. The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.
Ohio	Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
Oklahoma	WARNING: 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.
Pennsylvania	All Commercial Insurance, Except As Provided for Automobile Insurance: 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. Automobile Insurance: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.
Puerto Rico	Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

NOTICE TO POLICYHOLDERS

Rhode Island	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Tennessee	All Commercial Insurance, Except As Provided for Workers' Compensation It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits. Workers' Compensation: It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.
Utah	Workers' Compensation: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.
Virginia	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
Washington	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
West Virginia	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
All Other States	Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison. (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties).

NOTICE TO POLICYHOLDERS

NEW JERSEY

NEW JERSEY POLICY HOLDER NOTICE

NOTICE TO POLICYHOLDER: THIS POLICY IS WRITTEN BY A DOMESTIC SURPLUS LINES INSURER, AN ELIGIBLE UNAUTHORIZED INSURER PURSUANT TO SECTION 2 OF P.L. 2011 c.39 (C. 17:22-6.69b), AND IS NOT SUBJECT TO THE RATE OR FORM FILING OR APPROVAL REQUIREMENTS OF THE NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE. THIS POLICY MAY CONTAIN CONDITIONS, LIMITATIONS, EXCLUSIONS AND DIFFERENT TERMS THAN A POLICY OTHERWISE ISSUED BY A NEW JERSEY AUTHORIZED OR ADMITTED INSURER. THIS POLICY IS NOT COVERED BY THE NEW JERSEY PROPERTY-LIABILITY GUARANTY ASSOCIATION. THIS POLICY MAY BE COVERED BY THE NEW JERSEY SURPLUS LINES INSURANCE GUARANTY FUND, BUT ONLY TO THE EXTENT PROVIDED PURSUANT TO SECTION 2 OF P.L. 1984, c. 101 (C. 17:22-6.71).



Regulatory Office
Indian Harbor Insurance Company
505 Eagleview Blvd. Suite 100
Dept: Regulatory
Exton, PA 19341-0636
Telephone: 800-688-1840

XL ECLIPSE PRO 2.0

TECHNOLOGY AND MISCELLANEOUS PROFESSIONAL SERVICES, TECHNOLOGY PRODUCTS, NETWORK SECURITY, PRIVACY, AND MEDIA COMMUNICATIONS INSURANCE DECLARATIONS

THIS IS A CLAIMS MADE AND REPORTED INSURANCE POLICY. PLEASE READ IT CAREFULLY.

PRODUCER: Public Risk Underwriters of Texas
101 W. Renner Road, Suite 450
Richardson, TX 75082

PRODUCER NO.: 02523

POLICY NO.: MTP003949201

RENEWAL OF: MTP003949200

THIS IS A CLAIMS MADE AND REPORTED POLICY. THIS POLICY APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD. CLAIM EXPENSES ARE WITHIN AND REDUCE THE LIMIT OF LIABILITY. PLEASE REVIEW THIS POLICY CAREFULLY.

Item 1. NAMED INSURED: NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND

Item 2. ADDRESS: 9 CAMPUS DRIVE
SUITE 16

City/State/Zip Code: PARSIPPANY, NJ 07054

Item 3. POLICY PERIOD:

FROM: January 1, 2014 **TO:** January 1, 2015
12:01 A.M. Standard Time at the address of the Named Insured as stated herein.

Item 4. LIMITS OF LIABILITY (Inclusive of claim expenses):

- (a) \$ 3,000,000 Each **Claim**
- (b) \$ 6,000,000 Policy Aggregate – subject to the following Aggregate sublimits:
- (i) \$ 1,000,000 for all **privacy notification costs** as per Insuring Agreements I.E.2 and II.D.
- (ii) \$ 1,000,000 for all regulatory fines and claim expenses for Privacy Liability as per Insuring Agreement I.E.2.
- (iii) \$ 1,000,000 for all **extortion damages** for **extortion threat** as per Insuring Agreement II. A.
- (iv) \$ 1,000,000 for all **crisis management expenses** as per Insuring Agreement II. B..
- (v) \$ 1,000,000 for all **reduction in business income** caused by Business Interruption as per Insuring Agreement II.C.

Item 5. DEDUCTIBLES (inclusive of claim expenses) and WAITING PERIOD:

- (a) \$ 25,000 Each **claim** (except as designated in 5 (b) through 5 (f))
- (b) \$ 25,000 For **privacy notification costs** from each **data breach** as per Insuring Agreements I.E.2. and II.D.
- (c) \$ 25,000 Each **claim** for **regulatory fines** as per Insuring Agreement I.E.2.
- (d) \$ 25,000 Each **extortion threat** and **extortion damages** as per Insuring Agreement II.A.
- (e) \$ 25,000 For crisis management expenses from each network breach or privacy wrongful act as per Insuring Agreement II.B.
- (f) \$ NA Each **network breach** causing Business Interruption and **reduction in business income** as per Insuring Agreement II.C.
- (g) 10 hour waiting period For Business Interruption for Insuring Agreement II.C.

Item 6. PREMIUM: \$ 43,348

Item 7. PROFESSIONAL SERVICES:
N/A

Item 8. RETROACTIVE DATE (if applicable): January 1, 2013

Item 9. CONTINUITY DATE: N/A

Item10. ENDORSEMENTS ATTACHED AT POLICY EFFECTIVE DATE:

Endorsement Number	Endorsement Form Number	Endorsement Title
	PN CW 02 05 05	Notice To Policyholders - Privacy Policy
	PN CW 05 1010	Notice To Policyholders - U.S. Treasury Department's Office of Foreign Assets Control ("OFAC")
	PN CW 01 0613	Notice To Policyholders - Fraud Notice
	PN NJ 01 0312	New Jersey Policy Holder Notice - Surplus Lines
	IL MP 9104 0211 IHIC	In Witness - Indian Harbor Insurance Company
Endorsement No. 001	MTP-EP-101 0112	Long Named Insured Endorsement
Endorsement No. 002	MTP-EP-103 0112	Manuscript Endorsement
Endorsement No. 003	MTP-EP-103 0112	Manuscript Endorsement
Endorsement No. 004	XL-NJSOP 11 10	Service of Process
	MTP-EP-PF 0112	XL Eclipse Pro 2.0 Technology And Miscellaneous Professional Services, Technology Products, Network Security, Privacy, And Media Communications Insurance Policy

Date

Authorized Representative

XL ECLIPSE PRO 2.0

TECHNOLOGY AND MISCELLANEOUS PROFESSIONAL SERVICES, TECHNOLOGY PRODUCTS, NETWORK SECURITY, PRIVACY, AND MEDIA COMMUNICATIONS INSURANCE POLICY

THIS IS A CLAIMS MADE AND REPORTED POLICY. THIS POLICY APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD. CLAIM EXPENSES ARE WITHIN AND REDUCE THE LIMIT OF LIABILITY. PLEASE REVIEW THIS POLICY CAREFULLY.

Words and phrases that appear in **bold** print have special meanings that are defined in **SECTION V. DEFINITIONS**.

I. THIRD PARTY INSURING AGREEMENTS

Provided always that the act, error, omission, **personal injury** or **privacy wrongful act** was committed on or subsequent to the **retroactive date** specified in Item 8. in the Declarations and that prior to the inception date of this policy no **Insured** had any reason to believe that the act, error, omission, **personal injury** or **privacy wrongful act** might be the basis of a **claim**, then the **Company** agrees as follows:

A. Technology and Miscellaneous Professional Services Liability Coverage

The **Company** will pay on behalf of the **Insured** all sums in excess of the deductible that the **Insured** becomes legally obligated to pay as **damages** and **claim expenses** as a result of a **claim** first made against the **Insured** and reported in writing to the **Company** during the **policy period** or any Extended Reporting Period, by reason of an act, error or omission in the performance of **technology services** or **miscellaneous professional services** by an **Insured**.

B. Technology Products Liability Coverage

The **Company** will pay on behalf of the **Insured** all sums in excess of the deductible that the **Insured** becomes legally obligated to pay as **damages** and **claim expenses** as a result of a **claim** first made against the **Insured** and reported in writing to the **Company** during the **policy period** or any Extended Reporting Period, by reason of an act, error or omission by an **Insured** that results in the failure of a **technology product** to properly perform the function intended.

C. Media Communications Liability Coverage

The **Company** will pay on behalf of the **Insured** all sums in excess of the deductible that the **Insured** becomes legally obligated to pay as **damages** and **claim expenses** as a result of a **claim** first made against the **Insured** and reported in writing to the **Company** during the **policy period** or any Extended Reporting Period for **personal injury** in **media communications** by an **Insured** or by someone for whom the **Insured** is legally responsible, including **liability assumed under contract**.

D. Network Security Liability Coverage

The **Company** will pay on behalf of the **Insured** all sums in excess of the deductible that the **Insured** becomes legally obligated to pay as **damages** and **claim expenses** as a result of a **claim** first made against the **Insured** and reported in writing to the **Company** during the **policy period** or any Extended Reporting Period, by reason of an act, error or omission by an **Insured** that either (i) causes a **network breach** or (ii) prevents a third party who is authorized to do so from gaining access to a **computer system**.

E. Privacy Liability Coverage

1. The **Company** will pay on behalf of the **Insured** all sums in excess of the deductible that the **Insured** becomes legally obligated to pay as **damages** and **claim expenses** as a result of a **claim** first made against the **Insured** and reported in writing to the **Company** during the **policy period** or any Extended Reporting Period by reason of a **privacy wrongful act** that the **Insured** or its **cloud service provider** commits or fails to prevent.
2. The **Company** will pay on behalf of the **Insured** all sums in excess of the deductible that the **Insured** becomes legally obligated to pay as **privacy notification costs** and **regulatory fines** as a result of a **claim** first made against the **Insured** and reported to the **Company** during the **policy period** or any Extended Reporting Period resulting from a violation of a **privacy law** by reason of a **privacy wrongful act** that the **Insured** or its **cloud service provider** commits or fails to prevent, but only up to the sublimit, if any, stated in Item 4.(b)(i) in the Declarations.

II. FIRST PARTY INSURING AGREEMENTS

A. Extortion Threat

The **Company** will pay the **Insured** for **extortion damages** in excess of the deductible incurred with the **Company's** prior written consent as a result of an **extortion threat** first made during the **policy period** against an **Insured** in its capacity as such and reported to the **Company** during the **policy period** or any Extended Reporting Period, provided that the **extortion threat** was not made by any **Insured** or any person acting or proceeding with the knowledge and consent of, at the direction or request of, or with the assistance of any **Insured**, but only up to the sublimit, if purchased, stated in Item 4.(b)(ii) in the Declarations.

B. Crisis Management Expense

The **Company** will pay the **Insured** for **crisis management expenses** in excess of the deductible incurred with the **Company's** prior written consent for the purpose of averting or reducing damage to the **Insured's** reputation, because of a **network breach** to the **Insured's computer system** or a **privacy wrongful act**, provided that the **network breach** or **privacy wrongful act** occurs during the **policy period** and is reported to the **Company** during the **policy period** or any Extended Reporting Period, but only up to the sublimit, if purchased, stated in Item 4.(b)(iii) in the Declarations.

C. Business Interruption

The **Company** will pay the **Insured** for the amount of **reduction in business income** in excess of the deductible that the **Insured** sustains during the **period of restoration** of an actual interruption of the use of the **Insured's computer system**, subject to the **waiting period** set forth in the Declarations, provided that the **reduction in business income** is directly caused by a **network breach** to the **Insured's computer system** that occurs during the **policy period** and is reported to the **Company** during the **policy period** or any Extended Reporting Period, but only up to the sublimit, if purchased, stated in Item 4.(b)(iv) in the Declarations.

D. Privacy Notification Costs

The **Company** will pay **privacy notification costs**, in excess of the deductible, that the **Insured** incurs with the **Company's** prior written consent due to the failure of an **Insured** or its **cloud service provider** to prevent **unauthorized access**, to the extent such **unauthorized access** (1)

results in a **data breach**, (2) results from an unintentional failure to follow the **Insured's privacy policy**, and (3) occurs and is reported in writing to the **Company** during the **policy period** or any Extended Reporting Period, but only up to the sublimit, if purchased, stated in Item 4.(b)(v) in the Declarations.

III. DEFENSE AND SETTLEMENT

A. Defense

The **Company** has the right and duty to defend any **claim** against the **Insured** seeking **damages** to which this policy applies under Section I, Third Party Insuring Agreements, even if the allegations are groundless, false or fraudulent. Defense counsel may be designated by the **Company** or, at the **Company's** option, by the **Insured** with the **Company's** written consent.

B. Settlement

The **Company** will have the right to settle, with the written consent of the **Named Insured**, any **claim** under this policy. If the **Named Insured** refuses to consent to a settlement within the policy's applicable limit of liability that is recommended by the **Company** and acceptable to the claimant, then the **Company's** limit of liability under this policy will be reduced to the amount of **damages** for which the **claim** could have been settled, plus all **claim expenses** incurred up to the time the **Company** made its recommendation, plus fifty percent (50%) of **claims expenses** incurred after the **Company** made its recommendation, the total of which will not exceed the limit of liability specified in the Declarations.

IV. LIMITS OF LIABILITY AND DEDUCTIBLE

A. Limit of Liability - Each Claim

The **Company's** limit of liability for **damages** and **claim expenses** for each **claim** will not exceed the amount shown in Item 4.(a) in the Declarations for "Each **Claim**."

B. Limit of Liability - Policy Aggregate and Aggregate Sublimits

The **Company's** total limit of liability under this policy, including the **Company's** total liability for all **damages**, **regulatory fines**, **privacy notification costs** and **claim expenses** under Section I; **extortion damages** under Section II.A; **crisis management expenses** under Section II.B; **reductions in business income** under Section II.C; and all **privacy notification costs** under Section II.D, will not exceed the aggregate amount shown in Item 4.(b) in the Declarations as the "Policy Aggregate."

The following Aggregate Sublimits, Items 4(b)(i) to 4(b)(v) in the Declarations are part of and not in addition to the "Policy Aggregate" limit of liability:

1. The sublimit of liability stated in Item 4(b)(i) in the Declarations is the aggregate limit for all **privacy notification costs** under Third Party Insuring Agreement I.E.2 and First Party Insuring Agreement II.D.;
2. The sublimit of liability stated in Item 4(b)(ii) in the Declarations is the aggregate limit for all **regulatory fines** and **claim expenses** for **Privacy Liability** under Third Party Insuring Agreement I.E.2.;
3. The sublimit of liability stated in Item 4(b)(iii) in the Declarations is the aggregate limit for all **extortion damages** for **extortion threat** under First Party Insuring Agreement II.A.;

4. The sublimit of liability stated in Item 4(b)(iv) in the Declarations is the aggregate limit for all **crisis management expenses** under First Party Insuring Agreement II.B.; and
5. The sublimit of liability stated in Item 4(b)(v) in the Declarations is the aggregate limit for all **reduction in business income** caused by Business Interruption under First Party Insuring Agreement II.C.

C. Exhaustion of Limits

The **Company** is not obligated to pay any **damages, claim expenses, regulatory fines, extortion damages, crisis management expenses, reduction in business income, or privacy notification costs** or defend or continue to defend any **claim** after the applicable limit of liability has been exhausted by the payment of **damages, claim expenses, regulatory fines, extortion damages, crisis management expenses, reduction in business income, or privacy notification costs** or any combination thereof; or after the **Company** has deposited the remaining available limit of liability into a court of competent jurisdiction or tendered the remaining available limit of liability to the **Named Insured** or, if applicable, to the excess insurer(s) of the **Named Insured**.

D. Deductible

1. The deductible amount shown in Item 5.(a) of the Declarations is the **Insured's** obligation for each **claim** under Item 4(a) and applies to the payment of **damages and claim expenses**. The deductible will be paid by the **Named Insured**. The limits of liability set forth in the Declarations are in addition to and in excess of the deductible.
2. The deductible amount stated in Item 5.(b) of the Declarations is the **Insured's** obligation for each **data breach**, or series of related **data breaches**, giving rise to **privacy notification costs**. The deductible will be paid by the **Named Insured**. The sublimit set forth in Item 4.(b)(i) in the Declarations is in excess of the deductible stated in Item 5.(b).
3. The deductible amount stated in Item 5.(c) in the Declarations is the **Insured's** obligation for each **claim** under Item 4(b)(ii) and applies to the payment of **regulatory fines and claim expenses for Privacy Liability**. The deductible will be paid by the **Named Insured**. The sublimit set forth in Item 4.(b)(ii) in the Declarations is in excess of the deductible stated in Item 5.(c).
4. The deductible amount stated in Item 5.(d) in the Declarations is the **Insured's** obligation for each **extortion threat**, or series of related **extortion threats**, giving rise to **extortion damages** under Item 4(b)(iii). The deductible will be paid by the **Named Insured**. The sublimit set forth in Item 4.(b)(iii) in the Declarations is in excess of the deductible stated in Item 5.(d).
5. The deductible amount stated in Item 5.(e) in the Declarations is the **Insured's** obligation for each **network breach and privacy wrongful act**, or series of related **network breaches or privacy wrongful acts**, giving rise to **crisis management expenses**. The deductible will be paid by the **Named Insured**. The sublimit set forth in Item 4.(b)(iv) in the Declarations is in excess of the deductible stated in Item 5.(e).
6. The deductible amount stated in Item 5.(f) in the Declarations is the **Insured's** obligation for each **network breach**, or series of related **network breaches**, giving rise to **reduction in business income** following the 10 hour waiting period for Business Interruption. The deductible will be paid by the **Named Insured**. The sublimit set forth in **Item 4.(b)(v)** in the Declarations is in excess of the deductible stated in Item 5.(f).

E. Early Claim Resolution Incentive

If a **claim** is resolved or concluded, with the consent of the **Named Insured** and the **Company**, as reflected in a settlement agreement, order, dismissal, or judgment, within one (1) year following the date that the **claim** is reported in writing to the **Company**, the **Named Insured** will be reimbursed or credited fifty percent (50%) of the deductible, but the total amount of all reimbursements and credits shall not to exceed a maximum amount of twenty-five thousand dollars (\$25,000) per **policy period** for all such **claims** resolved or concluded in accordance with this Paragraph E.

F. Multiple Insureds, Claims and Claimants

1. The Aggregate Limits of Liability shown in the Declarations, Items 4.(b), 4.(b)(i), 4.(b)(ii), 4.(b)(iii), 4.(b)(iv), and 4.(b)(v), are the maximum amounts the **Company** will pay under this policy for **damages, claim expenses, regulatory fines, extortion damages, crisis management expenses, reduction in business income, and privacy notification costs**, regardless of the number of **Insureds, claims, claimants, extortion threats, network breaches**, business interruptions, or **data breaches** giving rise to liability under this policy.
2. The each **claim** limit of liability shown in the Declarations is the maximum amount the **Company** will pay under this policy each **claim** for **damages, regulatory fines, privacy notification costs** and **claim expenses**, regardless of the number of **Insureds** and claimants.
3. All **claims** arising from the same or a series of related, repeated or similar acts, errors, omissions, **personal injuries**, or **privacy wrongful acts** or from any continuing acts, errors, omissions, **personal injuries**, or **privacy wrongful acts** will be considered a single **claim** for purposes of this policy, regardless of the number of claimants or **Insureds** involved in the **claim**. All such **claims** shall be deemed to have been made at the time of the first such **claim**.
4. All **extortion threats** giving rise to **extortion damages** arising out of a series of related, repeated or similar **extortion threats** will be considered a single **extortion threat** for purposes of this policy, regardless of the number of claimants or **Insureds** involved. All such **extortion threats** shall be deemed to have occurred at the time of the earliest of all such **extortion threats**.
5. All **network breaches** or **privacy wrongful acts** giving rise to **crisis management expenses** and all **network breaches** giving rise to **reduction in business income** that arise out of a series of related, repeated or similar **network breaches** or **privacy wrongful acts** will be considered a single **network breach** or **privacy wrongful act** for purposes of this policy, regardless of the number of claimants or **Insureds** involved. All such **network breaches** and **privacy wrongful acts** shall be deemed to have occurred at the time the **Named Insured** first became aware of the earliest of such **network breaches** or **privacy wrongful act**.
6. All **data breaches** giving rise to **privacy notification costs** arising out of a series of related, repeated or similar **data breaches** will be considered a single **data breach** for purposes of this policy, regardless of the number of claimants or **Insureds** involved. All such **data breaches** shall be deemed to have occurred at the time the **Named Insured** first became aware of the first **data breach**.

7. In the event that a **claim, network breach, data breach, personal injury, privacy wrongful act and/or extortion threat** triggers in whole, or in part, more than one Insuring Agreement:
- a. the applicable **deductible** for each such Insuring Agreement shall apply to the portion of such **claim, network breach, data breach, personal injury, privacy wrongful act and/or extortion threat** falling under such Insuring Agreement, provided that the sum of all **deductibles** applicable to such claim under all such Insuring Agreements shall not exceed the largest of such applicable **deductibles**; and
 - b. the remaining applicable limits of liability under each such Insuring Agreement shall apply to the portion of such **claim, network breach, data breach, personal injury, privacy wrongful act and/or extortion threat** covered under such Insuring Agreement, provided that the **Company's** maximum aggregate liability for all **claim expenses and damages** falling under all such Insuring Agreements, combined, on account of such **claim, network breach, data breach, personal injury, privacy wrongful act and/or extortion threat** shall not exceed the largest of such remaining applicable limits of liability. This paragraph 7 further limits and does not increase the **Company's** maximum liability with respect to such **claim, network breach, data breach, personal injury, privacy wrongful act and/or extortion threat**.

G. Payments for Trial Attendance

The **Company** will pay as payments for trial attendance up to two hundred and fifty dollars (\$250) for loss of earnings to the **Insured** for each day or part of a day the **Insured** is in attendance, at the **Company's** request, at a trial, hearing or arbitration involving a **claim** against the **Insured**.

Payments for trial attendance pursuant to this section are not subject to the deductible and are in addition to the limits of liability. In no event shall the total amount of payments for trial attendance exceed five thousand dollars (\$5,000) per **policy period**.

V. DEFINITIONS

- A. **Advertising** means material disseminated, broadcast, or published to either the general public or specific market segments which promote the service, business, or product of either (a) the **Named Insured** or (b) a client of the **Named Insured** where such material was disseminated at the prior written request of the **Named Insured**.
- B. **Bodily injury** means physical injury, sickness or disease sustained by any person, including death resulting from any of these at any time. **Bodily injury** also means mental illness, mental anguish, or emotional distress, pain or suffering, or shock sustained by that person, whether or not resulting from physical injury, sickness, disease or death of any person.
- C. **Breach notification law** means a local, state, federal or foreign statute or regulation requiring the **Insured** to protect the confidentiality and/or security of **personally identifiable information** and requires notice to persons whose **personally identifiable information** was accessed or may have reasonably been deemed accessed by an unauthorized person or entity.
- D. **Claim** means:
 - 1. a written demand received by an **Insured** for monetary damages or services, including the service of suit or initiation of arbitration proceedings;

2. the initiation of a suit or arbitration proceeding against an **Insured** seeking injunctive relief; or
3. with respect to coverage provided under Third Party Insuring Clause I.E.2 only, the institution of a **regulatory proceeding** against the **Named Insured**.

E. Claim expenses mean:

1. reasonable and necessary fees for the defense of a **claim** charged by attorneys designated by the **Company** or designated by the **Insured** with the **Company's** prior written consent;
2. all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, negotiation, arbitration, defense or appeal of a **claim**, if incurred by the **Company** or by the **Insured** with the **Company's** prior written consent; and
3. premiums on appeal bonds, attachment bonds or similar bonds, but the **Company** is not obligated to apply for or furnish any such bond.

In all cases, **claim expenses** do not include **regulatory fines** or attorney fees awarded to a third-party.

Claim expenses will be paid first and will reduce the limit of liability available to pay **damages**. **Claim expenses** do not include (a) fees, costs, or expenses of any **Employee** or officer of the **Company**, (b) salaries, wages, or other compensation of any Employee or officer or any **Insured**, or (c) loss of earnings or other loss of remuneration of any **Insured**.

- F. Cloud service provider** means a third-party service provider that provides infrastructure services, hardware resources, platform services, data storage services or software services contained in a remote location through a public or private network to an **Insured** pursuant to a service level agreement.
- G. Company** means the insurance company named in the Declarations.
- H. Computer system** means a system of computer hardware, software, and associated electronic devices that is operated or owned by the **Named Insured**, a **subsidiary** or a **newly acquired subsidiary**.
- I. Crisis management expenses** means reasonable and necessary fees and expenses incurred by the Insured, including the cost of public relations consultants, credit monitoring services, identity monitoring, and identity restoration, resulting from the Insured's legal obligation to comply with a privacy law.
- J. Damages** means the compensatory portion of a judgment, award or settlement entered into with the **Company's** written consent, and pre-judgment and post-judgment interest on any covered awarded against the **Insured**, and the costs associated with a covered judgment or award.

Damages do not include:

1. the noncompensatory portion of any monetary judgment or award, including a judgment or award for restitution or any other equitable remedy;
2. non-**regulatory fines**, penalties, forfeitures, liquidated damages, sanctions, or taxes;
3. punitive or exemplary damages;

4. the multiplied portion of any multiplied awards;
5. the cost to comply with the non-monetary portion of any judgment or award, including injunctive, equitable, or declaratory relief, specific performance, or any agreement to provide such relief;
6. costs incurred to correct, re-perform or complete any **miscellaneous professional services, technology services**, or media **communications**;
7. discounts, coupons, prizes, awards or other incentives offered to the **Insured's** customers or clients.

However, with respect to any **claim**, it is understood and agreed that **damages** include punitive or exemplary damages if the insuring of punitive or exemplary damages is permitted under the laws and public policy of the applicable jurisdiction.

For the purposes of this policy, the term "applicable jurisdiction" shall mean that jurisdiction most favorable to the insurability of punitive or exemplary damages provided that the jurisdiction is:

- a. where the punitive or exemplary damages were awarded or imposed;
 - b. where any act which forms the basis of the **claim** took place; or
 - c. where the **Insured** against whom the punitive or exemplary damages are awarded is incorporated, resides, or has its principal place of business.
- K. Data breach** means the unauthorized taking, use or disclosure of **personally identifiable information**, in paper or electronic form, or information stored on a **computer system**, including but not limited to, charge, debit, and credit card information, banking, financial, and investment services account information, proprietary information, and personal, private, and confidential information.
- L. Denial of Service Attack** means an unauthorized act by a third-party that affects the normal functioning and operation of the Named Insured's **Computer System** or **Website** resulting in the prevention of authorized.
- M. Employee** means any individual whose labor and service is engaged by and directed by the Insured. This includes part-time, leased and temporary employees, independent contractors and volunteers.
- N. Extortion damages** means money paid by an **Insured** in its capacity as such, with the **Company's** prior written consent to a person reasonably believed to be making an **extortion threat**, for the purpose of ending an **extortion threat** against the **Insured**. **Extortion damages** shall include reasonable and necessary expense incurred by an **Insured** with the **Company's** prior written consent that directly relates to the Insured's efforts to investigate and/or end an **extortion threat**.
- O. Extortion threat** means a credible threat to:
1. hinder, restrict access to, or corrupt an **Insured's computer system or the Insured's Website**;
 2. introduce **malicious code** into an **Insured's computer system**; or

3. disclose, damage or use the confidential information of a third party taken from an **Insured's computer system** as a result of **unauthorized access** to such **computer system**.

P. Insured means the **Named Insured** and any of the persons or entities listed below:

1. any **subsidiary** or **newly acquired subsidiary**;
2. under Section I, Third Party Insuring Agreements, any present or former partner, member, officer, director or **Employee** of the **Named Insured**, a **subsidiary** or a **newly acquired subsidiary**, but only with the respect to acts, errors, omissions, **personal injury**, or **privacy wrongful acts** committed within the scope of such person's duties performed on behalf and for the benefit of the **Named Insured**, a **subsidiary**, or a **newly acquired subsidiary**;
3. under Section I, Third Party Insuring Agreements, any leased **Employee** but only while acting under the direct supervision and exclusively at the direction and for the benefit of the **Named Insured**, a **subsidiary**, or a **newly acquired subsidiary**;
4. under Section I, Third Party Insuring Agreements, the estate, heirs, executors, administrators, assigns and legal representatives of an **Insured** in the event of such **Insured's** death, incapacity, insolvency or bankruptcy, but solely by reason of an act, error, omission, **personal injury**, or **privacy wrongful act** of such **Insured** and only to the extent that such **Insured** would have been provided coverage under this policy; and
5. under Section I, Third Party Insuring Agreements, the lawful spouse, including any natural person qualifying as a domestic partner under the provisions of any applicable state, federal or local law in the United States, of any **Insured**, but solely by reason of an act, error, omission, **personal injury**, or **privacy wrongful act** of the **Insured** other than such spouse or domestic partner and only to the extent that such **Insured** also is provided coverage under this policy.

With respect to subparagraphs 1, 2 and 3 above, a person or entity is an **Insured** only with respect to acts, errors, omissions, **personal injuries**, or **privacy wrongful acts** committed by the **Insured** in its capacity as such. With respect to subparagraphs 4 and 5 above, a person or entity is an **Insured** only with respect to acts, errors, omissions, **personal injuries**, or **privacy wrongful acts** committed by a person or entity that is a **Named Insured** or an **Insured** under subparagraphs 1, 2 or 3, in its capacity as such.

- Q. Liability assumed under contract** means liability for **damages** for **personal injury** which the Insured has assumed under a written indemnity agreement that (i) was executed by the Insured before the occurrence of the **personal injury** for which indemnity is sought, and (ii) applies to **personal injury** caused in whole or in part by the content of a **media communication**.
- R. Malicious code** means an unauthorized, corrupting, or harmful virus, Trojan Horse, worm, logic bomb or other similar software program, code or script designed to insert itself onto a computer disk or into computer memory and migrate from one computer to another.
- S. Media communication** means the publishing, transmission, display, broadcast, web cast, dissemination, distribution or release of information by or on behalf of the **Named Insured**.
- T. Miscellaneous professional services** means those services specified in Item 7. in the Declarations, performed by or on behalf of the **Named Insured** for others, but does not include **technology services**, **media communications**, or any services involving the creation, design,

assembly, leasing, repair, maintenance, development, sale, distribution, installation, licensing or manufacturing of **technology products**.

U. Named Insured means the persons or entities specified in Item 1. in the Declarations.

V. Network breach means:

1. the alleged or actual **unauthorized access** to a **computer system** that results in:
 - a. theft, deletion or corruption of electronic data on a **computer system**;
 - b. a **data breach** in the **computer system**; or
 - c. Denial of Service Attacks against Internet sites or computers; or
2. transmission of **malicious code** from a **computer system**; or
3. negligent and/or inadvertent transmission of a computer virus to a third-party.

W. Newly acquired subsidiary means any entity newly formed or acquired by the **Named Insured** during the **policy period** in which the **Named Insured** has more than fifty percent (50%) of the legal or beneficial interest; provided, however, that if the total assets of an entity that is newly formed or acquired by the **Named Insured** exceed fifteen percent (15%) of the total assets of the **Named Insured**, or if the total revenues of the entity that is newly formed or acquired by the **Named Insured** exceed fifteen percent (15%) of the total revenues of the **Named Insured**, the entity is a **newly acquired subsidiary** only if each of the following conditions take place:

1. within sixty (60) days of such formation or acquisition, the **Named Insured** has provided the **Company** with full particulars of such **newly acquired subsidiary** and the **Company** has agreed in writing to insure such **newly acquired subsidiary**; and
2. the **Named Insured** has paid the additional premium, if any, charged by the **Company** and has agreed to any amendment of the provisions of this policy required by the **Company**.

The **Company** will only provide coverage with respect to a **Claim** when the act, error, omission, **privacy wrongful act or personal injury**, or **extortion threat, network breach, or data breach** is committed on or after the date such **newly acquired subsidiary** qualifies as a **newly qualified subsidiary**.

X. Period of Restoration means the time period that (a) begins after expiration of the **waiting period** following the actual interruption of the use of the **computer system** and (b) ends when the actual interruption of the use of the **computer system** ends. In no event, however, shall the period of restoration exceed sixty (60) days.

Y. Personally identifiable information means an individual's name in combination with one or more of the following:

1. information concerning the individual that constitutes "non-public personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, 15 U.S.C. §6809(4), and regulations issued pursuant to the Act;
2. **protected health information**;
3. the individual's social security number, drivers license or state identification number, credit, debit, or other financial account numbers; or

4. security codes, access codes, passwords or personal identification numbers (PINs) that allow access to the individual's financial account information.

Provided, however, **personally identifiable information** does not mean information that is lawfully available to the public, including information from any local, state, federal or foreign governmental entity or body.

- Z. Personal injury** means injury, other than **bodily injury**, to a third-party arising out of one or more of the following offenses by an **Insured** in a **media communication**:
1. libel, slander, or other defamatory or disparaging statements or materials;
 2. oral or written publication of material that violates an individual's right of privacy;
 3. plagiarism, piracy or misappropriation of ideas or style of doing business; and
 4. infringement or misappropriation of copyright, title, slogan, trademark, trade name, trade dress, logo, service mark or service name.
- AA. Policy period** means the period of time from the effective date shown in Item 3. in the Declarations to the date of termination, expiration or cancellation of this policy, whichever is earliest.
- BB. Pollutants** means any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the United States Environmental Protection Agency or any federal, state, county, municipal or local counterpart thereof or any foreign equivalent. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials, including materials to be recycled, reconditioned, or reclaimed. **Pollutants** shall also mean any other air emission, odor, waste water, oil or oil products, infectious or medical waste, noise, dust, fibers, germs, fungus (including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi) and electric or magnetic or electromagnetic field.
- CC. Privacy law** means a local, state, federal or foreign statute or regulation requiring the protection of **personally identifiable information** and that imposes a civil fine or civil monetary penalty for the unauthorized disclosure of **personally identifiable information**.
- DD. Privacy notification costs** mean reasonable and necessary:
1. costs to hire a security expert to determine the existence and cause of any theft of, **unauthorized access** to, or disclosure of **personally identifiable information**;
 2. costs to notify consumers of a **data breach**;
 3. costs to notify consumers under a **breach notification law or privacy law**; and
 4. fees incurred to determine the actions necessary to comply with a **breach notification law**.
- Privacy notification costs** will be paid first and will reduce the limit of liability available to pay **damages**. **Privacy notification costs** do not mean salaries, fees, costs or expenses of Employees or officers of any Insured or loss of earnings or overhead.
- EE. Privacy policy** means the **Insured's** written policies, practices and procedures for the acquisition, use, disclosure, transmission, correction, or supplementation of **personally identifiable information**.

FF. Privacy wrongful act means:

1. the unintentional disclosure or mishandling of **personally identifiable information** by an **Insured** or a **cloud service provider**;
2. the unauthorized taking, misappropriation or misuse of **personally identifiable information** by a third party or an **Employee**, without the knowledge of any **Insured**, including the theft of **personally identifiable information** by an **Employee** of the **Named Insured**, a **subsidiary** or a **newly acquired subsidiary**;
3. the **Insured's** unintentional failure to timely disclose a **network breach** in violation of any **breach notification law**; or
4. actual or alleged violation of any **privacy law**

GG. Property damage means:

1. physical injury to tangible property, including all resulting loss of use of that property; and
2. loss of use of tangible property that is not physically injured, damaged, lost, or destroyed.

However, with respect to Third Party Insuring Agreement I.B, **property damage** does not mean the failure of a **technology product** that is not physically injured, damaged, lost, or destroyed to properly perform the function intended.

HH. Protected health information means an individual's medical or health care information that constitutes "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and regulations issued pursuant to the Act, 45 C.F.R. 160.103.

II. Reduction in business income means:

1. the additional net profit the Insured would have earned, or the additional net loss the Insured would have avoided or not incurred, if the **network breach** had not occurred;
2. with respect to the Insured's operations dependent on the affected **computer system** only;
3. before taxes; and
4. not including other consequential losses such as contractual penalties, third party liability, and costs incurred to restore, upgrade, or remedy defects in the **computer system**.

JJ. Regulatory fine means a civil fine or civil monetary penalty imposed in a **regulatory proceeding** payable by the **Insured** to the government entity bringing such **regulatory proceeding** in such entity's regulatory or official capacity.

KK. Regulatory proceeding means an administrative proceeding or investigation commenced by or on behalf of any local, state, federal or foreign governmental entity in such entity's regulatory capacity.

LL. Retroactive date means the date shown in Item 8. in the Declarations, on or after which an act or omission must have been committed for coverage under this policy to apply.

- MM. Subsidiary** means any entity of which the **Named Insured** owns, either legally or beneficially, more than a fifty percent (50%) interest. On the date during the **policy period** that the **Named Insured's** legal or beneficial ownership interest in such entity becomes less than fifty percent (50%), such entity will cease to be a **subsidiary** under this policy. In such event, coverage will be provided under this policy, but only with respect to any act, error or omission, **privacy wrongful act or personal injury**, or **extortion threat, network breach, or data breach** committed prior to such date in accordance with all other terms and conditions of this policy. No coverage will be afforded under this policy with respect to **claims** made against an **Insured** based on any act, error, omission, **privacy wrongful act or personal injury, or extortion threat, network breach or data breach** that was committed on or subsequent to such date.
- NN. Technology services** means computer and electronic services,
1. including data processing; data and application hosting; computer systems analysis, consulting and training; programming; and computer systems installation, management, repair, and maintenance;
 2. performed by or on behalf of the **Named Insured** for clients of the **Named Insured**; and
 3. but shall not mean **technology products**.
- OO. Technology product** means a computer or telecommunications hardware or software product that is created, manufactured, developed, distributed, licensed, leased or sold by the **Named Insured**, including software updates, service packs and other maintenance releases provided for such products.
- PP. Unauthorized access** means the gaining of access to a **computer system** by a person or persons not authorized by an **Insured** to do so.
- QQ. Waiting period** means the number of hours shown in Item 5.(g) of the Declarations that must expire before the **period of restoration** begins following an actual interruption of the **computer system**.
- RR. Website** means the designated Uniform Resource Locator address and the content, software and other materials accessible at such site through the Internet.

VI. EXCLUSIONS

This policy does not apply to any **claim**, damages, claim expenses, regulatory fines, **extortion threat, network breach, privacy wrongful act, or data breach**:

A. Deliberate Acts

Based upon or arising out of any dishonest, intentionally or knowingly wrongful, fraudulent, criminal or malicious act or omission by an **Insured**. Criminal proceedings are not covered under this policy regardless of the allegations made against the **Insured**.

B. Personal Profit

Based upon or arising out of the gaining of any **personal profit** or advantage to which the **Insured** is not legally entitled.

C. Prior Acts

Based upon or arising out of:

1. any fact, circumstance, situation, transaction, act, error, omission, or event which, before the inception date of this policy, was the subject of any notice given under any other insurance policy; or
2. any fact, circumstance, situation, transaction, act, error, omission, or event, related to, based on, arising out of, or having a common nexus with any fact, circumstance, situation, transaction, act, error, omission, or event which has been the subject of such notice.

D. Bodily Injury/Property Damage

Based upon or arising out of **bodily injury** or **property damage**.

E. Employment Practices

Based upon or arising out of employer-employee relations, policies, practices, acts, or omissions, any actual or alleged refusal to employ any person, or misconduct with respect to employees, discrimination, humiliation, harassment, or misconduct based on an individual's race, creed, color, age, gender, national origin, religion, disability, marital status or sexual preference or other classification.

F. Ownership

Based upon or arising out of **miscellaneous professional services, technology services, media communications** or **technology products** resulting in a **claim** by any person or entity if on or after the date or time of the act or omission giving rise to such **claim**:

1. any **Insured** controlled, owned, operated or managed such entity; or
2. any **Insured** was an owner, partner, member, director, officer or **Employee** of such person or entity.

Control of or ownership in a business enterprise is presumed if any **Insured** owned or held ten percent (10%) or more of the equity and/or debt instruments of such enterprise.

G. Insured v. Insured

Claims by or on behalf of an **Insured** under this policy against any other **Insured** hereunder. However, this exclusion shall not apply to any **claim**, otherwise covered under this policy:

1. made by an **Employee** of either the **Named Insured** or a **subsidiary** or **newly acquired subsidiary** otherwise covered under Third Party Insuring Agreement I.E.1; or
2. made by an **Employee** of either the **Named Insured** or a **subsidiary** or **newly acquired subsidiary** if a **claim** has been made against the **Employee** because of an act, error, omission, **personal injury** or **privacy wrongful act** by the **Employee** that was not within the scope of his or her duties for an **Insured**.

H. ERISA/Securities

Based upon or arising out of actual or alleged violation of:

1. the Employee Retirement Income Security Act of 1974;
2. the Securities Act of 1933;
3. the Securities Exchange Act of 1934;

or any rules, regulations or amendments issued in relation to such acts, or any similar state or federal statutes or regulations, including any **claim** based upon common law principles of liability.

However, this exclusion shall not apply to any **claim**, otherwise covered under this policy, based on the disclosure of **protected health information**.

I. Pollution

Based upon or arising out of, whether suddenly or over a long period of time, any:

1. actual, alleged or threatened emission, discharge, dispersal, seepage, release or escape of **pollutants**, whether suddenly or over a period of time; or
2. injury, damage, payments, costs or expense incurred as a result of any testing for, monitoring, removal, containment, treatment, detoxification, neutralization or cleanup of any **pollutants**.

J. Contract Liability

Based upon or arising out of the assumption by the **Insured** of any liability, unless such liability would have attached to the **Insured** in the absence of any assumption of liability; however, solely with respect to Third Party Insuring Agreement I.C., this exclusion does not apply to **liability assumed under contract**.

K. Guarantees

Based upon or arising out of any promise, representation, or guarantee:

1. for or relating to return on investment, cost savings, or profits;
2. for or relating to time of delivery; or
3. that commits the **Insured** to a standard of care or skill higher than the applicable industry standard.

L. Advertising

Based upon or arising out of:

1. fees, expenses, cost guarantees, cost representations, pricing guarantees, price representations, contract price, estimates of probable costs, or cost estimates actually or allegedly being exceeded;
2. any actual or alleged gambling, contest, lottery, promotional game or other game of chance;

3. inaccurate, inadequate, or incomplete description of the price of goods, products or services; or
4. the failure of goods, products or services to conform with any represented or implied quality or performance contained in **advertising**.

M. Product Recall

Based upon or arising out of any loss, cost or expenses incurred or that may be incurred by the **Insured** or others for the:

1. adjustment, withdrawal, recall, inspection, repair, replacement, reproduction, removal or disposal of:
 - a. any **technology products**, including any products or other property of others that incorporate **technology products**;
 - b. any products or other property on which **miscellaneous professional services** or **technology services** are performed; or
 - c. any work product resulting from or incorporating the results of **miscellaneous professional services** or **technology services**; or
2. reprinting, recall, withdrawal, removal or disposal of any **media communication**.

N. Business Practice

Based upon or arising out of any actual or alleged anti-trust violation, price fixing, restraint of trade, unfair competition, violation of consumer protection laws, or false, deceptive or unfair trade practices, including a violation of the Sherman Anti-Trust Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act, Organized Crime Control Act of 1970 or any similar local, state, federal, or foreign law. This exclusion, however, does not apply to **claims** based on **privacy wrongful acts** under consumer privacy protection laws, the Federal Trade Commission Act, or similar state laws known as the Little FTC Acts.

O. Patent

Based upon or arising out of any actual or alleged infringement of patent or patent rights or misuse of patent.

P. Privacy

Based upon or arising out of:

1. telemarketing or the distribution of unsolicited email, direct mail, or facsimiles;
2. the collection of information by means of electronic "spiders", "spy bots", "spyware" or similar means, wire tapping or bugging, video camera, or radio frequency identification tags; or
3. the **Insured's** unlawful collection, acquisition or use of **personally identifiable information**, or the **Insured's** failure to comply with a legal requirement to allow a person to opt-in or opt-out of the **Insured's** obtaining, acquisition, compilation or use of their **personally identifiable information**.

Q. Governmental Action

Claims brought by or on behalf of the Federal Trade Commission, the Federal Communications Commission, or any federal, state, local or foreign governmental entity, in such entity's regulatory or official capacity, except a **claim** covered under Third Party Insuring Agreement I.E.2. This exclusion does not apply to **claims** by any such governmental entity that could have been made by a non-governmental entity.

R. Software Responsibility

Based upon or arising out of any actual or alleged failure to install available software product updates and releases, or to apply security-related software patches, to computers and other components of a **computer system**. This exclusion does not apply if the practice and procedure of the **Insured** was to install available software product updates and releases and apply security-related software patches and if the failure to do so was not intentional, or grossly negligent.

S. Recovery of Profits, Royalties and Fees

Based upon or arising out of:

1. accounting or recovery of profits, royalties, fees or other monies claimed to be due from an **Insured** or for alleged excessive or unwarranted fees, compensation or charges of any kind made by an **Insured**; or
2. licensing fees or royalties ordered, directed or agreed to be paid by an **Insured** pursuant to a judgment, arbitration award, settlement agreement or similar order for the use of a person or entity's copyright, title, slogan trademark, trade name, trade dress, service mark, service name, patent, trade secret or other intellectual property right.

T. Acquisitions and Sales

Based upon or arising out of any act, error, omission, **personal injury**, or **privacy wrongful act** committed

1. by any entity newly formed or acquired by any **Insured** unless it becomes a **newly acquired subsidiary**,
2. by any entity that becomes a **newly acquired subsidiary** and before it became a **newly acquired subsidiary**, unless the **Company** agrees by endorsement to the policy to provide such coverage, or
3. by any entity that was a **subsidiary** or **newly acquired subsidiary** after it ceases to be a **subsidiary** or **newly acquired subsidiary**.

U. Mergers

Based upon or arising out of any act, error, omission, **personal injury**, or **privacy wrongful act** committed or any **extortion threat**, **network breach**, or **data breach** that occurs

1. after the **Named Insured**, or all or substantially all of its assets, are acquired by another entity,
2. after the **Named Insured** is merged or consolidated with or into another entity if the **Named Insured** is not the surviving entity, or

3. after any person or entity or group of persons and entities obtains the right to vote, select, or appoint more than fifty percent (50%) of the directors of the **Named Insured**.

V. Prior and Pending

based upon or arising out of, or in any way involving

1. any prior and/or pending, litigation, administrative or regulatory proceeding, demand letter or formal or informal governmental investigation which any **Insured** had knowledge of prior to the Continuity Date set forth in Item 9. of the Declarations, or
2. any fact, circumstance, situation, transaction or event, or series of similar facts, circumstances, situations, events or transactions underlying or alleged in such litigation, administrative or regulatory proceeding, demand letter or formal or informal governmental investigation or inquiry;

regardless of the legal theory upon which such **claim** is based.

W. Electrical Failure

based upon or arising out of, or in any way involving any electrical failure including electrical power interruption, surge, brownout or blackout, except this exclusion does not apply when the electrical failure is solely caused by an Insured's actual negligence in performing **technology services**. Loss of use means the inability to use or access such electric products, systems, work or property resulting from withdrawal or recall of such products, systems, work or property.

X. Electromagnetic Discharge

based upon, arising out of, or in way involving the existence, emission or discharge of any electromagnetic field, radiation or magnetism that allegedly or actually affects, health, safety or condition of any person or environment, or that affects the value, marketability, condition or use of any property.

VII. CONDITIONS

A. Reporting of Claims, Potential Claims, Extortion Threats, Network Breaches, and Data Breaches

1. The **Insured**, as a condition precedent to the obligations of the **Company** under this policy, will give written notice to the **Company** of any **claim** made against the **Insured**, and any **extortion threat, network breach, privacy wrongful act, or data breach**, as soon as reasonably possible during the **policy period**.

The **Company** agrees that the **Insured** may have up to, but not more than, sixty (60) days after the policy expiration to report in writing to the **Company** a **claim** made against the **Insured** during the **policy period**, if the reporting of such **claim** is as soon as reasonably possible.

The **Company** further agrees that the **Insured** may have up to, but not more than, sixty (60) days after the policy expiration to report in writing to the **Company** an **extortion threat, network breach, privacy wrongful act, or data breach** that occurred during the **policy period**, if the reporting of such event is as soon as reasonably possible.

2. If during the **policy period**, any **Insured** becomes aware of any act, error omission, **personal injury** or **privacy wrongful act** which may reasonably be expected to be the basis of a **claim** against any **Insured**, including but not limited to any notice, advice or threat, whether written or verbal, that any person or entity intends to hold the **Insured** responsible for any alleged act, error omission, **personal injury** or **privacy wrongful act**, and if during the **policy period** the **Insured** gives written notice to the **Company** of all available particulars, including:
- a. the specific act, error omission, **personal injury** or **privacy wrongful act**;
 - b. the dates and persons involved;
 - c. the identity of anticipated or possible claimants;
 - d. the circumstances by which the **Insured** first became aware of the possible claim; and
 - e. potential damages or injury;

then any **claim** that is subsequently made against the **Insured** arising out of such act or omission will be deemed to have been made on the date such written notice was received by the **Company**. Said documents and information should be mailed to the **Company** at the following address:

XL Group
P.O. Box 614002
Orlando, Florida 32861-4002
proclaimnewnotices@xlgroup.com

B. Assistance and Cooperation

- 1. The **Insured** will cooperate with the **Company** and upon the **Company's** request, attend hearings, depositions and trials and assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits and proceedings in connection with a **claim** or the obligation to pay **privacy notification costs**.
- 2. The **Insured** will assist in the enforcement of any right of contribution or indemnity against any person or organization who or which may be liable to any **Insured** in connection with a **claim** or the payment of **privacy notification costs**.
- 3. The **Insured** will not, except at the **Insured's** own cost, voluntarily make any payment, assume or admit any liability or incur any expense without the prior written consent of the **Company**.

C. Action Against the Company

- 1. No action may be brought against the **Company** unless, as a condition precedent thereto:
 - a. The **Insured** has fully complied with all the terms of this policy; and
 - b. With respect to liability to pay damages or regulatory fines under Third Party Insuring Agreements I.A, I.B, I.C, I.D, and I.E, the amount of the **Insured's** obligation to pay has been finally determined either by judgment against the

Insured after actual trial and appeal or by written agreement of the **Insured**, the claimant and the **Company**.

2. Nothing contained in this policy will give any person or organization the right to join the **Company** as a defendant or co-defendant or other party in any action against the **Insured** to determine the **Insured's** liability.

D. Bankruptcy

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate will not relieve the **Company** of any of its obligations hereunder.

E. Other Insurance

This policy is excess over any other valid and collectible insurance applicable to a **claim, extortion threat, network breach, privacy wrongful act, or data breach**, whether such other insurance is stated to be primary, contributory, excess, contingent, or otherwise.

F. Subrogation

In the event of any payment for any **damages, claim expenses, extortion damages**, costs of public relations consultants, reduction of business income, or **privacy notification costs** under this policy, the **Company** will be subrogated in the amount of such payment to all the **Insured's** rights of recovery against any person or organization. The **Insured** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** will do nothing to prejudice such rights.

G. Changes

Notice to any agent of the **Company** or knowledge possessed by any such agent or by any other person will not affect a waiver or a change in any part of this policy, and will not prevent or preclude the **Company** from asserting or invoking any right or provision of this policy. None of the provisions of this policy will be waived, changed or modified except by a written endorsement issued by the **Company** to form a part of this policy.

H. Cancellation/Nonrenewal

1. This policy may be cancelled by the **Named Insured** by returning it to the **Company**. The **Named Insured** may also cancel this policy by giving written notice to the **Company** stating at what future date cancellation is to be effective.
2. The **Company** may cancel or nonrenew this policy by sending written notice to the **Named Insured** at the address last known to the **Company**. The **Company** will provide written notice at least sixty (60) days before cancellation or nonrenewal is to be effective. However, if the **Company** cancels this policy because the **Insured** has failed to pay a premium when due, this policy may be canceled by the **Company** by mailing to the **Named Insured** written notice stating when, not less than ten (10) days thereafter, such cancellation will be effective. The time of surrender of the policy or the effective date and hour of cancellation stated in the notice will become the end of the **policy period**. Delivery of such written notice either by the **Named Insured** or by the **Company** will be equivalent to mailing.
3. If the **Company** cancels this policy, the earned premium will be computed pro rata. If the **Named Insured** cancels this policy, the **Company** will retain the customary short rate proportion of the premium. 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.

4. The offering of terms and conditions different from the expiring terms and conditions, including limits of liability, deductible or premium, shall not constitute a refusal to renew or a cancellation of this policy.

I. Territory

This Insurance applies to **claims** made anywhere in the world provided that any suit is brought against the **Insured** within the United States of America, its territories or possessions, Puerto Rico or Canada.

J. Named Insured Sole Agent

The **Named Insured** will be the sole agent and will act on behalf of all **Insureds** for the purpose of giving or receiving any notices, any amendments to or cancellation of this policy, for the completing of any applications and the making of any statements, representations and warranties, for the payment of any premium and the receipt of any return premium that may become due under this policy, for the payment of the deductible and the exercising or declining to exercise any right under this policy including the purchase of an Extended Reporting Period.

K. Entire Contract

By acceptance of this policy the **Insured** warrants that:

1. All of the information and statements provided to the **Company** by the **Insured**, including but not limited to the application and any supplemental information, are true, accurate and complete and will be deemed to constitute material representations made by the **Insured**;
2. This policy is issued in reliance upon the **Insured's** representations;
3. This policy, endorsements thereto, together with the completed and signed application and any and all supplementary information and statements provided by the **Insured** to the **Company** (all of which are attached hereto and deemed to be incorporated herein) embody all of the agreements existing between the **Insured** and the **Company** and shall constitute the entire contract between the **Insured** and the **Company**; and
4. Any material misrepresentation or concealment by the **Insured** or the **Insured's** agent will render the policy null and void and relieve the **Company** from all liability herein.

L. Notices

Any notices required to be given by the **Insured** will be submitted in writing to the **Company** or its authorized representative at the address specified in the Declarations. If mailed, the date of mailing of such notice will be deemed to be the date such notice was given and proof of mailing will be sufficient proof of notice.

M. Assignment

No assignment of interest of the **Insured** under this policy is valid, unless the **Company's** written consent is endorsed hereon.

N. Innocent Insureds

Whenever coverage under this policy would be excluded because of dishonest, fraudulent, criminal or malicious acts or omissions, the **Company** agrees that such insurance as would otherwise be afforded under this policy, will be applicable with respect to those **Insureds** who did not personally participate or personally acquiesce in or remain passive after having knowledge of such conduct. Each **Insured** must promptly comply with all provisions of this policy upon learning of any concealment.

VIII. EXTENDED REPORTING PERIODS

Extended Reporting Period means the applicable period of time after the end of the **policy period** for reporting **claims** to the **Company** that are first made against the **Insured** after the **policy period** or for reporting **extortion threats, network breaches, privacy wrongful acts, or data breaches** that the **Insured** first becomes aware of after the policy period. In the case of **claims**, the Extended Reporting Period applies only to a **claim** by reason of an act, error, omission, **personal injury**, or **privacy wrongful act** that is committed prior to the end of the **policy period** and on or subsequent to the **retroactive date** and that is otherwise covered by this policy. In the case of **extortion threats, network breaches, privacy wrongful acts, or data breaches**, the Extended Reporting Period applies only to **extortion threats, network breaches, privacy wrongful acts, or data breaches** that occur during the **policy period** and are otherwise covered by this policy.

A. Automatic Extended Reporting Period

If this policy is cancelled or nonrenewed by either the **Company** or by the **Named Insured**, the **Company** will provide to the **Named Insured** an automatic, noncancelable Extended Reporting Period starting at the termination of the **policy period** if the **Named Insured** has not obtained another policy of errors and omissions insurance within sixty (60) days of the termination of the **policy period**. This automatic Extended Reporting Period will terminate after sixty (60) days.

B. Optional Extended Reporting Period

1. If this policy is cancelled or nonrenewed by either the **Company** or by the **Named Insured**, then the **Named Insured** will have the right to purchase an optional Extended Reporting Period of one (1) or three (3) years. Such right must be exercised by the **Named Insured** within sixty (60) days of the termination of the **policy period** by providing:
 - a. written notice to the **Company**; and
 - b. with the written notice, the amount of additional premium described below.
2. The additional premium for the optional Extended Reporting Period will be:
 - a. for a one (1) year Extended Reporting Period, seventy-five percent (75%) of the annual premium for the policy; or
 - b. for a three (3) year Extended Reporting Period, one hundred fifty percent (150%) of the annual premium for the policy.
3. The first sixty (60) days of the optional Extended Reporting Period, if it is purchased, shall run concurrently with the automatic Extended Reporting Period.

C. Extended Reporting Period Limits of Liability

The limit of liability of the **Company** for all **claims** reported during the automatic and optional Extended Reporting Periods will be part of and not in addition to the limits of liability for the **policy period** set forth in **Item 4.** in the Declarations.

D. Elimination of Right to Any Extended Reporting Period

There is no right to any Extended Reporting Period if the **Company** cancels or refuses to renew this policy due to:

1. nonpayment of amounts due under this policy;
2. noncompliance by the **Insured** with any of the terms and conditions of this policy; or
3. any material misrepresentation or omission in the application or the supplementary information and statements provided by the **Insured** for this policy.

E. Extended Reporting Period - Not a New Policy

The Extended Reporting Period will not be construed to be a new policy and any **claim, Extortion Threat, Network Breach** or **Data Breach** reported during such period will otherwise be governed by this policy.

IN WITNESS

INDIAN HARBOR INSURANCE COMPANY

REGULATORY OFFICE
505 EAGLEVIEW BOULEVARD, SUITE 100
DEPARTMENT: REGULATORY
EXTON, PA 19341-0636
PHONE: 800-688-1840

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.



Seraina Maag
President



Toni Ann Perkins
Secretary

ENDORSEMENT #001

This endorsement, effective 12:01 a.m., January 1, 2014 forms a part of Policy No. MTP003949201 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LONG NAMED INSURED ENDORSEMENT

This endorsement modifies insurance provided under the following:

XL ECLIPSE PRO 2.0 - TECHNOLOGY AND MISCELLANEOUS PROFESSIONAL SERVICES, TECHNOLOGY PRODUCTS, NETWORK SECURITY, PRIVACY, AND MEDIA COMMUNICATIONS INSURANCE POLICY

In consideration of the premium paid, it is hereby understood and agreed that **Item 1. NAMED INSURED** on the Declarations of the Policy is deleted in its entirety and replaced with the following:

Item 1: NAMED INSURED: THE PARTICIPATING MEMBERS OF THE NEW JERSEY UTILITY
AUTHORITIES JOINT INSURANCE FUND

All other provisions of this policy remain the same.

ENDORSEMENT #002

This endorsement, effective 12:01 a.m., January 1, 2014 forms a part of Policy No. MTP003949201 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANUSCRIPT ENDORSEMENT

This endorsement modifies insurance provided under the following:

XL ECLIPSE PRO 2.0 - TECHNOLOGY AND MISCELLANEOUS PROFESSIONAL SERVICES, TECHNOLOGY PRODUCTS, NETWORK SECURITY, PRIVACY, AND MEDIA COMMUNICATIONS INSURANCE POLICY

INSURING AGREEMENTS ENDORSEMENT

In consideration of the premium charged, it is understood and agreed that in **Section I. THIRD PARTY INSURING AGREEMENTS**, items **A. (Technology and Miscellaneous Professional Services Liability Coverage)** and **B. (Technology Products Liability Coverage)** are deleted in their entirety.

All other provisions of this policy remain unchanged.

ENDORSEMENT #003

This endorsement, effective 12:01 a.m., January 1, 2014 forms a part of Policy No. MTP003949201 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANUSCRIPT ENDORSEMENT

This endorsement modifies insurance provided under the following:

XL ECLIPSE PRO 2.0 - TECHNOLOGY AND MISCELLANEOUS PROFESSIONAL SERVICES, TECHNOLOGY PRODUCTS, NETWORK SECURITY, PRIVACY, AND MEDIA COMMUNICATIONS INSURANCE POLICY

INSURED ENDORSEMENT

In consideration of the premium charged, it is understood and agreed that the entity(ies) named below shall be added as **Insureds** under this policy, but only for acts or omissions committed after the specified retroactive date (if applicable)

Insured: ATLANTIC HIGHLANDS/HIGHLANDS SEWAGE AUTHORITY; BAYONNE MUNICIPAL UTILITIES AUTHORITY; BAYSHORE REGIONAL SEWAGE AUTHORITY; BEACHWOOD SEWERAGE AUTHORITY; BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; BERKELEY TOWNSHIP SEWERAGE AUTHORITY; BERNARDS SEWERAGE AUTHORITY; BORDENTOWN SEWERAGE AUTHORITY; BRICK TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; BUENA BOROUGH MUNICIPAL UTILITIES AUTHORITY; CAPE MAY COUNTY MUNICIPAL UTILITIES AUTHORITY; CARLSTADT SEWERAGE AUTHORITY; CARNEY'S POINT SEWERAGE AUTHORITY; CINNAMINSON SEWERAGE AUTHORITY; CLINTON TOWNSHIP SEWERAGE AUTHORITY; DEPTFORD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY; EATONTOWN SEWERAGE AUTHORITY; EGG HARBOR TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; EVESHAM MUNICIPAL UTILITIES AUTHORITY; FRANKLIN TOWNSHIP SEWERAGE AUTHORITY; HACKETTSTOWN MUNICIPAL UTILITIES AUTHORITY; HAMILTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; HANOVER TOWNSHIP SEWERAGE AUTHORITY; HILLSBOROUGH MUNICIPAL UTILITIES AUTHORITY; JACKSON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; KEARNY MUNICIPAL UTILITIES AUTHORITY; LACEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; LAKEWOOD MUNICIPAL UTILITIES AUTHORITY; LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY; LITTLE EGG HARBOR MUNICIPAL UTILITIES AUTHORITY; LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; LONG BRANCH SEWERAGE AUTHORITY; LOWER TOWNSHIP MUNICIPAL UTILITIES AUTHORITY;	Retroactive Date: January 1, 2013

MANASQUAN RIVER REGIONAL SEWERAGE AUTHORITY; MANTUA TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; MERCHANTVILLE-PENNSAUKEN WATER COMMISSION; MIDDLETOWN TOWNSHIP SEWERAGE AUTHORITY; MONMOUTH BAYSHORE OUTFALL AUTHORITY; MONROE MUNICIPAL UTILITIES AUTHORITY; MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY; MUSCONETCONG SEWERAGE AUTHORITY; NORTH ARLINGTON-LYNDHURST JOINT MEETING; NORTH BERGEN MUNICIPAL UTILITIES AUTHORITY; TWO RIVERS WATER RECLAMATION AUTHORITY; NORTHWEST BERGEN COUNTY UTILITIES AUTHORITY; OCEAN TOWNSHIP SEWERAGE AUTHORITY; PASSAIC VALLEY WATER COMMISSION; PENNS GROVE SEWERAGE AUTHORITY; PENNSAUKEN SEWERAGE AUTHORITY; PENNSVILLE SEWERAGE AUTHORITY; PINE HILL BOROUGH MUNICIPAL UTILITIES AUTHORITY; PLAINFIELD AREA REGIONAL SEWERAGE AUTHORITY; PLAINFIELD MUNICIPAL UTILITIES AUTHORITY; POMPTON LAKES MUNICIPAL UTILITIES AUTHORITY; RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; READINGTON-LEBANON SEWERAGE AUTHORITY; RIVERSIDE SEWERAGE AUTHORITY; ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY; SECAUCUS MUNICIPAL UTILITIES AUTHORITY; SOMERSET RARITAN VALLEY SEWERAGE AUTHORITY; SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY; STONY BROOK REGIONAL SEWARAGE AUTHORITY; TOMS RIVER MUNICIPAL UTILITIES AUTHORITY; UNION COUNTY UTILITIES AUTHORITY; WARREN COUNTY PEQUEST RIVER MUNICIPAL UTILITIES AUTHORITY; WANAQUE VALLEY REGIONAL SEWERAGE AUTHORITY; WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY (GLOUCESTER COUNTY); WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY (MORRIS COUNTY); WEST MILFORD MUNICIPAL UTILITIES AUTHORITY; WESTERN MONMOUTH MUNICIPAL UTILITIES AUTHORITY; WOODBINE MUNICIPAL UTILITIES AUTHORITY; WOODSTOWN SEWERAGE AUTHORITY;	

It is further understood and agreed that this endorsement shall not serve to increase the **Company's** limit of liability.

All other provisions of this policy remain unchanged.

ENDORSEMENT #004

This endorsement, effective 12:01 a.m., January 1, 2014 forms a part of Policy No. MTP003949201 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company

SERVICE OF PROCESS

The Commissioner of Insurance of the State of New Jersey is hereby designated the true and lawful attorney of the Company upon whom may be served all lawful process in any action, suit or proceeding arising out of this policy. The Company further designates:

Sarah Mims
Assistant Secretary
505 Eagleview Boulevard, Suite 100
Exton, Pennsylvania 19341-0636

as its agent in New Jersey to whom such process shall be forwarded by the Commissioner of Insurance.

For Illinois exposures, the Insurer further designates the Director of the Illinois Division of Insurance and his successors in office, as its 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 an Illinois exposure and this contract of insurance.

All other terms and conditions of this policy remain unchanged.

(Authorized Representative)



XL CATLIN



Insurance
Cyber &
Technology

XL CATLIN

Thank you for choosing XL Catlin for your cyber liability insurance. We value your business and look forward to working with you.

Use the information below for contacting the XL Catlin Data Breach Hotline and for accessing XL Catlin's new online resource – [CyberRiskIQ.com](https://www.CyberRiskIQ.com) that provides easily accessible support for cybersecurity readiness and incident response services.

XL Catlin Data Breach Hotline

Should you experience a data breach event, call our data breach hotline at **1-855-566-4724** for immediate triage assistance. Please be aware that contacting the data breach hotline does NOT satisfy the claim notification requirements of your policy. For claims notification requirements, refer to your policy.

CyberRiskIQ.com

As an XL Catlin policyholder, your company has access to XL Catlin's new online resource – [CyberRiskIQ.com](https://www.CyberRiskIQ.com), containing information and technical resources that can assist you in the prevention of network attacks, cyber and privacy losses, and support you in the timely reporting and recovery of losses if an incident occurs. **Through a secure login on CyberRiskIQ.com, you can access:**

- **Cyber Liability Library:** latest cyber risk articles and videos, as well as product and policy information from our XL Catlin cyber team.
- **Incident Roadmap:** suggested steps to take following a network or data breach incident.
- **Vendor Partner Resources:** a directory to help clients gain quick access to our recently expanded, pre-qualified network of third-party resources with expertise in pre- and post-breach disciplines, including network vulnerability testing, IT risk assessments, incident response planning, security awareness training, PCI compliance, security incident response planning, data breach tabletops, and more.
- **Meet the Team:** includes XL Catlin Cyber/Tech team contact information
- **News Center:** articles and commentary discussing trends, major breach events, security awareness strategies and, risk management guidance and helpful industry links.
- **Risk Manager's Toolbox:** includes a cyber-risk assessment survey, breach notification guides, what-if modeling tools to estimate the cost of a breach, research tools to monitor the type, frequency and severity of incidents occurring in your business sector, as well as privacy awareness training videos.

To register and access content on XL Catlin's CyberRiskIQ.com

- Go to www.CyberRiskIQ.com
- Complete the registration form and include your access code. **Your access code is 10448.**
- Once registered, you can access the portal immediately with the User ID and password you established during registration.

Please note the following:

- CyberRiskIQ.com is a private site for customers of XL Catlin only. Do not share portal access instructions with anyone outside your organization. You are responsible for maintaining the confidentiality of the **Access Code** provided to you.
- Up to three individuals from your organization may register and use the portal. Ideal candidates include your company's Risk Manager, Compliance Manager, Privacy Officer, IT Operations Manager or Legal Counsel.
- This portal contains a directory of experienced providers of cyber risk management and breach recovery services. XL Catlin does not endorse these companies or their respective services. Before you engage any of these companies, we urge you to conduct your own due diligence to ensure the companies and their services meet your needs. Unless otherwise indicated or approved, payment for services provided by these companies is your responsibility.

.....
MAKE YOUR WORLD GO
xlcatlin.com

XL Catlin is the global brand used by XL Group plc's insurance subsidiaries. In the US, the insurance companies of XL Group plc are: Catlin Indemnity Company, Catlin Insurance Company, Inc., Catlin Specialty Insurance Company, Greenwich Insurance Company, Indian Harbor Insurance Company, XL Insurance America, Inc., XL Insurance Company of New York, Inc., and XL Specialty Insurance Company. Not all of the insurers do business in all jurisdictions, nor is coverage available in all jurisdictions. Information and ratings (if listed) accurate as of December, 2015.

XL and XL Catlin are registered trademarks of XL Group plc companies

NOTICE TO POLICYHOLDERS

PRIVACY POLICY

The XL Catlin insurance group (the “Companies”), believes personal information that we collect about our customers, potential customers, and proposed insureds (referred to collectively in this Privacy Policy as “customers”) must be treated with the highest degree of confidentiality. For this reason and in compliance with the Title V of the Gramm-Leach-Bliley Act (“GLBA”), we have developed a Privacy Policy that applies to all of our companies. For purposes of our Privacy Policy, the term “personal information” includes all information we obtain about a customer and maintain in a personally identifiable way. In order to assure the confidentiality of the personal information we collect and in order to comply with applicable laws, all individuals with access to personal information about our customers are required to follow this policy.

Our Privacy Promise

Your privacy and the confidentiality of your business records are important to us. Information and the analysis of information is essential to the business of insurance and critical to our ability to provide to you excellent, cost-effective service and products. We understand that gaining and keeping your trust depends upon the security and integrity of our records concerning you. Accordingly, we promise that:

1. We will follow strict standards of security and confidentiality to protect any information you share with us or information that we receive about you;
2. We will verify and exchange information regarding your credit and financial status only for the purposes of underwriting, policy administration, or risk management and only with reputable references and clearinghouse services;
3. We will not collect and use information about you and your business other than the minimum amount of information necessary to advise you about and deliver to you excellent service and products and to administer our business;
4. We will train our employees to handle information about you or your business in a secure and confidential manner and only permit employees authorized to use such information to have access to such information;
5. We will not disclose information about you or your business to any organization outside the XL Catlin insurance group of Companies or to third party service providers unless we disclose to you our intent to do so or we are required to do so by law;
6. We will not disclose medical information about you, your employees, or any claimants under any policy of insurance, unless you provide us with written authorization to do so, or unless the disclosure is for any specific business exception provided in the law;
7. We will attempt, with your help, to keep our records regarding you and your business complete and accurate, and will advise you how and where to access your account information (unless prohibited by law), and will advise you how to correct errors or make changes to that information; and
8. We will audit and assess our operations, personnel and third party service providers to assure that your privacy is respected.

Collection and Sources of Information

We collect from a customer or potential customer only the personal information that is necessary for (a) determining eligibility for the product or service sought by the customer, (b) administering the product or service obtained, and (c) advising the customer about our products and services. The information we collect generally comes from the following sources:

- Submission – During the submission process, you provide us with information about you and your business, such as your name, address, phone number, e-mail address, and other types of personal identification information;
- Quotes – We collect information to enable us to determine your eligibility for the particular insurance product and to determine the cost of such insurance to you. The information we collect will vary with the type of insurance you seek;

- Transactions – We will maintain records of all transactions with us, our affiliates, and our third party service providers, including your insurance coverage selections, premiums, billing and payment information, claims history, and other information related to your account;
- Claims – If you obtain insurance from us, we will maintain records related to any claims that may be made under your policies. The investigation of a claim necessarily involves collection of a broad range of information about many issues, some of which does not directly involve you. We will share with you any facts that we collect about your claim unless we are prohibited by law from doing so. The process of claim investigation, evaluation, and settlement also involves, however, the collection of advice, opinions, and comments from many people, including attorneys and experts, to aid the claim specialist in determining how best to handle your claim. In order to protect the legal and transactional confidentiality and privileges associated with such opinions, comments and advice, we will not disclose this information to you; and
- Credit and Financial Reports – We may receive information about you and your business regarding your credit. We use this information to verify information you provide during the submission and quote processes and to help underwrite and provide to you the most accurate and cost-effective insurance quote we can provide.

Retention and Correction of Personal Information

We retain personal information only as long as required by our business practices and applicable law. If we become aware that an item of personal information may be materially inaccurate, we will make reasonable effort to re-verify its accuracy and correct any error as appropriate.

Storage of Personal Information

We have in place safeguards to protect data and paper files containing personal information.

Sharing/Disclosing of Personal Information

We maintain procedures to assure that we do not share personal information with an unaffiliated third party for marketing purposes unless such sharing is permitted by law. Personal information may be disclosed to an unaffiliated third party for necessary servicing of the product or service or for other normal business transactions as permitted by law.

We do not disclose personal information to an unaffiliated third party for servicing purposes or joint marketing purposes unless a contract containing a confidentiality/non-disclosure provision has been signed by us and the third party. Unless a consumer consents, we do not disclose “consumer credit report” type information obtained from an application or a credit report regarding a customer who applies for a financial product to any unaffiliated third party for the purpose of serving as a factor in establishing a consumer’s eligibility for credit, insurance or employment. “Consumer credit report type information” means such things as net worth, credit worthiness, lifestyle information (piloting, skydiving, etc.) solvency, etc. We also do not disclose to any unaffiliated third party a policy or account number for use in marketing. We may share with our affiliated companies information that relates to our experience and transactions with the customer.

Policy for Personal Information Relating to Nonpublic Personal Health Information

We do not disclose nonpublic personal health information about a customer unless an authorization is obtained from the customer whose nonpublic personal information is sought to be disclosed. However, an authorization shall not be prohibited, restricted or required for the disclosure of certain insurance functions, including, but not limited to, claims administration, claims adjustment and management, detection, investigation or reporting of actual or potential fraud, misrepresentation or criminal activity, underwriting, policy placement or issuance, loss control and/or auditing.

Access to Your Information

Our employees, employees of our affiliated companies, and third party service providers will have access to information we collect about you and your business as is necessary to effect transactions with you. We may also disclose information about you to the following categories of person or entities:

- Your independent insurance agent or broker;
- An independent claim adjuster or investigator, or an attorney or expert involved in the claim;
- Persons or organizations that conduct scientific studies, including actuaries and accountants;
- An insurance support organization;
- Another insurer if to prevent fraud or to properly underwrite a risk;
- A state insurance department or other governmental agency, if required by federal, state or local laws; or
- Any persons entitled to receive information as ordered by a summons, court order, search warrant, or subpoena.

Violation of the Privacy Policy

Any person violating the Privacy Policy will be subject to discipline, up to and including termination.

For more information or to address questions regarding this privacy statement, please contact your broker.

NOTICE TO POLICYHOLDERS

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")

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 Policyholder Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC and possibly the U.S. Department of State. **Please read this Policyholder Notice carefully.**

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
- Narcotics traffickers

as *Specially Designated Nationals and Blocked Persons*. This list can be found on the U.S. Department of the Treasury's web site - <http://www.treas.gov/ofac>.

The Secretary of the Treasury also has identified a number of entities in the insurance, petroleum, and petrochemicals industries determined to be owned or controlled by the Iranian government. Business transactions with any of these entities are expressly prohibited. These entities have been added to OFAC's list of *Financial Institutions Determined To Be Owned or Controlled by the Government of Iran*. This list can be found on the U.S. Department of the Treasury's web site - <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/iran.aspx>, see List of CISADA and NDAA Prohibitions or Conditions

In accordance with OFAC regulations, or any applicable regulation promulgated by the U.S. Department of State, 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 will be immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

NOTICE TO POLICYHOLDERS

FRAUD NOTICE

Arkansas	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Colorado	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 for insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.
District of Columbia	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.
Florida	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 of the third degree.
Kansas	A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.
Kentucky	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.
Louisiana	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Maine	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 denial of insurance benefits.
Maryland	Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
New Jersey	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO POLICYHOLDERS

New Mexico	ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.
New York	General: All applications for commercial insurance, other than automobile insurance: 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 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. All applications for automobile insurance and all claim forms: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation. Fire: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime. The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.
Ohio	Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
Oklahoma	WARNING: 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.
Pennsylvania	All Commercial Insurance, Except As Provided for Automobile Insurance: 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. Automobile Insurance: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.

NOTICE TO POLICYHOLDERS

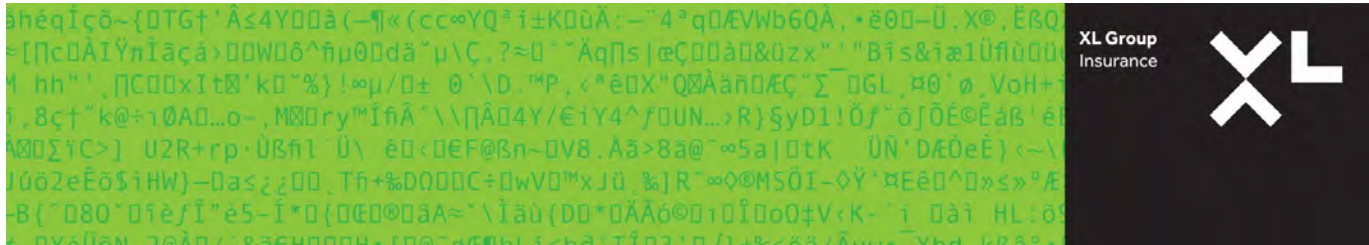
Puerto Rico	Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.
Rhode Island	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Tennessee	All Commercial Insurance, Except As Provided for Workers' Compensation It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits. Workers' Compensation: It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.
Utah	Workers' Compensation: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.
Virginia	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
Washington	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
West Virginia	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
All Other States	Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison. (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties).

NOTICE TO POLICYHOLDERS

NEW JERSEY

NEW JERSEY POLICY HOLDER NOTICE

NOTICE TO POLICYHOLDER: THIS POLICY IS WRITTEN BY A DOMESTIC SURPLUS LINES INSURER, AN ELIGIBLE UNAUTHORIZED INSURER PURSUANT TO SECTION 2 OF P.L. 2011 c.39 (C. 17:22-6.69b), AND IS NOT SUBJECT TO THE RATE OR FORM FILING OR APPROVAL REQUIREMENTS OF THE NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE. THIS POLICY MAY CONTAIN CONDITIONS, LIMITATIONS, EXCLUSIONS AND DIFFERENT TERMS THAN A POLICY OTHERWISE ISSUED BY A NEW JERSEY AUTHORIZED OR ADMITTED INSURER. THIS POLICY IS NOT COVERED BY THE NEW JERSEY PROPERTY-LIABILITY GUARANTY ASSOCIATION. THIS POLICY MAY BE COVERED BY THE NEW JERSEY SURPLUS LINES INSURANCE GUARANTY FUND, BUT ONLY TO THE EXTENT PROVIDED PURSUANT TO SECTION 2 OF P.L. 1984, c. 101 (C. 17:22-6.71).



Regulatory Office
505 Eagleview Blvd., Ste. 100
Dept: Regulatory
Exton, PA 19341-1120
(800) 688-1840

Company Providing Coverage: Indian Harbor Insurance Company

Cyber and Technology Liability Policy

DECLARATIONS

NOTICE:
THIS INSURANCE IS ISSUED PURSUANT TO THE NEW JERSEY SURPLUS LINES LAW.

POLICY NUMBER: MTP003949203 **RENEWAL OF:** MTP003949202

ITEM 1. NAMED INSURED: NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
Address: 9 CAMPUS DRIVE
SUITE 16
PARSIPPANY, NJ 07054

ITEM 2. POLICY PERIOD:
Effective Date: January 1, 2016 Expiration Date: January 1, 2017
12:01 A.M. Standard Time at the address of the Named Insured as stated herein.

ITEM 3. PREMIUM: \$ 60,912

ITEM 4. NOTICE OF A CLAIM:

By email: proclaimnewnotices@xlgroup.com; or

By certified post mail: XL Group, P.O. Box 614002, Orlando, Florida 32861-4002.

ITEM 5. XL BREACH HOTLINE: 1.855.566.4724

ITEM 6. PROFESSIONAL SERVICES:

N/A

ITEM 7. COVERAGE SCHEDULE:

LIMIT OF LIABILITY ELECTION			
Combined Limits		Separate Limits	
☒		☐	
Combined Policy Aggregate Limit	6,000,000	Data Breach Response and Crisis Management Aggregate Limit	N/A
		Third and First Party Aggregate Limit	N/A
COVERAGES			
Insuring Agreements	Sublimits	Retention	Retro Date
Third Party Liability Coverages			
Media	3,000,000	10,000	01/01/2013
Privacy and Cyber Security	3,000,000	10,000	01/01/2013
Privacy Regulatory Defense, Awards and Fines	3,000,000	10,000	01/01/2013
First Party Coverages			
Business Interruption and Extra Expense	3,000,000	10 Hours	N/A
Data Recovery	3,000,000	10,000	N/A
Cyber-Extortion	3,000,000	10,000	N/A
Data Breach Response and Crisis Management Coverage			
Data Breach Response and Crisis Management	3,000,000	10,000	N/A

ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE:

Endorsement Number	Endorsement Form Number	Endorsement Title
	TCD 050 0215	Cyber and Technology Liability Policy
	PN CA 02 1015	Privacu Policy
	PN CW 05 0914	Notice To Policyholders - U.S. Treasury Department's Office of Foreign Assets Control ("OFAC")
	PN CW 01 0915	Notice To Policyholders - Fraud Notice
	PN NJ 01 0312	New Jersey Policy Holder Notice - Surplus Lines
	IL MP 9104 0314 IHIC	In Witness - Indian Harbor Insurance Company
Endorsement No. 001	TCD MANUS 1214	Manuscript Endorsement
Endorsement No. 002	TCD MANUS 1214	Manuscript Endorsement
Endorsement No. 003	TCD 424 0215	PCI DSS Coverage Amendatory Endorsement
Endorsement No. 004	XL-NJSOP 11 10	Service of Process

ITEM 9. PRODUCER NAME: Public Risk Underwriters of Texas
Address: 101 W. Renner Road, Suite 450
Richardson, TX 75082

_____	_____
Date	Authorized Representative

Cyber and Technology Liability Policy

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Cyber and Technology Liability Policy

SECTION I.A. OF THIS POLICY IS A THIRD PARTY LIABILITY COVERAGE SECTION AND APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED IN ACCORDANCE WITH THE TERMS IN THE POLICY. CLAIM EXPENSES ARE WITHIN AND REDUCE THE LIMIT OF LIABILITY. PLEASE REVIEW THE POLICY CAREFULLY.

Words and phrases in blue are defined in Section IV.

In consideration of the premium paid by the Insured **Named Insured**, in reliance upon the **application**, and subject to the Declarations, limitations, conditions, provisions and other terms of this Policy, the **Insurer** and the **Insured** agree, with respect to the Insuring Agreements purchased, as stated on the Declarations page, as follows:

I. Insuring Agreements

A. THIRD PARTY LIABILITY COVERAGES

1. Technology and Professional Services

The **Insurer** will pay on behalf of an **Insured claim expenses** and **damages** that the **Insured** is legally obligated to pay as the result of a **claim** first made against the **Insured** during the **policy period** or extended reporting period (if applicable) alleging a **technology and professional services wrongful act** committed by the **Insured** or by a third party for the benefit of an **Insured** and for whose acts and omissions an **Insured** is legally responsible.

2. Media

The **Insurer** will pay on behalf of an **Insured claim expenses** and **damages** that the **Insured** is legally obligated to pay as the result of a claim first made against the **Insured** during the policy period or extended reporting period (if applicable) alleging a **media wrongful act** committed by the **Insured**.

3. Privacy and Cyber Security

The **Insurer** will pay on behalf of an **Insured claim expenses** and **damages** that the **Insured** is legally obligated to pay as the result of a **claim** first made against the **Insured** during the **policy period** or extended reporting period (if applicable) alleging a **privacy and security wrongful act** committed by the **Insured**, an **outsourced provider** or a **rogue employee**.

4. Privacy Regulatory Defense, Awards and Fines

The **Insurer** will pay on behalf of an **Insured claim expenses** and **regulatory damages** that the **Insured Company** is legally obligated to pay as the result of a **privacy regulatory action**.

5. Supplemental Third Party Liability Prevention

Upon the **Insured's** exhaustion of the retention applicable to the Insuring Agreement under which the **Insurer** is providing coverage the **Insurer** will pay for **claim avoidance costs**, at the **Insurer's** sole discretion and with prior written consent, that the **Insured** thereafter incurs as a direct result of the **Insured's** reasonable investigation of a potentially covered circumstance that it reports to the **Insurer** in accordance with Section VI. Notice. Such **claim avoidance costs** will be part of, and not in addition to, the limit of liability, as stated in Item 7. on the Declarations page, and will in no way serve to increase or supplement such aggregate limit of liability.

B. FIRST PARTY COVERAGES

1. Business Interruption and Extra Expense
The **Insurer** will pay for **loss of business income** and reimburse the **Insured Company** for **extra expense** during the **period of restoration** that the **Insured Company** incurs resulting from **cyber security breach** directly causing a total or partial interruption or deterioration in the **Insured Company's** business operations.
2. Data Recovery
The **Insurer** will reimburse the **Insured Company** for **data recovery expenses** that the **Insured Company** incurs directly resulting from a **cyber security breach**.
3. Cyber-Extortion
The **Insurer** will reimburse the **Insured Company** for **cyber-extortion expenses** that the **Insured Company** incurs directly resulting from and in response to a **cyber-extortion threat**.

C. DATA BREACH RESPONSE AND CRISIS MANAGEMENT COVERAGE

The **Insurer** will pay **data breach response and crisis management costs** that the **Insured Company** incurs for a continuous twelve (12) month period resulting from a **data breach** that is first discovered by an **executive officer** and as soon as notice of the **data breach** is reported to the **Insurer**.

D. CONDITIONS

1. The coverage provided under Sections I.A.1. Technology and Professional Services, I.A.2. Media, I.A.3. Privacy and Cyber Security and I.A.4. Privacy Regulatory Defense, Awards and Fines shall apply only if:
 - (a) the first such **third party wrongful act** or **related matter** occurs on or after the **retroactive date** as stated in Item 7. on the Declarations page and prior to the Policy expiration date, as stated in Item 2. on the Declarations page;
 - (b) prior to the Policy's effective date, as stated in Item 2. on the Declarations page, or that of the first such policy issued and continuously renewed by the **Insurer**, of which this Policy is a renewal, no **executive officer** knew or could have reasonably foreseen that such **third party wrongful act** or **related matter** did or likely would result in a **claim**;
 - (c) the **claim** is reported to the **Insurer** during the **policy period** or extended reporting period (if applicable) and is reported in accordance with Section VI. Notice; and
 - (d) notice of such **third party wrongful act** or **related matter** alleged or contained in any **claim** or in any circumstance has not been provided under any other prior policy of which this Policy is a renewal or replacement, or any subsequent policy, irrespective of whether such prior or subsequent policy was issued by the **Insurer** or other entity.
2. The coverage provided under Sections I.B. First Party Coverages and I.C. Data Breach Response and Crisis Management Coverage shall apply only if:
 - (a) an **executive officer** first becomes aware of such **first party incident** or **related matter** during the **policy period**;
 - (b) such **first party incident** is reported to the **Insurer** during the **policy period** or automatic extended reporting period (if applicable) and is reported in accordance with Section VI. Notice; and

- 7(c) notice of such **first party incident** or **related matter** has not been provided under any prior policy of which this Policy is a renewal or replacement, or any subsequent policy, irrespective of whether such prior or subsequent policy was issued by the **Insurer** or other entity.

II. Defense and Settlement

A. DEFENSE

The **Insurer** has the right and duty to defend any **claim** covered under Sections I.A.1. Technology and Professional Services, I.A.2. Media, I.A.3. Privacy and Cyber Security and I.A.4. Privacy Regulatory Defense, Awards and Fines made against an Insured even if the allegations in the **claim** are groundless, false or fraudulent. The **Insurer** will select and appoint defense counsel.

B. SETTLEMENT

The **Insurer** has the right with the prior written consent of the **Insured**, such consent may not be unreasonably withheld, to settle a **claim**. If the **Insured** refuses to consent to any such settlement recommended by the **Insurer** and agreed to by the claimant, then the **Insurer's** duty to defend ends and the **Insurer's** limit of liability for such **claim** will not exceed the amount for which the **Insurer** could have settled such **claim** had the **Insured** consented to settlement, plus **claim expenses** incurred up to the time the **Insurer** made its settlement recommendation, plus an additional fifty percent (50%) of **claim expenses** and **damages** incurred by an **Insured** after the **Insurer** had made its settlement recommendation. All such payments by the **Insurer** are subject to Section III. Limit of Liability and Retention. Notwithstanding the foregoing, the **Insurer** shall have the right but not the duty to participate in the continuing defense of such **claim**.

III. Limit of Liability and Retention

A. LIMIT OF LIABILITY OPTION

The **Insured** shall elect the Policy's limits to apply on a Combined Limits or Separate Limits basis, as stated in Item 7. on the Declaration page.

1. Combined Limits

- (a) If the **Insured** elects Combined Limits then the Policy's Combined Policy Aggregate Limit, as stated in Item 7. on the Declarations page, is the **Insurer's** maximum liability for **loss** under all Insuring Agreements combined, inclusive of **data breach response and crisis management costs** regardless of the number of **claims**, Insuring Agreements triggered or individuals or entities making **claims**. Upon exhaustion of such limit of liability, the **Insurer** will not be liable to pay any further **loss** with respect to this Policy.
- (b) If a **sublimit** with respect to an Insuring Agreement is stated in Item 7. on the Declarations page, then such **sublimit** will be the **Insurer's** maximum liability for **loss** with respect to such Insuring Agreement. Upon exhaustion of such **sublimit**, the **Insurer** will not be liable to pay any further **loss** with respect to the coverage provided by the subject Insuring Agreement. Each **sublimit** will be part of, and not in addition to, this Policy's Combined Policy Aggregate Limit of Liability and will in no way serve to increase or supplement such limit of liability. All payments made under a **sublimit** will reduce such limit of liability.

2. Separate Limits

If the **Insured** elects Separate Limits then the Policy's:

- (a) Third and First Party Aggregate Limit, as stated in Item 7. on the Declarations page, is the **Insurer's** maximum liability for all **damages, regulatory damages, claim expenses, loss of business income, extra expense, data recovery expenses, cyber-extortion expenses** and **claim avoidance costs** for all Third Party Liability Coverages and First Party Coverages, regardless of the number of **Insureds, claims, first party incidents**, or individuals or entities making **claims**.
- If a **sublimit** with respect to an Insuring Agreement is stated in Item 7. on the Declarations page, then such **sublimit** will be the **Insurer's** maximum liability for **loss** with respect to such Insuring Agreement. Upon exhaustion of such **sublimit**, the **Insurer** will not be liable to pay any further **loss** with respect to the coverage provided by the subject Insuring Agreement. Each **sublimit** will be part of, and not in addition to, the Policy's Third Party Liability and First Party Aggregate Limit of Liability and will in no way serve to increase or supplement such limit of liability. All payments made under a **sublimit** will reduce such limit of liability.
- (b) Data Breach Response and Crisis Management Aggregate Limit of Liability
- Data Breach Response and Crisis Management Aggregate Limit, as stated in Item 7. on the Declarations page, is the **Insurer's** maximum liability for all for Data Breach Response and Crisis Management Coverage regardless of the number of **data breaches**.

3. Exhaustion of Limit

Upon exhaustion of the Combined Policy Aggregate Limit of Liability under the Combined Limits option or the Third Party and First Party Aggregate Limit of Liability or the Data Breach Response and Crisis Management Aggregate Limit of Liability under the Separate Limits option or after the **Insurer** has deposited or escrowed with a court of competent jurisdiction any amounts remaining in the Policy's aggregate limit of liability prior to exhaustion, the **Insurer** will not be liable to pay any further **loss** under the Policy.

B. RETENTIONS

1. Solely with respect to coverage provided on a Combined Limits basis, the **Insurer** is liable only for that portion of covered **damages, regulatory damages** and **claim expenses** resulting from a **third party wrongful act** and for that portion of covered **first party costs** resulting from a **first party incident** that is in excess of the applicable Insuring Agreement's retention amount, as stated in Item 7. on the Declarations page. If more than a single retention applies to a **claim** and/or **first party incident**, then the **Insured** is responsible for paying the highest applicable retention. The retention will be borne entirely by the **Insured** alone and not by the **Insurer**.
2. Solely with respect to coverage provided on a Separate Limits basis, the **Insurer** is liable only for that portion of covered **damages, regulatory damages** and **claim expenses** resulting from a **third party wrongful act** and for that portion of any covered **loss of business income, extra expense, data recovery expenses, cyber-extortion expenses, data breach response and crisis management costs** and **claim avoidance costs** resulting from a **cyber security breach** or **cyber-extortion threat** that is in excess of the applicable Insuring Agreement's retention amount, as stated in Item 7. on the Declarations. If more than a single retention applies to a **claim** and/or **first party incident**, then the **Insured** is responsible for paying the highest applicable retention. The retention will be borne entirely by the **Insured** alone and not by the **Insurer**.

As respects Data Breach Response and Crisis Management Coverage a separate retention will apply and the **Insurer** is liable only for that portion of any covered **data breach response and crisis management costs** directly resulting from a **data breach**.

C. RELATED MATTERS AND RELATED LOSSES

1. Related Third Party Wrongful Acts
Covered **claims** resulting from **related matters** will be treated as a single **claim** first made against the **Insured** at the time the first such **related matters** occurred irrespective of whether such **related matters** occurred prior to or during the **policy period** and irrespective of the number of **related matters**, the identity or number of **Insureds** involved, or the number and timing of such **related matters**.
2. Related First Party Incidents
 - (a) All **related matters** involving **first party incidents** (other than **cyber-extortion threats**) will be considered a single **first party incident** which shall be deemed to have been discovered on the date on which the earliest such **first party incident** was discovered by an **executive offer**.
 - (b) All **related matters** involving **cyber-extortion threats** will be considered a single **cyber-extortion threat** first occurring on the date the first such **cyber-extortion threats** occurred.
3. Related Loss
All **loss** will be considered a single **loss** occurring on the date the first **related matter** giving rise to such **loss** first occurred or is first discovered, irrespective of the number of **related losses**, the identity or number of **Insured's** involved or the number and timing of such **related losses**.

IV. Definitions

A. APPLICATION

This Policy's **application** includes the signed application, information, statements, representations, attachments, exhibits and other material submitted to the **Insurer** in connection with the underwriting of the Policy or any other policy of which this Policy is a renewal or replacement. The **application** shall be deemed a part of this Policy as if physically attached.

B. BREACH RESPONSE PROVIDERS

The **Insurer's** pre-approved breach response providers available on the eRisk Hub® website or upon request of the **Insurer**.

C. CLAIM

1. A written demand for monetary damages, services, or injunctive or other non-monetary relief;
2. A civil proceeding for monetary damages, services, or injunctive or other non-monetary relief that is commenced by service of a complaint or similar pleading, including any appeal thereof;
3. A mandatory arbitration or other mandatory alternative dispute resolution proceeding for monetary damages, services, or injunctive or other non-monetary relief that is commenced by a written demand, including any appeal thereof, or a non-mandatory arbitration or other alternative dispute resolution proceeding to which the **Insurer** has consented in writing; and
4. A **privacy regulatory action** with respect to Section I.A.4. Privacy Regulatory Defense, Awards and Fines.

D. CLAIM EXPENSES

1. Reasonable and necessary fees for the defense of a **claim** defended by an attorney selected by the **Insurer** in accordance with Section II. Defense and Settlement as well as other reasonable and necessary fees, costs and expenses that result from the investigation, adjustment, negotiation, arbitration, defense or appeal of a **claim**; and
2. Premiums on appeal bonds, attachment bonds or similar bonds. Provided, however, the **Insurer** is not obligated to apply for or furnish any such bond.

E. CLAIM AVOIDANCE COSTS

Those costs incurred by the **Insured** whose intention is to prevent a **claim** that may arise from a circumstance the **Insured** reports in accordance with Section VI.A. Notice of Circumstance.

Claim Avoidance Costs do not include:

1. payments recoverable by the **Insured**;
2. any element of profit for the **Insured**;
3. any charge or credit against any fee owed or payable to the **Insured**; and
4. costs, fees or other expenses the **Insured** incurs to establish or document the existence or amount of **claim avoidance costs**.

F. CONFIDENTIAL BUSINESS INFORMATION

Any non-public third party business information, whether encrypted or unencrypted, that cannot be lawfully obtained or known by the general public, including trade secrets, customer lists, drawings, financial information and marketing plans that are provided to the **Insured** by a third party.

G. CONSUMER REDRESS AMOUNT

That sum of money that the **Insured** is legally obligated to deposit in a fund for the payment of consumer claims as the result of a litigated **privacy regulatory action** or by written agreement by the claimant, **Insured** and **Insurer**.

H. COVERAGE SECTIONS

I.A. Third Party Liability Coverages, I.B. First Party Coverages and I.C. Data Breach Response and Crisis Management Coverage.

I. CYBER-EXTORTION EXPENSES

1. Reasonable and necessary money, property or other consideration surrendered as payment by or on behalf of the **Insured Company** to which the **Insurer** has consented, such consent may not be unreasonably withheld, in order to prevent or limit a **cyber-extortion threat**; and
2. The reasonable and necessary costs agreed to by the **Insured Company** and the **Insurer** to conduct an investigation to determine the cause and scope of a **cyber-extortion threat**.

J. CYBER-EXTORTION THREAT

A threat against a **network** first made during the **policy period** to:

1. disrupt the **Insured's** business operations;
2. alter, damage, or destroy data stored on the **network**;
3. use the **network** to generate and transmit malware to third parties;
4. deface the **Insured's** website; and
5. access **personally identifiable information**, **protected health information** or **confidential business information** stored on the **network**,

made by a person or group, whether acting alone or in collusion with others, demanding payment or a series of payments in consideration for the elimination, mitigation or removal of the threat.

K. CYBER SECURITY BREACH

Any unauthorized: access to, use or misuse of, modification to the **network**, and/or denial of **network** resources by attacks perpetuated through malware, viruses, worms, and Trojan horses, spyware and adware, zero-day attacks, hacker attacks and denial of service attacks.

L. DAMAGES

1. Compensatory damages resulting from a judgment, award or settlement agreement, including pre-judgment and post-judgment interest, which the **Insured** becomes legally obligated to pay as a result of a **claim**; and
2. Punitive, exemplary damages and multiple damages, if the insuring of such damages is permitted under the laws and public policy of the jurisdiction under which the Policy is construed. Enforceability of punitive, exemplary damages and multiple damages will be governed by the applicable law that most favors coverage for such damages.

Damages do not include:

1. the return of any fees paid to an **Insured** or the offset of any future fees to be charged by or owed to an **Insured**;
2. lost investment income;
3. costs incurred by an **Insured** to withdraw or recall **technology products**, including products that incorporate an **Insured's technology products**, **technology services** or **professional services**;
4. costs incurred by an **Insured** to correct, re-perform or complete any **technology services** or **professional services**;
5. costs incurred by an **Insured** or by a third party at the direction of the **Insured** to remediate, repair, replace, restore, modify, update, upgrade, supplement, correct or otherwise improve a **network** to a level of functionality beyond that which existed prior to a **cyber security breach**;
6. civil or criminal fines or penalties or compliance violation remedies imposed on an **Insured**; provided, however, this provision does not apply to the coverage provided under Section I.A.4. Privacy Regulatory Defense, Awards and Fines;
7. liquidated damages in a written contract or agreement in excess of an **Insured's** liability that otherwise result from a **third party wrongful act**;
8. the monetary value of an electronic fund transfer or transaction that is lost or diminished during transfer;

9. any amounts incurred prior to the **Insured** providing notice of a **claim** pursuant to the terms of this policy;
10. the value of non-monetary relief, including any amount attributable to or arising therefrom; and
11. royalty or licensing fees or payments.

M. DATA BREACH

The actual or reasonably suspected theft, loss or unauthorized acquisition of data, which an **executive officer** first becomes aware of during the **policy period**, that has or may compromise the security, confidentiality and/or integrity of **personally identifiable information**, **protected health information** or **confidential business information**.

N. DATA BREACH REPORTING REQUIREMENT

Any provision in a law, statute or regulation, domestic or foreign, that requires the **Insured** to provide notification to affected persons of a breach of such person's **personally identifiable information** or **protected health information**.

O. DATA BREACH RESPONSE AND CRISIS MANAGEMENT COSTS

1. Costs charged by **Breach Response Providers** to:
 - (a) determine the legal applicability of and actions necessary to respond to a **data breach reporting requirement**;
 - (b) perform computer forensics to determine the existence, cause and scope of a **data breach** or **cyber security breach**;
 - (c) notify individuals of a **data breach** who are required to be notified pursuant to any **data breach reporting requirement**;
 - (d) voluntarily notify individuals of a **data breach** who may not be required to be notified under an applicable **data breach reporting requirement**;
 - (e) operate a call center to manage **data breach** inquiries;
 - (f) provide credit or identity monitoring and identity protection and restoration services or any similar service for those individuals whose **personally identifiable information** was or may have been breached;
 - (g) provide medical identity restoration for those individuals whose **protected health information** was or may have been breached;
 - (h) minimize harm to the **Insured Company's** reputation by hiring a public relations or crisis communications firm, and
2. Any reasonable and necessary costs charged by a qualified provider who is not a **Breach Response Providers** and who the **Insurer** has consented in writing, such consent may not be unreasonably withheld, prior to the services being rendered to provide comparable services to those detailed in 1.(a) through 1.(h) above; provided, however, the maximum rate the **Insurer** will pay for such services shall not exceed the **Breach Response Providers** pre-negotiated rates; and
3. Costs charged by a PCI Forensics Investigator to perform forensics to determine the existence, cause and scope of a breach or suspected breach of cardholder data.

P. DATA RECOVERY EXPENSES

Reasonable and necessary costs incurred by the **Insured Company** with the **Insurer's** prior written consent, such consent may not be unreasonably withheld, to:

1. determine whether damaged or destroyed computer programs, software or electronic data can be replaced, recreated, restored or repaired; and
2. replace, recreate, restore or repair such damaged or destroyed computer programs, software or electronic data residing on the **network** to substantially the form in which it existed immediately prior to a **cyber security breach**.

Q. EXECUTIVE OFFICER

Any duly elected or appointed Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Privacy Officer, Chief Security Officer, Chief Technology Officer, Chief Risk Officer, Chief Legal Officer, Risk Manager, General Counsel and in-house attorney designated to be in charge of litigation, or the functional equivalent of any of the foregoing, of the **Insured**.

R. EXTRA EXPENSE

Reasonable and necessary expenses in excess of the **Insured's** normal operating expenses that the **Insured** incurs to reduce or avoid **loss of business income**.

S. FIRST PARTY COSTS

Any **loss of business income**, **extra expense**, **data recovery expenses**, **cyber-extortion expenses**, **data breach response and crisis management costs** and **claim avoidance costs**.

First Party Costs do not include any amounts incurred prior to the **Insured** providing notice of the **first party incident**.

T. FIRST PARTY INCIDENT

A **cyber security breach**, **cyber-extortion threat** or **data breach**.

U. INSURED

The **Insured Company**; and

1. any past, present or future officer, director, member, principal, partner, trustee, employee (other than a **rogue employee**), leased worker and temporary employee of the **Insured Company** acting in their capacity and in accordance with their authority as such;
2. any entity that an **Insured Company** is required by written contract to be insured under the Policy, but only for **third party wrongful acts** committed by the **Insured Company** or any persons identified in Section IV.U.1. and Section IV.U.3.;
3. any independent contractor performing services for the **Insured Company** under a written contract but solely with respect to such independent contractor's duties on behalf and for the benefit of the **Insured Company**; and
4. with respect to Section I.A.2. Media, any person or entity that disseminates **matter** on behalf and for the benefit of an **Insured** where, prior to such dissemination, an **Insured** has agreed in writing to include such person or entity as an **Insured** under the Policy.

V. INSURED COMPANY

The [Named Insured](#) and any [subsidiary](#).

W. INSURER

The Insurance Company stated on the Declarations page.

X. LOSS

All [damages](#), [claim expenses](#), [regulatory damages](#) and [first party costs](#).

Y. LOSS OF BUSINESS INCOME

1. Net income (net profit or loss before income taxes) that could have reasonably been earned or net loss that could have reasonably been avoided; and
2. Continuing normal and reasonable operating expenses, including payroll.

A [loss of business income](#) calculation is based upon the amount of actual [loss of business income](#) the [Insured Company](#) sustains per hour during the [period of restoration](#).

Z. MANAGEMENT CONTROL

1. Ownership interests representing more than fifty percent (50%) of the voting, appointment or designation power of a company for the selection of a majority of (i) the board of directors of a corporation (ii) the management committee members of a joint venture or partnership or (iii) the members of the management board of a limited liability company; or
2. The right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an entity, to select, appoint or designate a majority of (i) the board of directors of a corporation (ii) the management committee members of a joint venture or partnership or (iii) the members of the management board of a limited liability company.

AA. MATTER

The content of any communication of any kind whatsoever, whether public or private, regardless of the nature or form of such content or the medium by which such content is communicated, including but not limited to language, data, facts, fiction, music, photographs, images, artistic expression, or visual or graphical materials.

BB. MEDIA WRONGFUL ACT

Any:

1. libel, slander, or any other form of defamation or harm to the character or reputation of any person or entity, including product disparagement or trade libel;
2. copyright infringement or misappropriation of property rights, information or ideas or dilution or infringement of title, slogan, trademark, trade name, service mark or service name;
3. common law unfair competition or unfair trade practices alleged in conjunction with the acts described above in Sections IV.BB.1. and IV.BB.2.;
4. invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, and misappropriation of name or likeness;
5. infliction of emotional distress or mental anguish;

6. false arrest, detention or imprisonment, harassment, trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy;
7. plagiarism, piracy or misappropriation of ideas under implied contract; and
8. economic harm to a third party directly resulting from the party's reliance or failure to rely upon the content of **matter** which is false or erroneous,

resulting from an **Insured's** acquiring, blogging, broadcasting, collecting, disseminating, distributing, editing, exhibiting, gathering, obtaining, producing, publishing, releasing, researching, recording, tweeting or uttering **matter** through traditional and digital methods including but not limited to cable television, radio, movie and music studios, newspapers, magazines, books and print publications, website, apps, CD-ROMs and DVDs.

CC. NAMED INSURED

The entity stated in Item 1. on the Declarations page.

DD. NETWORK

A connected system of computing hardware, software, firmware and associated electronic components under the ownership, operation or control of, or leased by, an **Insured**.

EE. OUTSOURCED PROVIDER

Any third party, including a cloud service provider, to which an **Insured** has contracted to provide professional services or to process, maintain or transmit **personally identifiable information**, **protected health information** or **confidential business information** on behalf and for the benefit of an **Insured**.

FF. PERIOD OF RESTORATION

That period of time that begins at the end of the **waiting period** and which continues until the earlier of:

1. the date the **Insured Company's** operations are restored to the condition that existed immediately prior to the **cyber security breach**; or
2. one hundred-twenty (120) days after the date of the **cyber security breach**.

GG. PERSONALLY IDENTIFIABLE INFORMATION

Information, whether printed or digital, encrypted or unencrypted, in an **Insured's** or **outsourced provider's** care, custody or control, that alone or in conjunction can be used to uniquely identify an individual, including but not limited to such information as name, social security number, address, birth date, physical characteristics, IP address, biometric record, unique mobile device identifier, geo-location data, mobile telephone number, email address, user name, text message or email, call log, contacts and address book entries, financial or payment information, health or medical information, photos or videos or internet browsing history and non-public personal information as defined by the Gramm-Leach-Bliley Act; provided, however, **personally identifiable information** does not include information that is lawfully available to the general public.

HH. POLICY PERIOD

The period of time stated in Item 2. on the Declarations page, beginning on the effective date and expiring on the date of termination, expiration or cancellation of the Policy, whichever is earliest.

II. POLLUTANTS

Any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the United States Environmental Protection Agency or any federal, state, county, municipal or local counterpart thereof or any foreign equivalent. Such substances include but are not limited to solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials, nuclear materials, nuclear waste, asbestos, including materials to be recycled, reconditioned, or reclaimed. Pollutants shall also mean any air emission, odor, waste water, oil or oil products, lead or lead products, latex infectious or medical waste, noise, dust, fibers, germs, fungus (including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi) and electric or magnetic or electromagnetic field.

JJ. PRIVACY AND SECURITY WRONGFUL ACT

Any:

1. Loss or theft of or failure to protect [personally identifiable information](#), [protected health information](#) or [confidential business information](#);
2. violation of any law, statute or regulation governing the authenticity, availability, confidentiality, storage, control, disclosure, integrity or use of [personally identifiable information](#) or [protected health information](#);
3. violation of a [data breach reporting requirement](#);
4. failure to reasonably implement privacy or security practices required by governmental law or regulations; and
5. failure to prevent a [cyber security breach](#) that results in:
 - (a) the inability of an authorized user to gain access to the [network](#);
 - (b) the malicious addition, alteration, copy, destruction, deletion, disclosure, damage, removal or theft of data residing on the [network](#);
 - (c) a denial of service attack emanating from the [network](#) which damages or destroys third party's hardware, computer programs or electronic data residing on a third party's network; or
 - (d) the transmission of malware from the [network](#) to third parties.

KK. PRIVACY REGULATORY ACTION

A written request for information, civil investigative demand or civil proceeding brought by or on behalf of a governmental or regulatory authority first initiated and reported during the [policy period](#) against an [Insured](#) that results from an actual or alleged [privacy and security wrongful act](#) committed by the [Insured](#), an [outsourced provider](#) or a [rogue employee](#).

LL. PRIVACY REGULATORY FINE

A civil monetary fine or penalty imposed on an [Insured](#) by a governmental or regulatory authority.

MM. PROFESSIONAL SERVICES

The services stated in Item 6. on the Declarations page.

NN. PROTECTED HEALTH INFORMATION

All protected and individually identifiable health information, whether printed or digital, encrypted or unencrypted, held or transmitted by an [Insured](#) or its business associate, as those terms are defined by HITECH, the Health Insurance Portability and Accountability Act of 1996 Privacy Rule or any amendment thereto, including the Health Information Technology for Economic and Clinical Health Act and final Omnibus Rule issued on January 17, 2013.

OO. REGULATORY DAMAGES

Any [consumer redress amount](#) and [privacy regulatory fines](#).

PP. RELATED LOSSES

All [losses](#) that directly result or arise from the same, similar or continuous [claims](#) or [first party incidents](#).

QQ. RELATED MATTERS

1. All [third party wrongful acts](#) that are the same, similar or arise from a continuous nexus of facts, circumstances, acts, errors or omissions, whether logically or causally related or connected; and
2. All [first party incidents](#) that are the same, similar or arise from a continuous nexus of facts, circumstances, acts, errors or omissions, whether logically or causally related or connected.

RR. RETROACTIVE DATE

The applicable date, if any, stated in Item 7. on the Declarations page for each Insuring Agreement in Section I.A. Third Party Liability Coverages.

SS. ROGUE EMPLOYEE

An employee of the [Insured Company](#) who deliberately acts outside the course and scope of employment and whose intentional conduct results in a [claim](#); provided, however, [rogue employee](#) does not include an [executive officer](#).

TT. SUBLIMIT

The applicable amount, if any, stated in Item 7. on the Declarations page for each Insuring Agreement within each [Coverage Section](#).

UU. SUBSIDIARY

1. Any entity over which the [Named Insured](#), directly or indirectly, has or had [management control](#) through or by way of one or more subsidiaries on or before the effective date of the [policy period](#);
2. Any entity in which the [Named Insured](#) acquires [management control](#) during the [policy period](#), either directly or indirectly, whose gross revenue does not exceed fifteen percent (15%) of the gross revenue of the [Insured Company](#); and
3. Any entity of which the [Named Insured](#) acquires [management control](#) during the [policy period](#), either directly or indirectly, whose gross revenue exceeds fifteen percent (15%) of the gross revenue of the [Insured Company](#):
 - (a) but only for a period of sixty (60) days following the [Name Insured's](#) direct or indirect ability to exert [management control](#); and

- (b) after such sixty (60) period but only if (1) the **Named Insured** provides the **Insurer** with full particulars of such entity and agrees to remit any additional premium and amendments to the Policy relating to such entity and (2) the **Insurer** has agreed to add such entity as a **subsidiary** by way of a written endorsement to the Policy.

For purposes of this definition, revenue is measured by the most recent fiscal year prior to the effective of the Policy.

Notwithstanding the foregoing, coverage afforded by this Policy will apply only to **third party wrongful acts** and **third party incidents** occurring after the effective date that the **Insured Company** has obtained **management control** of such **subsidiary** and prior to the time that such **Insured Company** ceased to have **management control** of such **subsidiary** unless:

1. the **Insurer** is notified in writing of such change in circumstances prior to the effective date thereof and agrees in writing to provide coverage for **third party wrongful acts** and **first party incident** occurring on or after such effective date; and
2. the **Insured Company** accepts any special terms, conditions and exclusions and pays any additional premium charge required by the **Insurer**.

VV. TECHNOLOGY AND PROFESSIONAL SERVICES WRONGFUL ACT

Any:

1. act, error, omission, neglect, negligent misrepresentation or breach of duty;
2. injury to a person arising out of defamation, including libel, slander, or other defamatory or disparaging statements or materials;
3. infringement of an intellectual property right except as otherwise excluded in Section V.N. Patent and Section V.O. Trade Secrets;
4. the failure of **technology products** to perform the intended function or serve their intended purpose; and
5. the failure of **technology services**, **professional services** or **technology products** to meet any applicable legal or industry standard concerning quality, safety or fitness for a particular purpose.

WW. TECHNOLOGY PRODUCTS

Computer or telecommunications hardware or software products, components or peripherals or electronic products or components:

1. created, designed, distributed, manufactured, or sold by or on behalf and for the benefit of an **Insured**; and
2. leased or licensed by an **Insured** to third parties, including software updates, service packs and other maintenance releases provided for such products.

XX. TECHNOLOGY SERVICES

Any computer, cloud computing, information technology, telecommunication, electronic services and any related consulting and staffing services including but not limited to data processing, data and application hosting, the provision of managed services, software as a service (SaaS), platform as a service (PaaS), infrastructure as a service (IaaS), network as a service (NaaS), computer systems analysis, computer consulting and training, programming, computer systems installation, management, repair, and maintenance, network design and Internet service.

YY. THIRD PARTY WRONGFUL ACT

A [technology and professional services wrongful act](#), [media wrongful act](#) and [privacy and security wrongful act](#).

ZZ. WAITING PERIOD

The number of hours stated in Item 7. on the Declarations page that must elapse prior to commencement of the [period of restoration](#).

V. Exclusions

The Policy does not apply to any [claim](#) or [first party incident](#) alleging, arising out of, based upon or attributable to:

A. DELIBERATE ACTS

dishonest, intentional or knowing wrongful, fraudulent, criminal or malicious:

1. acts, errors or omissions; or
2. willful violations of law, including privacy laws or regulations,

by an [Insured](#), other than a [rogue employee](#) as applicable; provided, however, the [Insurer](#) will provide the [Insured](#) with a defense of any otherwise covered [claim](#) and pay any otherwise covered [claim expenses](#) until there is a final, non-appealable judgment or adjudication in any action or proceeding as to such dishonest, intentional or knowing wrongful, fraudulent, criminal or malicious conduct, at which time the [Insured](#) shall reimburse the [Insurer](#) for all [claim expenses](#).

Notwithstanding the foregoing, criminal proceedings are not covered under the Policy regardless of the allegations made against an [Insured](#).

For the purposes of determining the applicability of this exclusion the knowledge of or conduct by:

1. a natural person [Insured](#) will not be imputed to any other natural person [Insured](#) ; and
2. an [executive officer](#) will be imputed to the [Insured Company](#).

B. PERSONAL PROFIT

the gaining of any profit, remuneration, or financial or non-financial advantage to which the [Insured](#) is not entitled; provided, however, the [Insurer](#) will provide the [Insured](#) with a defense of any otherwise covered [claim](#) and pay any otherwise covered [claim expenses](#) until there is a final, non-appealable judgment or adjudication in any action or proceeding as to such gaining of profit, remuneration, or financial or non-financial advantage to which the [Insured](#) is not entitled, at which time the [Insureds](#) shall reimburse the [Insurer](#) for all [claim expenses](#).

C. UNINSURABLE MATTERS

matters deemed uninsurable under the law pursuant to which this Policy is construed.

D. PRIOR ACTS

[third party wrongful acts](#) occurring prior to the [retroactive date](#) and [first party incidents](#) discovered prior to the effective date of this Policy.

E. BODILY INJURY AND PROPERTY DAMAGE

bodily injury, sickness, disease, emotional distress, mental injury, mental tension, mental anguish, pain and suffering, humiliation or shock sustained by any person, including death that results from any of these, or damage to or destruction of any tangible property, including loss of use thereof whether or not it is damaged or destroyed; provided, however, this exclusion will not apply to any otherwise covered [claim](#) for emotional distress, mental injury, mental tension or mental anguish, pain and suffering, humiliation or shock that directly results from a covered [third party wrongful act](#).

F. EMPLOYMENT PRACTICES

the following actually or allegedly occurring in connection with a person's employment or application for employment with the [Insureds](#): discrimination, retaliation, sexual or any other type of harassment, wrongful dismissal, discharge or termination, whether actual or constructive, wrongful discipline, wrongful deprivation of career opportunity, wrongful demotion or change in employment status, wrongful evaluation, negligent hiring, discipline, supervision or retention, failure to promote, failure to grant tenure, employment related misrepresentation, failure to adopt or comply with adequate workplace or employment policies or procedures, failure to train, breach of any oral, written, or implied employment contract; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) under Section I.A.3. Privacy and Cyber Security.

G. OWNED ENTITY

[claims](#) made against the [Insureds](#) if, at the time the [third party wrongful acts](#) giving rise to such [claim](#) was committed:

1. the [Insured](#) controlled, owned, operated or managed the claimant; or
2. the [Insured](#) was an owner, partner, director, officer or employee of the claimant;

For the purpose of this exclusion, a ten percent (10%) or more owner of the voting stock of a publicly held corporation or a forty percent (40%) or more owner of the voting stock of a privately held corporation shall be deemed to control, own, operate or manage any such corporation making such [claim](#).

H. INSURED V. INSURED

[claim](#) made against an [Insured](#) and brought by, or on behalf of an [Insured](#) or parent company, successor or assignee of an [Insured](#); provided, however, this exclusion shall not apply to an otherwise covered [claim](#) made by any past, present or future officer, director, member, principal, partner, trustee, employee or leased worker or temporary employee of the [Insured Company](#):

1. when the [claim](#) is made outside of their capacity and pursuant to their authority as such; or,
2. to an [Insured](#) alleging a [privacy and security wrongful act](#).

I. ERISA

breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by ERISA, the Employee Retirement Income Security Act of 1974, or any analogous federal, state or local statutory or common law; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) under Section I.A.3. Privacy and Cyber Security.

J. SECURITIES

the purchase, sale, or offer or solicitation of an offer to purchase, sell or solicit securities or any violation of a securities law, including the Securities Act of 1933, the Securities Exchange Act of 1934, and any regulation promulgated under or pursuant to the foregoing, or any federal, state or local laws analogous to the foregoing (including “Blue Sky” laws), whether such law is statutory, regulatory or common law.

K. RICO

violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act, or “RICO”) and any regulation promulgated under or pursuant to the foregoing or any federal, state or local law analogous to the foregoing, whether such law is statutory, regulatory or common law.

L. ANTITRUST AND UNFAIR COMPETITION

unfair methods of competition and unfair or deceptive acts or practices including deceptive advertising and pricing, price fixing, restraint of trade, monopolization or any violation of the Sherman Act, the Clayton Act, the Robinson-Patman Act, the Federal Trade Commission Act, or any other federal, state or local law, whether statutory, regulatory or common law, addressing anti-trust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) under Section I.A.3. Privacy and Cyber Security and Section I.A.4. Privacy Regulatory Defense, Awards and Fines and an otherwise covered [claim](#) resulting from subsection 3. [media wrongful act](#) under Section I.A.2. Media.

M. UNSOLICITED COMMUNICATIONS

unsolicited electronic dissemination of faxes, e-mails or other communications by or on behalf of an [Insured](#) to actual or prospective customers of an [Insured](#) or any other third party, including but not limited to actions brought under the Telephone Consumer Protection Act, the CAN-SPAM Act of 2003 or other analogous federal, state or local statute, law, regulation or common law; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) directly resulting from a [cyber security breach](#) under Section I.A.3. Privacy and Cyber Security and any [loss of business income](#) otherwise covered under Section I.B.1. Business Interruption and Extra Expense.

N. PATENT

actual or alleged infringement, misappropriation, dilution, misuse or inducement to infringe, misappropriate, dilute or misuse any patent or patent right.

O. TRADE SECRETS

actual or alleged misappropriation of trade secrets; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) directly resulting from a [cyber security breach](#) under Section I.A.3. Privacy and Cyber Security.

P. POLLUTION

actual, alleged or threatened emission, discharge, dispersal, seepage, release or escape of [pollutants](#) or testing for, monitoring, removal, containment, treatment, detoxification, neutralization or cleanup of any [pollutants](#).

Q. CONTRACTUAL

any obligation an **Insured** has underwritten contract; provided, however, this exclusion shall not apply to liability an **Insured** would have in the absence of a contract or an **Insured's**:

1. breach of an exclusivity or confidentiality provision contained in a written agreement;
2. violation of an intellectual property right except a violation of a patent right;
3. negligent performance of **technology services** or **professional services** for a client or customer; or
4. provision of **technology products** to a client or customer which contain a material defect.

R. FORCE MAJEURE

fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, or act of God, however caused.

S. WAR

strikes or similar labor action, war, whether declared or not, invasion, act of foreign enemy, civil war, mutiny, coup d'état, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions; provided, however, this exclusion shall not apply to any actual, alleged or threatened attack against the **network**, with the intention to cause harm or further social, ideological, religious or political objectives or to intimidate any person or entity in furtherance of such objectives.

T. INFRASTRUCTURE FAILURE

electrical, mechanical, Internet, telecommunication, cable or satellite failure, fluctuation or outage not under an **Insured's** operational control, however caused, including but not limited to any electrical power interruption, short-circuit, surge, brownout or blackout.

U. GOVERNMENTAL ORDERS

any court order or demand requiring the **Insured** to provide law enforcement, administrative, regulatory or judicial body or other governmental authority access to **personally identifiable information**, **protected health information** or **confidential business information**.

V. OVER-REDEMPTION

price discounts, prizes, awards, coupons or any other valuable consideration given in excess of the contracted or expected amount.

W. UNAUTHORIZED COLLECTION AND USE

unauthorized or unlawful collection, acquisition or use of **personally identifiable information** or **protected health information**; provided, however, this exclusion shall not apply to a **claim** directly resulting from the acts of a **rogue employee**.

VI. Notice

A. NOTICE OF CIRCUMSTANCE

Solely with respect to Sections I.A.1. Technology and Professional Services, I.A.2. Media, I.A.3. Privacy and Cyber Security and I.A.4. Privacy Regulatory Defense, Awards and Fines, if during the **policy period** or the extended reporting period (if applicable), an **Insured** first becomes aware of any circumstance that may reasonably be expected to be the basis of a **claim** being made against an **Insured**, and if during the **policy period** the **Insured** provides the **Insurer** written notice of such circumstance along with any **third party wrongful act**, the reasons for anticipating such **claim**, with full particulars as to the dates, persons and entities involved, then any resulting **claim** which is subsequently made against an **Insured** and reported to the **Insurer** that arises out of such circumstance or **related matter** will be considered made at the time such notice of circumstance was provided.

B. NOTICE OF CLAIM AND FIRST PARTY INCIDENT

The **Insured**, as a condition precedent to the obligations of the **Insurer** under the Policy, must provide to the **Insurer** written notice of any **claim** first made against an **Insured** and any **first party incident** first discovered as soon as reasonably practicable after an **executive officer** becomes aware of such **claim** or **first party incident**.

Notwithstanding the foregoing, each **claim** under a Third Party Liability Coverage Section must be reported as soon as reasonably practicable after an **executive officer** becomes aware of such **claim**, but in no event, later than sixty (60) days after the end of the **policy period**.

C. NOTICE TO WHOM

1. Notice of a **claim** and/or **first party incident** must be provided to the **Insurer** and notice of a **third party wrongful act** or circumstance may be reported to the **Insurer** as stated in Item 4. on the Declarations page.
2. In addition to the notice requirement above, notice of a **first party incident** must also be provided to the **Insurer** via the XL Breach Hotline as stated in Item 5. on the Declarations page. Notice to the XL Breach Hotline alone will not serve as proper notice under the Policy.
3. The email/certified post mail defined above shall be deemed effective when received by the **Insurer**.

D. WHEN A CLAIM IS DEEMED MADE

A **claim** will be deemed made pursuant to definition of **claim** clause: (1) IV.C.1. and IV.C.3., on the earliest date an **executive officer** receives the first written demand; (2) IV.C.2., on the date of service; and (3) IV.C.4., on the date an **executive officer** receives written notice of such action.

E. INSURED'S CLAIM AND FIRST PARTY INCIDENT OBLIGATIONS

1. In connection with a:
 - (a) **claim**, the **Insured** will, as a condition precedent to the obligations of the **Insurer** under the Policy, provide the **Insurer** with all information that the **Insurer** reasonably requires, including full particulars as to the dates, persons and entities involved in the **claim** and the manner in which the **Insured** first became aware of the **claim**;
 - (b) **first party incident**, as a condition precedent to the obligations of the **Insurer** under the Policy, the **Insured Company** will provide the **Insurer** proof of loss with full particulars within three (3) months: after the first discovery by an **executive officer** of the **first party incident** (other than a **cyber-extortion threat**); or first occurrence of the **cyber extortion threat**.

F. ASSISTANCE AND COOPERATION

1. The **Insured** will reasonably cooperate with the **Insurer** and upon the **Insurer's** request:
 - (a) assist the **Insurer** in the investigation of any **third party wrongful act** and **first party incident**;
 - (b) attend hearings, depositions and trials;
 - (c) assist the **Insurer** in defending and effecting settlements of **claims**;
 - (d) secure and provide evidence which includes but not limited to obtain the attendance of witnesses;
 - (e) allow the **Insurer** to participate in the handling and management of any suit or proceeding;
 - (f) assist the **Insurer** in enforcing any right, contribution or indemnity against a third party which may be liable to the **Insured**; and
 - (g) allow a computer forensics expert access to systems, files and information.
2. The **Insured** will take all reasonable steps to limit and mitigate any **loss** arising from any **third party wrongful act** or **first party incident** for which coverage may be or is sought under the Policy. The **Insured** will do nothing which in any way increases the **Insurer's** exposure under the Policy or in any way prejudices the **Insurer's** potential or actual rights of recovery.

VII. Cancellation and Non-Renewal

A. CANCELLATION BY THE NAMED INSURED

Except for nonpayment of premium, as set forth below, the **Named Insured** has the exclusive right to cancel the Policy. Cancellation may be effected by mailing to the **Insurer** written notice stating when such cancellation will be effective. In such event, the **Insurer** will retain the pro rata portion of earned premium.

B. CANCELLATION BY THE INSURER

The **Insurer** may cancel the Policy only for nonpayment of premium. The **Insurer** will provide not less than ten (10) days written notice stating the reason for cancellation and when the Policy will be canceled. Notice of cancellation will be sent to the **Named Insured**.

C. NON-RENEWAL OF COVERAGE

The **Insurer** is under no obligation to renew the Policy upon its expiration. If the **Insurer** elects to non-renew the Policy, the **Insurer** will deliver or mail to the **Named Insured** written notice stating such at least sixty (60) days prior to the Policy's expiration date, as stated in Item 2. on the Declarations page. The offering of terms and conditions different from the expiring terms and conditions, including limits of liability, retention or premium, will not constitute a refusal to renew or a cancellation of the Policy.

VIII. Extended Reporting Period

A. AUTOMATIC EXTENDED REPORTING PERIOD

Effective upon the date of termination or cancellation of the Policy for any reason other than nonpayment of premium, the **Named Insured** will automatically be provided a period of sixty (60) days in which to give written notice to the **Insurer** of:

1. **claims** first made against the **Insured** during the **policy period** or the automatic extended reporting period for **third party wrongful act** committed by an **Insured** after the **retroactive date** and prior to the end of the **policy period**; or
2. **first party incidents** that are first discovered by an **Insured** during said sixty (60) day period and otherwise covered by the Policy.

B. OPTIONAL EXTENDED REPORTING PERIOD

Effective upon the date of termination or cancellation of the Policy for any reason other than nonpayment of premium, the **Named Insured** will have the right to purchase an optional extended reporting period of one (1), two (2) or three (3) years. Such right must be exercised by the **Named Insured** within sixty (60) days of the date of termination or cancellation of the Policy by providing written notice to the **Insurer** and remitting the amount of additional premium described below in which to provide written notice to the **Insurer** of **claims** first made against the **Insured** during the optional extended reporting period for **third party wrongful acts** committed by an **Insured** after the **retroactive date** and prior to the end of the **policy period**.

The additional premium for the optional extended reporting period will be for a:

1. one (1) year optional extended reporting period, one hundred percent (100%) of the annual premium for the Policy;
2. two (2) year optional extended reporting period, one hundred fifty percent (150%) of the annual premium for the Policy; or
3. three (3) year optional extended reporting period, one hundred seventy-five percent (175%) of the annual premium for the Policy.

C. CONDITIONS

1. The automatic extended reporting period and the optional extended reporting period cannot be canceled and any additional premium charged for the optional extended reporting period will be fully earned at inception.
2. The first sixty (60) days of the optional extended reporting period, if purchased, will run concurrently with the automatic extended reporting period.
3. The limit of liability of the **Insurer** under the automatic extended reporting period and the optional extended reported period will be part of and not in addition to the limits of liability for the Policy.

IX. General Conditions

A. CHANGE IN CONTROL

If, during the **policy period**, the **Named Insured** consolidates with, merges into, or sells all or substantially all of its assets to another entity, or if any entity acquires **management control** of the **Named Insured**, then the Policy will remain in full force but only with respect to **third party wrongful acts** and **first party incidents** (other than **cyber-extortion threats**) involving the **Named Insured** that occurred prior to the date of the consolidation, merger, sale or acquisition of **management control**; provided, however, coverage will remain in force for **third party wrongful acts** and **first party incidents** (other than **cyber-extortion threats**) first discovered and for **cyber-extortion threats** first occurring subsequent to the date of the consolidation, merger, sale or acquisition of **management control**, if within thirty (30) days of the takeover effective date (1) the **Insurer** receives written notice containing full details of the transaction, (2) the **Named Insured** accepts all Policy amendments required by the **Insurer**, including the addition of special terms, conditions and exclusions, and (3) the **Named Insured** pays any additional premium charge.

B. ACTION AGAINST THE INSURER

No action may be brought against the **Insurer** unless, as a condition precedent thereto, (1) the **Insured** has fully complied with all of the terms, conditions and other provisions of the Policy, and (2) the amount of the **Insured's** obligation to pay has been finally determined, either by judgment against the **Insured** after an adversarial trial and appeal or by written agreement by the claimant, **Insured** and **Insurer**.

No person or entity will have the right under the Policy to (1) join the **Insurer** or its agents and representatives as a defendant, co-defendant or other party in any action against the **Insured** to determine the **Insured's** liability or (2) implead the **Insurer** or its agents and representatives in any such action.

C. BANKRUPTCY

Bankruptcy or insolvency of the **Named Insured** will not relieve the **Insurer** of any of its obligations hereunder.

D. OTHER INSURANCE

The Policy is excess over and will not contribute with any other valid and collectible insurance, whether prior or contemporaneous, unless such other insurance is expressly written to be excess of this Policy.

E. SUBROGATION

In the event of payment of **loss** by the **Insurer** under the Policy, the **Insurer** is subrogated to all of the **Insured's** rights of recovery against any person or entity to the extent of such payment. The **Insured** warrants and agrees to execute and deliver instruments and papers and do whatever else is required by the **Insurer** to secure, prosecute and collect on such rights. The **Insured** further warrants and agrees not to prejudice such rights.

If, prior to a **claim** being made, the **Insured Company** has waived its rights to recovery against a person or entity in any written contract or agreement, then the **Insurer** will waive its rights to subrogation against such person or entity to the same extent as the **Insured Company's** waiver.

F. TERRITORY

The Policy applies to [third party wrongful acts](#) and [first party incidents](#) occurring and [claims](#) made anywhere in the world other than any country barred by the Office of Foreign Assets Control (OFAC).

G. REPRESENTATION CLAUSE

In issuing the Policy, the [Insurer](#) has relied upon the [application](#). The [Insured](#) warrants that the content of and materials provided to the [Insurer](#) are true, accurate and complete and are material to the [Insurer's](#) acceptance of the risk to which the Policy applies. Any material misrepresentation, concealment or misstatement by the [Insured](#) will render the Policy null and void with respect to any natural person [Insured](#) who knew of such material misrepresentation, concealment or misstatement and with respect to the [Insured Company](#) if an [executive officer](#) knew of such material misrepresentation, concealment or misstatement and relieve the [Insurer](#) from all obligations and liability herein with regard to said [Insured](#) parties.

H. NAMED INSURED SOLE AGENT

The [Named Insured](#) will be the sole agent and will act on behalf of the [Insured](#) for the purpose of:

1. providing and/or receiving notices, amendments to or cancelling of the Policy;
2. completing the [application](#);
3. making statements, representations and warranties;
4. remitting premium and receiving the return premium that may become due;
5. paying the retention; and
6. exercising or declining to exercise any right under the Policy.

I. POLICY CHANGES

Notice to any agent of the [Insurer](#) or knowledge possessed by any such agent or by any other person will not affect a waiver or a change in any part of the Policy, and will not prevent or preclude the [Insurer](#) from asserting or invoking any right under or provision of the Policy. None of the provisions of the Policy will be waived, changed or modified except by a written and signed endorsement issued by the [Insurer](#) to form a part of the Policy.

J. ASSIGNMENT

The [Insured](#) may not assign any rights, remedies, privileges or protections under the Policy and any such assignment is not valid unless the [Insurer's](#) written consent is endorsed thereon.

K. ALTERNATIVE DISPUTE RESOLUTION

Any dispute arising out of or relating to the Policy, including but not limited to its construction, application and validity, or any breach thereof, will first be submitted to non-binding mediation administered by a mediation facility to which the [Insurer](#) and the [Insured](#) mutually agree. The [Insured](#) and the [Insurer](#) will attempt in good faith to settle the dispute in accordance with the commercial mediation rules of the American Arbitration Association ('AAA') in effect at the time of the dispute. No award of punitive damages will be made in any such mediation. Each party will bear its own fees and costs in connection with any such mediation, but the costs incurred through AAA, including the fees and expenses of the mediator, will be shared equally by the parties unless the mediation award provides otherwise. All mediation proceedings will be held in a United States city where either the [Named Insured](#) or the [Insurer](#) has its principal place of business, at the election of the party commencing mediation.

In the event such non-binding mediation does not result in a settlement of the dispute either party has the right:

1. to commence a judicial proceeding; and
2. with consent of the other party, to commence an arbitration proceeding in accordance with the commercial arbitration rules of AAA in effect at the time of dispute.

The decision of the arbitrator or arbitrators will be final and binding and any award may be confirmed and enforced in any court of competent jurisdiction.

IN WITNESS

INDIAN HARBOR INSURANCE COMPANY

REGULATORY OFFICE
505 EAGLEVIEW BOULEVARD, SUITE 100
DEPARTMENT: REGULATORY
EXTON, PA 19341-1120
PHONE: 800-688-1840

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.



Joseph Tocco
President



Toni Ann Perkins
Secretary

ENDORSEMENT #001

This endorsement, effective 12:01 a.m., January 1, 2016 forms a part of Policy No. MTP003949203 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANUSCRIPT ENDORSEMENT

This endorsement modifies insurance provided under the following:

Cyber and Technology Liability Policy

LONG NAMED INSURED ENDORSEMENT

In consideration of the premium charged, it is understood and agreed that **Item 1. NAMED INSURED** on the Declarations of the Policy is deleted in its entirety and replaced with the following:

Item 1: NAMED INSURED:

THE PARTICIPATING MEMBERS OF THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND

All other terms and conditions of this Policy shall remain the same.

ENDORSEMENT #002

This endorsement, effective 12:01 a.m., January 1, 2016 forms a part of Policy No. MTP003949203 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MANUSCRIPT ENDORSEMENT

This endorsement modifies insurance provided under the following:

Cyber and Technology Liability Policy

INSURED ENDORSEMENT

In consideration of the premium charged, it is agreed that the entity or entities named below shall be added as additional **Insureds** under this Policy, but only for **third party wrongful acts** committed after the specified **retroactive date** and any **first party incident** occurring after the effective date.

ADDITIONAL INSURED	RETROACTIVE DATE
BAYONNE MUNICIPAL UTILITIES AUTHORITY; BAYSHORE REGIONAL SEWAGE AUTHORITY; BEACHWOOD SEWERAGE AUTHORITY; BERKELEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; BERKELEY TOWNSHIP SEWERAGE AUTHORITY; BERNARDS SEWERAGE AUTHORITY; BORDENTOWN SEWERAGE AUTHORITY; BRICK TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; BUENA BOROUGH MUNICIPAL UTILITIES AUTHORITY; CAPE MAY COUNTY MUNICIPAL UTILITIES AUTHORITY; CARLSTADT SEWERAGE AUTHORITY; CARNEY'S POINT SEWERAGE AUTHORITY; CINNAMINSON SEWERAGE AUTHORITY; CLINTON TOWNSHIP SEWERAGE AUTHORITY; DEPTFORD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY; EATONTOWN SEWERAGE AUTHORITY; EGG HARBOR TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; EVESHAM MUNICIPAL UTILITIES AUTHORITY; FRANKLIN TOWNSHIP SEWERAGE AUTHORITY; HACKETTSTOWN MUNICIPAL UTILITIES AUTHORITY; HAMILTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; HANOVER TOWNSHIP SEWERAGE AUTHORITY; HILLSBOROUGH MUNICIPAL UTILITIES AUTHORITY; JACKSON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; KEARNY MUNICIPAL UTILITIES AUTHORITY; LACEY TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; LAKEWOOD MUNICIPAL UTILITIES AUTHORITY; LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY;	01/01/2013; 01/01/2016 for East Windsor Municipal Utilities Authority and Two Rivers Water Reclamation Authority

LITTLE EGG HARBOR MUNICIPAL UTILITIES AUTHORITY; LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; LONG BRANCH SEWERAGE AUTHORITY; LOWER TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; MANASQUAN RIVER REGIONAL SEWERAGE AUTHORITY; MANTUA TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; MERCHANTVILLE-PENNSAUKEN WATER COMMISSION; MIDDLETOWN TOWNSHIP SEWERAGE AUTHORITY; MONMOUTH BAYSHORE OUTFALL AUTHORITY; MONROE MUNICIPAL UTILITIES AUTHORITY; MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY; MUSCONETCONG SEWERAGE AUTHORITY; NORTH ARLINGTON-LYNDHURST JOINT MEETING; NORTH BERGEN MUNICIPAL UTILITIES AUTHORITY; NORTHWEST BERGEN COUNTY UTILITIES AUTHORITY; OCEAN TOWNSHIP SEWERAGE AUTHORITY; PASSAIC VALLEY WATER COMMISSION; PENNS GROVE SEWERAGE AUTHORITY; PENNSAUKEN SEWERAGE AUTHORITY; PENNSVILLE SEWERAGE AUTHORITY; PINE HILL BOROUGH MUNICIPAL UTILITIES AUTHORITY; PLAINFIELD AREA REGIONAL SEWERAGE AUTHORITY; PLAINFIELD MUNICIPAL UTILITIES AUTHORITY; POMPTON LAKES MUNICIPAL UTILITIES AUTHORITY; RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY; READINGTON-LEBANON SEWERAGE AUTHORITY; RIVERSIDE SEWERAGE AUTHORITY; ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY; SECAUCUS MUNICIPAL UTILITIES AUTHORITY; SOMERSET RARITAN VALLEY SEWERAGE AUTHORITY; SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY; STONY BROOK REGIONAL SEWARAGE AUTHORITY; TOMS RIVER MUNICIPAL UTILITIES AUTHORITY; TWO RIVERS WATER RECLAMATION AUTHORITY; UNION COUNTY UTILITIES AUTHORITY; TWO RIVERS WATER RECLAMATION AUTHORITY; UNION COUNTY UTILITIES AUTHORITY; WANAQUE VALLEY REGIONAL SEWERAGE AUTHORITY; WARREN COUNTY PEQUEST RIVER MUNICIPAL UTILITIES AUTHORITY; WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY (GLOUCESTER COUNTY); WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY (MORRIS COUNTY); WEST MILFORD MUNICIPAL UTILITIES AUTHORITY; WESTERN MONMOUTH MUNICIPAL UTILITIES AUTHORITY; WOODBINE MUNICIPAL UTILITIES AUTHORITY; WOODSTOWN SEWERAGE AUTHORITY;	

All other terms and conditions of this Policy shall remain the same.

ENDORSEMENT #003

This endorsement, effective 12:01 a.m., January 1, 2016 forms a part of Policy No. MTP003949203 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PCI DSS COVERAGE AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

Cyber and Technology Liability Policy

In consideration of the premium charged, it is agreed that:

1. Section **I. Insuring Agreements**, Paragraph **A. THIRD PARTY LIABILITY COVERAGES** is amended by adding the following new Insuring Agreement:

PCI DSS Coverage

The **Insurer** will reimburse the **Insured** for **PCI DSS fines and costs** that the **Insured** is legally obligated to pay as the result of a **claim** first made against the **Insured** during the **policy period** or extended reporting period (if applicable) alleging a **PCI DSS wrongful act** by the **Insured** or an **outsourced provider**. Provided, however, coverage under this Insuring Agreement is sublimited to the amount set forth below:

Insuring Agreements	Sublimits	Retention	Retro Date
Third Party Liability Coverages			
PCI DSS Coverage	\$ 50,000	\$ 25,000	01/01/2016

2. Section **IV. Definitions** is amended by adding the following new definitions:

MERCHANT SERVICES AGREEMENT

An agreement between the **Insured** and a financial institution, credit/debit card company, credit/debit card processor or Independent service operator enabling the **Insured** to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.

PCI DSS FINES AND COSTS

Monetary fines, fraud recoveries, operational reimbursement and assessments owed by the **Insured** under the contractual obligations of a **Merchant Services Agreement**. Provided, however, PCI DSS fines and costs does not mean interchange fees, discount fees or prospective service fees.

PCI DSS WRONGFUL ACT

Any actual or alleged failure to comply with PCI Data Security Standards resulting from a **cyber security breach** or **privacy and security wrongful act**.

3. Solely with respect to the coverage afforded by this endorsement, Section **IV. Definitions** Paragraphs **X. LOSS** and **YY. THIRD PARTY WRONGFUL ACT** are deleted in their entirety and replaced with the following:
- X. LOSS**
- All damages, claim expenses, regulatory damages, first party costs and PCI DSS fines and costs.
- YY. THIRD PARTY WRONGFUL ACT**
- A technology and professional services wrongful act, media wrongful act, privacy and security wrongful act and PCI DSS wrongful act.
4. Section **III. Limit of Liability and Retention**, Paragraph **A. LIMIT OF LIABILITY OPTION**, Item 2. Separate Limits, (a) is deleted in its entirety and replaced with the following:
- (a) Third and First Party Aggregate Limit, as stated in Item 7. on the Declarations page and the PCI DSS Coverage sublimit, as stated in Item 1. above, is the Insurer's maximum liability for all damages, claim expenses, regulatory damages, PCI DSS Fines and Costs, loss of business income, extra expense, data recovery expenses, cyber-extortion expenses and claim avoidance costs for all Third Party Liability Coverages and First Party Coverages, regardless of the number of Insureds, claims, first party incidents, or individuals or entities making claims.
5. Section **III. Limit of Liability and Retention**, Paragraph **B. RETENTIONS** is deleted and replaced as follows:
- B. RETENTIONS**
1. Solely with respect to coverage provided on a Combined Limits basis, the Insurer is liable only for that portion of covered damages, regulatory damages, PCI DSS fines and costs and claim expenses resulting from a third party wrongful act and for that portion of covered first party costs resulting from a first party incident that is in excess of the applicable Insuring Agreement's retention amount, as stated in Item 7. on the Declarations page. If more than a single retention applies to a claim and/or first party incident, then the Insured is responsible for paying the highest applicable retention. The retention will be borne entirely by the Insured alone and not by the Insurer.
2. Solely with respect to coverage provided on a Separate Limits basis, the Insurer is liable only for that portion of covered damages, regulatory damages, PCI DSS fines and costs and claim expenses resulting from a third party wrongful act and for that portion of any covered loss of business income, extra expense, data recovery expenses, cyber-extortion expenses, data breach response and crisis management costs and claim avoidance costs resulting from a cyber security breach or cyber-extortion threat that is in excess of the applicable Insuring Agreement's retention amount, as stated in Item 7. on the Declarations or Item 1. above. If more than a single retention applies to a claim and/or first party incident, then the Insured is responsible for paying the highest applicable retention. The retention will be borne entirely by the Insured alone and not by the Insurer.
- As respects Data Breach Response and Crisis Management Coverage, a separate retention will apply and the Insurer is liable for that portion of any covered data breach response and crisis management costs directly resulting from a data breach.

6. Section **V. Exclusions**, Paragraph **Q. CONTRACTUAL** is deleted in its entirety and replaced with the following:

Q. CONTRACTUAL

any obligation an Insured has under written contract; provided, however, this exclusion shall not apply to liability an Insured would have in the absence of a contract or an Insured's:

1. breach of an exclusivity or confidentiality provision contained in a written agreement;
2. violation of an intellectual property right except a violation of a patent right;
3. performance of technology services or professional services;
4. provision of technology products; or
5. breach of a Merchant Services Agreement.

All other terms and conditions of this Policy shall remain the same.

ENDORSEMENT #004

This endorsement, effective 12:01 a.m., January 1, 2016 forms a part of Policy No. MTP003949203 issued to NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND by Indian Harbor Insurance Company

SERVICE OF PROCESS

The Commissioner of Insurance of the State of New Jersey is hereby designated the true and lawful attorney of the Company upon whom may be served all lawful process in any action, suit or proceeding arising out of this policy. The Company further designates:

Sarah Mims
Assistant Secretary
505 Eagleview Boulevard, Suite 100
Exton, Pennsylvania 19341-0636

as its agent in New Jersey to whom such process shall be forwarded by the Commissioner of Insurance.

For Illinois exposures, the Insurer further designates the Director of the Illinois Division of Insurance and his successors in office, as its 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 an Illinois exposure and this contract of insurance.

All other terms and conditions of this policy remain unchanged.

(Authorized Representative)

**PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE
(CLAIMS MADE BASIS)**

Policy No.: PJL9519065

Renewal of: New

DECLARATIONS

Item 1. Insured Public Entity:

Toms River Municipal Utilities
Authority
340 West Water Street
Toms River, NJ 08753

Lead Agent:

New Jersey Utility Authorities Joint Insurance
Fund
Attn: Cate Kiernan
PERMA Risk Management Services
250 Pehle Avenue, Suite 701
Saddle Brook, NJ 07663

Item 2. Limits of Liability:

(A) \$2,000,000 Standard: Combined Single Limit per Claim and Annual Aggregate.

(B) \$25,000 for defense only of Claims based on civil union and or marriage.

Note that the **Limits of Liability** and Retention are reduced or exhausted by **Defense Costs**.

Item 3. Coinsurance Percent:

The Coinsurance Percentage referenced in Section IV Conditions, Item 12. applies to the Loss Amount below.

Loss Amount

(A) \$250,000 PUBLIC OFFICIALS

(B) \$250,000 EMPLOYMENT LIABILITY

Item 4. Retention Amount:

\$20,000 Under INSURING AGREEMENT 1.a. PUBLIC OFFICIALS LIABILITY.

\$20,000 Under INSURING AGREEMENT 1.b. EMPLOYMENT LIABILITY.

Item 5. Coverage Period:

Effective Date: 1/1/2011

Expiration Date: 1/1/2012

each at 12:01 a.m. Standard Time at the address of the **Public Entity** as stated herein.

Item 6. Extended Reporting Period:

(A) Additional Assessment: 200% of Annual Assessment

(B) Additional Period: 12 Months

(C) Insured Notification Period: 30 Days

Item 7. Public Officials Liability Retroactive Date:

1. Provide "full prior acts" coverage to members with five continuous years of membership.
2. Provide "full prior acts" coverage to new members who have full prior acts coverage in force at time of membership.
3. Provide prior acts to the existing retroactive date (defined as the retroactive date identified in their expiring or prior policy) for new members that do not have full prior acts coverage or a one year retroactive date, whichever is greater.

Item 8. **Employment Liability Retroactive Date:**

1. Members as of 1/1/97 will have a uniform retroactive date of 10/1/93. The members' respective retention and coinsurance contribution in effect at the time the claim is made will apply. This is based on whether or not the member has an approved loss control/risk management plan in place.
2. Members with effective dates after 1/1/97 with prior Employment Liability coverage will have a retroactive date of 10/1/93. All new members with prior coverage will have a six (6) month grace period for approval of a loss control/risk management plan in order to maintain the lower retention and the lower coinsurance contribution.
3. Members with effective dates after 1/1/97 with no prior Employment Liability coverage will have a retroactive date that is the same as the date of membership. All new members with no prior coverage will have the higher retention and higher coinsurance percentage until their loss control/risk management program is submitted and approved.

Item 9. **Notice of Claim to be given to:**

Summit Risk Services
Attn: Alice Ivers
2 Walnut Grove Drive, Suite 210
Horsham, PA 19044
Email: newfundclaim@summitrisk.com
Phone: 214-443-3598 Fax: 215-773-7725

Item 10. **Endorsements:** Forms and Endorsements attached at issuance:

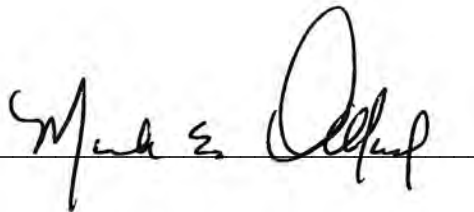
IL MP 9104 0211 IHIC – Indian Harbor “In Witness” Form
PES–POL–133 (01/11) – Privacy Liability Endorsement
NJJ–POL–PF (01/11) – Public Officials and Employment Liability Coverage Form

Item 11. **Warranty:** It is represented and warranted that with regard to INSURING AGREEMENT 1.b. EMPLOYMENT LIABILITY, the statements contained in the written application regarding employment liability, a copy of which is on file at the offices of Indian Harbor Insurance Company, hereinafter referred to as the **Company**, and the Declarations, are reaffirmed as of the Effective Date of this policy, and are the basis of employment coverage under the policy and are considered as incorporated in and constituting part of this policy.

Item 12. **Annual Premium:** \$7,781

This Declarations Page is issued with, and forms a part of, the PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE POLICY.

Authorized Signature



IN WITNESS

INDIAN HARBOR INSURANCE COMPANY

REGULATORY OFFICE
505 EAGLEVIEW BOULEVARD, SUITE 100
DEPARTMENT: REGULATORY
EXTON, PA 19341-0636
PHONE: 800-688-1840

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.



Seraina Maag
President



Toni Ann Perkins
Secretary

ENDORSEMENT #1

This endorsement, effective 1/1/2011 at 12:01 am, forms a part of Policy No. PJL9519065 issued to Toms River Municipal Utilities Authority by Indian Harbor Insurance Company.

ENDORSEMENT – PRIVACY LIABILITY COVERAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Public Officials and Employment Practices Liability Coverage Form

In consideration of the premium charged, it is hereby agreed that:

1. Item 2. **Limits of Liability** of the Policy Declarations page is amended to add the following:

Item 2. **Limits of Liability:**

(C) \$50,000 Privacy Liability Sublimit, per claim and annual aggregate per member, for all coverage afforded by the Privacy Liability Coverage endorsement.

2. **SECTION I – COVERAGES** is amended to include the following:

1. INSURING AGREEMENTS:

- c. **Privacy Liability Coverage:** The **Company** will pay on behalf of the **Insured** all sums in excess of the deductible that the **Insured** becomes legally obligated to pay as **damages** and **claim expenses** as a result of a **claim** first made against the **Insured** and reported in writing to the **Company** during the **policy period** by reason of a **privacy wrongful act** committed by the **Insured** in the **Insured's** capacity as such. The **Company** will pay **privacy notification costs**, in excess of the deductible that the **Insured** incurs with the **Company's** prior written consent resulting from the **Insured's** legal obligation to comply with a **breach notification law** due to the failure to prevent **unauthorized access**, to the extent such **unauthorized access** results in a **data breach** from a **computer system**, and was first reported in writing to the **Company** during the **policy period**.

3. **SECTION VI - DEFINITIONS** is amended to include the following:

When used in this Endorsement:

1. **Breach notification law** means any local, state, federal or foreign statute or regulation requiring the **Insured** to protect the confidentiality and/or security of **personally identifiable information**.
2. **Computer system** means computer hardware, software, networks, networking equipment, applications, associated electronic devices, electronic data storage devices, input and output devices, and back up facilities operated by and either owned by or leased to the **Insured** by written contract for such purposes.
3. **Data breach** means the unauthorized taking, acquisition, obtaining, use or disclosure of information on a **computer system**, including but not limited to **personally identifiable information**, charge, debit, and credit card information, banking, financial, and investment services account information, proprietary information, and personal, private, and confidential information.

4. **Privacy notification costs** means reasonable and necessary: (1) costs to hire a security expert to determine the existence and cause of any theft or **unauthorized access** to or disclosure of **personally identifiable information**, (2) costs to notify consumers under a **breach notification law**, and (3) fees incurred to determine the actions necessary to comply with a **breach notification law**.

Privacy notification costs will be paid first and will reduce the limit of liability available to pay **damages**. Privacy notification costs does not mean fees, costs or expenses of employees or officers of the **Company**, or salaries, loss of earnings, overhead, or any other remuneration by, to or of any **Insured**. Privacy notification costs also does not mean any fees, costs or expenses related to public relations management.

5. **Privacy policy** means written documents that set forth the **Insured's** policies, standards, practices and procedures for the acquisition, obtaining, collection, use, disclosure, sharing, transmission, dissemination, correction, access to or supplementation of **personally identifiable information**.
6. **Privacy wrongful act** means:
- a) the theft or unintentional disclosure or mishandling of **personally identifiable information** that is in the care, custody, or control of the **Insured**; or
 - b) the **Insured's** unintentional failure to timely disclose a **data breach** in violation of any **breach notification law**.
 - c) the **Insured's** unintentional failure to comply with that part of a **privacy policy** that expressly:
 - 1) requires notification to a person of the **Insured's** obtaining, acquisition, compilation or use of their **personally identifiable information**;
 - 2) requires the **Insured** to disclose **personally identifiable information** or correct incomplete or inaccurate **personally identifiable information** after a proper request has been made by an authorized person;
 - 3) requires the **Insured** to prevent the loss of **personally identifiable information**;
 - 4) prohibits, prevents, restricts, or limits the improper or intrusive obtaining, acquisition, compilation or use of **personally identifiable information**; and
 - 5) allows a person to opt-in or opt-out of the **Insured's** obtaining, acquisition, compilation or use of their **personally identifiable information**.
7. **Personally identifiable information** means an individual's name in combination with one or more of the following:
- a) information concerning the individual that constitutes "non-public personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, and regulations issued pursuant to the Act;
 - b) medical or health care information concerning the individual, including "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and regulation issued pursuant to the Act; or
 - c) the individual's social security number, drivers license or state identification number, credit, debit, or other financial account numbers and associated security codes, access codes, passwords or pins that allows access to the individual's financial account information; or other non-public personally identifiable information, as protected under any local, state, federal or foreign statute or regulation.

Provided, however, personally identifiable information does not mean information that is lawfully available to the public, including information from any local, state, federal or foreign governmental entity or body.

8. **Unauthorized access** means the gaining of access to **computer systems** by an unauthorized person or persons.

All other provisions of this policy remain unchanged.

POLICY PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE POLICY CAREFULLY.

Words and phrases that appear in **bold** have special meanings. Refer to the Declarations Page and/or the Definitions section of this policy for these special meanings.

Read the entire policy carefully to determine your rights, duties and what is and is not covered.

In consideration of payment of the **Assessment** and subject to the Declarations, **terms**, **conditions**, the limitations, and **exclusions** of this policy, the **Company** agrees as follows:

Throughout this policy the words **you** and **your** refer to the Insured shown in the Declarations. The words **we**, **us** and **our** refer to the **Company**.

The word "Insured" means any person or organization qualifying as such under SECTION II - WHO IS AN INSURED.

SECTION I - COVERAGES

1. INSURING AGREEMENTS:

- a. PUBLIC OFFICIALS LIABILITY: We shall pay on behalf of the Insured all **Loss** for which the Insured becomes legally obligated to pay as damages **arising out of Claims** first made against the Insured during the **Coverage Period**, or if exercised, during the **Extended Reporting Period**, to which this insurance applies, against the Insured by reason of **Wrongful Act(s)** rendered in discharging duties on behalf of the Insured named in the Declarations, except **Claims** covered by INSURING AGREEMENT 1.b.
- b. EMPLOYMENT LIABILITY: We shall pay on behalf of the Insured all **Loss** for which the Insured becomes legally obligated to pay as damages **arising out of Employment Claims** first made against the Insured during the **Coverage Period**, or, if exercised, during the **Extended Reporting Period** to which this insurance applies by reason of **Wrongful Act(s)** rendered in discharging duties on behalf of the Insured named in the Declarations.

2. RETROACTIVE DATE:

This insurance applies only if a covered **Claim** is first made against any Insured during the policy period.

- a. A **Claim** will be deemed to have been made when notice of such claim is received and recorded by any Insured or by the **Company**, whichever comes first.
- b. All **Claims** for damages causing **Loss** to the same person or organization as a result of a **Wrongful Act(s)** will be deemed to have been made at the time the first of those **Claims** is made against any Insured.

This insurance does not apply to **Wrongful Act(s)** which occurred before the **Retroactive Date**, if any, shown in the Declarations or which occur after the policy period. No other obligation or liability is covered.

3. DEFENSE, INVESTIGATION AND SETTLEMENT OF CLAIMS:

We shall have the right and duty to select counsel and to defend any **Claims**, even if any of the allegations are groundless, false or fraudulent. But:

- a. The amount we will pay for damages is limited as described in SECTION III - LIMITS OF INSURANCE.

- b. We may make any investigation we deem necessary. We may, with the consent of the Insured, settle any **Claim**. If the Insured withholds consent to such settlement, the **Company's** liability for all **Loss** on account of such **Claim** shall not exceed the amount for which the **Company** could have settled such **Claim** plus costs, charges and expenses accrued as of the date such settlement was proposed in writing by the **Company** to the Insured.
- c. Our right and duty to defend ends when we have used up the applicable **Limits of Liability** in the payment of judgments or settlements, when exhausted by payment of **Defense Costs**, or by deposit or tender of the **Limits of Liability** into a court.
- d. Included in the applicable **Limits of Liability**, we will pay, with respect to any **Claim** we defend:
 - (1) All expenses we incur.
 - (2) The cost of bonds to release attachments and appeal bonds required, but only for bond amounts within the applicable **Limits of Liability**. We do not have 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**. Such expenses do not include salaries of any Insured in connection with the investigation and/or defense of the **Claim**.
 - (4) All costs taxed against the Insured.
 - (5) Prejudgment interest awarded against the Insured on that part of the judgment we pay. If we make an offer to pay the applicable **Limits of Liability**, we will not pay any prejudgment interest based on that period of time after the offer.
 - (6) 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 **Limits of Liability**.

4. EXCLUSIONS:

This insurance does not apply to any **Claim** made against the Insured:

- a. **Arising out of** liability of others assumed by the Insured under any contract or agreement, either oral or written, except to the extent that the Insured would have been liable in the absence of the contract or agreement. This exclusion shall not apply to any municipal mutual assistance agreements for fire protection, first aid or other emergency services.
- b. **Arising out of** the Insured gaining any profit, advantage or remuneration to which the Insured is not entitled.
- c. **Arising out of** fraud, dishonesty, malicious, criminal and/or knowingly **Wrongful Act** or omission, if an investigation, judgment or other final adjudication establishes such a fraudulent, dishonest, malicious, criminal, and/or knowingly **Wrongful Act** or omission on the part of the Insured.
- d. **Arising out of** the willful violation of any federal, state, or local statute, ordinance, rule, regulation, agreement or judicial or regulatory order, committed by or with the knowledge and consent of any Insured. However, notwithstanding the foregoing, a defense shall be afforded under the terms of this policy up to, but not after, any judgment or other final adjudication adverse to the Insured related to any such **Claims**. A defense and indemnification shall be afforded to each Insured against whom no such final judgment or final adjudication is obtained.

- e. **Arising out of** strikes, picket lines, riots, war, insurrection, rebellion, revolution, terrorism, civil commotion, replacement or other similar actions.
- f. **Arising out of** liability or cost incurred by any Insured to modify any building or property in order to make such acceptable or accommodating to any disabled person whether or not pursuant to any law, or judgment.
- g. For which the Insured is entitled to indemnity or payment by reason of having given notice of any circumstances which might give rise to a **Claim** under any policies the term of which has expired prior to the inception date of this policy.
- h. **Arising out of** any failure or omission of the Insured to purchase or maintain insurance of any kind.
- i. **Arising out of** any Insured's:
 - (1) obligations under the Employee Retirement Income Security Act of 1974 (ERISA), including amendments, or any similar federal, state or local law or regulation; the Worker Adjustment and Retraining Notification act (WARN); the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA); the Occupational Safety and Health Act (OSHA); Public Employee Occupational Safety and Health Act (POSHA); rules or regulations promulgated thereunder and amendments thereto or similar provisions of any federal, state or local statutory law or common law; or
 - (2) administration or activities in connection with any employee benefit plan or self-insurance fund; but this section does not apply with respect to Joint Insurance Funds established pursuant to N.J.S.A. 40:A 10-36, et seq.
- j. Seeking relief, or redress, in any form other than monetary damages, including but not limited to requests for injunctive and/or declaratory relief, nor shall we have any obligation to indemnify the Insured for any costs, fees including attorney's fees, or expenses which the Insured shall become obligated to pay as a result of an adverse judgment for injunctive and/or declaratory relief. However, as respects any **Claim** seeking non-monetary relief by reason of a **Wrongful Act** and which are otherwise covered by this policy, the **Company** shall have the right, at its option and expense, to investigate, take over the defense, or associate in the defense of any such **Claim**. The limit of the **Company's** liability for such **defense costs** shall not exceed \$10,000 per claim and \$50,000 in the aggregate for the **Coverage Period**. Such **defense costs** shall reduce the Limits of Liability available for the **Coverage Period**. Once the limit of the **Company's** liability under this provision has been met, the **Company** has the sole right to withdraw from such defense, with the **Company** having no further liability for such **Claim** whatsoever.

 In the event the **Company** defends or associates in the defense of any **Claim** which seeks monetary damages in addition to injunctive and/or declaratory relief, and the Insured at any time refuses to grant injunctive and/or declaratory relief, the **Company's** liability for monetary damages, including claimant's attorney's fees, and **defense costs** shall be limited to \$100,000. Once the Company's limit under this provision is exhausted, the Company may withdraw from their defense and bears no further liability for such **Claim** whatsoever. Costs incurred by the Company under this provision shall reduce the Limits of Liability available during the **Coverage Period**.
- k. **Arising out of** the operation of the principles of eminent domain, adverse possession, dedication by adverse use, temporary or permanent taking, inverse condemnation or condemnation proceedings, by whatever name used.

- l. **Arising out of** the acts of any state or federal official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official who takes control of, supervises, manages or liquidates the Insured.
 - m. Seeking punitive or exemplary damages, multiplied damages, fines, or penalties.
 - n. **Arising out of** any **Loss**, cost, or expense arising, in whole or part, out of any of the following: (1) the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time; or (2) any request, demand, order, or any voluntary decision 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 (3) any claim 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**.
 - o. **Arising out of** electromagnetic fields, other electrical or magnetic waves or radiation.
 - p. **Arising out of** the use, handling, sale, distribution, transport, shipment, planning, maintenance, operation, use, construction, dispersal, storage or disposal of any nuclear, radioactive or fissionable material, or any alleged violation of any environmental statute, regulation, or ordinance with respect to such material, including any site, facility, reactor, or any act, omission, or condition incidental thereto.
 - q. **Arising out of** asbestos or any asbestos-related **Wrongful Act**, including its use, exposure, presence, existence, detection, removal, elimination or avoidance.
 - r. **Arising out of** any non-emergency activities of the volunteer emergency services organizations or to any **claim** which is covered by the Municipal Excess Liability Joint Insurance Fund Volunteer Emergency Services Directors and Officers Liability Policy (Claims Made Basis).
 - s. **Claims** by reason of a **Wrongful Act(s) arising out of** any loss, cost, or expense pertaining to, in whole or part, the performance, failure to perform or the refusal to perform a marriage or civil union. Civil union is defined in New Jersey Statutes, C.37:1-28 et seq. Defense of **claims** is provided but the limit of the **Company's** liability for such **defense costs** shall not exceed **\$25,000** inclusive of the applicable **Retention Amount** and co-insurance contribution for such **Claim** and in the aggregate for the **Coverage Period** and shall reduce the **Limits of Liability** available for the **Coverage Period**.
5. **ADDITIONAL EXCLUSIONS for INSURING AGREEMENT: 1. a. PUBLIC OFFICIALS:**
- This insurance under INSURING AGREEMENT: 1. a. PUBLIC OFFICIALS, does not apply to any **Claim** made against the Insured:
- a. **Arising out of** the activities of any law enforcement agency or law enforcement personnel, including the operation of adult and juvenile detention facilities.
 - b. **Arising out of** liability of the Insured or any carrier, as the insurer of the Insured, under any workers' compensation act, unemployment compensation act, disability benefits law, or under any similar law, or under employers liability as respects any occupational disease.
 - c. **Arising out of** the breach of any contract whether written, oral or implied.
 - d. **Arising out of** bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property including diminution of value, disappearance, or loss of use.

- e. **Arising out of a wrongful act** of any attorney, architect, licensed physician, engineer, independent auditor or independent accountant while acting in the scope of his professional duties on behalf of the **Public Entity**. However, this exclusion shall not apply to **Claims arising out of the wrongful act(s)** of accountants, engineers, or attorneys employed full-time by the **Public Entity** while acting on behalf of the **Public Entity**. As respects employed attorneys, an "Application for Member Entity Full Time Employed Attorney Professional Liability Coverage" must have been completed, reviewed, and approved by an authorized representative of the **Company**, and their name added by endorsement to this policy for coverage to apply. This exclusion shall not apply to an interim administrator while acting in the scope of their duties on behalf of the named insured.
 - f. Brought by an insured, against another insured.
 - g. **Arising out of any Claim** arising from any debt financing, including but not limited to bonds, notes, debentures, and guarantees of debt.
6. **ADDITIONAL EXCLUSIONS for INSURING AGREEMENT: 1. b. EMPLOYMENT LIABILITY:**

This insurance under INSURING AGREEMENT: 1. b. EMPLOYMENT LIABILITY, does not apply to any **Claim** made against the Insured:

- a. **Arising out of** any actual or alleged obligation of any Insured pursuant to any workers' compensation, unemployment insurance, social security, disability benefits or similar law; provided, however, this exclusion shall not apply to any **Claim** based upon, arising from, or in consequence of any actual or alleged retaliatory treatment by the Insured on account of the exercise of rights pursuant to any such law.
- b. **Arising out of** bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property including diminution of value, disappearance, or loss of use thereof. However, this exclusion shall not apply to claims covered under INSURING AGREEMENT 1.b. alleging emotional distress, mental anguish or humiliation.
- c. For back wages, overtime or similar **Claims**, even if designated as liquidated damages, under any federal, state or local statutes, rules, ordinances or regulations, or **Claims** arising from collective bargaining agreements. We have no duty to defend **claims** seeking back wages, overtime or similar **claims** and/or benefits, even if designated as liquidated damages, unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, we have no duty to defend any **claims** seeking wages and/or other benefits.
- d. For front pay, future damages or other future economic relief or the equivalent thereof. We have no duty to defend **claims** seeking front pay, future damages or other future economic relief or the equivalent thereof, wages and/or benefits unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, we have no duty to defend any **claims** seeking wages and/or other benefits.
- e. For any amounts which constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits. We have no duty to defend **claims** seeking amounts which constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits, unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, we have no duty to defend any **claims** seeking amounts which

constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits.

SECTION II - WHO IS AN INSURED

Each of the following is an Insured whether in the singular or plural, while acting solely within the course and scope of his or her duties and responsibilities on behalf of the **Public Entity**:

1. The **Public Entity** named in the Declarations, Item 1, which is legally constituted and incorporated as of the effective date of this policy, including its government body, departments and units.
2. Your lawfully elected, appointed or employed **Public Officials** or members, past, present and future.
3. Unless specifically endorsed herein, Insured does not mean, and coverage does not apply to, any one of the following boards, commissions or units: boards of education, hospitals, or nursing homes.
4. Your employees.
5. With regard to coverage afforded under INSURING AGREEMENT 1. b. EMPLOYMENT LIABILITY, any person providing volunteer services for you at your request and operating under your direction and control; with regard to coverage afforded under INSURING AGREEMENT 1. a. PUBLIC OFFICIALS LIABILITY, any person providing volunteer services authorized under Title 34 N.J.S.A., subsections 34:15-74, at your request and operating under your direction and control.
6. Any person providing services for you under municipal mutual assistance agreements.
7. The estates, heirs, legal representatives or assigns of the Insured who are deceased at the time of the **Wrongful Act(s)** upon which a covered claim is based.
8. The legal representatives or assigns of the Insureds who are incompetent, insolvent or bankrupt.
9. Persons designated by the Insured to serve on a designated outside entity, provided that the activities are in the course and scope of serving on the designated outside entity, the outside entity is tax exempt, the appointment is based solely on the person's being a **Public Official** of the **Public Entity**, and the person is directed by the **Public Entity** to serve on the outside entity.
10. Any Business or Special Improvement District affiliated with the **named insured** for which the **named insured** has submitted a request to, and received written confirmation from, the **Lead Agent**.

SECTION III - LIMITS OF INSURANCE

1. The **Limits of Liability** shown in the Declarations, Item 2, and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. **Claims** made; or
 - c. Persons or organizations making **Claims**.
2. The **Limits of Liability** shown in the Declarations, Item 2, is the most we will pay under this policy.

For the purpose of determining the annual aggregate **Limits of Liability** of the **Company** for the **Extended Reporting Period** provided for under this policy, we shall combine the total of monies paid by the **Company** on behalf of the Insured during the immediately preceding **Coverage Period** plus the total of monies paid by the **Company** on behalf of the Insured during the **Extended Reporting Period**, with said combined total not to exceed the **Limits of Liability** set forth in Item 2 of the Declarations for this policy.

The **Company's** liability under this policy shall apply only to that part of each **Loss** which is in excess of the **Retention Amount** set forth in Item 4 of the Declarations for this policy and such **Retention Amount** shall be borne by the Insured.

3. Subject to 2. above, the Combined Single Limit per **Claim** is the most we will pay for all **Loss arising out of** any one **Wrongful Act** covered by this policy. **Claims** based on and **arising out of** the same act or interrelated acts of one or more Insureds shall be considered to be a single **Claim**, and such **Claim** shall be deemed to have originated in the earliest **Coverage Period** in which a **Claim** is first made against any Insured.
4. If **Claim(s)** are made which fall under INSURING AGREEMENTS 1. a. PUBLIC OFFICIALS LIABILITY and 1. b. EMPLOYMENT LIABILITY, the **Coinsurance Percent** specified in Item 3 of the Declarations and the highest **Retention Amount** specified in Item 4 of the Declarations shall apply.

SECTION IV - CONDITIONS

1. TERRITORY:

Coverage shall extend anywhere in the United States or its territories.

2. BANKRUPTCY:

Bankruptcy or insolvency of the Insured or of the Insured's successor will not relieve us of our obligations under this policy.

3. DUTIES IN THE EVENT OF POTENTIAL OR ACTUAL CLAIM:

- a. You must give immediate written notice no later than ninety (90) days after any incident, event, occurrence, loss or accident that might give rise to a **Claim**. To the extent possible, notice should include:
 - (1) A description of the situation or circumstances, including how, when and where it occurred;
 - (2) The names and addresses of any involved persons and witnesses; and
 - (3) The nature and extent of any damage arising or likely to arise out of the situation or circumstances.

Notice of a situation or circumstances which may result in a **Claim** is not notice of a **Claim**.

- b. If a **Claim** is received by any Insured you must:

- (1) Immediately record the specifics of the **Claim** and the date received; and
- (2) Notify us in writing within fourteen (14) days.

- 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**;
- (2) Authorize us to obtain records and other information;

- (3) Cooperate with us in the investigation, settlement or defense of the covered **Claim**, and not do anything that may prejudice the **Company** or its potential or actual rights of recovery;
 - (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;
 - (5) In the event of any payment under this policy, the **Company** shall be subrogated to the extent of such payment to all the Insured's rights of recovery, and the Insured shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the **Company** effectively to bring suit in the name of the Insured; and
 - (6) If any Insured has a right to recover all or part of any **Loss** the **Company** has paid under this policy, those rights are transferred to the **Company**. Any Insured must do nothing after **Loss** to impair such rights. At the request of the **Company**, any Insured will bring suit or transfer those rights to the **Company** and help the **Company** enforce them.
- d. You agree not to settle any **Claim**, incur any **Defense Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the **Company's** written consent. The **Company** shall not be liable for any settlement, **Defense Costs**, assumed obligation or admission to which it has not consented.
 - e. You agree **Defense Costs** incurred by the **Company**, or by the Insured with the written consent of the **Company**, are part of and not in addition to the **Company's** applicable **Limits of Liability** set forth in Item 2 of the Declarations for this policy, and the payment by the **Company** of **Defense Costs** reduces such applicable **Limits of Liability**.
 - f. Your failure to comply with reporting requirements may result in denial of coverage.
4. **LEGAL ACTION AGAINST US:**
- No person or organization has a right under this policy:
- a. To join us as a party or otherwise bring us into a suit asking for damages from an Insured; or
 - b. To sue us under this policy unless all of its terms have been fully complied with.
5. **AUTHORIZATION CLAUSE:**
- By acceptance of this policy, the Insured Public Entity agrees to act on behalf of all Insureds with respect to the giving and receiving of notice of Claim or termination, the payment of Assessments and the receiving of any return Assessments that may become due under this policy, the negotiation, agreement to and acceptance of Endorsements, and the giving or receiving of any notice provided for in this policy (except the giving of notice to apply for the Extended Reporting Period), and the Insureds agree that the Insured Public Entity shall act on their behalf.
6. **CHANGES:**
- Notice to any agent or knowledge possessed by any agent or any other person shall not effect a waiver or a change in any part of this policy or stop the **Company** from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued by the **Company** to form a part of this policy.

7. ASSIGNMENT:

Assignment of interest under this policy shall not bind the **Company** until its consent is endorsed hereon.

8. TERMS OF COVERAGE CONFORMED TO STATUTE:

Terms of this policy which are in conflict with the law or statutes of the State of New Jersey or United States of America are hereby amended to conform to such statutes.

9. OTHER INSURANCE:

If all or any part of **Loss** under this policy is also insured:

- (a) under any other insurance, other than a policy issued by the **Company**, then this policy shall, subject to its limitations, conditions, provisions and other terms, only apply in excess of the limit of such other policy, whether such other policy is stated to be primary, contributory, excess, contingent or otherwise, unless such other policy is written only as specific excess insurance over the **Limits of Liability** provided in this policy;
- (b) under any other policy issued by the **Company**, whether prior, contemporaneous or subsequent to the term of this policy, no coverage shall apply to such **Loss** under this policy;
- (c) under any other policy issued by a Joint Insurance Fund under Title 40:A N.J.S.A., no such coverage shall apply to such **Loss** under this policy; or
- (d) under any other policy issued by the **Company**, no coverage shall apply to such **Loss** under this policy.

Other Insurance includes, but is not limited to, coverage or benefits provided by self-insurance arrangements, pools, self-insurance trusts, captive insurance companies, retention groups, reciprocal exchanges or any other plan or agreement of risk transfer or assumption.

10. REPRESENTATIONS:

In granting coverage to any Insured, the **Company** has relied upon the Declarations and statements in the written application for this policy or prior **Company** policies. All such Declarations and statements are the basis of such coverage and shall be considered as incorporated in and constituting part of this policy.

With respect to the Declarations and statements contained in such written application for this policy or prior **Company** policies, no statement in the application or knowledge possessed by any Insured shall be imputed to any other Insured for the purpose of determining if coverage is available.

11. SEPARATION OF INSURED:

Except with respect to the **Limits of Liability**, and any rights or duties specifically assigned to the 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.

12. COINSURANCE:

The Insured and the **Company** shall participate with regard to **loss** on the following coinsurance contribution percentage:

For member towns **with** an **Approved Risk Management/Loss Control Plan**:

- PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY

**Loss
Amount**

Refer to Item 3. (A) and (B)
of the Declarations

**Coinsurance
Contribution Percentage**

20% - **Public Entity**
80% - **Company**

For member towns **without** an **Approved Risk Management/Loss Control Plan**:

- PUBLIC OFFICIALS

**Loss
Amount**

Refer to Item 3. (A) of the
Declarations

**Coinsurance
Contribution Percentage**

20% - **Public Entity**
80% - **Company**

- EMPLOYMENT LIABILITY

**Loss
Amount**

Refer to Item 3. (B) of the
Declarations

**Coinsurance
Contribution Percentage**

20% - **Public Entity**
80% - **Company**

The participation of the Insured and the **Company** on the coinsurance contribution percentage as set forth above is part of the **Limits of Liability** and is not in addition to the **Limits of Liability** as set forth in Item 2(a) of the **DECLARATIONS**.

The coinsurance contribution percentage does not apply to the **Limits of Liability** as set forth in Item 2(b) of the **DECLARATIONS**.

13. **WHEN WE DO NOT RENEW:**

If **we** decide not to renew this policy, **we** will mail or deliver to the first named Insured shown in the Declarations written notice of the nonrenewal not less than 60 days before the expiration date.

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

14. **CANCELLATION:**

Any cancellation of this policy is expressly subject to the requirements of the laws of the State of New Jersey, including those regulations currently codified in N.J.A.C. 11:15-2 adopted by the New Jersey Commissioner of Insurance pursuant to the authority of N.J.S.A. 17:1-8.1, N.J.S.A. 17:1C-6(e) and N.J.S.A. 40A:10-36 et seq. and as hereafter amended. This policy may be canceled by the Insured by surrender thereof to the **Company** or any of its authorized agents and only in accordance with the requirements for withdrawal from the **Company** as set forth in the aforesaid statutes, rules and regulations and the **Company's** bylaws adopted thereunder. If the Insured cancels, its liability for any further **Assessments** shall be computed in accordance with the aforesaid rules and regulations.

If the **Company** cancels, it shall mail to the Insured, at the last **Mailing Address** known by the **Company**, written notice stating when not less than 30 days thereafter such cancellation shall be effective. Subject to the aforesaid rules and regulations, this policy may also be canceled by not less than 10 days' notice when the cancellation is being effected by reason of the Insured's nonpayment of **Assessment**. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Coverage Period**. If the **Company** cancels, earned **Assessment** shall be computed as provided in the aforesaid rules and regulations. **Assessment** adjustment may be made either at the time cancellation is effected or as soon as practicable, but payment or tender of unearned **Assessment** is not a condition of cancellation.

15. ELIGIBILITY:

It is expressly recognized and agreed that the Insured named in the Declarations, Item 1, is required to be a member of the **Company** as a condition of eligibility for this policy and that, in the event that the Insured named in the Declarations, Item 1, withdraws from or is terminated or expelled from the **Company**, then this policy shall be canceled and terminated as of the effective date of the withdrawal, termination or expulsion. Any such withdrawal, termination or expulsion from the **Company** shall be effectuated only in accordance with the **Company's** bylaws and risk management plan as approved pursuant to the aforementioned authorizing statutes and regulations.

16. ARBITRATION:

Any dispute, including but not limited to claims sounding in contract or tort, between the Insured and the **Company** arising in connection with or relating to this policy shall be submitted to binding arbitration.

The rules of the American Arbitration Association shall apply except with respect to the selection of the arbitration panel. The panel shall consist of one arbitrator selected by the Insured, one arbitrator selected by the **Company**, and a third independent arbitrator selected by the first two arbitrators.

If both **Loss** covered by this policy and **Loss** not covered by this policy are incurred, either because a **Claim** against the Insured includes both covered and uncovered matters or because a **Claim** is made against both an Insured and others, the Insured and the **Company** shall use their best efforts to agree upon a fair and proper allocation of such amount between covered **Loss** and uncovered **Loss**.

SECTION V - EXTENDED REPORTING PERIODS

If the **Company** terminates or refuses to renew this policy other than for nonpayment of **Assessment**, the Insured shall have the right, upon payment of the **Additional Assessment** set forth in Item 6(A) of the Declarations for this policy, to an extension of the coverage granted by this policy for the period set forth in Item 6(B) of the Declarations for this policy (**Extended Reporting Period**) following the effective date of termination or non-renewal, but only for any **Wrongful Act** committed, attempted, or allegedly committed or attempted, prior to the effective date of termination or non-renewal.

If the Insured terminates or declines to accept renewal, the **Company** may, if requested, at its sole option, grant an **Extended Reporting Period**. The offer of renewal terms and conditions or **Assessments** different from those in effect prior to renewal shall not constitute refusal to renew.

This right of extension shall lapse unless written notice of such election, together with payment of the **Additional Assessment** due, is received by the **Company** as set forth in Item 6(C) within 30 days following the effective date of termination or non-renewal. Any **Claim** made during the **Extended Reporting Period** shall be deemed to have been made during the immediately preceding **Coverage Period**.

For the limit of aggregate liability under this policy during the **Extended Reporting Period**, see Clause 2, SECTION III - LIMITS OF INSURANCE.

SECTION VI - DEFINITIONS

When used in this Policy:

1. **Approved Risk Management/Loss Control Plan** means
 - (a) the Insured **Public Entity** has developed, and is following a program for risk management of employment liability **Claims** that has been approved and accepted by the **Municipal Excess Liability Joint Insurance Fund**,
 - (b) the Insured **Public Entity** is updating its **Approved Risk Management/Loss Control Plan** on an annual basis, and has received an Attorney's Certification for its Employment Practices Loss Control Plan which has been signed by the **Public Entity's** attorney on an annual basis and in accordance with current **Municipal Excess Liability Joint Insurance Fund** requirements, and
 - (c) the Insured **Public Entity** has completed **Employment Practices Training**.
2. **Arising out of** means connected with, incidental to, or growing out of.
3. **Claim** means:
 - (a) a written demand for monetary damages; or
 - (b) a civil proceeding commenced by the service of a summons, complaint, or similar pleading, including any appeal therefrom.
 - (c) a complaint or charge filed with the Equal Employment Opportunity Commission (EEOC), New Jersey Division of Civil Rights (DCR), or similar federal, state, or local government agency.

One or more claims **arising out of** the same or similar incident(s) or circumstance(s) or series of the same or similar incident(s) or circumstance(s) shall constitute one **Claim**, shall be deemed to be made at the time of the earliest such **Claim** is made, and shall be subject to a single **Limits of Liability** as set forth in Item 2 of the Declarations.
4. **Company** means the insurance company named on the Declarations Page.
5. **Coverage Period** shall mean the period of one year following the Effective Date and hour of this policy or any anniversary thereof, or if the time between the Effective Date or any anniversary and the termination of the policy is less than one year, such lesser period.

Coverage begins on the Effective Date shown in the Declarations at 12:01 A.M. standard time at the **Mailing Address** of the Insured shown in the Declarations. Coverage ends on the Expiration Date shown in the Declarations or, if earlier, the cancellation date at 12:01 A.M. standard time at the **Mailing Address** of the Insured shown in the Declarations.
6. **Defense Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the Insureds) incurred, with the consent of **Company**, in defending or investigating **Claims** and the cost for appeal, attachment or similar bonds.
7. **Employment Claim** means:
 - (a) a written demand for monetary damages; or
 - (b) a civil proceeding commenced by the service of a summons, complaint, or similar pleading, including any appeal therefrom;
 - (c) any appeal from the final decision of the **Public Entity arising out of** the internal civil service or administrative procedures of the **Public Entity**;

arising out of wrongful termination, breach of employment contract, employment-related misrepresentation, discrimination, harassment, failure to employ, failure to promote, wrongful discipline, wrongful deprivation of career opportunity, failure to grant tenure, negligent evaluation, invasion of privacy, employment-related defamation, wrongful infliction of emotional distress, retaliatory treatment, and/or violation of civil or constitutional right of any employee that creates a cause of action for damages.

8. **Employment-related harassment** means unwelcome or offensive verbal or physical conduct, including sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature that creates a cause of action for damages.
9. **Employment Practices Training** means the Insured Public Entity has made personnel practices training mandatory for supervisory and managerial personnel and has also made it available to all employees.
10. **Lead Agent** shall mean the Joint Insurance Fund named on the Declarations Page as organized and created pursuant to the provisions of L. 1983 c.372 (N.J.S.A. 40A:10-36) et seq.
11. **Loss** means the total amount which any Insured becomes legally obligated to pay on account of each and all **Claims** reported in each **Coverage Period** and the **Extended Reporting Period**, if exercised, made against them for **Wrongful Acts** for which coverage applies, including, but not limited to, damages, judgments, settlements, costs and **Defense Costs**. **Loss** does not include (i) any amount not indemnified by the Insured for which the Insured is absolved from payment by reason of any covenant, agreement or court order; (ii) matters uninsurable under the law pursuant to which this policy is construed; or (iii) the employment reinstatement of the claimant by the Insured or the continued employment of the claimant; or (iv) harm or damages caused intentionally by an Insured.
12. **Pollutants** means any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or a state, county, municipality or locality counterpart thereof. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, electromagnetic radiation, or waste materials, which includes materials to be recycled, reconditioned or reclaimed. **Pollutants** shall also mean any other air emission, odor, wastewater, oil or oil products, infectious or medical waste, asbestos or asbestos products, and any noise.
13. **Public Entity** shall mean only that Municipality, Governmental Body, Department, or Unit, which is named in the Declarations and is legally constituted at the Effective Date of this policy.
14. **Public Official** shall mean all persons who were, now are or shall be lawfully appointed or elected officials of the Insured while acting within the scope of their official duties. The term **Public Official** shall include members of such commissions, boards or other units operating by and under the jurisdiction of such governing body and within an apportionment of the total operating budget of the Insured, while acting within the scope of their official duties. The term **Public Official** shall also include employees and **Volunteers** as may be responsible to the governing body or to its commissions, boards or other units. **Public Official** does not mean and does not apply to any officials, members or employees of any, hospital, boards of education or colleges, or any person working on a retainer or any independent or professional services contractors. **Public Official** shall also mean an interim administrator while acting in the scope of their duties on behalf of the named insured.

Public Official shall also mean members of the Board of Directors of non-for profit corporations where the not-for profit corporation has been approved for coverage with the Lead Agent.
15. **Retention Amount** means the initial amount, as stated in Item 4 of the Declarations, payable by the Insured for each **Loss**.

16. **Retroactive Date** means the dates shown in Items 7 and 8 of the Declaration Page. No coverage will be afforded for acts prior to this date.
17. **Volunteer** means any person whose services are uncompensated and whose activities are authorized, directed and supervised by, and for the benefit of, the **Public Entity**. Volunteer does not include any person performing services which are covered by, connected with, or supervised by any court, penal or law official or institution.
18. **Wrongful Act** means any alleged or actual act, error, omission or breach of duty of an Insured.

SECTION VII – ACCEPTANCE

By acceptance of this policy the Insured and its **Public Officials** agree that this policy embodies all agreements existing between themselves and the **Company** or any of its agents relating to this policy.



XL Group
Insurance
Reinsurance

Indian Harbor Insurance Company

PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE (CLAIMS MADE BASIS)

Policy No.: PJJL9519065-01

Renewal of: PJJL9519065

DECLARATIONS

Item 1. Insured Public Entity:

Toms River Municipal Utilities
Authority
340 West Water Street
Toms River, NJ 08753

Lead Agent:

New Jersey Utility Authorities Joint Insurance Fund
Attn: Cate Kiernan
PERMA Risk Management Services
250 Pehle Avenue, Suite 701
Saddle Brook, NJ 07663

Item 2. Limits of Liability:

- (A) \$2,000,000 Standard: Combined Single Limit per Claim and Annual Aggregate.
(B) \$25,000 for defense only of Claims based on civil union and or marriage.

Note that the **Limits of Liability** and Retention are reduced or exhausted by **Defense Costs**.

Item 3. Coinsurance Percent:

The Coinsurance Percentage referenced in Section IV Conditions, Item 12. applies to the Loss Amount below.

	<u>Loss Amount</u>	
(A)	\$250,000	PUBLIC OFFICIALS
(B)	\$250,000	EMPLOYMENT LIABILITY

Item 4. Retention Amount:

- \$20,000 Under INSURING AGREEMENT 1.a. PUBLIC OFFICIALS LIABILITY.
\$20,000 Under INSURING AGREEMENT 1.b. EMPLOYMENT LIABILITY.

Item 5. Coverage Period:

Effective Date: 1/1/2012
Expiration Date: 1/1/2013

each at 12:01 a.m. Standard Time at the address of the **Public Entity** as stated herein.

Item 6. Extended Reporting Period:

- (A) Additional Assessment: 200% of Annual Assessment
(B) Additional Period: 12 Months
(C) Insured Notification Period: 30 Days

Item 7. Public Officials Liability Retroactive Date:

1. Provide "full prior acts" coverage to members with five continuous years of membership.
2. Provide "full prior acts" coverage to new members who have full prior acts coverage in force at time of membership.
3. Provide prior acts to the existing retroactive date (defined as the retroactive date identified in their expiring or prior policy) for new members that do not have full prior acts coverage or a one year retroactive date, whichever is greater.



XL Group
Insurance
Reinsurance

Indian Harbor Insurance Company

Item 8. Employment Liability Retroactive Date:

1. Members as of 1/1/1997 will have a uniform retroactive date of 10/1/1993. The members' respective retention and coinsurance contribution in effect at the time the claim is made will apply. This is based on whether or not the member has an approved loss control/risk management plan in place.
2. Members with effective dates after 1/1/1997 with prior Employment Liability coverage will have a retroactive date of 10/1/1993. All new members with prior coverage will have a six (6) month grace period for approval of a loss control/risk management plan in order to maintain the lower retention and the lower coinsurance contribution.
3. Members with effective dates after 1/1/1997 with no prior Employment Liability coverage will have a retroactive date that is the same as the date of membership. All new members with no prior coverage will have the higher retention and higher coinsurance percentage until their loss control/risk management program is submitted and approved.

Item 9. Notice of Claim to be given to:

Summit Risk Services
Attn: Alice Ivers
2 Walnut Grove Drive, Suite 210
Horsham, PA 19044
Email: newfundclaim@summitrisk.com
Phone: 215-443-3598 Fax: 215-773-7725

Item 10. Endorsements: Forms and Endorsements attached at issuance:

IL MP 9104 0211 IHIC – Indian Harbor “In Witness” Form
PES–POL–133 (01/11) – Privacy Liability Endorsement
NJJ–POL–PF (01/11) – Public Officials and Employment Liability Coverage Form

Item 11. Warranty: It is represented and warranted that with regard to INSURING AGREEMENT 1.b. EMPLOYMENT LIABILITY, the statements contained in the written application regarding employment liability, a copy of which is on file at the offices of Indian Harbor Insurance Company, hereinafter referred to as the **Company**, and the Declarations, are reaffirmed as of the Effective Date of this policy, and are the basis of employment coverage under the policy and are considered as incorporated in and constituting part of this policy.

Item 12. Annual Premium: **\$7,781**

This Declarations Page is issued with, and forms a part of, the PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE POLICY.

Authorized Signature

IN WITNESS

INDIAN HARBOR INSURANCE COMPANY

REGULATORY OFFICE
505 EAGLEVIEW BOULEVARD, SUITE 100
DEPARTMENT: REGULATORY
EXTON, PA 19341-0636
PHONE: 800-688-1840

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.



Seraina Maag
President



Toni Ann Perkins
Secretary

ENDORSEMENT #1

This endorsement, effective 1/1/2012 at 12:01 a.m., forms a part of Policy No. PJJL9519065-01 issued to Toms River Municipal Utilities Authority by Indian Harbor Insurance Company.

ENDORSEMENT – PRIVACY LIABILITY COVERAGE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Public Officials and Employment Practices Liability Coverage Form

In consideration of the premium charged, it is hereby agreed that:

1. Item 2. **Limits of Liability** of the Policy Declarations page is amended to add the following:

Item 2. **Limits of Liability:**

(C) \$50,000 Privacy Liability Sublimit, per claim and annual aggregate per member, for all coverage afforded by the Privacy Liability Coverage endorsement.

2. **SECTION I – COVERAGES** is amended to include the following:

1. INSURING AGREEMENTS:

- c. **Privacy Liability Coverage:** The **Company** will pay on behalf of the **Insured** all sums in excess of the deductible that the **Insured** becomes legally obligated to pay as **damages** and **claim expenses** as a result of a **claim** first made against the **Insured** and reported in writing to the **Company** during the **policy period** by reason of a **privacy wrongful act** committed by the **Insured** in the **Insured's** capacity as such. The **Company** will pay **privacy notification costs**, in excess of the deductible that the **Insured** incurs with the **Company's** prior written consent resulting from the **Insured's** legal obligation to comply with a **breach notification law** due to the failure to prevent **unauthorized access**, to the extent such **unauthorized access** results in a **data breach** from a **computer system**, and was first reported in writing to the **Company** during the **policy period**.

3. **SECTION VI - DEFINITIONS** is amended to include the following:

When used in this Endorsement:

1. **Breach notification law** means any local, state, federal or foreign statute or regulation requiring the **Insured** to protect the confidentiality and/or security of **personally identifiable information**.
2. **Computer system** means computer hardware, software, networks, networking equipment, applications, associated electronic devices, electronic data storage devices, input and output devices, and back up facilities operated by and either owned by or leased to the **Insured** by written contract for such purposes.
3. **Data breach** means the unauthorized taking, acquisition, obtaining, use or disclosure of information on a **computer system**, including but not limited to **personally identifiable information**, charge, debit, and credit card information, banking, financial, and investment services account information, proprietary information, and personal, private, and confidential information.

4. **Privacy notification costs** means reasonable and necessary: (1) costs to hire a security expert to determine the existence and cause of any theft or **unauthorized access** to or disclosure of **personally identifiable information**, (2) costs to notify consumers under a **breach notification law**, and (3) fees incurred to determine the actions necessary to comply with a **breach notification law**.

Privacy notification costs will be paid first and will reduce the limit of liability available to pay **damages**. Privacy notification costs does not mean fees, costs or expenses of employees or officers of the **Company**, or salaries, loss of earnings, overhead, or any other remuneration by, to or of any **Insured**. Privacy notification costs also does not mean any fees, costs or expenses related to public relations management.

5. **Privacy policy** means written documents that set forth the **Insured's** policies, standards, practices and procedures for the acquisition, obtaining, collection, use, disclosure, sharing, transmission, dissemination, correction, access to or supplementation of **personally identifiable information**.

6. **Privacy wrongful act** means:

- a) the theft or unintentional disclosure or mishandling of **personally identifiable information** that is in the care, custody, or control of the **Insured**; or
- b) the **Insured's** unintentional failure to timely disclose a **data breach** in violation of any **breach notification law**.
- c) the **Insured's** unintentional failure to comply with that part of a **privacy policy** that expressly:
 - 1) requires notification to a person of the **Insured's** obtaining, acquisition, compilation or use of their **personally identifiable information**;
 - 2) requires the **Insured** to disclose **personally identifiable information** or correct incomplete or inaccurate **personally identifiable information** after a proper request has been made by an authorized person;
 - 3) requires the **Insured** to prevent the loss of **personally identifiable information**;
 - 4) prohibits, prevents, restricts, or limits the improper or intrusive obtaining, acquisition, compilation or use of **personally identifiable information**; and
 - 5) allows a person to opt-in or opt-out of the **Insured's** obtaining, acquisition, compilation or use of their **personally identifiable information**.

7. **Personally identifiable information** means an individual's name in combination with one or more of the following:

- a) information concerning the individual that constitutes "non-public personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, and regulations issued pursuant to the Act;
- b) medical or health care information concerning the individual, including "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and regulation issued pursuant to the Act; or
- c) the individual's social security number, drivers license or state identification number, credit, debit, or other financial account numbers and associated security codes, access codes, passwords or pins that allows access to the individual's financial account information; or other non-public personally identifiable information, as protected under any local, state, federal or foreign statute or regulation.

Provided, however, personally identifiable information does not mean information that is lawfully available to the public, including information from any local, state, federal or foreign governmental entity or body.

8. **Unauthorized access** means the gaining of access to **computer systems** by an unauthorized person or persons.

All other provisions of this policy remain unchanged.

POLICY PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE POLICY CAREFULLY.

Words and phrases that appear in **bold** have special meanings. Refer to the Declarations Page and/or the Definitions section of this policy for these special meanings.

Read the entire policy carefully to determine your rights, duties and what is and is not covered.

In consideration of payment of the **Assessment** and subject to the Declarations, **terms**, **conditions**, the limitations, and **exclusions** of this policy, the **Company** agrees as follows:

Throughout this policy the words **you** and **your** refer to the Insured shown in the Declarations. The words **we**, **us** and **our** refer to the **Company**.

The word "Insured" means any person or organization qualifying as such under SECTION II - WHO IS AN INSURED.

SECTION I - COVERAGES

1. INSURING AGREEMENTS:

- a. PUBLIC OFFICIALS LIABILITY: We shall pay on behalf of the Insured all **Loss** for which the Insured becomes legally obligated to pay as damages **arising out of Claims** first made against the Insured during the **Coverage Period**, or if exercised, during the **Extended Reporting Period**, to which this insurance applies, against the Insured by reason of **Wrongful Act(s)** rendered in discharging duties on behalf of the Insured named in the Declarations, except **Claims** covered by INSURING AGREEMENT 1.b.
- b. EMPLOYMENT LIABILITY: We shall pay on behalf of the Insured all **Loss** for which the Insured becomes legally obligated to pay as damages **arising out of Employment Claims** first made against the Insured during the **Coverage Period**, or, if exercised, during the **Extended Reporting Period** to which this insurance applies by reason of **Wrongful Act(s)** rendered in discharging duties on behalf of the Insured named in the Declarations.

2. RETROACTIVE DATE:

This insurance applies only if a covered **Claim** is first made against any Insured during the policy period.

- a. A **Claim** will be deemed to have been made when notice of such claim is received and recorded by any Insured or by the **Company**, whichever comes first.
- b. All **Claims** for damages causing **Loss** to the same person or organization as a result of a **Wrongful Act(s)** will be deemed to have been made at the time the first of those **Claims** is made against any Insured.

This insurance does not apply to **Wrongful Act(s)** which occurred before the **Retroactive Date**, if any, shown in the Declarations or which occur after the policy period. No other obligation or liability is covered.

3. DEFENSE, INVESTIGATION AND SETTLEMENT OF CLAIMS:

We shall have the right and duty to select counsel and to defend any **Claims**, even if any of the allegations are groundless, false or fraudulent. But:

- a. The amount we will pay for damages is limited as described in SECTION III - LIMITS OF INSURANCE.

- b. We may make any investigation we deem necessary. We may, with the consent of the Insured, settle any **Claim**. If the Insured withholds consent to such settlement, the **Company's** liability for all **Loss** on account of such **Claim** shall not exceed the amount for which the **Company** could have settled such **Claim** plus costs, charges and expenses accrued as of the date such settlement was proposed in writing by the **Company** to the Insured.
- c. Our right and duty to defend ends when we have used up the applicable **Limits of Liability** in the payment of judgments or settlements, when exhausted by payment of **Defense Costs**, or by deposit or tender of the **Limits of Liability** into a court.
- d. Included in the applicable **Limits of Liability**, we will pay, with respect to any **Claim** we defend:
 - (1) All expenses we incur.
 - (2) The cost of bonds to release attachments and appeal bonds required, but only for bond amounts within the applicable **Limits of Liability**. We do not have 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**. Such expenses do not include salaries of any Insured in connection with the investigation and/or defense of the **Claim**.
 - (4) All costs taxed against the Insured.
 - (5) Prejudgment interest awarded against the Insured on that part of the judgment we pay. If we make an offer to pay the applicable **Limits of Liability**, we will not pay any prejudgment interest based on that period of time after the offer.
 - (6) 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 **Limits of Liability**.

4. EXCLUSIONS:

This insurance does not apply to any **Claim** made against the Insured:

- a. **Arising out of** liability of others assumed by the Insured under any contract or agreement, either oral or written, except to the extent that the Insured would have been liable in the absence of the contract or agreement. This exclusion shall not apply to any municipal mutual assistance agreements for fire protection, first aid or other emergency services.
- b. **Arising out of** the Insured gaining any profit, advantage or remuneration to which the Insured is not entitled.
- c. **Arising out of** fraud, dishonesty, malicious, criminal and/or knowingly **Wrongful Act** or omission, if an investigation, judgment or other final adjudication establishes such a fraudulent, dishonest, malicious, criminal, and/or knowingly **Wrongful Act** or omission on the part of the Insured.
- d. **Arising out of** the willful violation of any federal, state, or local statute, ordinance, rule, regulation, agreement or judicial or regulatory order, committed by or with the knowledge and consent of any Insured. However, notwithstanding the foregoing, a defense shall be afforded under the terms of this policy up to, but not after, any judgment or other final adjudication adverse to the Insured related to any such **Claims**. A defense and indemnification shall be afforded to each Insured against whom no such final judgment or final adjudication is obtained.

- e. **Arising out of** strikes, picket lines, riots, war, insurrection, rebellion, revolution, terrorism, civil commotion, replacement or other similar actions.
 - f. **Arising out of** liability or cost incurred by any Insured to modify any building or property in order to make such acceptable or accommodating to any disabled person whether or not pursuant to any law, or judgment.
 - g. For which the Insured is entitled to indemnity or payment by reason of having given notice of any circumstances which might give rise to a **Claim** under any policies the term of which has expired prior to the inception date of this policy.
 - h. **Arising out of** any failure or omission of the Insured to purchase or maintain insurance of any kind.
 - i. **Arising out of** any Insured's:
 - (1) obligations under the Employee Retirement Income Security Act of 1974 (ERISA), including amendments, or any similar federal, state or local law or regulation; the Worker Adjustment and Retraining Notification act (WARN); the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA); the Occupational Safety and Health Act (OSHA); Public Employee Occupational Safety and Health Act (POSHA); rules or regulations promulgated thereunder and amendments thereto or similar provisions of any federal, state or local statutory law or common law; or
 - (2) administration or activities in connection with any employee benefit plan or self-insurance fund; but this section does not apply with respect to Joint Insurance Funds established pursuant to N.J.S.A. 40:A 10-36, et seq.
 - j. Seeking relief, or redress, in any form other than monetary damages, including but not limited to requests for injunctive and/or declaratory relief, nor shall we have any obligation to indemnify the Insured for any costs, fees including attorney's fees, or expenses which the Insured shall become obligated to pay as a result of an adverse judgment for injunctive and/or declaratory relief. However, as respects any **Claim** seeking non-monetary relief by reason of a **Wrongful Act** and which are otherwise covered by this policy, the **Company** shall have the right, at its option and expense, to investigate, take over the defense, or associate in the defense of any such **Claim**. The limit of the **Company's** liability for such **defense costs** shall not exceed \$10,000 per claim and \$50,000 in the aggregate for the **Coverage Period**. Such **defense costs** shall reduce the Limits of Liability available for the **Coverage Period**. Once the limit of the **Company's** liability under this provision has been met, the **Company** has the sole right to withdraw from such defense, with the **Company** having no further liability for such **Claim** whatsoever.
- In the event the **Company** defends or associates in the defense of any **Claim** which seeks monetary damages in addition to injunctive and/or declaratory relief, and the Insured at any time refuses to grant injunctive and/or declaratory relief, the **Company's** liability for monetary damages, including claimant's attorney's fees, and **defense costs** shall be limited to \$100,000. Once the Company's limit under this provision is exhausted, the Company may withdraw from their defense and bears no further liability for such **Claim** whatsoever. Costs incurred by the Company under this provision shall reduce the Limits of Liability available during the **Coverage Period**.
- k. **Arising out of** the operation of the principles of eminent domain, adverse possession, dedication by adverse use, temporary or permanent taking, inverse condemnation or condemnation proceedings, by whatever name used.

- l. **Arising out of** the acts of any state or federal official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official who takes control of, supervises, manages or liquidates the Insured.
 - m. Seeking punitive or exemplary damages, multiplied damages, fines, or penalties.
 - n. **Arising out of** any **Loss**, cost, or expense arising, in whole or part, out of any of the following: (1) the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time; or (2) any request, demand, order, or any voluntary decision 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 (3) any claim 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**.
 - o. **Arising out of** electromagnetic fields, other electrical or magnetic waves or radiation.
 - p. **Arising out of** the use, handling, sale, distribution, transport, shipment, planning, maintenance, operation, use, construction, dispersal, storage or disposal of any nuclear, radioactive or fissionable material, or any alleged violation of any environmental statute, regulation, or ordinance with respect to such material, including any site, facility, reactor, or any act, omission, or condition incidental thereto.
 - q. **Arising out of** asbestos or any asbestos-related **Wrongful Act**, including its use, exposure, presence, existence, detection, removal, elimination or avoidance.
 - r. **Arising out of** any non-emergency activities of the volunteer emergency services organizations or to any **claim** which is covered by the Municipal Excess Liability Joint Insurance Fund Volunteer Emergency Services Directors and Officers Liability Policy (Claims Made Basis).
 - s. **Claims** by reason of a **Wrongful Act(s) arising out of** any loss, cost, or expense pertaining to, in whole or part, the performance, failure to perform or the refusal to perform a marriage or civil union. Civil union is defined in New Jersey Statutes, C.37:1-28 et seq. Defense of **claims** is provided but the limit of the **Company's** liability for such **defense costs** shall not exceed **\$25,000** inclusive of the applicable **Retention Amount** and co-insurance contribution for such **Claim** and in the aggregate for the **Coverage Period** and shall reduce the **Limits of Liability** available for the **Coverage Period**.
5. ADDITIONAL EXCLUSIONS for INSURING AGREEMENT: 1. a. PUBLIC OFFICIALS:
- This insurance under INSURING AGREEMENT: 1. a. PUBLIC OFFICIALS, does not apply to any **Claim** made against the Insured:
- a. **Arising out of** the activities of any law enforcement agency or law enforcement personnel, including the operation of adult and juvenile detention facilities.
 - b. **Arising out of** liability of the Insured or any carrier, as the insurer of the Insured, under any workers' compensation act, unemployment compensation act, disability benefits law, or under any similar law, or under employers liability as respects any occupational disease.
 - c. **Arising out of** the breach of any contract whether written, oral or implied.
 - d. **Arising out of** bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property including diminution of value, disappearance, or loss of use.

- e. **Arising out of a wrongful act** of any attorney, architect, licensed physician, engineer, independent auditor or independent accountant while acting in the scope of his professional duties on behalf of the **Public Entity**. However, this exclusion shall not apply to **Claims arising out of the wrongful act(s)** of accountants, engineers, or attorneys employed full-time by the **Public Entity** while acting on behalf of the **Public Entity**. As respects employed attorneys, an "Application for Member Entity Full Time Employed Attorney Professional Liability Coverage" must have been completed, reviewed, and approved by an authorized representative of the **Company**, and their name added by endorsement to this policy for coverage to apply. This exclusion shall not apply to an interim administrator while acting in the scope of their duties on behalf of the named insured.
 - f. Brought by an insured, against another insured.
 - g. **Arising out of any Claim** arising from any debt financing, including but not limited to bonds, notes, debentures, and guarantees of debt.
6. **ADDITIONAL EXCLUSIONS for INSURING AGREEMENT: 1. b. EMPLOYMENT LIABILITY:**
- This insurance under INSURING AGREEMENT: 1. b. EMPLOYMENT LIABILITY, does not apply to any **Claim** made against the Insured:
- a. **Arising out of** any actual or alleged obligation of any Insured pursuant to any workers' compensation, unemployment insurance, social security, disability benefits or similar law; provided, however, this exclusion shall not apply to any **Claim** based upon, arising from, or in consequence of any actual or alleged retaliatory treatment by the Insured on account of the exercise of rights pursuant to any such law.
 - b. **Arising out of** bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property including diminution of value, disappearance, or loss of use thereof. However, this exclusion shall not apply to claims covered under INSURING AGREEMENT 1.b. alleging emotional distress, mental anguish or humiliation.
 - c. For back wages, overtime or similar **Claims**, even if designated as liquidated damages, under any federal, state or local statutes, rules, ordinances or regulations, or **Claims** arising from collective bargaining agreements. We have no duty to defend **claims** seeking back wages, overtime or similar **claims** and/or benefits, even if designated as liquidated damages, unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, we have no duty to defend any **claims** seeking wages and/or other benefits.
 - d. For front pay, future damages or other future economic relief or the equivalent thereof. We have no duty to defend **claims** seeking front pay, future damages or other future economic relief or the equivalent thereof, wages and/or benefits unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, we have no duty to defend any **claims** seeking wages and/or other benefits.
 - e. For any amounts which constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits. We have no duty to defend **claims** seeking amounts which constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits, unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, we have no duty to defend any **claims** seeking amounts which

constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits.

SECTION II - WHO IS AN INSURED

Each of the following is an Insured whether in the singular or plural, while acting solely within the course and scope of his or her duties and responsibilities on behalf of the **Public Entity**:

1. The **Public Entity** named in the Declarations, Item 1, which is legally constituted and incorporated as of the effective date of this policy, including its government body, departments and units.
2. Your lawfully elected, appointed or employed **Public Officials** or members, past, present and future.
3. Unless specifically endorsed herein, Insured does not mean, and coverage does not apply to, any one of the following boards, commissions or units: boards of education, hospitals, or nursing homes.
4. Your employees.
5. With regard to coverage afforded under INSURING AGREEMENT 1. b. EMPLOYMENT LIABILITY, any person providing volunteer services for you at your request and operating under your direction and control; with regard to coverage afforded under INSURING AGREEMENT 1. a. PUBLIC OFFICIALS LIABILITY, any person providing volunteer services authorized under Title 34 N.J.S.A., subsections 34:15-74, at your request and operating under your direction and control.
6. Any person providing services for you under municipal mutual assistance agreements.
7. The estates, heirs, legal representatives or assigns of the Insured who are deceased at the time of the **Wrongful Act(s)** upon which a covered claim is based.
8. The legal representatives or assigns of the Insureds who are incompetent, insolvent or bankrupt.
9. Persons designated by the Insured to serve on a designated outside entity, provided that the activities are in the course and scope of serving on the designated outside entity, the outside entity is tax exempt, the appointment is based solely on the person's being a **Public Official** of the **Public Entity**, and the person is directed by the **Public Entity** to serve on the outside entity.
10. Any Business or Special Improvement District affiliated with the **named insured** for which the **named insured** has submitted a request to, and received written confirmation from, the **Lead Agent**.

SECTION III - LIMITS OF INSURANCE

1. The **Limits of Liability** shown in the Declarations, Item 2, and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. **Claims** made; or
 - c. Persons or organizations making **Claims**.
2. The **Limits of Liability** shown in the Declarations, Item 2, is the most we will pay under this policy.

For the purpose of determining the annual aggregate **Limits of Liability** of the **Company** for the **Extended Reporting Period** provided for under this policy, we shall combine the total of monies paid by the **Company** on behalf of the Insured during the immediately preceding **Coverage Period** plus the total of monies paid by the **Company** on behalf of the Insured during the **Extended Reporting Period**, with said combined total not to exceed the **Limits of Liability** set forth in Item 2 of the Declarations for this policy.

The **Company's** liability under this policy shall apply only to that part of each **Loss** which is in excess of the **Retention Amount** set forth in Item 4 of the Declarations for this policy and such **Retention Amount** shall be borne by the Insured.

3. Subject to 2. above, the Combined Single Limit per **Claim** is the most we will pay for all **Loss arising out of** any one **Wrongful Act** covered by this policy. **Claims** based on and **arising out of** the same act or interrelated acts of one or more Insureds shall be considered to be a single **Claim**, and such **Claim** shall be deemed to have originated in the earliest **Coverage Period** in which a **Claim** is first made against any Insured.
4. If **Claim(s)** are made which fall under INSURING AGREEMENTS 1. a. PUBLIC OFFICIALS LIABILITY and 1. b. EMPLOYMENT LIABILITY, the **Coinsurance Percent** specified in Item 3 of the Declarations and the highest **Retention Amount** specified in Item 4 of the Declarations shall apply.

SECTION IV - CONDITIONS

1. TERRITORY:

Coverage shall extend anywhere in the United States or its territories.

2. BANKRUPTCY:

Bankruptcy or insolvency of the Insured or of the Insured's successor will not relieve us of our obligations under this policy.

3. DUTIES IN THE EVENT OF POTENTIAL OR ACTUAL CLAIM:

- a. You must give immediate written notice no later than ninety (90) days after any incident, event, occurrence, loss or accident that might give rise to a **Claim**. To the extent possible, notice should include:
 - (1) A description of the situation or circumstances, including how, when and where it occurred;
 - (2) The names and addresses of any involved persons and witnesses; and
 - (3) The nature and extent of any damage arising or likely to arise out of the situation or circumstances.

Notice of a situation or circumstances which may result in a **Claim** is not notice of a **Claim**.

- b. If a **Claim** is received by any Insured you must:

- (1) Immediately record the specifics of the **Claim** and the date received; and
- (2) Notify us in writing within fourteen (14) days.

- 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**;
- (2) Authorize us to obtain records and other information;

- (3) Cooperate with us in the investigation, settlement or defense of the covered **Claim**, and not do anything that may prejudice the **Company** or its potential or actual rights of recovery;
 - (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;
 - (5) In the event of any payment under this policy, the **Company** shall be subrogated to the extent of such payment to all the Insured's rights of recovery, and the Insured shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the **Company** effectively to bring suit in the name of the Insured; and
 - (6) If any Insured has a right to recover all or part of any **Loss** the **Company** has paid under this policy, those rights are transferred to the **Company**. Any Insured must do nothing after **Loss** to impair such rights. At the request of the **Company**, any Insured will bring suit or transfer those rights to the **Company** and help the **Company** enforce them.
- d. You agree not to settle any **Claim**, incur any **Defense Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the **Company's** written consent. The **Company** shall not be liable for any settlement, **Defense Costs**, assumed obligation or admission to which it has not consented.
 - e. You agree **Defense Costs** incurred by the **Company**, or by the Insured with the written consent of the **Company**, are part of and not in addition to the **Company's** applicable **Limits of Liability** set forth in Item 2 of the Declarations for this policy, and the payment by the **Company** of **Defense Costs** reduces such applicable **Limits of Liability**.
 - f. Your failure to comply with reporting requirements may result in denial of coverage.
4. LEGAL ACTION AGAINST US:
- No person or organization has a right under this policy:
- a. To join us as a party or otherwise bring us into a suit asking for damages from an Insured; or
 - b. To sue us under this policy unless all of its terms have been fully complied with.
5. AUTHORIZATION CLAUSE:
- By acceptance of this policy, the Insured Public Entity agrees to act on behalf of all Insureds with respect to the giving and receiving of notice of Claim or termination, the payment of Assessments and the receiving of any return Assessments that may become due under this policy, the negotiation, agreement to and acceptance of Endorsements, and the giving or receiving of any notice provided for in this policy (except the giving of notice to apply for the Extended Reporting Period), and the Insureds agree that the Insured Public Entity shall act on their behalf.
6. CHANGES:
- Notice to any agent or knowledge possessed by any agent or any other person shall not effect a waiver or a change in any part of this policy or stop the **Company** from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued by the **Company** to form a part of this policy.

7. ASSIGNMENT:

Assignment of interest under this policy shall not bind the **Company** until its consent is endorsed hereon.

8. TERMS OF COVERAGE CONFORMED TO STATUTE:

Terms of this policy which are in conflict with the law or statutes of the State of New Jersey or United States of America are hereby amended to conform to such statutes.

9. OTHER INSURANCE:

If all or any part of **Loss** under this policy is also insured:

- (a) under any other insurance, other than a policy issued by the **Company**, then this policy shall, subject to its limitations, conditions, provisions and other terms, only apply in excess of the limit of such other policy, whether such other policy is stated to be primary, contributory, excess, contingent or otherwise, unless such other policy is written only as specific excess insurance over the **Limits of Liability** provided in this policy;
- (b) under any other policy issued by the **Company**, whether prior, contemporaneous or subsequent to the term of this policy, no coverage shall apply to such **Loss** under this policy;
- (c) under any other policy issued by a Joint Insurance Fund under Title 40:A N.J.S.A., no such coverage shall apply to such **Loss** under this policy; or
- (d) under any other policy issued by the **Company**, no coverage shall apply to such **Loss** under this policy.

Other Insurance includes, but is not limited to, coverage or benefits provided by self-insurance arrangements, pools, self-insurance trusts, captive insurance companies, retention groups, reciprocal exchanges or any other plan or agreement of risk transfer or assumption.

10. REPRESENTATIONS:

In granting coverage to any Insured, the **Company** has relied upon the Declarations and statements in the written application for this policy or prior **Company** policies. All such Declarations and statements are the basis of such coverage and shall be considered as incorporated in and constituting part of this policy.

With respect to the Declarations and statements contained in such written application for this policy or prior **Company** policies, no statement in the application or knowledge possessed by any Insured shall be imputed to any other Insured for the purpose of determining if coverage is available.

11. SEPARATION OF INSURED:

Except with respect to the **Limits of Liability**, and any rights or duties specifically assigned to the 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.

12. COINSURANCE:

The Insured and the **Company** shall participate with regard to **loss** on the following coinsurance contribution percentage:

For member towns **with** an **Approved Risk Management/Loss Control Plan**:

- PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY

<u>Loss Amount</u>	<u>Coinsurance Contribution Percentage</u>
Refer to Item 3. (A) and (B) of the Declarations	20% - Public Entity 80% - Company

For member towns **without** an **Approved Risk Management/Loss Control Plan**:

- PUBLIC OFFICIALS

<u>Loss Amount</u>	<u>Coinsurance Contribution Percentage</u>
Refer to Item 3. (A) of the Declarations	20% - Public Entity 80% - Company

- EMPLOYMENT LIABILITY

<u>Loss Amount</u>	<u>Coinsurance Contribution Percentage</u>
Refer to Item 3. (B) of the Declarations	20% - Public Entity 80% - Company

The participation of the Insured and the **Company** on the coinsurance contribution percentage as set forth above is part of the **Limits of Liability** and is not in addition to the **Limits of Liability** as set forth in Item 2(a) of the **DECLARATIONS**.

The coinsurance contribution percentage does not apply to the **Limits of Liability** as set forth in Item 2(b) of the **DECLARATIONS**.

13. WHEN WE DO NOT RENEW:

If **we** decide not to renew this policy, **we** will mail or deliver to the first named Insured shown in the Declarations written notice of the nonrenewal not less than 60 days before the expiration date.

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

14. CANCELLATION:

Any cancellation of this policy is expressly subject to the requirements of the laws of the State of New Jersey, including those regulations currently codified in N.J.A.C. 11:15-2 adopted by the New Jersey Commissioner of Insurance pursuant to the authority of N.J.S.A. 17:1-8.1, N.J.S.A. 17:1C-6(e) and N.J.S.A. 40A:10-36 et seq. and as hereafter amended. This policy may be canceled by the Insured by surrender thereof to the **Company** or any of its authorized agents and only in accordance with the requirements for withdrawal from the **Company** as set forth in the aforesaid statutes, rules and regulations and the **Company's** bylaws adopted thereunder. If the Insured cancels, its liability for any further **Assessments** shall be computed in accordance with the aforesaid rules and regulations.

If the **Company** cancels, it shall mail to the Insured, at the last **Mailing Address** known by the **Company**, written notice stating when not less than 30 days thereafter such cancellation shall be effective. Subject to the aforesaid rules and regulations, this policy may also be canceled by not less than 10 days' notice when the cancellation is being effected by reason of the Insured's nonpayment of **Assessment**. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Coverage Period**. If the **Company** cancels, earned **Assessment**

shall be computed as provided in the aforesaid rules and regulations. **Assessment** adjustment may be made either at the time cancellation is effected or as soon as practicable, but payment or tender of unearned **Assessment** is not a condition of cancellation.

15. ELIGIBILITY:

It is expressly recognized and agreed that the Insured named in the Declarations, Item 1, is required to be a member of the **Company** as a condition of eligibility for this policy and that, in the event that the Insured named in the Declarations, Item 1, withdraws from or is terminated or expelled from the **Company**, then this policy shall be canceled and terminated as of the effective date of the withdrawal, termination or expulsion. Any such withdrawal, termination or expulsion from the **Company** shall be effectuated only in accordance with the **Company's** bylaws and risk management plan as approved pursuant to the aforementioned authorizing statutes and regulations.

16. ARBITRATION:

Any dispute, including but not limited to claims sounding in contract or tort, between the Insured and the **Company** arising in connection with or relating to this policy shall be submitted to binding arbitration.

The rules of the American Arbitration Association shall apply except with respect to the selection of the arbitration panel. The panel shall consist of one arbitrator selected by the Insured, one arbitrator selected by the **Company**, and a third independent arbitrator selected by the first two arbitrators.

If both **Loss** covered by this policy and **Loss** not covered by this policy are incurred, either because a **Claim** against the Insured includes both covered and uncovered matters or because a **Claim** is made against both an Insured and others, the Insured and the **Company** shall use their best efforts to agree upon a fair and proper allocation of such amount between covered **Loss** and uncovered **Loss**.

SECTION V - EXTENDED REPORTING PERIODS

If the **Company** terminates or refuses to renew this policy other than for nonpayment of **Assessment**, the Insured shall have the right, upon payment of the **Additional Assessment** set forth in Item 6(A) of the Declarations for this policy, to an extension of the coverage granted by this policy for the period set forth in Item 6(B) of the Declarations for this policy (**Extended Reporting Period**) following the effective date of termination or non-renewal, but only for any **Wrongful Act** committed, attempted, or allegedly committed or attempted, prior to the effective date of termination or non-renewal.

If the Insured terminates or declines to accept renewal, the **Company** may, if requested, at its sole option, grant an **Extended Reporting Period**. The offer of renewal terms and conditions or **Assessments** different from those in effect prior to renewal shall not constitute refusal to renew.

This right of extension shall lapse unless written notice of such election, together with payment of the **Additional Assessment** due, is received by the **Company** as set forth in Item 6(C) within 30 days following the effective date of termination or non-renewal. Any **Claim** made during the **Extended Reporting Period** shall be deemed to have been made during the immediately preceding **Coverage Period**.

For the limit of aggregate liability under this policy during the **Extended Reporting Period**, see Clause 2, SECTION III - LIMITS OF INSURANCE.

SECTION VI - DEFINITIONS

When used in this Policy:

1. **Approved Risk Management/Loss Control Plan** means
 - (a) the Insured **Public Entity** has developed, and is following a program for risk management of employment liability **Claims** that has been approved and accepted by the **Municipal Excess Liability Joint Insurance Fund**,
 - (b) the Insured **Public Entity** is updating its **Approved Risk Management/Loss Control Plan** on an annual basis, and has received an Attorney's Certification for its Employment Practices Loss Control Plan which has been signed by the **Public Entity's** attorney on an annual basis and in accordance with current **Municipal Excess Liability Joint Insurance Fund** requirements, and
 - (c) the Insured **Public Entity** has completed **Employment Practices Training**.
2. **Arising out of** means connected with, incidental to, or growing out of.
3. **Claim** means:
 - (a) a written demand for monetary damages; or
 - (b) a civil proceeding commenced by the service of a summons, complaint, or similar pleading, including any appeal therefrom.
 - (c) a complaint or charge filed with the Equal Employment Opportunity Commission (EEOC), New Jersey Division of Civil Rights (DCR), or similar federal, state, or local government agency.

One or more claims **arising out of** the same or similar incident(s) or circumstance(s) or series of the same or similar incident(s) or circumstance(s) shall constitute one **Claim**, shall be deemed to be made at the time of the earliest such **Claim** is made, and shall be subject to a single **Limits of Liability** as set forth in Item 2 of the Declarations.

4. **Company** means the insurance company named on the Declarations Page.
5. **Coverage Period** shall mean the period of one year following the Effective Date and hour of this policy or any anniversary thereof, or if the time between the Effective Date or any anniversary and the termination of the policy is less than one year, such lesser period.

Coverage begins on the Effective Date shown in the Declarations at 12:01 A.M. standard time at the **Mailing Address** of the Insured shown in the Declarations. Coverage ends on the Expiration Date shown in the Declarations or, if earlier, the cancellation date at 12:01 A.M. standard time at the **Mailing Address** of the Insured shown in the Declarations.

6. **Defense Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the Insureds) incurred, with the consent of **Company**, in defending or investigating **Claims** and the cost for appeal, attachment or similar bonds.
7. **Employment Claim** means:
 - (a) a written demand for monetary damages; or
 - (b) a civil proceeding commenced by the service of a summons, complaint, or similar pleading, including any appeal therefrom;
 - (c) any appeal from the final decision of the **Public Entity arising out of** the internal civil service or administrative procedures of the **Public Entity**;

arising out of wrongful termination, breach of employment contract, employment-related misrepresentation, discrimination, harassment, failure to employ, failure to promote, wrongful

discipline, wrongful deprivation of career opportunity, failure to grant tenure, negligent evaluation, invasion of privacy, employment-related defamation, wrongful infliction of emotional distress, retaliatory treatment, and/or violation of civil or constitutional right of any employee that creates a cause of action for damages.

8. **Employment-related harassment** means unwelcome or offensive verbal or physical conduct, including sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature that creates a cause of action for damages.
9. **Employment Practices Training** means the Insured Public Entity has made personnel practices training mandatory for supervisory and managerial personnel and has also made it available to all employees.
10. **Lead Agent** shall mean the Joint Insurance Fund named on the Declarations Page as organized and created pursuant to the provisions of L. 1983 c.372 (N.J.S.A. 40A:10-36) et seq.
11. **Loss** means the total amount which any Insured becomes legally obligated to pay on account of each and all **Claims** reported in each **Coverage Period** and the **Extended Reporting Period**, if exercised, made against them for **Wrongful Acts** for which coverage applies, including, but not limited to, damages, judgments, settlements, costs and **Defense Costs**. **Loss** does not include (i) any amount not indemnified by the Insured for which the Insured is absolved from payment by reason of any covenant, agreement or court order; (ii) matters uninsurable under the law pursuant to which this policy is construed; or (iii) the employment reinstatement of the claimant by the Insured or the continued employment of the claimant; or (iv) harm or damages caused intentionally by an Insured.
12. **Pollutants** means any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or a state, county, municipality or locality counterpart thereof. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, electromagnetic radiation, or waste materials, which includes materials to be recycled, reconditioned or reclaimed. **Pollutants** shall also mean any other air emission, odor, wastewater, oil or oil products, infectious or medical waste, asbestos or asbestos products, and any noise.
13. **Public Entity** shall mean only that Municipality, Governmental Body, Department, or Unit, which is named in the Declarations and is legally constituted at the Effective Date of this policy.
14. **Public Official** shall mean all persons who were, now are or shall be lawfully appointed or elected officials of the Insured while acting within the scope of their official duties. The term **Public Official** shall include members of such commissions, boards or other units operating by and under the jurisdiction of such governing body and within an apportionment of the total operating budget of the Insured, while acting within the scope of their official duties. The term **Public Official** shall also include employees and **Volunteers** as may be responsible to the governing body or to its commissions, boards or other units. **Public Official** does not mean and does not apply to any officials, members or employees of any, hospital, boards of education or colleges, or any person working on a retainer or any independent or professional services contractors. **Public Official** shall also mean an interim administrator while acting in the scope of their duties on behalf of the named insured.

Public Official shall also mean members of the Board of Directors of non-for profit corporations where the not-for profit corporation has been approved for coverage with the Lead Agent.
15. **Retention Amount** means the initial amount, as stated in Item 4 of the Declarations, payable by the Insured for each **Loss**.
16. **Retroactive Date** means the dates shown in Items 7 and 8 of the Declaration Page. No coverage will be afforded for acts prior to this date.

17. **Volunteer** means any person whose services are uncompensated and whose activities are authorized, directed and supervised by, and for the benefit of, the **Public Entity**. Volunteer does not include any person performing services which are covered by, connected with, or supervised by any court, penal or law official or institution.
18. **Wrongful Act** means any alleged or actual act, error, omission or breach of duty of an Insured.

SECTION VII – ACCEPTANCE

By acceptance of this policy the Insured and its **Public Officials** agree that this policy embodies all agreements existing between themselves and the **Company** or any of its agents relating to this policy.



DECLARATIONS

EXCESS INSURANCE POLICY

SUBJECT TO THE PROVISIONS OF THE UNDERLYING INSURANCE, THIS POLICY MAY ONLY APPLY TO ANY CLAIM FIRST MADE AGAINST THE INSUREDS OR LOSS DISCOVERED DURING THE POLICY PERIOD PROVIDED THAT SUCH CLAIM OR LOSS IS REPORTED IN WRITING TO THE UNDERWRITERS PURSUANT TO THE POLICY PROVISIONS. AMOUNTS INCURRED AS DEFENSE COSTS SHALL REDUCE AND MAY EXHAUST THE APPLICABLE LIMITS OF LIABILITY AND ARE SUBJECT TO THE RETENTIONS. THE UNDERWRITERS SHALL NOT BE LIABLE FOR ANY DEFENSE COSTS OR FOR ANY JUDGMENT OR SETTLEMENT AFTER THE LIMIT OF LIABILITY HAS BEEN EXHAUSTED. PLEASE READ THIS POLICY CAREFULLY.

These Declarations along with the completed and signed **Application** and the Policy with endorsements shall constitute the contract between the **Insureds** and the Underwriters.

Underwriters: Syndicate 2623/623 at Lloyd's.
Policy Number: W1DA05190301
Authority Ref. Number: B6012BUSANMSL1901

Item 1. **Named Insured:**

The Participating Members of the New Jersey Utility Authorities Joint Insurance Fund

Principal Address:

9 Campus Drive
Suite 216
Parsippany, NJ 07054

Item 2. **Policy Period:**

From: 01-Jan-2019

To: 01-Jan-2020

Both dates at 12:01 a.m. Local Time at the Principal Address stated in Item 1

Item 3. **Limit of Liability:**

\$6,000,000 Each claim, including costs and expenses incurred in the defense or settlement of such claim.
\$6,000,000 Aggregate for the **Policy Period**, including costs and expenses incurred in the defense or settlement of all claims.

Item 4. **Premium:** \$36,068

Item 5. Notification Under this Policy:

a. Notification pursuant to Clause VI shall be given to:	b. All other notices under this Policy shall be given to:
Beazley USA Services 30 Batterson Park Road Farmington, CT 06032 Tel: (860) 677-3700 Fax: (860) 679-0247 or xxxxxx@xxxxxxx.xxx	Beazley USA Services, Inc. 30 Batterson Park Road Farmington, CT 06032 Tel: (860) 677-3700 Fax: (860) 679-0247 or xxxxxx@xxxxxxx.xxx

Item 6. **Followed Policy:**

Insurer: Indian Harbor Insurance Company
Policy No.: MTP003949206
Limit of Liability: \$6,000,000
Retention: \$10,000

Item 7. **Underlying Insurance:**
N/A

Item 8. **Service of process in any suit shall be made upon:**

Mendes & Mount, LLP
750 7th Ave # 24
New York, NY 10019

Item 9. **Choice of Law:** New York

Item 10. Endorsements Effective at Inception

1. E05161 112013 ed.	Follow Form and Drop Down Schedule Over Underlying Sublimit
2. SCHEDULE2019	Lloyd's Security Schedule 2019
3. NMA1256	Nuclear Incident Exclusion Clause-Liability-Direct (Broad) (U.S.A.)
4. NMA1477	Radioactive Contamination Exclusion Clause-Liability-Direct (U.S.A.)
5. E02804 032011 ed.	Sanction Limitation and Exclusion Clause
6. E05635 032014 ed.	Reliance on the Application of the Follow Policy
7. E09672 012017 ed.	Prior Knowledge Exclusion

Dated: 19-Mar-2019

At: 30 Batterson Park Road
Farmington
Connecticut 06032
(the office of the Correspondent)

by 
Beazley USA Services, Inc. (Correspondent)

Effective date of this Endorsement: 01-Jan-2019

This Endorsement is attached to and forms a part of Policy Number: W1DA05190301

Syndicate 2623/623 at Lloyd's. referred to in this endorsement as either the "Insurer" or the "Underwriters"

FOLLOW FORM AND DROP DOWN SCHEDULE OVER UNDERLYING SUBLIMIT

This endorsement modifies insurance provided under the following:

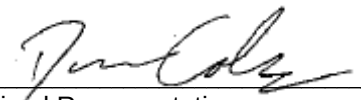
EXCESS INSURANCE POLICY

In consideration of the premium charged for the Policy, it is hereby understood and agreed that notwithstanding Clause IV., this Policy shall drop down and follow form of the terms, conditions and limitations of such coverage provided in the Schedule below; provided, that the Underwriters' aggregate limit of liability applicable to such coverage shall be part of, and not in addition to, the Underwriters' aggregate limit of liability set forth in Item 3. of the Declarations.

SCHEDULE

Sublimit Amount	Sublimited Coverage	Section/Endorsement of Followed Policy	Underwriters' aggregate limit of liability applicable to such coverage
\$3,000,000	Media	Third Party Liability Coverages	\$3,000,000
\$3,000,000	Privacy and Cyber Security	Third Party Liability Coverages	\$3,000,000
\$3,000,000	Privacy Regulatory Defense, Awards & Fines	Third Party Liability Coverages	\$3,000,000
\$3,000,000	Business Interruption & Extra Expense	First Party Coverages	\$3,000,000
\$3,000,000	Data Recovery	First Party Coverages	\$3,000,000
\$3,000,000	Cyber-Extortion	First Party Coverages	\$3,000,000
\$3,000,000	Data Breach Response and Crisis Management Coverage	First Party Coverages	\$3,000,000

All other terms and conditions of this Policy remain unchanged.


Authorized Representative

Effective date of this Endorsement: 01-Jan-2019

This Endorsement is attached to and forms a part of Policy Number: W1DA05190301

Syndicate 2623/623 at Lloyd's. Referred to in this endorsement as either the "Insurer" or the "Underwriters"

LLOYD'S SECURITY SCHEDULE

Syndicate 2623 82%

Syndicate 623 18%

ALL OTHER TERMS, conditions and limitations of said Certificate shall remain unchanged.

Effective date of this Endorsement: 01-Jan-2019

This Endorsement is attached to and forms a part of Policy Number: W1DA05190301

NUCLEAR INCIDENT EXCLUSION CLAUSE-LIABILITY-DIRECT (BROAD) (U.S.A.)

EXCESS INSURANCE POLICY

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:

- I. 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.
- II. 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.
- III. 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.

IV. 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.

Effective date of this Endorsement: 01-Jan-2019

This Endorsement is attached to and forms a part of Policy Number: W1DA05190301

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE-LIABILITY-DIRECT (U.S.A.)

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.

Effective date of this Endorsement: 01-Jan-2019

**This Endorsement is attached to and forms a part of Policy Number: W1DA05190301
Syndicate 2623/623 at Lloyd's. Referred to in this endorsement as either the "Insurer" or the
"Underwriters"**

SANCTION LIMITATION AND EXCLUSION CLAUSE

This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY

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.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

Effective date of this Endorsement: 01-Jan-2019

This Endorsement is attached to and forms a part of Policy Number: W1DA05190301

Syndicate 2623/623 at Lloyd's. referred to in this endorsement as either the "Insurer" or the "Underwriters"

RELIANCE ON THE APPLICATION OF THE FOLLOW POLICY

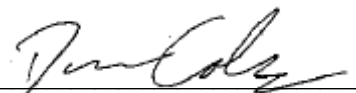
This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY

In consideration of the premium charged for the Policy, it is hereby understood and agreed that the first paragraph of this Policy is deleted in its entirety and replaced with the following:

In consideration of the payment of the premium, in reliance on the application (as that term is defined in the **Followed Policy**), the Underwriters and **Named Insured**, on behalf of all **Insureds**, agree as follows:

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

Effective date of this Endorsement: 01-Jan-2019

This Endorsement is attached to and forms a part of Policy Number: W1DA05190301

Syndicate 2623/623 at Lloyd's. referred to in this endorsement as either the "Insurer" or the "Underwriters"

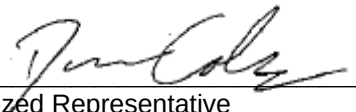
PRIOR KNOWLEDGE EXCLUSION

This endorsement modifies insurance provided under the following:

EXCESS INSURANCE POLICY

In consideration of the premium charged for the Policy, it is hereby understood and agreed that this Policy shall not apply to loss or damages in connection with or resulting from any claim based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any wrongful act or any fact, circumstance or situation of which any **Insured** was aware prior to 01-Jan-2017 with respect to the coverage afforded under the **Followed Policy**.

All other terms and conditions of this Policy remain unchanged.



Authorized Representative

EXCESS INSURANCE POLICY

In consideration of the payment of the premium, in reliance upon all information and representations provided or made available by the **Insureds** to the Underwriters in connection with the underwriting of this Policy, the Underwriters and **Named Insured**, on behalf of all **Insureds**, agree as follows:

I. INSURING CLAUSE

This Policy shall provide coverage in accordance with all of the terms, conditions and limitations (including, but not limited to, the exclusions and notice requirements) of the **Followed Policy** except for the Limit of Liability, the premium or as otherwise set forth herein. Coverage hereunder shall attach only after all of the **Underlying Limits** have been exhausted through payments by the insurers of the **Underlying Insurance** of amounts covered under the **Underlying Insurance**. In the event of financial impairment or insolvency of an insurer of the **Underlying Insurance**, the risk of uncollectibility of such **Underlying Insurance** (in whole or in part) is expressly retained by the **Insureds** and is not insured by or assumed by the Underwriters.

II. DEFINITIONS

- A. **Followed Policy** means the insurance policy identified in Item 6. of the Declarations.
- B. **Insureds** mean all persons and entities covered under the **Followed Policy**.
- C. **Named Insured** means all persons and entities set forth in Item 1. of the Declarations.
- D. **Policy Period** means the period set forth in Item 2. of the Declarations.
- E. **Underlying Insurance** means the **Followed Policy** and all other underlying insurance policies, if any, identified in Item 7. of the Declarations.
- F. **Underlying Limits** mean an amount equal to the aggregate of all limits of liability of the **Underlying Insurance**.

III. LIMIT OF LIABILITY

The amount set forth in Item 3. of the Declarations shall be the maximum aggregate Limit of Liability of the Underwriters for all coverage under this Policy, regardless of the number of claims made against the **Insureds** or the time of payment and regardless of whether or not an extended reporting period applies.

IV. CHANGES TO UNDERLYING INSURANCE AND DEPLETION OF UNDERLYING LIMITS

If, subsequent to the inception date of this Policy, the terms, conditions or limitations of an **Underlying Insurance** are modified, the **Insureds** must notify the Underwriters in writing, as soon as practicable, of such modification. If any changes to the **Followed Policy**: (a) expand coverage, (b) change the policyholder name or address, or (c) modify premium, this Policy shall not follow those changes unless the Underwriters agree in writing to do so. If any coverage under any **Underlying Insurance** is subject to a sub-limit, then this Policy provides no coverage excess of such sub-limit, but the Underwriters shall recognize payment of such amount as reducing the **Underlying Limit** by such amount. Furthermore, if any amount covered under any policy issued to the **Insureds** outside of the United States of America (a "Foreign Policy") and the **Underlying Insurance** expressly provides for the reduction of the **Underlying Limit** by reason of payment of such amount under the applicable Foreign Policy, then the Underwriters shall recognize payment of such amount as reducing the **Underlying Limit** by such amount.

V. UNDERWRITERS RIGHTS

The Underwriters have the same rights and protections as the insurer of the **Followed Policy** and, where the **Followed Policy** is not issued on an 'insurers duty to defend' basis, the Underwriters shall have the right, but not the obligation, at their sole discretion, to elect to participate in the investigation, settlement, prosecution or defense of any claim.

VI. NOTICES

Where notice is permitted or required by the **Followed Policy**, the **Insureds** have the same rights and obligations to notify the Underwriters under this Policy, except that such notice shall be given to the Underwriters at the applicable address set forth in Item 5. of the Declarations. Notice to any other insurer shall not constitute notice to the Underwriters unless also given to the Underwriters as provided above.

VII. 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 Policy, the Underwriters, at the request of the **Named Insured**, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of 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 the firm named in Item 8. of the Declarations, and that in any suit instituted against any one of them upon this Policy, the Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The firm named in Item 8. of the Declarations is authorized and directed to accept service of process on behalf of the Underwriters in any such suit and/or upon the request of the **Named Insured** to give a written undertaking to the **Named Insured** that they will enter a general appearance upon the 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 therefor, the Underwriters designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his 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 **Named Insured** or any beneficiary hereunder arising out of this Policy, and designate the firm named in Item 8. of the Declarations, as the person to whom the said officer is authorized to mail such process or a true copy thereof.

VIII. CHOICE OF LAW

Any dispute involving this Policy shall be resolved by applying the law of the state designated in Item 9. of the Declarations.



XL Insurance



March 12, 2019

Mr. Mark Dillard
Public Risk Underwriters Insurance Services of Texas
101 W. Renner Road
Suite 450
Richardson, TX 75082

RE: THE PARTICIPATING MEMBERS OF THE NEW JERSEY UTILITY AUTHORITIES JOINT
INSURANCE FUND
Policy Number : MTP003949206

Dear Mark:

We are pleased to enclose an original and one (1) copy of the above captioned policy.

Thank you for placing your insurance coverage with AXA XL. We at AXA XL feel that a key element of service to our brokers and insureds is efficient claims handling.

Enclosed please find instructions that should be followed in the event of a claim. Should any problems or questions arise concerning claims reporting procedures, you may contact AXA XL Claims Administrators, Inc. at 1-800-432-2481.

Thank you for considering our office.

Sincerely,

A handwritten signature in dark ink, appearing to read "Scott Schleicher". The signature is fluid and cursive, with the first name "Scott" and last name "Schleicher" clearly distinguishable.

Scott Schleicher
Underwriting Manager
AXA XL

Enclosures

WINS ACCOUNT # 0005219066



Claims Reporting Information

AXA XL

Please be advised of the following claims reporting address:

via email:

proclaimnewnotices@axaxl.com

OR

via regular mail:

AXA XL
c/o Xerox
PO Box 614002
Orlando, FL 32861-4002

CyberRiskConnect

Privacy, Security and Technology Insurance



Thank you for choosing XL Catlin for your cyber insurance. We value your business and look forward to working with you. Please use the information below for contacting XL Catlin's Breach Hotline and for accessing XL Catlin's online cyber risk management portal, [CyberRiskConnect.com](https://cyberriskconnect.com/).

XL Catlin Breach Hotline

Should you experience a data breach or cyber security breach, call the XL Catlin Breach Hotline at **1-855-566-4724** to obtain immediate triage assistance. Please be aware that contacting the hotline does not satisfy the claim notification requirements of your policy. For claim notification requirements, refer to your policy.

CyberRiskConnect.com

As an XL Catlin policyholder, your company has exclusive access to XL Catlin's proprietary online resource, [CyberRiskConnect.com](https://cyberriskconnect.com/).

Follow these steps to register:

1. Using a web browser navigate to: <https://cyberriskconnect.com/>
2. Complete the New User Registration section including your access code. Your access code is **10448**.

This web portal contains cyber risk pre and post breach risk management including:

- **Cyber Liability Library:** latest cyber risk articles and videos, as well as product and policy information from our XL Catlin cyber team
- **Cyber Training Videos:** a series of educational videos designed to help train clients on their role in keeping sensitive information secure focusing on network security and privacy, incident response planning, the importance of risk assessments and HIPAA
- **Incident Roadmap:** suggested steps to take following a data breach or cyber security breach
- **Vendor Partner Resources:** a directory to help clients gain quick access to our recently expanded, pre-qualified network of third-party vendors with expertise in pre- and post-breach disciplines, including network vulnerability testing, IT risk assessments, incident response planning, security awareness training, PCI compliance, security incident response planning, data breach tabletops, and more
- **Meet the Team:** includes XL Catlin's Cyber & Technology underwriting and claims team contact information
- **News Center:** articles and commentary discussing trends, major breach events, security awareness strategies, risk management guidance, and helpful industry links
- **Risk Manager's Toolbox:** includes a cyber-risk assessment survey, breach notification guides, what-if modelling tools to estimate the cost of a breach, research tools to monitor the type, frequency and severity of incidents

Please note CyberRiskConnect.com is a private site for customers of XL Catlin only. Do not share portal access instructions with anyone outside your organization. You are responsible for maintaining the confidentiality of the access code provided to you. Up to five individuals from your organization may register and use the portal. This portal contains a directory of experienced providers of cyber risk management and breach services. Unless otherwise indicated or approved, payment for services provided by these companies is your responsibility.

NOTICE TO POLICYHOLDERS

PRIVACY POLICY

The XL Catlin insurance group (the “Companies”), believes personal information that we collect about our customers, potential customers, and proposed insureds (referred to collectively in this Privacy Policy as “customers”) must be treated with the highest degree of confidentiality. For this reason and in compliance with the Title V of the Gramm-Leach-Bliley Act (“GLBA”), we have developed a Privacy Policy that applies to all of our companies. For purposes of our Privacy Policy, the term “personal information” includes all information we obtain about a customer and maintain in a personally identifiable way. In order to assure the confidentiality of the personal information we collect and in order to comply with applicable laws, all individuals with access to personal information about our customers are required to follow this policy.

Our Privacy Promise

Your privacy and the confidentiality of your business records are important to us. Information and the analysis of information is essential to the business of insurance and critical to our ability to provide to you excellent, cost-effective service and products. We understand that gaining and keeping your trust depends upon the security and integrity of our records concerning you. Accordingly, we promise that:

1. We will follow strict standards of security and confidentiality to protect any information you share with us or information that we receive about you;
2. We will verify and exchange information regarding your credit and financial status only for the purposes of underwriting, policy administration, or risk management and only with reputable references and clearinghouse services;
3. We will not collect and use information about you and your business other than the minimum amount of information necessary to advise you about and deliver to you excellent service and products and to administer our business;
4. We will train our employees to handle information about you or your business in a secure and confidential manner and only permit employees authorized to use such information to have access to such information;
5. We will not disclose information about you or your business to any organization outside the XL Catlin insurance group of Companies or to third party service providers unless we disclose to you our intent to do so or we are required to do so by law;
6. We will not disclose medical information about you, your employees, or any claimants under any policy of insurance, unless you provide us with written authorization to do so, or unless the disclosure is for any specific business exception provided in the law;
7. We will attempt, with your help, to keep our records regarding you and your business complete and accurate, and will advise you how and where to access your account information (unless prohibited by law), and will advise you how to correct errors or make changes to that information; and
8. We will audit and assess our operations, personnel and third party service providers to assure that your privacy is respected.

Collection and Sources of Information

We collect from a customer or potential customer only the personal information that is necessary for (a) determining eligibility for the product or service sought by the customer, (b) administering the product or service obtained, and (c) advising the customer about our products and services. The information we collect generally comes from the following sources:

- Submission – During the submission process, you provide us with information about you and your business, such as your name, address, phone number, e-mail address, and other types of personal identification information;
- Quotes – We collect information to enable us to determine your eligibility for the particular insurance product and to determine the cost of such insurance to you. The information we collect will vary with the type of insurance you seek;

- Transactions – We will maintain records of all transactions with us, our affiliates, and our third party service providers, including your insurance coverage selections, premiums, billing and payment information, claims history, and other information related to your account;
- Claims – If you obtain insurance from us, we will maintain records related to any claims that may be made under your policies. The investigation of a claim necessarily involves collection of a broad range of information about many issues, some of which does not directly involve you. We will share with you any facts that we collect about your claim unless we are prohibited by law from doing so. The process of claim investigation, evaluation, and settlement also involves, however, the collection of advice, opinions, and comments from many people, including attorneys and experts, to aid the claim specialist in determining how best to handle your claim. In order to protect the legal and transactional confidentiality and privileges associated with such opinions, comments and advice, we will not disclose this information to you; and
- Credit and Financial Reports – We may receive information about you and your business regarding your credit. We use this information to verify information you provide during the submission and quote processes and to help underwrite and provide to you the most accurate and cost-effective insurance quote we can provide.

Retention and Correction of Personal Information

We retain personal information only as long as required by our business practices and applicable law. If we become aware that an item of personal information may be materially inaccurate, we will make reasonable effort to re-verify its accuracy and correct any error as appropriate.

Storage of Personal Information

We have in place safeguards to protect data and paper files containing personal information.

Sharing/Disclosing of Personal Information

We maintain procedures to assure that we do not share personal information with an unaffiliated third party for marketing purposes unless such sharing is permitted by law. Personal information may be disclosed to an unaffiliated third party for necessary servicing of the product or service or for other normal business transactions as permitted by law.

We do not disclose personal information to an unaffiliated third party for servicing purposes or joint marketing purposes unless a contract containing a confidentiality/non-disclosure provision has been signed by us and the third party. Unless a consumer consents, we do not disclose “consumer credit report” type information obtained from an application or a credit report regarding a customer who applies for a financial product to any unaffiliated third party for the purpose of serving as a factor in establishing a consumer’s eligibility for credit, insurance or employment. “Consumer credit report type information” means such things as net worth, credit worthiness, lifestyle information (piloting, skydiving, etc.) solvency, etc. We also do not disclose to any unaffiliated third party a policy or account number for use in marketing. We may share with our affiliated companies information that relates to our experience and transactions with the customer.

Policy for Personal Information Relating to Nonpublic Personal Health Information

We do not disclose nonpublic personal health information about a customer unless an authorization is obtained from the customer whose nonpublic personal information is sought to be disclosed. However, an authorization shall not be prohibited, restricted or required for the disclosure of certain insurance functions, including, but not limited to, claims administration, claims adjustment and management, detection, investigation or reporting of actual or potential fraud, misrepresentation or criminal activity, underwriting, policy placement or issuance, loss control and/or auditing.

Access to Your Information

Our employees, employees of our affiliated companies, and third party service providers will have access to information we collect about you and your business as is necessary to effect transactions with you. We may also disclose information about you to the following categories of person or entities:

- Your independent insurance agent or broker;
- An independent claim adjuster or investigator, or an attorney or expert involved in the claim;
- Persons or organizations that conduct scientific studies, including actuaries and accountants;
- An insurance support organization;
- Another insurer if to prevent fraud or to properly underwrite a risk;
- A state insurance department or other governmental agency, if required by federal, state or local laws; or
- Any persons entitled to receive information as ordered by a summons, court order, search warrant, or subpoena.

Violation of the Privacy Policy

Any person violating the Privacy Policy will be subject to discipline, up to and including termination.

For more information or to address questions regarding this privacy statement, please contact your broker.

NOTICE TO POLICYHOLDERS

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")

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 Policyholder Notice provides information concerning possible impact on your insurance coverage due to the impact of U.S. Trade Sanctions¹. Please read this Policyholder Notice carefully.

In accordance with the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") regulations, or any other U.S. Trade Sanctions applied by any regulatory body, 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, is a Specially Designated National and Blocked Person ("SDN"), or is owned or controlled by an SDN, this insurance will be considered a blocked or frozen contract. When an insurance policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

¹ "U.S Trade Sanctions" may be promulgated by Executive Order, act of Congress, regulations from the U.S. Departments of State, Treasury, or Commerce, regulations from the State Insurance Departments, etc.

NOTICE TO POLICYHOLDERS

FRAUD NOTICE

Arkansas	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Colorado	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.
District of Columbia	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.
Florida	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 of the third degree.
Kansas	A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.
Kentucky	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.
Louisiana	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Maine	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 denial of insurance benefits.
Maryland	Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
New Jersey	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
New Mexico	ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

NOTICE TO POLICYHOLDERS

New York	General: All applications for commercial insurance, other than automobile insurance: 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 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. All applications for automobile insurance and all claim forms: Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation. Fire: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime. The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.
Ohio	Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.
Oklahoma	WARNING: 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.
Pennsylvania	All Commercial Insurance, Except As Provided for Automobile Insurance: 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. Automobile Insurance: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.
Puerto Rico	Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

NOTICE TO POLICYHOLDERS

Rhode Island	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
Tennessee	All Commercial Insurance, Except As Provided for Workers' Compensation It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits. Workers' Compensation: It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.
Utah	Workers' Compensation: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.
Virginia	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
Washington	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
West Virginia	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
All Other States	Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison. (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties).

NOTICE TO POLICYHOLDERS

NEW JERSEY

NOTICE TO POLICYHOLDER: This policy is written by a surplus lines insurer and is not subject to the filing or approval requirements of the New Jersey Department of Banking and Insurance. Such a policy may contain conditions, limitations, exclusions and different terms than a policy issued by an insurer granted a Certificate of Authority by the New Jersey Department of Banking and Insurance. The insurer has been approved by the Department as an eligible surplus lines insurer, but the policy is not covered by the New Jersey Insurance Guaranty Fund, and only a policy of medical malpractice liability insurance as defined in N.J.S.A. 17:30D-3d or a policy of property insurance covering owner-occupied dwellings of less than four dwelling units are covered by the New Jersey Surplus Lines Guaranty Fund.

CyberRiskConnect

Privacy, Security and Technology Insurance

DECLARATION PAGE

NOTICE:
THIS INSURANCE IS ISSUED PURSUANT TO THE NEW JERSEY SURPLUS LINES LAW.

POLICY NUMBER:	MTP003949206	INSURANCE COMPANY:	Indian Harbor Insurance Company
RENEWAL OF:	MTP003949205	REGULATORY OFFICE:	505 Eagleview Blvd. Suite 100, Exton, PA 19341-1120

ITEM 1. NAMED INSURED				
Named Insured		THE PARTICIPATING MEMBERS OF THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND		
Address		9 CAMPUS DRIVE SUITE 216 PARSIPPANY, NJ 07054		
ITEM 2. POLICY PERIOD				
Effective Date	January 1, 2019	Expiration Date	January 1, 2020	
ITEM 3. COVERAGE SCHEDULE				
Combined Limits - Combined Policy Aggregate Limit			\$ 3,000,000	
THIRD PARTY LIABILITY COVERAGES		LIMIT	RETENTION	RETRO DATE
Technology Products And Services		N/A	N/A	N/A
Professional Services		N/A	N/A	N/A
Media		\$ 3,000,000	\$ 10,000	Full Prior Acts
Privacy And Cyber Security		\$ 3,000,000	\$ 10,000	Full Prior Acts
Privacy Regulatory Defense, Awards And Fines		\$ 3,000,000	\$ 10,000	Full Prior Acts
FIRST PARTY COVERAGES		LIMIT	WAITING PERIOD	
Business Interruption And Extra Expense	Loss Of Business Income	\$ 3,000,000	10 Hours	
	Extra Expense	LIMIT	RETENTION	
		\$ 3,000,000	\$ 10,000	
Data Recovery		\$ 3,000,000	\$ 10,000	
Cyber-Extortion And Ransomware		\$ 3,000,000	\$ 10,000	
Data Breach Response And Crisis Management Coverage		\$ 3,000,000	\$ 10,000	
ITEM 4. PREMIUM			\$ 72,505	

ITEM 5. PROFESSIONAL SERVICES	
N/A	
ITEM 6. NOTICE OF CLAIM	
By email: proclaimnewnotices@xlcatlin.com	BY CERTIFIED POST MAIL: XL Catlin, P.O. Box 614002, Orlando, Florida 32861-4002
ITEM 7. XL CATLIN BREACH HOTLINE	1-855-566-4724

ITEM 8. ENDORSEMENTS ATTACHED AT POLICY ISSUANCE		
Endorsement Number	Endorsement Form Number	Endorsement Title
	TRD 050 0717	CyberRiskConnect Privacy, Security and Technology Insurance
	PN CW 02 1015	Privacy Policy
	PN CW 05 1017	U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC")
	PN CW 01 0617	Notice To Policyholders - Fraud Notice
	PN NJ 01 0416	New Jersey Policy Holder Notice
	IL MP 9104 0314 IHIC	In Witness - Indian Harbor Insurance Company
Endorsement No. 001	TRD 437 0917	Dependent Business Interruption Coverage Endorsement
Endorsement No. 002	TRD 438 0917	Dependent Business Interruption - System Failure Coverage Endorsement
Endorsement No. 003	TRD 439 0917	System Failure Coverage Endorsement
Endorsement No. 004	TRD 454 1017	PCI DSS Coverage Amendatory Endorsement
Endorsement No. 005	TRD 469 1017	Social Engineering Financial Fraud Endorsement
Endorsement No. 006	TRD 483 1017	Cancellation And Non-Renewal Endorsement
Endorsement No. 007	TVI 900 0817	Certified Acts of Terrorism Coverage and Premium Disclosure
Endorsement No. 008	TRD 419 0617	Long Named Insured
Endorsement No. 009	TRD 557 0118	Deductible Endorsement
Endorsement No. 010	XL-NJSOP 0118	Service of Process

ITEM 9. PRODUCER	
NAME	Public Risk Underwriters Insurance Services of Texas
ADDRESS	101 W. Renner Road Suite 450 Richardson, TX 75082

Date

Authorized Representative

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POLICY FORM

SECTION I.A. OF THIS POLICY IS A THIRD PARTY LIABILITY COVERAGE SECTION AND APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED IN ACCORDANCE WITH THE POLICY. CLAIM EXPENSES ARE WITHIN AND REDUCE THE LIMIT OF LIABILITY. PLEASE REVIEW THE POLICY CAREFULLY.

Words and phrases in blue are defined in Section IV. [Definitions](#).

In consideration of the premium paid by the [Named Insured](#) in reliance upon the [application](#), and subject to the Declarations, limitations, conditions, provisions and other terms of this Policy, the [Insurer](#) and the [Insured](#) agree, with respect to the Insuring Agreements purchased, as stated on the Declarations page, as follows:

I. Insuring Agreements

A. Third Party Liability Coverages

The [Insurer](#) will pay on behalf of an [Insured claim expenses](#) and [damages](#) in excess of the applicable retention that the [Insured](#) is legally obligated to pay as the result of a [claim](#) first made against the [Insured](#) during the [policy period](#) or Extended Reporting Period (if applicable) alleging a:

1. Technology Products and Services
[technology wrongful act](#);
2. Professional Services
[professional services wrongful act](#);
3. Media
[media wrongful act](#);
4. Privacy and Cyber Security
[privacy and security wrongful act](#);

committed by the [Insured](#), a [rogue employee](#), an [outsourced provider](#), or by a third party for whose [third party wrongful act](#) an [Insured](#) is legally responsible.

5. Privacy Regulatory Defense, Awards and Fines

The [Insurer](#) will pay on behalf of an [Insured claim expenses](#) and [regulatory damages](#) in excess of the applicable retention that the [Insured](#) is legally obligated to pay as the result of a [privacy regulatory action](#) first made against the [Insured](#) during the [policy period](#) or Extended Reporting Period (if applicable) alleging a [privacy and security wrongful act](#) committed by the [Insured](#), a [rogue employee](#), an [outsourced provider](#), or by a third party for whose [privacy and security wrongful act](#) the [Insured](#) is legally responsible.

B. First Party Coverages

1. Business Interruption and Extra Expenses

The **Insurer** will pay or reimburse the **Insured** for:

- (a) **loss of business income** after the **waiting period**; and
- (b) **extra expenses** in excess of the applicable retention,

during the **period of restoration** that the **Insured** incurs resulting from a **cyber security breach** directly causing a total or partial interruption or deterioration in the **Insured's** business operations.

2. Data Recovery

The **Insurer** will pay or reimburse the **Insured** for **data recovery expenses** in excess of the applicable retention that the **Insured** incurs directly resulting from a **cyber security breach**.

3. Cyber-Extortion and Ransomware

The **Insurer** will pay or reimburse the **Insured** for **cyber-extortion expenses** in excess of the applicable retention that the **Insured** incurs directly resulting from and in response to a **cyber-extortion threat**.

C. Data Breach Response and Crisis Management Coverage

The **Insurer** will pay or reimburse the **Insured** for **data breach response and crisis management costs** in excess of the applicable retention that the **Insured** incurs for a continuous eighteen (18) month period resulting from a **data breach** or **cyber security breach**. The payment period begins when the **data breach** or **cyber security** is reported to the **Insurer** in accordance with Section VI. Notice.

D. Application of Coverage

1. The coverage provided under Insuring Agreements I.A. Third Party Liability Coverages shall apply if and only if:

- (a) the first **third party wrongful act** or **related matter** occurs on or after the **retroactive date**, as stated in Item 3. on the Declarations Page, and prior to the Policy expiration date, as stated in Item 2. on the Declarations page;
- (b) prior to the effective date of the Policy, as stated in Item 2. on the Declarations Page, or that of the first policy issued and continuously renewed by the **Insurer**, of which this Policy is a renewal, no **executive officer** knew or could have reasonably foreseen that such **third party wrongful act** or **related matter** did or likely would result in a **claim**;
- (c) the **claim** is reported in accordance with Section VI. Notice; and
- (d) notice of such **third party wrongful act** or **related matter** alleged or contained in any **claim** or in any circumstance has not been provided by the **Insured** and accepted by the applicable insurer under any prior policy of which this Policy is a renewal or replacement, or any subsequent policy, irrespective of whether such prior or subsequent policy was issued by the **Insurer** or any other entity.

2. The coverage provided under Insuring Agreement I.B. First Party Coverages and Insuring Agreement I.C. Data Breach Response and Crisis Management Coverage shall apply if and only if:

- (a) an **executive officer** first discovers and/or becomes aware of such **first party incident** or **related matter** during the **policy period**;
- (b) the **first party incident** is reported in accordance with VI. Notice; and

- (c) notice of such [first party incident](#) or [related matter](#) has not been provided by an [Insured](#) and accepted by the applicable insurer under any prior policy of which this Policy is a renewal or replacement, or any subsequent policy, irrespective of whether such prior or subsequent policy was issued by the [Insurer](#) or any other entity.

II Defense and Settlement

A. Defense

The **Insurer** has the right and duty to defend any **claim** under insuring agreement I.A. Third Party Liability Coverages made against an **Insured** even if the allegations in the **claim** are groundless, false or fraudulent. The **Insurer** will select and appoint defense counsel.

B. Settlement

The **Insurer** has the right with the prior written consent of the **Insured**, such consent not to be unreasonably withheld, to settle a **claim**. If the **Insured refuses** to consent to any such settlement recommended by the **Insurer** and agreed to by the claimant, then the **Insurer's** duty to defend ends and the **Insurer's** limit of liability for such **claim** will not exceed the amount for which the **Insurer** could have settled such **claim** had the **Insured** consented to settlement, plus **claim expenses** incurred up to the time the **Insurer** made its settlement recommendation, plus an additional seventy percent (70%) of **claim expenses** and **damages** incurred by an **Insured** after the **Insurer** had made its settlement recommendation. All such payments by the **Insurer** are subject to Section III. Limit of Liability and Retention.

III Limit of Liability and Retention

A. Limit of Liability Option

The **Insured** shall elect the Policy's limits to apply on a Combined Limits or Separate Limits basis, as stated on the Coverage Schedule in Item 3. on the Declaration Page.

1. Combined Limits

- (a) If the **Insured** elects Combined Limits, then the Policy's Combined Policy Aggregate Limit, as stated in Item 3. Coverage Schedule on the Declarations Page, is the **Insurer's** maximum liability for **loss** under all Insuring Agreements combined, regardless of the number of **claims**, or individuals or entities making **claims**. Upon exhaustion of such limit of liability, the **Insurer** will not be liable to pay any further **loss** with respect to this Policy.
- (b) If a **sublimit** with respect to an Insuring Agreement is stated in Item 3. on the Declarations Page, then such **sublimit** will be the **Insurer's** maximum liability for **loss** with respect to such Insuring Agreement. Upon exhaustion of such **sublimit**, the **Insurer** will not be liable to pay any further **loss** with respect to the coverage provided by the subject Insuring Agreement. Each **sublimit** will be part of, and not in addition to, this Policy's Combined Policy Aggregate Limit of Liability and will in no way serve to increase or supplement such limit of liability. All payments made under a **sublimit** will reduce such limit of liability.

2. Separate Limits

If the **Insured** elects Separate Limits, then the Policy's:

- (a) Third and First Party Aggregate Limit, as stated in Item 3. on the Declarations Page, is the **Insurer's** maximum liability for all **damages, claim expenses, regulatory damages, loss of business income, extra expenses, data recovery expenses, and cyber-extortion expenses** for all Third Party Liability Coverages and First Party Coverages, regardless of the number of **Insureds, claims, first party incidents**, or individuals or entities making **claims**. If a **sublimit** with respect to an Insuring Agreement is stated in Item 3. on the Declarations Page, then such **sublimit** will be the **Insurer's** maximum liability for **loss** with respect to such Insuring Agreement. Upon exhaustion of such **sublimit**, the **Insurer** will not be liable to pay any further **loss** with respect to the coverage provided by the subject Insuring Agreement. Each **sublimit** will be part of, and not in addition to, the Policy's Third Party Liability and First Party Aggregate Limit of Liability and will in no way serve to increase or supplement such limit of liability. All payments made under a **sublimit** will reduce such limit of liability.
- (b) Data Breach Response and Crisis Management Aggregate Limit, as stated in Item 3. on the Declarations Page, is the **Insurer's** maximum liability for all **data breach response and crisis management costs** for Data Breach Response and Crisis Management Coverage, regardless of the number of **data breaches**.

3. Exhaustion of Limit

(a) Upon exhaustion of the:

- 1. Combined Policy Aggregate Limit of Liability under the Combined Limits option; or
- 2. Third Party and First Party Aggregate Limit of Liability under the Separate Limits option; and
- 3. Data Breach Response and Crisis Management Aggregate Limit of Liability under the Separate Limits option; or

- (b) after the Insurer has deposited or escrowed any amounts remaining in the Policy's applicable aggregate limit of liability with a court of competent jurisdiction, the Insurer will not be liable to pay for any further loss under the Policy.

B. Retentions

1. Combined Limits

- (a) The Insurer is liable only for that portion of damages, claim expenses, regulatory damages, and first party costs (not including loss of business income) in excess of the applicable Insuring Agreement's retention amount, as stated in Item 3. on the Declarations page. If more than a single retention applies to a claim and/or first party incident, then the Insured is responsible for paying the highest applicable retention. The retention will be borne entirely by the Insured alone and not by the Insurer.
- (b) Solely with respect to insuring agreement I.B.1.(a) Business Interruption and Extra Expenses, the Insurer is liable only for loss of business income in excess of the waiting period.

2. Separate Limits

- (a) The Insurer is liable only for that portion of damages, claim expenses, regulatory damages, extra expenses, data recovery expense and cyber extortion expenses that is in excess of the applicable Insuring Agreement's retention amount, as stated in Item 3. on the Declarations page. If more than a single retention applies to a claim and/or first party incident, then the Insured is responsible for paying the highest applicable retention. The retention will be borne entirely by the Insured alone and not by the Insurer.
- (b) With respect to insuring agreement I.C. Data Breach Response and Crisis Management Coverage a separate retention will apply and the Insurer is liable only for that portion of any data breach response and crisis management costs directly resulting from a data breach or cyber security breach.
- (c) Solely with respect to insuring agreement I.B.1.(a) Business Interruption and Extra Expenses, the Insurer is liable only for loss of business income in excess of the waiting period.

C. Related Matters and Related Losses

1. Related Third Party Wrongful Acts

A claim resulting from a related matter will be treated as a single claim first made against the Insured at the time the first such related matter occurred, irrespective of whether such related matter occurred prior to or during the policy period, and irrespective of the number of related matters, and the identity or number of Insureds involved.

2. Related First Party Incidents

- (a) A related matter involving a first party incident (other than a cyber-extortion threat) will be considered a single first party incident which shall be deemed to have been discovered on the date on which the earliest such first party incident was discovered by an executive officer.
- (b) All related matters involving cyber-extortion threats will be considered a single cyber-extortion threat first occurring on the date the first such cyber-extortion threat occurred.

3. Related Loss

All loss will be considered a single loss occurring at the time the first related matter giving rise to such loss first occurred or was first discovered, irrespective of the number of related losses, and the identity or number of Insureds involved.

IV. Definitions

A. Application

The signed application, information, statements, representations, attachments, exhibits, and other material submitted to the [Insurer](#) in connection with the underwriting of this Policy.

B. Breach Response Providers

The [Insurer's](#) pre-approved panel of breach response vendors.

C. Claim

1. A written demand for monetary damages, services, or injunctive or other non-monetary relief;
2. A civil proceeding for monetary damages, services, or injunctive or other non-monetary relief that is commenced by service of a complaint or similar pleading, including any appeal thereof;
3. A mandatory arbitration or other mandatory alternative dispute resolution proceeding for monetary damages, services, or injunctive or other non-monetary relief commenced by a written demand, including any appeal thereof, or a non-mandatory arbitration or other non-mandatory alternative dispute resolution proceeding to which the [Insurer](#) has consented in writing;
4. Solely with respect to insuring agreement I.A.5. Privacy Regulatory Defense, Awards and Fines, a [privacy regulatory action](#); or
5. A request to toll or waive any applicable statute of limitations.

D. Claim Expenses

1. Reasonable and necessary fees for the defense of a [claim](#) defended by an attorney in accordance with Section II. Defense and Settlement, as well as other reasonable and necessary fees, costs and expenses that result from the investigation, adjustment, negotiation, arbitration, defense or appeal of a [claim](#); and
2. Premiums on appeal bonds, attachment bonds or similar bonds. Provided, however, the [Insurer](#) is not obligated to apply for or furnish any such bond.

E. Confidential Business Information

Third party information, whether printed or digital, encrypted or unencrypted, in the care, custody or control of an [Insured](#) or [outsourced provider](#), including a trade secret, formula, pattern, compilation, program, device, method, technique, or process, that derives independent economic value, actual or potential, from not being generally known or readily ascertainable through appropriate means by other persons and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

F. Consumer Redress Amount

That sum of money that the [Insured](#) is legally obligated to deposit in a fund for the payment of consumer claims as the result of a [privacy regulatory action](#).

G. Coverage Sections

Insuring agreements: I.A. Third Party Liability Coverages, I.B. First Party Coverages, and I.C. Data Breach Response and Crisis Management Coverage.

H. Cyber-extortion Expenses

1. Reasonable and necessary money, digital currency, property, or other consideration surrendered as payment by or on behalf of the **Insured Company**, to which the **Insurer** has consented, such consent not to be unreasonably withheld, in order to prevent, limit or respond to a **cyber-extortion threat**; and
2. Reasonable and necessary costs charged by:
 - (a) **breach response providers**; or
 - (b) qualified third parties with the prior consent of the **Insurer**, to conduct an investigation and advise the **Insured** how to respond to and resolve a **cyber-extortion threat**.

I. Cyber-extortion Threat

A threat made by a third party or **rogue employee** demanding payment in consideration for the elimination, mitigation or removal of the threat intended to:

1. Disrupt the **network** to impair business operations of the **Insured Company**;
2. Alter, damage, or destroy data stored on the **network**;
3. Use the **network** to generate and transmit malware to third parties;
4. Deface the **Insured Company's** website;
5. Access or release data, including **personally identifiable information**, **protected health information**; **confidential business information**, stored or previously stored on the **network**;
6. Refuse to return data stolen from the **network**; or
7. Prevent access to the **network** or data by using encryption and withholding the decryption key.

J. Cyber Security Breach

Any unauthorized: access to, use or misuse of, modification to the **network**, and/or denial of **network** resources by cyber-attacks perpetrated by a third party or **rogue employee** through any electronic means, including malware, viruses, worms, and Trojan horses, spyware and adware, zero-day attacks, hacker attacks and denial of service attacks.

K. Damages

Compensatory damages resulting from a judgment, award or settlement agreement, including pre-judgment and post-judgment interest, which the **Insured** becomes legally obligated to pay as a result of a **claim**, and punitive, exemplary damages, and multiple damages, if the insuring of such damages is permitted under the laws and public policy of the jurisdiction under which this Policy is construed, which the **Insured** becomes legally obligated to pay as a result of a **claim**. Enforceability of punitive, exemplary damages and multiple damages will be governed by the applicable law that most favors affirmative coverage for such damages.

Damages do not include:

1. The return of any fees paid to an **Insured** or the offset of any future fees to be charged by or owed to an **Insured**;
2. Lost investment income;
3. Costs incurred by an **Insured** to withdraw or recall **technology products**, including products that incorporate an **Insured's technology products**, **technology services**, or **professional services**;
4. Costs incurred by an **Insured** to correct, re-perform or complete any **technology services** or **professional services**;

5. Costs incurred by an **Insured** or by a third party at the direction of the **Insured** to remediate, repair, replace, restore, modify, update, upgrade, supplement, correct, or otherwise improve a **network** to a level of functionality beyond that which existed prior to a **cyber security breach**;
6. Civil or criminal fines or penalties or compliance violation remedies imposed on an **Insured**; provided, however, civil fines or penalties shall constitute damages under insuring agreement I.A.5. Privacy Regulatory Defense, Awards and Fines;
7. Liquidated damages in excess of an **Insured's** liability that otherwise results from a **third party wrongful act**;
8. The monetary value of an electronic fund transfer or transaction that is lost or diminished;
9. Any amounts incurred prior to the **Insured** providing notice of a **claim** pursuant to the terms of this Policy;
10. The value of non-monetary relief, including any amount attributable to or arising therefrom; or
11. Royalty or licensing fees or payments.

L. Data Breach

Any actual or reasonably suspected theft, **loss**, or unauthorized acquisition, access to, or disclosure of data or hardware containing data that has or may compromise the security, confidentiality and/or integrity of **personally identifiable information**, **protected health information**, or **confidential business information**.

M. Data Breach Reporting Requirement

Any provision in a law, statute or regulation, domestic or foreign, that requires the **Insured** to provide notification to affected persons of a suspected breach of such person's **personally identifiable information** or **protected health information**.

N. Data Breach Response and Crisis Management Costs

1. Reasonable and necessary costs charged by **breach response providers** to:
 - (a) determine the legal applicability of and actions necessary to respond to a **data breach reporting requirement**;
 - (b) perform computer forensics to determine the existence, cause and scope of a **data breach** or **cyber security breach**;
 - (c) notify individuals of a **data breach**, either those who are required to be notified pursuant to a **data breach reporting requirement** or on a voluntary basis;
 - (d) operate a call center to manage **data breach** inquiries;
 - (e) provide credit or identity monitoring and identity protection and restoration services or any similar service for those individuals whose **personally identifiable information** was or may have been breached;
 - (f) provide medical identity restoration for those individuals whose **protected health information** was or may have been breached; or
 - (g) minimize reputational harm to the **Insured Company** by hiring a public relations or crisis communications firm;

2. Reasonable and necessary costs charged by any qualified provider that is not a [breach response providers](#) so long as the qualified provider:
 - (a) is pre-approved in writing by the [Insurer](#); or
 - (b) provides comparable services to those enumerated in 1.(a) through 1.(g) above and whose rate shall not exceed the rate the [Insurer](#) has pre-negotiated with the [breach response providers](#); and
3. Costs charged by a PCI Forensics Investigator to perform forensics to determine the existence, cause and scope of a breach or suspected breach of cardholder data.

O. Data Recovery Expenses

Reasonable and necessary costs incurred by the [Insured Company](#) with the prior written consent of the [Insurer](#), such consent not to be unreasonably withheld, to:

1. Determine whether damaged or destroyed computer programs, software or electronic data can be replaced, recreated, restored or repaired; and
2. Replace, recreate, restore or repair such damaged or destroyed computer programs, software or electronic data residing on the [network](#) to substantially the form in which it existed immediately prior to a [cyber security breach](#).

P. Domestic Partner

Any spouse or any person qualifying as a domestic partner under federal, state, foreign, or other law (including common law), statute, or regulation, or under the [Insured Company's](#) employee benefit plan.

Q. Executive Officer

Any duly elected or appointed Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief Privacy Officer, Chief Security Officer, Chief Information Security Officer, Chief Technology Officer, Risk Manager, General Counsel and in-house attorney designated to be in charge of litigation, or the functional equivalent of any of the foregoing, of the [Insured](#).

R. Extra Expenses

Reasonable and necessary expenses, including payroll, in excess of the [Insured's](#) normal operating expenses which are incurred to reduce or avoid [loss of business income](#) and/or restore business operations.

S. First Party Costs

Any [loss of business income](#), [extra expenses](#), [data recovery expense](#), [cyber extortion expenses](#), and [data breach response and crisis management costs](#).

First Party Costs do not include any amounts incurred prior to the [Insured](#) providing notice of the [first party incident](#).

T. First Party Incident

A [cyber security breach](#), [cyber extortion threat](#), or [data breach](#).

U. Insured

The [Insured Company](#); and

1. Any past or present employee, director, officer, member, principal, partner, trustee, leased, temporary, seasonal employee/worker and volunteer of the [Insured Company](#) acting in their capacity and in accordance with their authority as such;

2. Any independent contractor performing services for the **Insured Company** under a written contract but solely with respect to such independent contractor's duties on behalf and for the benefit of the **Insured Company**; and
3. With respect to insuring agreement I.A.3. Media, any person or entity that disseminates **matter** on behalf and for the benefit of an Insured where, prior to such dissemination, an Insured has agreed in writing to include such person or entity as an Insured under the Policy.
4. Any entity that an **Insured Company** is required by written contract to be insured under the Policy, but only for a **third party wrongful act** committed by the **Insured Company** or any persons under Definition IV.U. Insured paragraph 1. and Definition IV.U. Insured paragraph 2.;

Provided, however a **rogue employee** is not an Insured pursuant to this definition.

V. Insured Company

The **Named Insured** and any **subsidiary**.

W. Insurer

The insurance company stated on the Declarations Page.

X. Loss

All **damages**, **claim expenses**, **regulatory damages**, and **first party costs**.

Y. Loss of Business Income

Net income (net profit or net loss before income taxes) that could have reasonably been earned or net loss that could have reasonably been avoided, including the costs of retaining a forensic accountant to determine such amount. Such forensic accountant will be selected by the **Insurer**.

A loss of business income calculation is based upon the amount of actual loss of business income the **Insured Company** sustains per hour during the **period of restoration**.

Z. Management Control

1. Ownership interests representing more than fifty percent (50%) of the voting, appointment or designation power of a company for the selection of a majority of (i) the board of directors of a corporation, (ii) the management committee members of a joint venture or partnership, or (iii) the members of the management board of a limited liability company; or
2. The right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an entity, to select, appoint or designate a majority of (i) the board of directors of a corporation, (ii) the management committee members of a joint venture or partnership, or (iii) the members of the management board of a limited liability company.

AA. Matter

The content of communication, including language, data, facts, fiction, music, photographs, images, artistic expression, or visual or graphical materials. Provided, however, matter does not include **technology products** or products or services described, illustrated or displayed in matter.

BB. Media Wrongful Act

Any of the following resulting from the [Insured](#) acquiring, blogging, broadcasting, collecting, disseminating, distributing, editing, exhibiting, gathering, obtaining, posting, producing, publishing, releasing, researching, recording, tweeting or uttering, [matter](#) through traditional and/or digital methods, including, cable television, radio, movie and music studios, public speaking, newspapers, magazines, books and print publications, website, apps, CD-ROMs and DVDs:

1. Libel, slander, or any other form of defamation or harm to the character or reputation of any person or entity, including product disparagement or trade libel;
2. Copyright infringement or misappropriation of property rights, information or ideas or dilution or infringement of title, slogan, trademark, trade dress, logo, trade name, service mark or service name;
3. Common law unfair competition or unfair trade practices alleged as a direct result of Definition IV.BB. Media Wrongful Act paragraph 1. and Definition IV.BB. Media Wrongful Act paragraph 2.;
4. Invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, and misappropriation of name or likeness;
5. Infliction of emotional distress or mental anguish;
6. False arrest, detention or imprisonment, harassment, trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy; or
7. Plagiarism, piracy, or misappropriation of ideas under implied contract.

CC. Named Insured

The entity stated in Item 1. on the Declarations Page.

DD. Network

A connected system of computing hardware, software, firmware and associated electronic components and mobile devices, including industrial control systems and SCADA systems (Supervisory control and data acquisition systems) or other industrial IT, under the ownership, operation or control of, or leased by, an [Insured Company](#).

EE. Outsourced Provider

Any third party, including a cloud service provider, to which an [Insured](#) has contracted to provide a business process on behalf and for the benefit of an [Insured](#).

FF. Period of Restoration

1. Solely with respect to [loss of business income](#), that period of time that begins at the end of the [waiting period](#) and continues until the [Insured Company's](#) operations are restored to the condition that existed immediately prior to the [cyber security breach](#); and
2. Solely with respect to [extra expenses](#), that period of time that begins after a [cyber security breach](#) has directly caused a total or partial interruption or deterioration in the [Insured's](#) business operations and continues until the [Insured Company's](#) operations are restored to the condition that existed immediately prior to the [cyber security breach](#).

GG. Personally Identifiable Information

Information, whether printed or digital, encrypted or unencrypted, in the care, custody or control of an [Insured](#) or [outsourced provider](#), that alone or in conjunction can be used to uniquely identify an individual.

HH. Policy Period

The period of time stated in Item 2. on the Declarations Page, beginning on the effective date and expiring on the date of termination, expiration or cancellation of this Policy, whichever is earliest.

II. Pollutants

Any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the United States Environmental Protection Agency or any federal, state, county, municipal or local counterpart thereof or any foreign equivalent. Such substances include but are not limited to solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials, nuclear materials, nuclear waste, asbestos, including materials to be recycled, reconditioned, or reclaimed. Pollutants shall also mean any air emission, odor, waste water, oil or oil products, lead or lead products, latex infectious or medical waste, noise, dust, fibers, germs, fungus (including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi) and electric or magnetic or electromagnetic field.

JJ. Privacy and Security Wrongful Act

Any:

1. Loss, theft or failure to protect, or unauthorized acquisition of [personally identifiable information](#), [protected health information](#), or [confidential business information](#);
2. Violation of any law, statute or regulation governing the authenticity, availability, confidentiality, storage, control, disclosure, integrity, or use of [personally identifiable information](#) or [protected health information](#);
3. Violation of a [data breach reporting requirement](#);
4. Failure to reasonably implement privacy or security practices required by law or regulations;
5. Failure to prevent a [cyber security breach](#) that results in:
 - (a) the inability of an authorized user to gain access to the [network](#);
 - (b) the malicious addition, alteration, copy, destruction, deletion, disclosure, damage, removal or theft of data residing on the [network](#); or
 - (c) the transmission of malware from the [network](#) to third parties; or
6. Failure to comply with the [Insured Company's](#) privacy policy and/or privacy notice.

KK. Privacy Regulatory Action

A written request for information, civil investigative demand or civil proceeding brought by or on behalf of a governmental or regulatory authority.

LL. Privacy Regulatory Fine

A civil monetary fine or penalty imposed on an [Insured Company](#) by a governmental or regulatory authority.

MM Professional Services

The services stated in Item 5. on the Declarations Page.

NN. Professional Services Wrongful Act

1. Any of the following in rendering or failing to render [professional services](#):
 - (a) act, error, omission, neglect, negligent misrepresentation, or breach of duty;

- (b) injury to a person arising out of defamation, including libel, slander, or other defamatory or disparaging statements or materials; or
 - (c) infringement of an intellectual property right except as otherwise excluded in Exclusion V.L. Patent and Exclusion V.M. Trade Secrets; or
2. Failure of [professional services](#) to meet any applicable legal or industry standard concerning quality, safety, or fitness for a particular purpose.

OO. Protected Health Information

All protected and individually identifiable health information, whether printed or digital, encrypted or unencrypted, held or transmitted by an [Insured](#) or its business associate, as those terms are defined by HITECH, the Health Insurance Portability and Accountability Act of 1996 Privacy Rule or any amendment thereto, including the Health Information Technology for Economic and Clinical Health Act and final Omnibus Rule issued on January 17, 2013 or any equivalent foreign regulation.

PP. Regulatory Damages

Any [consumer redress amount](#) or [privacy regulatory fine](#).

QQ. Related Loss

A [loss](#) that results or arises from the same, similar, or continuous [claim](#) or [first party incident](#).

RR. Related Matter

1. A [third party wrongful act](#) that is the same, similar or arises from a continuous nexus of facts, circumstances, acts, errors or omissions, whether or not such [third party wrongful act](#) is logically or causally related or connected; or
2. A [first party incident](#) that is the same, similar, or arises from a continuous nexus of facts or circumstances, whether or not such [first party incident](#) is logically or causally related or connected.

SS. Retroactive Date

The applicable date, if any, stated in Item 3. on the Declarations Page for each Insuring Agreement in Section I.A. Third Party Liability Coverages.

TT. Rogue Employee

An employee of the [Insured Company](#) who deliberately acts outside the course and scope of employment and whose intentional conduct results in a [claim](#) or [first party incident](#); provided, however, rogue employee does not include an [executive officer](#).

UU. Sublimit

The applicable amount, if any, stated in Item 3. on the Declarations page for each Insuring Agreement within each [Coverage Section](#).

VV. Subsidiary

1. Any entity over which the [Named Insured](#), directly or indirectly, has or had [management control](#) through or by way of one or more subsidiaries on or before the effective date of the [policy period](#);

2. Any entity in which the **Named Insured** acquires **management control** during the **policy period**, either directly or indirectly, whose gross revenue does not exceed fifteen percent (15%) of the gross revenue of the **Insured Company**; and
3. Any entity of which the **Named Insured** acquires **management control** during the **policy period**, either directly or indirectly, whose gross revenue exceeds fifteen percent (15%) of the gross revenue of the **Insured Company**:
 - (a) however, only for a period of sixty (60) days following the **Named Insured's** direct or indirect ability to exert **management control**; and
 - (b) after such sixty (60) day period if and only if the **Named Insured**: (1) provides the **Insurer** with full particulars of such entity; (2) agrees to remit any additional premium; (3) agrees to any amendments to the Policy relating to such entity and; (4) the **Insurer** agrees to add such entity as a subsidiary by a written agreement and/or endorsement to the Policy;

For purposes of this definition, revenue is measured by the most recent fiscal year prior to the effective date of the Policy.

Notwithstanding the foregoing, coverage afforded by this Policy will apply only to a **third party wrongful act** and a **first party incident** occurring on or after the effective date that the **Insured Company** has obtained **management control** of such subsidiary and prior to the time that such **Insured Company** ceased to have **management control** of such subsidiary unless: (1) The **Insurer** is notified in writing of such change in circumstances prior to the effective date thereof and agrees in writing to provide coverage for **third party wrongful acts** and **first party wrongful acts** occurring on or after such effective date; and (2) The **Insured Company** accepts any special terms, conditions and exclusions and pays any additional premium charge required by the **Insurer**.

WW. Technology Wrongful Act

1. Any of the following in rendering or failing to render **technology services**:
 - (a) act, error, omission, neglect, negligent misrepresentation or breach of duty;
 - (b) injury to a person arising out of defamation, including libel, slander, or other defamatory or disparaging statements or materials;
 - (c) infringement of an intellectual property right except as otherwise excluded in Exclusion V.L. Patent and Exclusion V.M. Trade Secrets; or
2. Failure of **technology products** to perform the intended function or serve their intended purpose; or
3. Failure of **technology services** or **technology products** to meet any applicable legal or industry standard concerning quality, safety or fitness for a particular purpose.

XX. Technology Products

Computer or telecommunications hardware or software products, components or peripherals or electronic products or components, including software updates, service packs and other maintenance releases provided for such products:

1. Created, designed, distributed, manufactured, or sold by or on behalf and for the benefit of an **Insured**; or
2. Leased or licensed by an **Insured** to third parties.

YY. Technology Services

Any computer, cloud computing, information technology, telecommunication, electronic services and any related consulting and staffing services, including data processing, data and application hosting, the provision of managed services, software as a service (SaaS), platform as a service (PaaS), infrastructure as a service (IaaS), network as a service (NaaS), computer systems analysis, computer consulting and training, programming, computer systems installation, management, repair, and maintenance, network design and Internet service.

ZZ. Third Party Wrongful Act

A [technology wrongful act](#), [professional services wrongful act](#), [media wrongful act](#), or [privacy and security wrongful act](#).

AAA. Waiting Period

The number of hours stated in Item 3. on the Declarations page that must elapse prior to commencement of the [period of restoration](#).

V. Exclusions

The Policy does not apply to any **claim** or **first party incident** alleging, arising out of, based upon, or attributable to:

A. Deliberate Acts / Personal Profit

1. dishonest, intentional or knowing wrongful, fraudulent, criminal, or malicious acts, errors, or omissions or willful violations of law, including privacy laws or regulations, by an **Insured**, other than a **rogue employee**;
2. the gaining of any profit, remuneration, or financial or non-financial advantage to which the **Insured** is not entitled,

provided, however, the **Insurer** will provide the **Insured** with a defense of any otherwise covered **claim** and pay any otherwise covered **claim expenses** until there is a final, non-appealable judgment or adjudication in the underlying action or proceeding or a related declaratory judgment, as to such conduct, at which time the **Insured** shall reimburse the **Insurer** for all **claim expenses**. Notwithstanding the foregoing, criminal proceedings are not covered under the Policy regardless of the allegations made against an **Insured**.

For the purposes of determining the applicability of this exclusion, the knowledge or conduct of: (1) A natural person **Insured** will not be imputed to any other natural person **Insured**; and (2) An **executive officer** will be imputed to the **Insured Company**.

B. Bodily Injury and Property Damage

bodily injury, sickness, disease, emotional distress, mental injury, mental tension, mental anguish, pain and suffering, humiliation or shock sustained by any person, including death that results from any of these, or damage to or destruction of any tangible property, including **loss** of use thereof whether or not damaged or destroyed; provided, however, this exclusion will not apply to any otherwise covered **claim** for emotional distress, mental injury, mental tension or mental anguish, pain and suffering, humiliation or shock that directly results from a **third party wrongful act**. For the purposes of this exclusion, "tangible property" shall not include electronic data.

C. Owned Entity

claims made against the **Insured** if, at the time the **third party wrongful act** giving rise to such **claim** was committed:

1. The **Insured** controlled, owned, operated or managed the claimant; or
2. The **Insured** was an owner, partner, director or officer of the claimant;

For the purpose of this exclusion, a ten percent (10%) or more owner of the voting stock of a publicly held corporation, or a forty percent (40%) or more owner of the voting stock of a privately held corporation shall be deemed to control, own, operate or manage any such corporation making such **claim**.

D. Insured v. Insured

claims made against an **Insured** and brought by, or on behalf of an **Insured** or parent company, successor or assignee of an **Insured**; provided, however this exclusion shall not apply to:

1. An **Insured** under Definition IV.U. Insured paragraph 4.; and
2. An otherwise covered **claim** made by any past or present officer, director, member, principal, partner, trustee, employee or leased worker or temporary employee of the **Insured Company**:
 - (a) when the **claim** is made outside of their capacity and pursuant to their authority as such; or
 - (b) against an **Insured** alleging a **privacy and security wrongful act**.

- E. **Employment Practices**
employment practices; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) under Insuring Agreement I.A.4. Privacy and Cyber Security.
- F. **ERISA**
breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by ERISA (Employee Retirement Income Security Act of 1974) or any analogous federal, state or local statutory or common law; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) under Insuring Agreement I.A.4. Privacy and Cyber Security.
- G. **Securities**
the purchase, sale, or offer or solicitation of an offer to purchase, sell or solicit securities or any violation of a securities law, including the Securities Act of 1933, the Securities Exchange Act of 1934, and any regulation promulgated under or pursuant to the foregoing, or any federal, state or local laws analogous to the foregoing (including "Blue Sky" laws), whether such law is statutory, regulatory, or common law.
- H. **RICO**
violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act, or "RICO") and any regulation promulgated under or pursuant to the foregoing or any federal, state or local law analogous to the foregoing, whether such law is statutory, regulatory, or common law.
- I. **Antitrust and Unfair Competition**
antitrust violations, restraint of trade, price fixing, or unfair competition, including, but not limited to violations of The Sherman Antitrust Act, The Clayton Act, The Federal Trade Commission Act, the Robinson-Patman Act as amended, or any federal, state or local laws analogous to the foregoing; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) under Insuring Agreement I.A.4. Privacy and Cyber Security or Insuring Agreement I.A.5. Privacy Regulatory Defense, Awards and Fines, or a [claim](#) under Definition IV.BB. Media Wrongful Act paragraph 3.
- J. **Consumer Protection and Deceptive Business Practices**
1. unfair, deceptive or fraudulent business practices, including, but not limited to, violations consumer protection statutes and consumer fraud statutes; provided, however, this exclusion shall not apply to an otherwise covered [claim](#) under Insuring Agreement I.A.4. Privacy and Cyber Security or Insuring Agreement I.A.5. Privacy Regulatory Defense, Awards and Fines; and
 2. any action brought under the Fair Credit Reporting Act or other analogous federal, state or local statute, law, regulation or common law.

K. Unsolicited Communications

unsolicited communications by or on behalf of an **Insured** to actual or prospective customers of an **Insured** or any other third party, including actions brought under the Telephone Consumer Protection Act, the CAN-SPAM Act of 2003 or other analogous federal, state or local statute, law, regulation or common law; provided, however, this exclusion shall not apply to an otherwise covered **claim** directly resulting from a **cyber security breach** under insuring agreement I.A.4. Privacy and Cyber Security or any **loss of business income** otherwise covered under insuring agreement I.B.1. Business Interruption and Extra Expenses.

L. Patent

actual or alleged infringement, misappropriation, dilution, misuse or inducement to infringe, misappropriate, dilute or misuse any patent or patent right.

M. Trade Secrets

actual or alleged misappropriation of trade secrets; provided, however, this exclusion shall not apply to an otherwise covered **claim** directly resulting from a **cyber security breach** under insuring agreement I.A.4. Privacy and Cyber Security.

N. Pollution

actual, alleged or threatened emission, discharge, dispersal, seepage, release or escape of **pollutants** or testing for, monitoring, removal, containment, treatment, detoxification, neutralization or cleanup of any **pollutants**.

O. Contractual

any obligation an **Insured** has under written contract; provided, however, this exclusion shall not apply to liability an **Insured** would have in the absence of a contract or an **Insured's**:

1. breach of an exclusivity or confidentiality provision contained in a written agreement;
2. violation of an intellectual property right except a violation of a patent right;
3. negligent performance of **technology services** or **professional services** for a client or customer;
4. provision of **technology products** to a client or customer which contain a material defect; or
5. breach of the **Insured's** privacy policy and/or privacy notice.

P. Force Majeure

fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, or act of God, however caused.

Q. War

strikes or similar labor action, war, whether declared or not, invasion, act of foreign enemy, civil war, mutiny, coup d'état, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions; provided, however, this exclusion shall not apply to any actual, alleged or threatened attack against the **network**, with the intention to cause harm to further social, ideological, religious or political objectives or to intimidate any person or entity in furtherance of such objectives.

R. Infrastructure Failure

electrical, mechanical, Internet, telecommunication, cable or satellite failure, fluctuation or outage not under the operational control of the [Insured](#), however caused, including any electrical power interruption, short-circuit, surge, brownout or blackout.

S. Governmental Orders

any court order or demand requiring the [Insured](#) to provide law enforcement, any administrative, regulatory or judicial body or any other governmental authority access to [personally identifiable information](#), [protected health information](#), or [confidential business information](#).

T. Over-Redemption

price discounts, prizes, awards, coupons, or any other valuable consideration given in excess of the contracted or expected amount.

U. Unauthorized Collection and Use

the unauthorized or unlawful collection, acquisition or use of [Personally identifiable information](#) or [protected health information](#) by the [Insured](#); provided, however, this exclusion shall not apply to a [claim](#) directly resulting from the acts of a [rogue employee](#).

VI. Notice

A. Notice of Circumstance

Solely with respect to Insuring Agreement I.A. Third Party Liability Coverages, if during the **policy period** or Extended Reporting Period (if applicable) as defined in Section VIII. Extended Reporting Period, an **Insured** first becomes aware of any circumstance that may reasonably be expected to be the basis of a **claim** being made against an **Insured**, and if during the **policy period**, the **Insured** elects to provide the **Insurer** written notice of such circumstance along with any **third party wrongful act**, and the reasons for anticipating such **claim**, with full particulars as to the dates, persons and entities involved, then any resulting **claim** which is subsequently made against an **Insured** and reported to the **Insurer** that arises out of such circumstance or **related matter** will be considered made at the time such notice of circumstance was provided. Notice of such circumstance should be reported to the **Insurer** as stated in Item 6. on the Declarations Page.

B. Notice of Claim and First Party Incident

As a condition precedent to the obligations of the **Insurer** under this Policy, the **Insured** must provide written notice to the **Insurer** as soon as reasonably practicable, but in no event, later than the end of the **policy period** or any applicable Extended Reporting Period of a:

1. **claim** first made against an **Insured** after an **executive officer** becomes aware of such **claim**; and
2. **first party incident** after an **executive officer** first discovers and/or becomes aware of such **first party incident**.

C. Notice to Whom

1. Notice of a **claim** and/or **first party incident** must be provided to the **Insurer** as stated in Item 6. on the Declarations Page.
2. In addition to the notice requirement above, notice of a **first party incident** may also be provided to the **Insurer** via the XL Catlin Breach Hotline as stated in Item 7. on the Declarations Page. Notice to the XL Catlin Breach Hotline alone will not serve as proper notice under this Policy.
3. The email/certified post mail shall be deemed effective when received by the **Insurer**.

D. When a Claim is Deemed Made

A **claim** will be deemed made pursuant to Definition IV.C. Claim paragraph 1. and Definition IV.C. Claim paragraph 3., on the earliest date an **executive officer** receives the first written demand; Definition IV.C. Claim paragraph 2., on the date of service; and Definition IV.C. Claim paragraph 4., on the date an **executive officer** receives written notice of such action.

E. Insured's Claim and First Party Incident Obligations

1. In connection with a:
 - (a) **claim**, the **Insured** will, as a condition precedent to the obligations of the **Insurer** under the Policy, provide the **Insurer** with all information that the **Insurer** reasonably requires, including full particulars as to the dates, persons and entities involved in the **claim** and the manner in which the **Insured** first became aware of the **claim**;

- (b) **first party incident**, the **Insured** will, as a condition precedent to the obligations of the **Insurer** under the Policy, provide the **Insurer** with all information that the **Insurer** reasonably requires, including full particulars as to the dates, persons and entities involved in the **first party incident** and the manner in which the **Insured** first became aware of the **first party incident**. Additionally, as a condition precedent to the obligations of the **Insurer** under the Policy, the **Insured Company** will provide the **Insurer** proof of **loss** with full particulars within three (3) months: after the first discovery by an **executive officer** of the **first party incident** (other than a **cyber-extortion threat**); or first occurrence of the **cyber-extortion**.

F. Assistance and Cooperation

1. The **Insured** will reasonably cooperate with the **Insurer** and upon request of the **Insurer**:
 - (a) assist the **Insurer** in the investigation of any **third party wrongful act** and **first party incident**;
 - (b) attend hearings, depositions and trials;
 - (c) assist the **Insurer** in defending and effecting settlements of **claims**;
 - (d) secure and provide evidence which includes, but is not limited to, obtaining the attendance of witnesses;
 - (e) allow the **Insurer** to participate in the handling and management of any suit or proceeding;
 - (f) assist the **Insurer** in enforcing any right, contribution or indemnity against a third party which may be liable to the **Insured**; and
 - (g) allow a computer forensics expert access to systems, files and information.
2. The **Insured** will take all reasonable steps to limit and mitigate any **loss** arising from any **third party wrongful act** or **first party incident** for which coverage may be or is sought under the Policy. The **Insured** will do nothing which in any way increases the **Insurer's** exposure under the Policy or in any way prejudices the **Insurer's** potential or actual rights of recovery. The **Insured** will not, except at the **Insured's** own cost, voluntarily make any payment, assume or admit any liability or incur any expense without the prior written consent of the **Insurer**.

VII. Cancellation and Non-Renewal

A. Cancellation by the Named Insured

Except for nonpayment of premium, as set forth below, the **Named Insured** has the exclusive right to cancel the Policy. Cancellation may be effected by mailing to the **Insurer** written notice stating when such cancellation will be effective. In such event, the **Insurer** will retain the pro-rata portion of earned premium.

B. Cancellation by the Insurer

The **Insurer** may only cancel this Policy for nonpayment of premium. The **Insurer** will provide not less than fifteen (15) days written notice stating the reason for cancellation and when the Policy will be canceled. Notice of cancellation will be sent to the **Named Insured**.

C. Non-Renewal of Coverage

The **Insurer** is under no obligation to renew the Policy upon its expiration. If the **Insurer** elects to non-renew the Policy, the **Insurer** will deliver or mail to the **Named Insured** written notice stating such at least ninety (90) days prior to the Policy's expiration date, as stated in Item 2. on the Declarations page. The offering of terms and conditions different from the expiring terms and conditions, including limits of liability, retention or premium, will not constitute a refusal to renew or a cancellation of the Policy.

VIII. Extended Reporting Period

A. Automatic Extended Reporting Period

The Automatic Extended Reporting Period applies solely to Insuring Agreements I.A. Third Party Liability Coverages. Effective upon the date of termination or cancellation of the Policy for any reason other than nonpayment of premium, the **Named Insured** will automatically be provided a period of sixty (60) days in which to give written notice to the **Insurer** of **claims** first made against the **Insured** during the **policy period** or the Automatic Extended Reporting Period for **third party wrongful acts** committed by an **Insured** after the **retroactive date** and prior to the end of the **policy period**.

B. Optional Extended Reporting Period

The Optional Extended Reporting Period applies solely to Insuring Agreements I.A. Third Party Liability Coverages. Effective upon the date of termination or cancellation of the Policy for any reason other than nonpayment of premium, the **Named Insured** will have the right to purchase an Optional Extended Reporting Period of one (1), two (2), three (3), or six (6) years. Such right must be exercised by the **Named Insured** within sixty (60) days of the date of termination or cancellation of the Policy by providing written notice to the **Insurer** and remitting the amount of additional premium described below in which to provide written notice to the **Insurer** of a **claim** first made against the **Insured** during the Optional Extended Reporting Period for a **third party wrongful act** committed by an **Insured** after the **retroactive date** and prior to the end of the **policy period**.

The additional premium for the Optional Extended Reporting Period will be for:

1. One (1) year, one hundred percent (100%) of the policy annual premium;
2. Two (2) years, one hundred fifty percent (150%) of the policy annual premium;
3. Three (3) years, one hundred seventy-five percent (175%) of the policy annual premium; or
4. Six (6) years, two hundred fifty percent (250%) of the policy annual premium.

C. Application of Extended Reporting Period

1. The Automatic Extended Reporting Period and the Optional Extended Reporting Period cannot be canceled and any additional premium charged for the Optional Extended Reporting Period will be fully earned at inception.
2. The first sixty (60) days of the Optional Extended Reporting Period, if purchased, will run concurrently with the Automatic Extended Reporting Period.
3. The limit of liability of the **Insurer** under the Automatic Extended Reporting Period and the Optional Extended Reported Period will be part of and not in addition to the limits of liability for the Policy.

IX. Conditions

A. Change in Control

If, during the **policy period**, the **Named Insured** consolidates with, merges into, or sells all or substantially all of its assets to another entity, or if any entity acquires **management control** of the **Named Insured**, then the Policy will remain in full force but only with respect to a **third party wrongful act** and **first party incident** (other than a **cyber-extortion threat**) involving the **Named Insured** that occurred prior to the date of the consolidation, merger, sale or acquisition of **management control**; provided, however, coverage will remain in force for a **third party wrongful act** and **first party incident** (other than a **cyber-extortion threat**) first discovered and for a **cyber-extortion threat** first occurring subsequent to the date of the consolidation, merger, sale or acquisition of **management control**, if within thirty (30) days of the takeover effective date (1) the **Insurer** receives written notice containing full details of the transaction, (2) the **Named Insured** accepts all Policy amendments required by the **Insurer**, including the addition of special terms, conditions and exclusions, and (3) the **Named Insured** pays any additional premium charge.

The above provision may be waived in writing by the **insurer**.

B. Action Against the Insurer

No action may be brought against the **Insurer** unless, as a condition precedent thereto, (1) the **Insured** has fully complied with all of the terms, conditions and other provisions of the Policy, and (2) the amount of the **Insured's** obligation to pay has been finally determined, either by judgment against the **Insured** after a trial and appeal or by written agreement by the claimant, **Insured**, and **Insurer**.

No person or entity will have the right under the Policy to (1) join the **Insurer** or its agents and representatives as a defendant, co-defendant or other party in any action against the **Insured** to determine the **Insured's** liability or (2) implead the **Insurer** or its agents and representatives in any such action.

C. Bankruptcy

Bankruptcy or insolvency of the **Named Insured** will not relieve the **Insurer** of any of its obligations hereunder.

D. Other Insurance

This Policy is excess over any other valid and collectible insurance, whether prior or contemporaneous, unless such other insurance is expressly written to be excess of this Policy.

E. Subrogation

In the event of payment of **loss** by the **Insurer** under the Policy, the **Insurer** is subrogated to all of the **Insured's** rights of recovery against any person or entity to the extent of such payment. The **Insured** warrants and agrees to execute and deliver instruments and papers and do whatever else is required by the **Insurer** to secure, prosecute and collect on such rights. The **Insured** further warrants and agrees not to prejudice such rights.

If, prior to a **claim** being made, the **Insured Company** has waived its rights to recovery against a person or entity in any written contract or agreement, then the **Insurer** will waive its rights to subrogation against such person or entity to the same extent as the **Insured Company's** waiver.

F. Territory

The Policy applies to a **third party wrongful act** and **first party incident** occurring and **claim** made anywhere in the world other than any country barred by the Office of Foreign Assets Control (OFAC).

G. Representation Clause

In issuing the Policy, the **Insurer** has relied upon the **application**. The **Insured** warrants that the content of the materials provided to the **Insurer** are true, accurate and complete and are material to the **Insurer's** acceptance of the risk to which the Policy applies. Any material misrepresentation, concealment or misstatement by the **Insured** will render the Policy null and void with respect to any natural person **Insured** who knew of such material misrepresentation, concealment or misstatement, and with respect to the **Insured Company** if an **executive** knew of such material misrepresentation, concealment or misstatement, and will relieve the **Insurer** from all obligations and liability herein with regard to said **Insured** parties.

H. Named Insured Sole Agent

The **Named Insured** will be the sole agent and will act on behalf of any **Insured** for the purpose of:

1. Providing and/or receiving notices, amendments to or cancelling of the Policy;
2. Completing the **application**;
3. Making statements, representations and warranties;
4. Remitting premium and receiving the return premium that may become due;
5. Paying the retention; and
6. Exercising or declining to exercise any right under the Policy.

I. Policy Changes

Notice to any agent of the **Insurer** or knowledge possessed by any such agent or by any other person will not affect a waiver or a change in any part of the Policy, and will not prevent or preclude the **Insurer** from asserting or invoking any right under or provision of the Policy. None of the provisions of the Policy will be waived, changed or modified except by a written agreement and/or endorsement issued by the **Insurer** to form a part of the Policy.

J. Assignment

The **Insured** may not assign any rights, remedies, privileges or protections under the Policy. Notwithstanding the foregoing, any such assignment shall be invalid unless the **Insurer's** written consent is endorsed thereon.

K. Alternative Dispute Resolution

Any dispute arising out of or relating to the Policy, including its construction, application and validity, or any breach thereof, will first be submitted to non-binding mediation administered by a mediation facility to which the **Insurer** and the **Insured** mutually agree. The **Insured** and the **Insurer** will attempt in good faith to settle the dispute in accordance with the commercial mediation rules of the American Arbitration Association ('AAA') in effect at the time of the dispute. No award of punitive damages will be made in any such mediation. Each party will bear its own fees and costs in connection with any such mediation. However, the costs incurred through the mediation facility, including the fees and expenses of the mediator, will be shared equally by the parties unless the mediation award provides otherwise. All mediation proceedings will be held in a state in the United States where either the **Named Insured** or the **Insurer** has its principal place of business, at the election of the party commencing mediation.

In the event such non-binding mediation does not result in a settlement of the dispute, either party has the right:

1. To commence a judicial proceeding; or
2. With consent of the other party, to commence an arbitration proceeding in accordance with the commercial arbitration rules of AAA in effect at the time of dispute. The decision of the arbitrator(s) will be final and binding and any award may be confirmed and enforced in a court of competent jurisdiction.

L. Estates, Heirs, Legal Representatives and Domestic Partners

The estate, heir, legal representative and any **domestic partners** of a natural person **Insured** shall be considered insured under this Policy; provided, however, coverage is afforded to such estate, heir, legal representative and **domestic partner** only for a **claim** arising solely out of their status as such and, in the case of a **domestic partner**, where such **claim** seeks **damages** from marital community property, jointly held property or property transferred from such **Insured** to the **domestic partner**. No coverage is provided for any act, error or omission of an estate, heir, legal representative or **domestic partner**. All terms and conditions of this Policy, including the retention applicable to **damages** or **claim expense** incurred by the **Insured**, shall also apply to **damages** and **claim expenses** incurred by such estate, heir, legal representative, and **domestic partner**.

IN WITNESS

INDIAN HARBOR INSURANCE COMPANY

REGULATORY OFFICE
505 EAGLEVIEW BOULEVARD, SUITE 100
DEPARTMENT: REGULATORY
EXTON, PA 19341-1120
PHONE: 800-688-1840

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.



Joseph Tocco
President



Toni Ann Perkins
Secretary

CyberRiskConnect

Privacy, Security and Technology Insurance

Endorsement #001

This endorsement:
effective 12:01 a.m., January 1, 2019,
forms a part of Policy No. MTP003949206,
issued to THE PARTICIPATING MEMBERS OF THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEPENDENT BUSINESS INTERRUPTION COVERAGE ENDORSEMENT

In consideration of the premium charged, it is agreed that:

1. Section I.B. First Party Coverages is amended to include the following Insuring Agreements:

Dependent Business Interruption

The **Insurer** will pay or reimburse the **Insured** for **dependent business interruption loss**.

2. Item 3. Coverage Schedule of the Declaration Page is amended to include the following:

FIRST PARTY COVERAGE ENHANCEMENTS		Limit	Waiting Period
Dependent Business Interruption	Loss of Business Income	\$1,000,000	10 Hours
	Extra Expense	\$1,000,000	Retention \$10,000

3. Section IV. Definitions is amended to include the following definition:

Dependent Business

Any entity the **Insured** relies on to conduct operations pursuant to a written contract.

Dependent Business Interruption Loss

- a) loss of business income after the waiting period;
- b) **extra expenses** in excess of the applicable retention,
during the **period of restoration** that the **Insured** incurs resulting from a **cyber security breach** to a **dependent business** directly causing a total or partial interruption or deterioration in the **Insured's** business operations.

CyberRiskConnect

Privacy, Security and Technology Insurance

Dependent Business Interruption Loss does not mean:

- a) loss of market share or other consequential loss;
 - b) loss arising out of liability to any third party;
 - c) legal expenses;
 - d) loss incurred as a result of unfavorable business conditions.
4. Solely for purposes of this endorsement, Section IV. Definitions DD. Network is deleted and replaced as follows:

Network

A connected system of computing hardware, software, firmware and associated electronic components and mobile devices, including industrial control systems and SCADA systems (Supervisory control and data acquisition systems) or other industrial IT, under the ownership, operation or control of, or leased by, a [dependent business](#).

All other terms and conditions of this Policy shall remain the same.

CyberRiskConnect

Privacy, Security and Technology Insurance

Endorsement #002

This endorsement:
effective 12:01 a.m., January 1, 2019,
forms a part of Policy No. MTP003949206,
issued to THE PARTICIPATING MEMBERS OF THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEPENDENT BUSINESS INTERRUPTION – SYSTEM FAILURE COVERAGE ENDORSEMENT

In consideration of the premium charged, it is agreed that:

1. Section I.B. First Party Coverages is amended to include the following Insuring Agreements:

Dependent Business Interruption – System Failure

The **Insurer** will pay or reimburse the **Insured** for **system failure dependent business interruption loss**.

2. Item 3. Coverage Schedule of the Declaration Page is amended to include the following:

FIRST PARTY COVERAGES		SUBLIMIT	WAITING PERIOD
Dependent Business Interruption System Failure	Loss of Business Income	\$500,000	10 Hours
	Extra Expense	\$500,000	RETENTION
			\$10,000

3. Section IV. Definitions J. is amended to include the following definition:

Dependent Business

Any entity the **Insured** relies on to conduct operations pursuant to a written contract.

System Failure Dependent Business Interruption Loss

- a) **loss of business income** after the **waiting period**;
- b) **extra expenses** in excess of the applicable retention,
during the **period of restoration** that the **Insured** incurs resulting from a **system failure** to a **dependent business** directly causing a total or partial interruption or deterioration in the **Insured's** business operations.

CyberRiskConnect

Privacy, Security and Technology Insurance

System Failure Dependent Business Interruption Loss does not mean:

- a) loss of market share or other consequential loss;
- b) loss arising out of liability to any third party;
- c) legal expenses;
- d) loss incurred as a result of unfavorable business conditions.

System Failure

Any unintentional and unplanned outage or failure of the [network](#).

4. Solely for purposes of this endorsement, Section IV. Definitions DD. Network is deleted and replaced as follows:

Network

A connected system of computing hardware, software, firmware and associated electronic components and mobile devices, including industrial control systems and SCADA systems (Supervisory control and data acquisition systems) or other industrial IT, under the ownership, operation or control of, or leased by, a [dependent business](#).

All other terms and conditions of this Policy shall remain the same.

CyberRiskConnect

Privacy, Security and Technology Insurance

Endorsement #003

This endorsement:
effective 12:01 a.m., January 1, 2019,
forms a part of Policy No. MTP003949206,
issued to THE PARTICIPATING MEMBERS OF THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SYSTEM FAILURE COVERAGE ENDORSEMENT

In consideration of the premium charged, it is agreed that:

1. Section I.B. First Party Coverages is amended to include the following Insuring Agreement:

System Failure

The **Insurer** will pay or reimburse the **Insured** for:

- a) **loss of business income** after the **waiting period**;
- b) **extra expenses** in excess of the applicable retention,
during the **period of restoration** that the **Insured** incurs resulting from a **system failure** directly causing a total or partial interruption or deterioration in the **Insured's** business operations.

2. Item 3. Coverage Schedule of the Declaration Page is amended to include the following:

FIRST PARTY COVERAGE ENHANCEMENTS		Limit	Waiting Period
System Failure	Loss of Business Income	\$1,000,000	10 Hours
	Extra Expense	\$1,000,000	Retention \$10,000

3. Section IV. Definitions is amended by adding the following new definition:

System Failure

Any unintentional and unplanned outage or failure of the **network**.

CyberRiskConnect

Privacy, Security and Technology Insurance

4. Section IV. Definitions is amended by deleting and replacing the following definitions:

First Party Costs

Any [loss of business income](#), [extra expenses](#), [data recovery expenses](#), [cyber-extortion expenses](#), [data breach response and crisis management costs](#), and [system failure losses](#).

First Party Costs do not include any amounts incurred prior to the [Insured](#) providing notice of the [first party incident](#).

First Party Incident

A [cyber security breach](#), [cyber-extortion threat](#), [data breach](#) or [system failure](#).

Period of Restoration

1. Solely with respect to [loss of business income](#), that period of time that begins at the end of the waiting period and continues until the [Insured Company's](#) operations are restored to the condition that existed immediately prior to the [cyber security breach](#) or [system failure](#); and
2. Solely with respect to [extra expenses](#), that period of time that begins after a [cyber security breach](#) or [system failure](#) has directly caused a total or partial interruption or deterioration in the [Insured's](#) business operations and continues until the [Insured Company's](#) operations are restored to the condition that existed immediately prior to the [cyber security breach](#) or [system failure](#).

5. Solely for purposes of this endorsement, the following new definition is added:

System Failure Losses

[Loss of business income](#) and [extra expense](#)

System failure losses do not include losses arising out of a loss of market share or any other consequential loss and any losses incurred by the [Insured](#) to upgrade, enhance, or replace the [network](#) to a condition beyond that which existed immediately prior to sustaining a [system failure](#).

All other terms and conditions of this Policy shall remain the same.

CyberRiskConnect

Privacy, Security and Technology Insurance

Endorsement #004

This endorsement:
effective 12:01 a.m., January 1, 2019,
forms a part of Policy No. MTP003949206,
issued to THE PARTICIPATING MEMBERS OF THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PCI DSS COVERAGE AMENDATORY ENDORSEMENT

In consideration of the premium charged, it is agreed that:

1. Section I.A. Third Party Liability Coverages is amended to include the following Insuring Agreement:

PCI DSS Coverage

The **Insurer** will reimburse the **Insured** for **PCI DSS fines and costs** in excess of the applicable retention that the **Insured** is legally obligated to pay as the result of a **claim** first made against the **Insured** during the **Policy Period** or Extended Reporting Period (if applicable) alleging a **PCI DSS wrongful act** committed by the **Insured**, a **rogue employee**, an **outsourced provider**, or by a third party for whose **PCI DSS wrongful act** an **Insured** is legally responsible.

2. Item 3. Coverage Schedule of the Declaration Page is amended to include the following:

THIRD PARTY LIABILITY COVERAGES	Limit	Retention	RetroDate
PCI DSS	\$1,000,000	\$10,000	Full Prior Acts

3. Section IV. Definitions, is amended to include the following new definitions:

Merchant Services Agreement

An agreement between the **Insured** and a financial institution, credit/debit card company, credit/debit card processor or Independent service operator enabling the **Insured** to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.

CyberRiskConnect

Privacy, Security and Technology Insurance

PCI DSS Fines and Costs

Fines, penalties, assessments, fraud recovery and operational expense recovery that the **Insured** is contractually obligated to pay under its **Merchant Services Agreement(s)** as the result of a **PCI DSS wrongful act**. Provided, however, **PCI DSS fines and costs** does not mean interchange fees, discount fees or prospective service fees.

PCI DSS Wrongful Act

Any actual or alleged **cyber security breach** or **privacy and security wrongful act** resulting in the unauthorized acquisition of cardholder data as defined under PCI-DSS.

4. Section IV. Definitions, is amended by deleting and replacing the following terms:

Loss

All **Damages, Claim Expenses, Regulatory Damages, First Party Costs** and **PCI DSS fines and costs**.

Third Party Wrongful Act

A **technology wrongful act, professional services wrongful act, media wrongful act, privacy and security wrongful act** and **PCI DSS wrongful act**.

5. Section V. Exclusions, O. Contractual is deleted and replaced as follows:

O. Contractual

any obligation an **Insured** has underwritten contract; provided, however, this exclusion shall not apply to liability an **Insured** would have in the absence of a contract or an **Insured's**:

1. breach of an exclusivity or confidentiality provision contained in a written agreement;
2. violation of an intellectual property right except a violation of a patent right;
3. negligent performance of technology services or professional services for a client or customer;
4. provision of technology products to a client or customer which contain a material defect;
5. breach of the Insured's privacy policy and/or privacy notice; or
6. obligation to indemnify, reimburse or compensate pursuant to a Merchant Services Agreement

All other terms and conditions of this Policy shall remain the same.

CyberRiskConnect

Privacy, Security and Technology Insurance

Endorsement #005

This endorsement:
effective 12:01 a.m., January 1, 2019,
forms a part of Policy No. MTP003949206,
issued to THE PARTICIPATING MEMBERS OF THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOCIAL ENGINEERING FINANCIAL FRAUD ENDORSEMENT

In consideration of the premium charged, it is agreed that:

- I. Item 3. Coverage Schedule of the Declarations is amended by adding a new Insuring Agreement, Sublimit and Retention as indicated below:

FIRST PARTY COVERAGES	Limit	Retention
Social Engineering Financial Fraud	\$100,000	\$10,000

- II. Section I. B. First Party Coverages is amended to include the following new coverage:

Social Engineering Financial Fraud

The **Insurer** will pay or reimburse the **Insured Company** for **social engineering financial fraud losses** in excess of the applicable retention directly resulting from a **social engineering financial fraud event**.

- III. Section D.2. Application of Coverage is amended to include the following:

The coverage provided under Section I.B. Social Engineering Financial Fraud shall apply only if the **Insured** verifies the instruction to transfer **money** or **securities** by following a pre-arranged callback or other established procedural method to authenticate the validity of the request prior to acting upon any transfer instruction.

- IV. Section IV. Definitions is amended to include the following new defined terms:

Authorized Employee

An employee of the **Insured Company** who is authorized by the **Insured Company** to transfer, or to instruct others to transfer, **money** or **securities**.

CyberRiskConnect

Privacy, Security and Technology Insurance

Money

The **Insured's**:

1. Currency, coins and bank notes in current use and having a face value; and
2. Traveler's checks and money orders held for sale to the public.

Securities

The **Insured's** negotiable and nonnegotiable instruments or contracts representing either **money** or property, and includes tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use, and evidences of debt issued in connection with credit or charge cards, which cards are not issued by the **Insured**.

Social Engineering Financial Fraud Loss

Loss of **money** or **securities** in a **social engineering financial fraud**.

Social Engineering Financial Fraud

The transfer of **money** or **securities** to an account outside the **Insured's** control pursuant to instructions made by a person purporting to be an authorized employee, outsourced provider or customer of the **Insured**, when such instructions prove to have been fraudulent and issued by a person who is not an authorized employee, outsourced provider, or customer of the **Insured**.

- V. Section IV. Definitions is amended by deleting and replacing the following definitions:

First Party Costs

Any **loss of business income**, **extra expense**, **data recovery expenses**, **cyber-extortion expenses**, **data breach response and crisis management costs**, and **social engineering financial fraud loss**.

Except with respect to **social engineering financial fraud loss**, **first party costs** do not include any amounts incurred prior to the **Insured** providing notice of the **first party incident**.

First Party Incident

A **cyber security breach**, **cyber-extortion threat**, **data breach**, or **social engineering financial fraud event**.

- VI. Solely with respect to the coverage provided by this Endorsement, Section IV. K. Damages is amended by deleting part 8. "the monetary value of an electronic fund transfer or transaction that is lost or diminished during transfer."

CyberRiskConnect

Privacy, Security and Technology Insurance

VII. Solely with respect to the coverage provided by this Endorsement, Section IX. D. Other Insurance is deleted and replaced as follows:

Coverage provided under this Social Engineering Financial Fraud Endorsement is excess to the coverage provided by any crime insurance policy; provided, however, notwithstanding the foregoing or anything in this Policy to the contrary, the **Insurer** will recognize erosion of the Retention applicable to Social Engineering Financial Fraud coverage by any payments made by or on behalf of the **Insured Company** pursuant to such crime insurance policy issued to the **Insured Company**, but only if such payments are for **social engineering financial fraud losses** that would otherwise be covered under this endorsement.

All other terms and conditions of this Policy shall remain the same.

CyberRiskConnect

Privacy, Security and Technology Insurance

Endorsement #006

This endorsement:
effective 12:01 a.m., January 1, 2019,
forms a part of Policy No. MTP003949206,
issued to THE PARTICIPATING MEMBERS OF THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANCELLATION AND NON-RENEWAL ENDORSEMENT

In consideration of the premium charged, it is agreed that Section VII. Cancellation and Non-Renewal, Item B. Cancellation by the Insurer is deleted in its entirety and replaced with the following:

Cancellation by the Insurer

The **Insurer** may only cancel this Policy for nonpayment of premium. The **Insurer** will provide not less than thirty (30) days written notice stating the reason for cancellation and when the Policy will be canceled. Notice of cancellation will be sent to the **Named Insured**.

All other terms and conditions of this Policy shall remain the same.

ENDORSEMENT #007

This endorsement, effective 12:01 a.m., January 1, 2019 forms a part of Policy No. MTP003949206 issued to THE PARTICIPATING MEMBERS OF THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND, by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CERTIFIED ACTS OF TERRORISM COVERAGE AND PREMIUM DISCLOSURE

This endorsement modifies insurance provided under the following:

CyberRiskConnect

Coverage for "certified acts of terrorism" for the types of insurance subject to the Terrorism Risk Insurance Act is already included in your current Policy. "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.

You are hereby notified that 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.

Under your existing coverage, any losses resulting from "certified acts of terrorism" may be partially reimbursed by the United States Government under a formula established by federal law. 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 Insurer providing the coverage. However, your policy may contain other exclusions that may affect your coverage. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of terrorism exclusion, do not serve to create coverage for any loss that is otherwise excluded under this Policy.

The portion of your annual premium that is attributable to coverage for "certified acts of terrorism" is: \$ [waived](#). Any premium waiver is only valid for the current Policy Period.

All other terms and conditions of this Policy remain unchanged.

CyberRiskConnect

Privacy, Security and Technology Insurance

Endorsement #008

This endorsement:
effective 12:01 a.m., January 1, 2019,
forms a part of Policy No. MTP003949206,
issued to THE PARTICIPATING MEMBERS OF THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LONG NAMED INSURED ENDORSEMENT

In consideration of the premium charged, it is agreed that Item 1. Named Insured on the Declarations of the Policy is deleted in its entirety and replaced with the following:

ITEM 1. NAMED INSURED

BAYSHORE REGIONAL SEWERAGE AUTHORITY
BEACHWOOD SEWERAGE AUTHORITY
BERKELEY TOWNSHIP MUNICIPAL UTILITY AUTHORITY
BERKELEY TOWNSHIP SEWERAGE AUTHORITY
BERNARDS TOWNSHIP SEWERAGE AUTHORITY
BORDENTOWN SEWERAGE AUTHORITY
BOROUGH OF BUENA MUNICIPAL UTILITIES AUTHORITY
BRICK TOWNSHIP MUNICIPAL UTILITY AUTHORITY
CAPE MAY COUNTY MUNICIPAL UTILITIES AUTHORITY
CARLSTADT SEWERAGE AUTHORITY
CARNEY'S POINT SEWERAGE AUTHORITY
CINNAMINSON SEWERAGE AUTHORITY
CLINTON TOWNSHIP SEWERAGE AUTHORITY
DEPTFORD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
EAST WINDSOR MUNICIPAL UTILITIES AUTHORITY
EATONTOWN SEWERAGE AUTHORITY
EGG HARBOR TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
EVESHAM MUNICIPAL UTILITY AUTHORITY
FRANKLIN TOWNSHIP SEWERAGE AUTHORITY

HACKETTSTOWN MUNICIPAL UTILITIES AUTHORITY
HAMILTON MUNICIPAL UTILITY AUTHORITY
HANOVER SEWERAGE AUTHORITY
HILLSBOROUGH MUNICIPAL UTILITY AUTHORITY
JACKSON TOWNSHIP MUNICIPAL UTILITY AUTHORITY
JERSEY CITY MUNICIPAL UTILITIES AUTHORITY
KEARNY MUNICIPAL UTILITIES AUTHORITY
LACEY MUNICIPAL UTILITY AUTHORITY
LAKEWOOD MUNICIPAL UTILITY AUTHORITY
LAMBERTVILLE MUNICIPAL UTILITIES AUTHORITY
LITTLE EGG HARBOR MUNICIPAL UTILITY AUTHORITY
LOGAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
LONG BRANCH SEWERAGE AUTHORITY
LOWER TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
MANASQUAN RIVER REG'L SEWERAGE AUTHORITY
MANTUA TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
MERCHANTVILLE-PENNSAUKEN WATER COMMISSION
MONMOUTH COUNTY BAYSHORE OUTFALL AUTHORITY
MONROE MUNICIPAL UTILITIES AUTHORITY
MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
MUSCONETCONG SEWERAGE AUTHORITY
NORTH ARLINGTON - LYNDHURST JOINT MEETING
NORTH BERGEN MUNICIPAL UTILITY AUTHORITY
NORTHWEST BERGEN COUNTY UTILITIES AUTHORITY
PASSAIC VALLEY WATER COMMISSION
PENNS GROVE SEWERAGE AUTHORITY
PENNSAUKEN SEWERAGE AUTHORITY
PENNSVILLE SEWERAGE AUTHORITY
PINE HILL BOROUGH MUNICIPAL UTILITY AUTHORITY
PLAINFIELD AREA REGIONAL SEWERAGE AUTHORITY
PLAINFIELD MUNICIPAL UTILITIES AUTHORITY
POMPTON LAKES MUNICIPAL UTILITIES AUTHORITY
RARITAN TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
READINGTON - LEBANON SEWERAGE AUTHORITY
RIVERSIDE SEWERAGE AUTHORITY
ROCKAWAY VALLEY REGIONAL SEWERAGE AUTHORITY
SECAUCUS MUNICIPAL UTILITY AUTHORITY
SOMERSET-RARITAN VALLEY SEWERAGE AUTHORITY
SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY
STONY BROOK REGIONAL SEWERAGE AUTHORITY
TOMS RIVER MUNICIPAL UTILITY AUTHORITY
TOWNSHIP OF MIDDLETOWN SEWERAGE AUTHORITY

TOWNSHIP OF OCEAN SEWERAGE AUTHORITY
TWO RIVERS WATER RECLAMATION AUTHORITY
UNION COUNTY UTILITIES AUTHORITY
WANAQUE VALLEY REGIONAL SEWERAGE AUTHORITY
WARREN COUNTY PEQUEST RIVER MUNICIPAL UTILITIES AUTHORITY
WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY (GLOUCESTER COUNTY)
WASHINGTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY (MORRIS COUNTY)
WEST MILFORD TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
WESTERN MONMOUTH UTILITIES AUTHORITY
WOODSTOWN SEWERAGE AUTHORITY

RETROACTIVE DATE:

January 1, 2013

CyberRiskConnect

Privacy, Security and Technology Insurance

ENDORSEMENT #009

This endorsement:
effective 12:01 a.m., January 1, 2019,
forms a part of Policy No. MTP003949206,
issued to THE PARTICIPATING MEMBERS OF THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND,
by Indian Harbor Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE ENDORSEMENT

In consideration of the premium charged, it is agreed that all references to retention shall be replaced with deductible. The Limit of Liability applicable to **loss** under each Insuring Agreement will not be reduced by the amount of such deductible. The **Insurer** shall pay any part or all of the deductible amount to defend or effect settlement of any **third party claim** and upon notification of the action taken, the **Named Insured** shall promptly reimburse the **Insurer** for such part of the deductible amount as has been paid by the **Insurer**.

All other terms and conditions of this Policy shall remain the same.

ENDORSEMENT #010

This endorsement, effective 12:01 a.m., January 1, 2019 forms a part of Policy No. MTP003949206 issued to THE PARTICIPATING MEMBERS OF THE NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND, by Indian Harbor Insurance Company

SERVICE OF PROCESS

The Commissioner of Insurance of the State of New Jersey is hereby designated the true and lawful attorney of the Insurer upon whom may be served all lawful process in any action, suit or proceeding arising out of this Policy. The Insurer further designates:

Sarah Mims
General Counsel
505 Eagleview Boulevard, Suite 100
Exton, PA 19341-1120

as its agent in New Jersey to whom such process shall be forwarded by the Commissioner of Insurance.

For Illinois exposures, the Insurer further designates the Director of the Illinois Division of Insurance and his successors in office, as its 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 an Illinois exposure and this contract of insurance.

All other terms and conditions of this Policy remain unchanged.



QBE Specialty Insurance Company
Wall Street Plaza, 88 Pine Street, New York, New York 10005

Home Office: c/o CT Corporation System, 314 East Thayer Avenue, Bismarck, North Dakota 58501

PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE
(CLAIMS MADE BASIS)

Policy No.: QJL01065-00

Renewal of: N/A

DECLARATIONS

Item 1. Insured Public Entity:

Toms River Municipal
Utilities Authority
340 West Water Street
Toms River, NJ 08753

Lead Agent:

New Jersey Utility Authorities
Joint Insurance Fund
Attn: Cate Kiernan
PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, NJ 07054-4412

Item 2. Limits of Liability:

- (A) \$2,000,000 Standard: Combined Single Limit per **Claim** and Annual Aggregate.
- (B) \$25,000 for defense only of **Claims** based on civil union and or marriage.
- (C) \$100,000 Combined covered Monetary and Injunctive Relief **Claims** – See **Section I. 4. (j)**.

Note that the **Limits of Liability** and **Retention** are reduced or exhausted by **Defense Costs**.

Item 3. Coinsurance Contribution Percentage and Loss Amount:

The Coinsurance Percentages apply to the Loss Amounts below.

	Insured Percentage	Company Percentage	Loss Amount
(A) Public Officials Liability	20%	80%	\$100,000
(B) Employment Liability	20%	80%	\$100,000

Item 4. Retention Amount:

- \$7,500 Under INSURING AGREEMENT 1.a. PUBLIC OFFICIALS LIABILITY.
- \$7,500 Under INSURING AGREEMENT 1.b. EMPLOYMENT LIABILITY.

Item 5. Coverage Period: Effective Date: January 1, 2016
Expiration Date: January 1, 2017

each at 12:01 a.m. Standard Time at the address of the **Public Entity** as stated herein.

Item 6. Extended Reporting Period:

- (A) Additional Assessment: 200% of Annual Assessment
- (B) Additional Period: 12 Months
- (C) Insured Notification Period: 30 Days

Item 7. **Public Officials Liability Retroactive Date:**

1. Provide “full prior acts” coverage to members with five continuous years of membership.
2. Provide “full prior acts” coverage to new members who have full prior acts coverage in force at time of membership.
3. Provide prior acts to the existing retroactive date (defined as the retroactive date identified in their expiring or prior policy) for new members that do not have full prior acts coverage or a one year retroactive date, whichever is greater.

Item 8. **Employment Liability Retroactive Date:**

1. Members as of 1/1/1997 will have a uniform retroactive date of 10/1/1993. The members’ respective retention and coinsurance contribution in effect at the time the **claim** is made will apply. This is based on whether or not the member has an **approved loss control/risk management plan** in place.
2. Members with effective dates after 1/1/1997 with prior Employment Liability coverage will have a retroactive date of 10/1/1993. All new members with prior coverage will have a six (6) month grace period for approval of a loss control/risk management plan in order to maintain the lower retention and the lower coinsurance contribution.
3. Members with effective dates after 1/1/1997 with no prior Employment Liability coverage will have a retroactive date that is the same as the date of membership. All new members with no prior coverage will have the higher retention and higher coinsurance percentage until their loss control/risk management program is submitted and approved.

Item 9. **Notice of Claim to be given to:**

Summit Risk Services
Attn: Alice Ivers
220 Gibraltar Road, Suite 100
Horsham, PA 19044
Email: newfundclaim@summitrisk.com
Phone: 215-443-3598 Fax: 215-773-7725

Item 10. **Endorsements:** Forms and Endorsements attached at issuance:

QBME-1002 (01-16) – Public Officials and Employment Liability Coverage Form

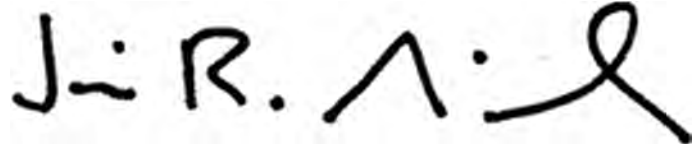
Item 11. **Warranty:** It is represented and warranted that with regard to INSURING AGREEMENT 1.b. EMPLOYMENT LIABILITY, the statements contained in the written application regarding employment liability, a copy of which is on file at the offices of QBE Specialty Insurance Company, hereinafter referred to as the **Company**, and the Declarations, are reaffirmed as of the Effective Date of this policy, and are the basis of employment coverage under the policy and are considered as incorporated in and constituting part of this policy.

Item 12. **Annual Premium:** \$9,264

This Declarations Page is issued with, and forms a part of, the PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE POLICY.

A handwritten signature in black ink, appearing to be 'R. V. James', with a long, sweeping horizontal line extending to the right.

Robert V. James
President

A handwritten signature in black ink, appearing to be 'J. R. Gonzalez, Jr.', with a stylized, looped ending.

Jose Ramon Gonzalez, Jr.
Secretary

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

Words and phrases that appear in **bold** have special meanings. Refer to the Declarations Page and/or the Definitions section of this policy for these special meanings.

Read the entire policy carefully to determine **your** rights, duties and what is and is not covered.

In consideration of payment of the **Assessment** and subject to the Declarations, **terms, conditions**, the limitations, and **exclusions** of this policy, the **Company** agrees as follows:

Throughout this policy the words **you** and **your** refer to the Insured shown in the Declarations. The words **we, us** and **our** refer to the **Company**.

The word "Insured" means any person or organization qualifying as such under SECTION II - WHO IS AN INSURED.

SECTION I - COVERAGES

1. INSURING AGREEMENTS:

- a. **PUBLIC OFFICIALS LIABILITY:** **We** shall pay on behalf of the Insured all **Loss** for which the Insured becomes legally obligated to pay as damages **arising out of Claims** first made against the Insured during the **Coverage Period**, or if exercised, during the **Extended Reporting Period**, to which this insurance applies, against the Insured by reason of **Wrongful Act(s)** rendered in discharging duties on behalf of the Insured named in the Declarations, except **Claims** covered by INSURING AGREEMENT 1.b.
- b. **EMPLOYMENT LIABILITY:** **We** shall pay on behalf of the Insured all **Loss** for which the Insured becomes legally obligated to pay as damages **arising out of Employment Claims** first made against the Insured during the **Coverage Period**, or, if exercised, during the **Extended Reporting Period** to which this insurance applies by reason of **Wrongful Act(s)** rendered in discharging duties on behalf of the Insured named in the Declarations.

2. RETROACTIVE DATE:

This insurance applies only if a covered **Claim** is first made against any Insured during the policy period.

- a. A **Claim** will be deemed to have been made when notice of such **claim** is received and recorded by any Insured or by the **Company**, whichever comes first.
- b. All **Claims** for damages causing **Loss** to the same person or organization as a result of a **Wrongful Act(s)** will be deemed to have been made at the time the first of those **Claims** is made against any Insured.

This insurance does not apply to **Wrongful Act(s)** which occurred before the **Retroactive Date**, if any, shown in the Declarations or which occur after the policy period. No other obligation or liability is covered.

3. DEFENSE, INVESTIGATION AND SETTLEMENT OF CLAIMS:

We shall have the right and duty to select counsel and to defend any **Claims**, even if any of the allegations are groundless, false or fraudulent. But:

- a. The amount **we** will pay for damages is limited as described in SECTION III - LIMITS OF INSURANCE.
- b. **We** may make any investigation **we** deem necessary. **We** may, with the consent of the Insured, settle any **Claim**. If the **Loss** contains both damages for which the **Company** would have a duty to provide indemnification for under the policy, "covered" damages, as well as damages for which the **Company** would not be responsible to provide indemnification for under the policy, "uncovered" damages, then the **Company** may require the Insured to pay that portion of the settlement that is attributable to uncovered damages. The **Company's** liability for all **Loss** on account of any **Claim** that the **Company** seeks the Insured consent to settle shall not exceed the portion of the proposed settlement attributable to covered damages or **claims** plus costs, charges and expenses accrued as of the date such settlement was proposed in writing by the **Company** to the Insured.

In the event that the Insured agrees with the total proposed settlement but there is a dispute about the allocation of the covered portion of the settlement which the **Company** is responsible for and the uncovered portion of the settlement for which the insured is responsible for, then the **Company** will fund the settlement and the Insured and the **Company** will submit the allocation dispute to arbitration. It is agreed that if the matter is submitted to arbitration that the rules of the American Arbitration Association shall apply with one Arbitrator selected by the American Arbitration Association. The Arbitrator shall determine the allocation by apportioning the settlement in the same proportion as covered and uncovered damages would have in the event of an adverse verdict in the underlying **claim**. The Arbitrator's decision as to the amount of the settlement which should be allocated for which both the **Company** and the Insured are responsible will be final. Each party shall be responsible for their own counsel and expert fees including any fees or costs incurred relative to the arbitration, as such the insured shall not be entitled to recover any attorney's fees or costs incurred relative to reviewing the proposed allocation or challenging the proposed allocation.

Unless the parties otherwise mutually agree, the proper allocation of a settlement or proposed settlement are the only issues subject to arbitration under the policy.

If the Insured withholds consent to any settlement in which the **Company** is not seeking an allocation for contribution for uncovered damages, the **Company's** liability for all **Loss** on account of such **Claim** shall not exceed the amount for which the **Company** could have settled such **Claim** plus costs, charges and expenses accrued as of the date such settlement was proposed in writing by the **Company** to the Insured.

- c. **Our** right and duty to defend ends when **we** have used up the applicable **Limits of Liability** in the payment of judgments or settlements, when exhausted by payment of **Defense Costs**, or by deposit or tender of the **Limits of Liability** into a court.
- d. Included in the applicable **Limits of Liability**, **we** will pay, with respect to any **Claim** **we** defend:
 - (1) All expenses **we** incur.
 - (2) The cost of bonds to release attachments and appeal bonds required, but only for bond amounts within the applicable **Limits of Liability**. **We** do not have 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**. Such expenses do not include salaries of any Insured in connection with the investigation and/or defense of the **Claim**.
- (4) All costs taxed against the Insured.
- (5) Prejudgment interest awarded against the Insured on that part of the judgment **we** pay. If **we** make an offer to pay the applicable **Limits of Liability**, **we** will not pay any prejudgment interest based on that period of time after the offer.
- (6) 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 **Limits of Liability**.

4. EXCLUSIONS:

This insurance does not apply to any **Claim** made against the Insured:

- a. **Arising out of** liability of others assumed by the Insured under any contract or agreement, either oral or written, except to the extent that the Insured would have been liable in the absence of the contract or agreement. This exclusion shall not apply to any municipal mutual assistance agreements for fire protection, first aid or other emergency services.
- b. **Arising out of** the Insured gaining any profit, advantage or remuneration to which the Insured is not entitled.
- c. **Arising out of** fraud, dishonesty, malicious, criminal and/or knowingly **Wrongful Act** or omission, if an investigation, judgment or other final adjudication establishes such a fraudulent, dishonest, malicious, criminal, and/or knowingly **Wrongful Act** or omission on the part of the Insured.
- d. **Arising out of** the willful violation of any federal, state, or local statute, ordinance, rule, regulation, agreement or judicial or regulatory order, committed by or with the knowledge and consent of any Insured. However, notwithstanding the foregoing, a defense shall be afforded under the terms of this policy up to, but not after, any judgment or other final adjudication adverse to the Insured related to any such **Claims**. A defense and indemnification shall be afforded to each Insured against whom no such final judgment or final adjudication is obtained.
- e. **Arising out of** strikes, picket lines, riots, war, insurrection, rebellion, revolution, terrorism, civil commotion, replacement or other similar actions.
- f. **Arising out of** liability or cost incurred by any Insured to modify any building or property in order to make such acceptable or accommodating to any disabled person whether or not pursuant to any law, or judgment.
- g. For which the Insured is entitled to indemnity or payment by reason of having given notice of any circumstances which might give rise to a **Claim** under any policies the term of which has expired prior to the inception date of this policy.
- h. **Arising out of** any failure or omission of the Insured to purchase or maintain insurance of any kind.
- i. **Arising out of** any Insured's:
 - (1) obligations under the Employee Retirement Income Security Act of 1974 (ERISA), including amendments, or any similar federal, state or local law or regulation; the Worker Adjustment and Retraining Notification act (WARN); the

Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA); the Occupational Safety and Health Act (OSHA); Public Employee Occupational Safety and Health Act (POSHA); rules or regulations promulgated thereunder and amendments thereto or similar provisions of any federal, state or local statutory law or common law; or

- (2) administration or activities in connection with any employee benefit plan or self-insurance fund; but this section does not apply with respect to Joint Insurance Funds established pursuant to N.J.S.A. 40:A 10-36, et seq.
- j. Seeking relief or redress in any form other than monetary damages, including but not limited to requests for injunctive and/or declaratory relief; nor shall **we** have any obligation to indemnify the Insured for any costs, fees (including attorney's fees), or expenses which the Insured shall become obligated to pay as a result of an adverse judgment solely for injunctive and/or declaratory relief.

In the event a **Claim** seeks both injunctive and/or declaratory relief and monetary damages, and said **Claim** for monetary damages would otherwise be covered by this policy, the **Company** shall defend or associate in the defense of any such **Claim**, subject to the following limitation: in the event the **Claim** seeks both injunctive and/or declaratory relief and monetary damages, and the **Claim** for monetary damages would otherwise be covered by this policy, and the Insured during the course of litigation refuses to grant the requested injunctive and/or declaratory relief, the **Company's** liability will not exceed a combined total of **\$100,000** total per **claim** for all monetary damages, claimant's attorney's fees and **defense costs**. Once the **Company's \$100,000** limit under this provision is exhausted, the **Company** shall withdraw from the defense and bears no further liability for such **Claim** whatsoever. Costs incurred by the **Company** under this provision shall reduce the **Limits of Liability** available during the **Coverage Period**.

- k. **Arising out of** the operation of the principles of eminent domain, adverse possession, dedication by adverse use, temporary or permanent taking, inverse condemnation or condemnation proceedings, by whatever name used.
- l. **Arising out of** the acts of any state or federal official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official who takes control of, supervises, manages or liquidates the Insured.
- m. Seeking punitive or exemplary damages, multiplied damages, fines, or penalties.
- n. **Arising out of** any **Loss**, cost, or expense arising, in whole or part, out of any of the following: (1) the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time; or (2) any request, demand, order, or any voluntary decision 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 (3) any **claim** 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**.
- o. **Arising out of** electromagnetic fields, other electrical or magnetic waves or radiation.
- p. **Arising out of** the use, handling, sale, distribution, transport, shipment, planning, maintenance, operation, use, construction, dispersal, storage or disposal of any nuclear, radioactive or fissionable material, or any alleged violation of any environmental statute,

regulation, or ordinance with respect to such material, including any site, facility, reactor, or any act, omission, or condition incidental thereto.

- q. **Arising out of** asbestos or any asbestos-related **Wrongful Act**, including its use, exposure, presence, existence, detection, removal, elimination or avoidance.
- r. **Arising out of** any non-emergency activities of the volunteer emergency services organizations or to any **claim** which is covered by the Municipal Excess Liability Joint Insurance Fund Volunteer Emergency Services Directors and Officers Liability Policy (Claims Made Basis).
- s. **Claims** by reason of a **Wrongful Act(s) arising out of** any **loss**, cost, or expense pertaining to, in whole or part, the performance, failure to perform or the refusal to perform a marriage or civil union. Civil union is defined in New Jersey Statutes, C.37:1-28 et seq. Defense of **claims** is provided but the limit of the **Company's** liability for such **defense costs** shall not exceed **\$25,000** inclusive of the applicable **Retention Amount** and co-insurance contribution for such **Claim** and in the aggregate for the **Coverage Period** and shall reduce the **Limits of Liability** available for the **Coverage Period**.

5. ADDITIONAL EXCLUSIONS for INSURING AGREEMENT: 1. a. PUBLIC OFFICIALS:

This insurance under INSURING AGREEMENT: 1. a. PUBLIC OFFICIALS, does not apply to any **Claim** made against the Insured:

- a. **Arising out of** the activities of any law enforcement agency or law enforcement personnel, including the operation of adult and juvenile detention facilities.
- b. **Arising out of** liability of the Insured or any carrier, as the insurer of the Insured, under any workers' compensation act, unemployment compensation act, disability benefits law, or under any similar law, or under employers liability as respects any occupational disease.
- c. **Arising out of** the breach of any contract whether written, oral or implied.
- d. **Arising out of** bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property, including diminution of value, disappearance, or loss of use of that property; or **arising out of** the loss of use of property that is not physically damaged or destroyed.
- e. **Arising out of** a **wrongful act** of any attorney, architect, licensed physician, engineer, independent auditor or independent accountant while acting in the scope of his professional duties on behalf of the **Public Entity**. However, this exclusion shall not apply to **Claims arising out of** the **wrongful act(s)** of accountants, engineers, or attorneys employed full-time by the **Public Entity** while acting on behalf of the **Public Entity**. As respects employed attorneys, an "Application for Member Entity Full Time Employed Attorney Professional Liability Coverage" must have been completed, reviewed, and approved by an authorized representative of the **Company**, and their name added by endorsement to this policy for coverage to apply. This exclusion shall not apply to an interim administrator while acting in the scope of their duties on behalf of the named insured.
- f. Brought by an insured, against another insured.
- g. **Arising out of** any **Claim** arising from any debt financing, including but not limited to bonds, notes, debentures, and guarantees of debt.

- h. **Arising out of** one or more of the following offenses:
- (1) False arrest, detention or imprisonment;
 - (2) Malicious prosecution;
 - (3) 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;
 - (4) 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;
 - (5) Oral or written publication of material that violates a person's right of privacy
 - (6) The use of another's advertising idea in **your** advertisement; or
 - (7) Infringing upon another's copyright, trade dress or slogan in **your** advertisement.
6. **ADDITIONAL EXCLUSIONS for INSURING AGREEMENT: 1. b. EMPLOYMENT LIABILITY:**
- This insurance under INSURING AGREEMENT: 1. b. EMPLOYMENT LIABILITY, does not apply to any **Claim** made against the Insured:
- a. **Arising out of** any actual or alleged obligation of any Insured pursuant to any workers' compensation, unemployment insurance, social security, disability benefits or similar law; provided, however, this exclusion shall not apply to any **Claim** based upon, arising from, or in consequence of any actual or alleged retaliatory treatment by the Insured on account of the exercise of rights pursuant to any such law.
 - b. **Arising out of** bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property including diminution of value, disappearance, or **loss** of use thereof. However, this exclusion shall not apply to **claims** covered under INSURING AGREEMENT 1.b. alleging emotional distress, mental anguish or humiliation.
 - c. For back wages, overtime or similar **Claims**, even if designated as liquidated damages, under any federal, state or local statutes, rules, ordinances or regulations, or **Claims** arising from collective bargaining agreements. **We** have no duty to defend **claims** seeking back wages, overtime or similar **claims** and/or benefits, even if designated as liquidated damages, unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, **we** have no duty to defend any **claims** seeking wages and/or other benefits.
 - d. For front pay, future damages or other future economic relief or the equivalent thereof. **We** have no duty to defend **claims** seeking front pay, future damages or other future economic relief or the equivalent thereof, wages and/or benefits unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, **we** have no duty to defend any **claims** seeking wages and/or other benefits.
 - e. For any amounts which constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits. **We** have no duty to defend **claims** seeking amounts which constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits, unless there are **employment claims** covered by the policy. Once there are no longer any covered

employment claims, we have no duty to defend any **claims** seeking amounts which constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits.

SECTION II - WHO IS AN INSURED

Each of the following is an Insured whether in the singular or plural, while acting solely within the course and scope of his or her duties and responsibilities on behalf of the **Public Entity**:

1. The **Public Entity** named in the Declarations, Item 1, which is legally constituted and incorporated as of the effective date of this policy, including its government body, departments and units.
2. **Your** lawfully elected, appointed or employed **Public Officials** or members, past, present and future.
3. Unless specifically endorsed herein, Insured does not mean, and coverage does not apply to, any one of the following boards, commissions or units: boards of education, hospitals, or nursing homes.
4. **Your** employees.
5. With regard to coverage afforded under INSURING AGREEMENT 1. b. EMPLOYMENT LIABILITY, any person providing volunteer services for **you** at **your** request and operating under **your** direction and control; with regard to coverage afforded under INSURING AGREEMENT 1. a. PUBLIC OFFICIALS LIABILITY, any person providing volunteer services authorized under Title 34 N.J.S.A., subsections 34:15-74, at **your** request and operating under **your** direction and control.
6. Any person providing services for **you** under municipal mutual assistance agreements.
7. The estates, heirs, legal representatives or assigns of the Insured who are deceased at the time of the **Wrongful Act(s)** upon which a covered **claim** is based.
8. The legal representatives or assigns of the Insureds who are incompetent, insolvent or bankrupt.
9. Persons designated by the Insured to serve on a designated outside entity, provided that the activities are in the course and scope of serving on the designated outside entity, the outside entity is tax exempt, the appointment is based solely on the person's being a **Public Official** of the **Public Entity**, and the person is directed by the **Public Entity** to serve on the outside entity.
10. Any Business or Special Improvement District affiliated with the **named insured** for which the **named insured** has submitted a request to, and received written confirmation from, the **Lead Agent**.

SECTION III - LIMITS OF INSURANCE

1. The **Limits of Liability** shown in the Declarations, Item 2, and the rules below fix the most **we** will pay regardless of the number of:
 - a. Insureds;
 - b. **Claims** made; or
 - c. Persons or organizations making **Claims**.

2. The **Limits of Liability** shown in the Declarations, Item 2, is the most **we** will pay under this policy.

For the purpose of determining the annual aggregate **Limits of Liability** of the **Company** for the **Extended Reporting Period** provided for under this policy, **we** shall combine the total of monies paid by the **Company** on behalf of the Insured during the immediately preceding **Coverage Period** plus the total of monies paid by the **Company** on behalf of the Insured during the **Extended Reporting Period**, with said combined total not to exceed the **Limits of Liability** set forth in Item 2 of the Declarations for this policy.

The **Company's** liability under this policy shall apply only to that part of each **Loss** which is in excess of the **Retention Amount** set forth in Item 4 of the Declarations for this policy and such **Retention Amount** shall be borne by the Insured.

3. Subject to 2. above, the Combined Single Limit per **Claim** is the most **we** will pay for all **Loss arising out of** any one **Wrongful Act** covered by this policy. **Claims** based on and **arising out of** the same act or interrelated acts of one or more Insureds shall be considered to be a single **Claim**, and such **Claim** shall be deemed to have originated in the earliest **Coverage Period** in which a **Claim** is first made against any Insured.
4. If **Claim(s)** are made which fall under INSURING AGREEMENTS 1. a. PUBLIC OFFICIALS LIABILITY and 1. b. EMPLOYMENT LIABILITY, the **Coinsurance Percent** specified in Item 3 of the Declarations and the highest **Retention Amount** specified in Item 4 of the Declarations shall apply.

SECTION IV - CONDITIONS

1. TERRITORY:

Coverage shall extend anywhere in the United States or its territories.

2. BANKRUPTCY:

Bankruptcy or insolvency of the Insured or of the Insured's successor will not relieve **us** of **our** obligations under this policy.

3. DUTIES IN THE EVENT OF POTENTIAL OR ACTUAL **CLAIM**:

- a. **You** must give prompt written notice no later than ninety (90) days after a **Wrongful Act** that **you** reasonably expect to give rise to a **Claim** or **Employment Claim**. To the extent possible, notice should include:

- (1) A description of the situation or circumstances, including how, when and where it occurred;
- (2) The names and addresses of any involved persons and witnesses; and
- (3) The nature and extent of any damage arising or likely to arise out of the situation or circumstances.

Notice of a situation or circumstances which may result in a **Claim** is not notice of a **Claim**.

- b. If a **Claim** is received by any Insured **you** must:

- (1) Immediately record the specifics of the **Claim** and the date received; and
- (2) Notify **us** in writing within fourteen (14) days.

- 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**;
 - (2) Authorize **us** to obtain records and other information;
 - (3) Cooperate with **us** in the investigation, settlement or defense of the covered **Claim**, and not do anything that may prejudice the **Company** or its potential or actual rights of recovery;
 - (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;
 - (5) In the event of any payment under this policy, the **Company** shall be subrogated to the extent of such payment to all the Insured's rights of recovery, and the Insured shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the **Company** effectively to bring suit in the name of the Insured; and
 - (6) If any Insured has a right to recover all or part of any **Loss** the **Company** has paid under this policy, those rights are transferred to the **Company**. Any Insured must do nothing after **Loss** to impair such rights. At the request of the **Company**, any Insured will bring suit or transfer those rights to the **Company** and help the **Company** enforce them.
- d. **You** agree not to settle any **Claim**, incur any **Defense Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the **Company's** written consent. The **Company** shall not be liable for any settlement, **Defense Costs**, assumed obligation or admission to which it has not consented.
- e. **You** agree **Defense Costs** incurred by the **Company**, or by the Insured with the written consent of the **Company**, are part of and not in addition to the **Company's** applicable **Limits of Liability** set forth in Item 2 of the Declarations for this policy, and the payment by the **Company** of **Defense Costs** reduces such applicable **Limits of Liability**.
- f. **Your** failure to comply with reporting requirements may result in denial of coverage.
4. **LEGAL ACTION AGAINST US:**
- No person or organization has a right under this policy:
- a. To join **us** as a party or otherwise bring **us** into a suit asking for damages from an Insured; or
 - b. To sue **us** under this policy unless all of its terms have been fully complied with.

5. **AUTHORIZATION CLAUSE:**

By acceptance of this policy, the Insured **Public Entity** agrees to act on behalf of all Insureds with respect to the giving and receiving of notice of **Claim** or termination, the payment of Assessments and the receiving of any return Assessments that may become due under this policy, the negotiation, agreement to and acceptance of Endorsements, and the giving or receiving of any notice provided for in this policy (except the giving of notice to apply for the Extended Reporting Period), and the Insureds agree that the Insured **Public Entity** shall act on their behalf.

6. CHANGES:

Notice to any agent or knowledge possessed by any agent or any other person shall not effect a waiver or a change in any part of this policy or stop the **Company** from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued by the **Company** to form a part of this policy.

7. ASSIGNMENT:

Assignment of interest under this policy shall not bind the **Company** until its consent is endorsed hereon.

8. TERMS OF COVERAGE CONFORMED TO STATUTE:

Terms of this policy which are in conflict with the law or statutes of the State of New Jersey or United States of America are hereby amended to conform to such statutes.

9. OTHER INSURANCE:

If all or any part of **Loss** under this policy is also insured:

- (a) under any other insurance, other than a policy issued by the **Company**, then this policy shall, subject to its limitations, conditions, provisions and other terms, only apply in excess of the limit of such other policy, whether such other policy is stated to be primary, contributory, excess, contingent or otherwise, unless such other policy is written only as specific excess insurance over the **Limits of Liability** provided in this policy;
- (b) under any other policy issued by the **Company**, whether prior, contemporaneous or subsequent to the term of this policy, no coverage shall apply to such **Loss** under this policy;
- (c) under any other policy issued by a Joint Insurance Fund under Title 40:A N.J.S.A., no such coverage shall apply to such **Loss** under this policy; or
- (d) under any other policy issued by the **Company**, no coverage shall apply to such **Loss** under this policy.

Other Insurance includes, but is not limited to, coverage or benefits provided by self-insurance arrangements, pools, self-insurance trusts, captive insurance companies, retention groups, reciprocal exchanges or any other plan or agreement of risk transfer or assumption.

10. REPRESENTATIONS:

In granting coverage to any Insured, the **Company** has relied upon the Declarations and statements in the written application for this policy or prior **Company** policies. All such Declarations and statements are the basis of such coverage and shall be considered as incorporated in and constituting part of this policy.

With respect to the Declarations and statements contained in such written application for this policy or prior **Company** policies, no statement in the application or knowledge possessed by any Insured shall be imputed to any other Insured for the purpose of determining if coverage is available.

11. SEPARATION OF INSURED:

Except with respect to the **Limits of Liability**, and any rights or duties specifically assigned to the 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.

12. COINSURANCE:

The Insured and the **Company** shall participate with regard to a **Loss** subject to the percentages and Loss Amounts reflected in Item 3 of the Declarations.

The participation of the Insured and the **Company** on the coinsurance contribution percentage as set forth above is part of the **Limits of Liability** and is not in addition to the **Limits of Liability** as set forth in Item 2 (A) of the **DECLARATIONS**.

The coinsurance contribution percentage does not apply to the **Limits of Liability** as set forth in Item 2 (B) of the Declarations.

Your Coinsurance Percentages and Loss Amount contemplate **your** compliance or non-compliance with an **Approved Risk Management/Loss Control Plan**.

13. WHEN **WE** DO NOT RENEW:

If **we** decide not to renew this policy, **we** will mail or deliver to the first named Insured shown in the Declarations written notice of the nonrenewal not less than 60 days before the expiration date.

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

14. CANCELLATION:

Any cancellation of this policy is expressly subject to the requirements of the laws of the State of New Jersey, including those regulations currently codified in N.J.A.C. 11:15-2 adopted by the New Jersey Commissioner of Insurance pursuant to the authority of N.J.S.A. 17:1-8.1, N.J.S.A. 17:1C-6(e) and N.J.S.A. 40A:10-36 et seq. and as hereafter amended. This policy may be canceled by the Insured by surrender thereof to the **Company** or any of its authorized agents and only in accordance with the requirements for withdrawal from the **Company** as set forth in the aforesaid statutes, rules and regulations and the **Company's** bylaws adopted thereunder. If the Insured cancels, its liability for any further **Assessments** shall be computed in accordance with the aforesaid rules and regulations.

If the **Company** cancels, it shall mail to the Insured, at the last **Mailing Address** known by the **Company**, written notice stating when not less than 30 days thereafter such cancellation shall be effective. Subject to the aforesaid rules and regulations, this policy may also be canceled by not less than 10 days' notice when the cancellation is being effected by reason of the Insured's nonpayment of **Assessment**. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Coverage Period**. If the **Company** cancels, earned **Assessment** shall be computed as provided in the aforesaid rules and regulations. **Assessment** adjustment may be made either at the time cancellation is effected or as soon as practicable, but payment or tender of unearned **Assessment** is not a condition of cancellation.

15. ELIGIBILITY:

It is expressly recognized and agreed that the Insured named in the Declarations, Item 1, is required to be a member of the **Company** as a condition of eligibility for this policy and that, in the event that the Insured named in the Declarations, Item 1, withdraws from or is terminated or expelled from the **Company**, then this policy shall be canceled and terminated as of the effective date of the withdrawal, termination or expulsion. Any such withdrawal, termination or expulsion from the **Company** shall be effectuated only in accordance with the **Company's** bylaws and risk management plan as approved pursuant to the aforementioned authorizing statutes and regulations.

SECTION V - EXTENDED REPORTING PERIODS

If the **Company** terminates or refuses to renew this policy other than for nonpayment of **Assessment**, the Insured shall have the right, upon payment of the **Additional Assessment** set forth in Item 6 (A) of the Declarations for this policy, to an extension of the coverage granted by this policy for the period set forth in Item 6 (B) of the Declarations for this policy (**Extended Reporting Period**) following the effective date of termination or non-renewal, but only for any **Wrongful Act** committed, attempted, or allegedly committed or attempted, prior to the effective date of termination or non-renewal.

If the Insured terminates or declines to accept renewal, the **Company** may, if requested, at its sole option, grant an **Extended Reporting Period**. The offer of renewal terms and conditions or **Assessments** different from those in effect prior to renewal shall not constitute refusal to renew.

This right of extension shall lapse unless written notice of such election, together with payment of the **Additional Assessment** due, is received by the **Company** as set forth in Item 6 (C) within 30 days following the effective date of termination or non-renewal. Any **Claim** made during the **Extended Reporting Period** shall be deemed to have been made during the immediately preceding **Coverage Period**.

For the limit of aggregate liability under this policy during the **Extended Reporting Period**, see Clause 2, SECTION III - LIMITS OF INSURANCE.

SECTION VI - DEFINITIONS

When used in this Policy:

1. **Approved Risk Management/Loss Control Plan** means
 - (a) the Insured **Public Entity** has developed, and is following a program for risk management of employment liability **Claims** that has been approved and accepted by the **Municipal Excess Liability Joint Insurance Fund**,
 - (b) the Insured **Public Entity** is updating its **Approved Risk Management/Loss Control Plan** on an annual basis, and has received an Attorney's Certification for its Employment Practices Loss Control Plan which has been signed by the **Public Entity's** attorney on an annual basis and in accordance with current **Municipal Excess Liability Joint Insurance Fund** requirements, and
 - (c) the Insured **Public Entity** has completed **Employment Practices Training**.
2. **Arising out of** means connected with, incidental to, or growing out of.
3. **Claim** means:
 - (a) a written demand for monetary damages; or
 - (b) a civil proceeding commenced by the service of a summons, complaint, or similar pleading, including any appeal therefrom.
 - (c) a complaint or charge filed with the Equal Employment Opportunity Commission (EEOC), New Jersey Division of Civil Rights (DCR), or similar federal, state, or local government agency.

One or more **claims arising out of** the same or similar incident(s) or circumstance(s) or series of the same or similar incident(s) or circumstance(s) shall constitute one **Claim**, shall be deemed to be made at the time of the earliest such **Claim** is made, and shall be subject to a single **Limits of Liability** as set forth in Item 2 of the Declarations.

4. **Company** means the insurance company named on the Declarations Page.
5. **Coverage Period** shall mean the period of one year following the Effective Date and hour of this policy or any anniversary thereof, or if the time between the Effective Date or any anniversary and the termination of the policy is less than one year, such lesser period.

Coverage begins on the Effective Date shown in the Declarations at 12:01 A.M. standard time at the **Mailing Address** of the Insured shown in the Declarations. Coverage ends on the Expiration Date shown in the Declarations or, if earlier, the cancellation date at 12:01 A.M. standard time at the **Mailing Address** of the Insured shown in the Declarations.
6. **Defense Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the Insureds) incurred, with the consent of **Company**, in defending or investigating **Claims** and the cost for appeal, attachment or similar bonds.
7. **Employment Claim** means:
 - (a) a written demand for monetary damages; or
 - (b) a civil proceeding commenced by the service of a summons, complaint, or similar pleading, including any appeal therefrom;
 - (c) any appeal from the final decision of the **Public Entity arising out of** the internal civil service or administrative procedures of the **Public Entity**;

arising out of wrongful termination, breach of employment contract, employment-related misrepresentation, discrimination, harassment, failure to employ, failure to promote, wrongful discipline, wrongful deprivation of career opportunity, failure to grant tenure, negligent evaluation, invasion of privacy, employment-related defamation, wrongful infliction of emotional distress, retaliatory treatment, and/or violation of civil or constitutional right of any employee that creates a cause of action for damages.
8. **Employment-related harassment** means unwelcome or offensive verbal or physical conduct, including sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature that creates a cause of action for damages.
9. **Employment Practices Training** means the Insured **Public Entity** has made personnel practices training mandatory for supervisory and managerial personnel and has also made it available to all employees.
10. **Lead Agent** shall mean the Joint Insurance Fund named on the Declarations Page as organized and created pursuant to the provisions of L. 1983 c.372 (N.J.S.A. 40A:10-36) et seq.
11. **Loss** means the total amount which any Insured becomes legally obligated to pay on account of each and all **Claims** reported in each **Coverage Period** and the **Extended Reporting Period**, if exercised, made against them for **Wrongful Acts** for which coverage applies, including, but not limited to, damages, judgments, settlements, costs and **Defense Costs**. **Loss** does not include (i) any amount not indemnified by the Insured for which the Insured is absolved from payment by reason of any covenant, agreement or court order; (ii) matters uninsurable under the law pursuant to which this policy is construed; or (iii) the employment reinstatement of the ant by the Insured or the continued employment of the claimant; or (iv) harm or damages caused intentionally by an Insured.
12. **Pollutants** means any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or a state, county, municipality or locality counterpart thereof. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke,

vapor, soot, fumes, acids, alkalis, chemicals, lead, electromagnetic radiation, or waste materials, which includes materials to be recycled, reconditioned or reclaimed. **Pollutants** shall also mean any other air emission, odor, wastewater, oil or oil products, infectious or medical waste, asbestos or asbestos products, and any noise.

13. **Public Entity** shall mean only that Municipality, Governmental Body, Department, or Unit, which is named in the Declarations and is legally constituted at the Effective Date of this policy.
14. **Public Official** shall mean all persons who were, now are or shall be lawfully appointed or elected officials of the Insured while acting within the scope of their official duties. The term **Public Official** shall include members of such commissions, boards or other units operating by and under the jurisdiction of such governing body and within an apportionment of the total operating budget of the Insured, while acting within the scope of their official duties. The term **Public Official** shall also include employees and **Volunteers** as may be responsible to the governing body or to its commissions, boards or other units. **Public Official** does not mean and does not apply to any officials, members or employees of any, hospital, boards of education or colleges, or any person working on a retainer or any independent or professional services contractors. **Public Official** shall also mean an interim administrator while acting in the scope of their duties on behalf of the named insured.

Public Official shall also mean members of the Board of Directors of non-for profit corporations where the not-for profit corporation has been approved for coverage with the Lead Agent.
15. **Retention Amount** means the initial amount, as stated in Item 4 of the Declarations, payable by the Insured for each **Loss**.
16. **Retroactive Date** means the dates shown in Items 7 and 8 of the Declaration Page. No coverage will be afforded for acts prior to this date.
17. **Volunteer** means any person whose services are uncompensated and whose activities are authorized, directed and supervised by, and for the benefit of, the **Public Entity**. Volunteer does not include any person performing services which are covered by, connected with, or supervised by any court, penal or law official or institution.
18. **Wrongful Act** means any alleged or actual act, error, omission or breach of duty of an Insured.

SECTION VII – ACCEPTANCE

By acceptance of this policy the Insured and its **Public Officials** agree that this policy embodies all agreements existing between themselves and the **Company** or any of its agents relating to this policy.



QBE Specialty Insurance Company
Wall Street Plaza, 88 Pine Street, New York, New York 10005

Home Office: c/o CT Corporation System, 314 East Thayer Avenue, Bismarck, North Dakota 58501

PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE
(CLAIMS MADE BASIS)

Policy No.: QJL01065-01

Renewal of: QJL01065-00

DECLARATIONS

Item 1. Insured Public Entity:

Toms River Municipal
Utilities Authority
340 West Water Street
Toms River, NJ 08753

Lead Agent:

New Jersey Utility Authorities
Joint Insurance Fund
Attn: Cate Kiernan
PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, NJ 07054-4412

Item 2. Limits of Liability:

- (A) \$2,000,000 Standard: Combined Single Limit per **Claim** (except **Land Use Claims**) and Annual Aggregate.
- (B) \$25,000 for defense only of **Claims** based on civil union and or marriage.
- (C) \$150,000 **Land Use Claim** Limit per **Claim**.

Note that the **Limits of Liability** and **Retention Amount** are reduced or exhausted by **Defense Costs**.

Item 3. Coinsurance Contribution Percentage and Loss Amount:

The Coinsurance Percentages apply to the Loss Amounts below.

	Insured Percentage	Company Percentage	Loss Amount
(A) Public Officials Liability	20%	80%	\$100,000
(B) Employment Liability	20%	80%	\$100,000

Item 4. Retention Amount:

- \$7,500 Under INSURING AGREEMENT 1.a. PUBLIC OFFICIALS LIABILITY.
- \$7,500 Under INSURING AGREEMENT 1.b. EMPLOYMENT LIABILITY.

Item 5. Coverage Period:

Effective Date: January 1, 2017
Expiration Date: January 1, 2018

each at 12:01 a.m. Standard Time at the address of the **Public Entity** as stated herein.

Item 6. Extended Reporting Period:

- (A) Additional Assessment: 200% of Annual Assessment
- (B) Additional Period: 12 Months
- (C) Insured Notification Period: 30 Days

Item 7. **Public Officials Liability Retroactive Date:**

1. Provide “full prior acts” coverage to members with five continuous years of membership.
2. Provide “full prior acts” coverage to new members who have full prior acts coverage in force at time of membership.
3. Provide prior acts to the existing retroactive date (defined as the retroactive date identified in their expiring or prior policy) for new members that do not have full prior acts coverage or a one year retroactive date, whichever is greater.

Item 8. **Employment Liability Retroactive Date:**

1. Members as of 1/1/1997 will have a uniform retroactive date of 10/1/1993. The members’ respective retention and coinsurance contribution in effect at the time the **claim** is made will apply. This is based on whether or not the member has an **approved loss control/risk management plan** in place.
2. Members with effective dates after 1/1/1997 with prior Employment Liability coverage will have a retroactive date of 10/1/1993. All new members with prior coverage will have a six (6) month grace period for approval of a loss control/risk management plan in order to maintain the lower retention and the lower coinsurance contribution.
3. Members with effective dates after 1/1/1997 with no prior Employment Liability coverage will have a retroactive date that is the same as the date of membership. All new members with no prior coverage will have the higher retention and higher coinsurance percentage until their loss control/risk management program is submitted and approved.

Item 9. **Notice of Claim to be given to:**

Summit Risk Services
Attn: Alice Ivers
220 Gibraltar Road, Suite 100
Horsham, PA 19044
Email: newfundclaim@summitrisk.com
Phone: 215-443-3598 Fax: 215-773-7725

Item 10. **Endorsements:** Forms and Endorsements attached at issuance:

QBPE-1001 (04-17) – Public Officials and Employment Liability Coverage Form

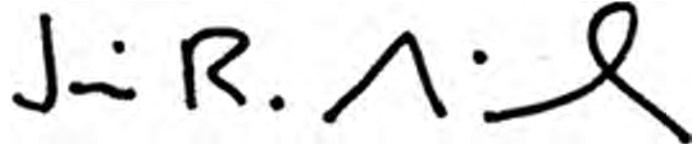
Item 11. **Warranty:** It is represented and warranted that with regard to INSURING AGREEMENT 1.b. EMPLOYMENT LIABILITY, the statements contained in the written application regarding employment liability, a copy of which is on file at the offices of QBE Specialty Insurance Company, hereinafter referred to as the **Company**, and the Declarations, are reaffirmed as of the Effective Date of this policy, and are the basis of employment coverage under the policy and are considered as incorporated in and constituting part of this policy.

Item 12. **Annual Premium:** \$8,853

This Declarations Page is issued with, and forms a part of, the PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE POLICY.

A handwritten signature in black ink, appearing to be 'R. V. James', with a long, sweeping underline that extends to the right.

Robert V. James
President

A handwritten signature in black ink, appearing to be 'J. R. Gonzalez, Jr.', with a stylized, looped end.

Jose Ramon Gonzalez, Jr.
Secretary

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

**PUBLIC OFFICIALS AND EMPLOYMENT
LIABILITY COVERAGE
(CLAIMS MADE BASIS)**

Words and phrases that appear in **bold** have special meanings. Refer to the Declarations Page and/or the Definitions section of this policy for these special meanings.

Read the entire policy carefully to determine **your** rights, duties and what is and is not covered.

In consideration of payment of the **Assessment** and subject to the Declarations, **terms, conditions**, the limitations, and **exclusions** of this policy, the **Company** agrees as follows:

Throughout this policy the words **you** and **your** refer to the Insured shown in the Declarations. The words **we, us** and **our** refer to the **Company**.

The word "Insured" means any person or organization qualifying as such under SECTION II – WHO IS AN INSURED.

SECTION I – COVERAGES

1. INSURING AGREEMENTS:

- a. **PUBLIC OFFICIALS LIABILITY:** **We** shall pay on behalf of the Insured all **Loss** for which the Insured becomes legally obligated to pay as damages **arising out of Claims** first made against the Insured during the **Coverage Period**, or if exercised, during the **Extended Reporting Period**, to which this insurance applies, against the Insured by reason of **Wrongful Act(s)** rendered in discharging duties on behalf of the Insured named in the Declarations, except **Employment Claims**.
- b. **EMPLOYMENT LIABILITY:** **We** shall pay on behalf of the Insured all **Loss** for which the Insured becomes legally obligated to pay as damages **arising out of Employment Claims** first made against the Insured during the **Coverage Period**, or, if exercised, during the **Extended Reporting Period** to which this insurance applies by reason of **Wrongful Act(s)** rendered in discharging duties on behalf of the Insured named in the Declarations.

2. RETROACTIVE DATE:

This insurance applies only if a covered **Claim** is first made against any Insured during the policy period.

- a. A **Claim** will be deemed to have been made when notice of such **claim** is received and recorded by any Insured or by the **Company**, whichever comes first.
- b. All **Claims** for damages causing **Loss** to the same person or organization as a result of a **Wrongful Act(s)** will be deemed to have been made at the time the first of those **Claims** is made against any Insured.
- c. Any **Claim** that correlates with notice of a "potential **Claim**" will be deemed to have been made during the policy period when notice of such "potential **Claim**" is first received.

This insurance does not apply to **Wrongful Act(s)** which occurred before the **Retroactive Date**, if any, shown in the Declarations or which occur after the policy period. No other obligation or liability is covered.

3. DEFENSE, INVESTIGATION AND SETTLEMENT OF **CLAIMS**:

We shall have the right and duty to select counsel and to defend any **Claims**, even if any of the allegations are groundless, false or fraudulent. But:

- a. The amount **we** will pay for damages is limited as described in SECTION III – LIMITS OF INSURANCE.
- b. **We** may make any investigation **we** deem necessary. **We** may, with the consent of the Insured, settle any **Claim**. If the **Loss** contains both damages for which the **Company** would have a duty to provide indemnification for under the policy, “covered” damages, as well as damages for which the **Company** would not be responsible to provide indemnification for under the policy, “uncovered” damages, then the **Company** may require the Insured to pay that portion of the settlement that is attributable to uncovered damages. The **Company’s** liability for all **Loss** on account of any **Claim** that the **Company** seeks the Insured consent to settle shall not exceed the portion of the proposed settlement attributable to covered damages or **claims** plus costs, charges and expenses accrued as of the date such settlement was proposed in writing by the **Company** to the Insured.

In the event that the Insured agrees with the total proposed settlement but there is a dispute about the allocation of the covered portion of the settlement which the **Company** is responsible for and the uncovered portion of the settlement for which the insured is responsible for, then the **Company** will fund the settlement and the Insured and the **Company** will submit the allocation dispute to arbitration. It is agreed that if the matter is submitted to arbitration that the rules of the American Arbitration Association shall apply with one Arbitrator selected by the American Arbitration Association. The Arbitrator shall determine the allocation by apportioning the settlement in the same proportion as covered and uncovered damages would have in the event of an adverse verdict in the underlying **claim**. The Arbitrator’s decision as to the amount of the settlement which should be allocated for which both the **Company** and the Insured are responsible will be final. Each party shall be responsible for their own counsel and expert fees including any fees or costs incurred relative to the arbitration, as such the insured shall not be entitled to recover any attorney’s fees or costs incurred relative to reviewing the proposed allocation or challenging the proposed allocation.

Unless the parties otherwise mutually agree, the proper allocation of a settlement or proposed settlement are the only issues subject to arbitration under the policy.

If the Insured withholds consent to any settlement in which the **Company** is not seeking an allocation for contribution for uncovered damages, the **Company’s** liability for all **Loss** on account of such **Claim** shall not exceed the amount for which the **Company** could have settled such **Claim** plus costs, charges and expenses accrued as of the date such settlement was proposed in writing by the **Company** to the Insured.

- c. **Our** right and duty to defend ends when **we** have used up the applicable **Limits of Liability** in the payment of judgments or settlements, when exhausted by payment of **Defense Costs**, or by deposit or tender of the **Limits of Liability** into a court.
- d. Included in the applicable **Limits of Liability**, **we** will pay, with respect to any **Claim** **we** defend:
 - (1) All expenses **we** incur.
 - (2) The cost of bonds to release attachments and appeal bonds required, but only for bond amounts within the applicable **Limits of Liability**. **We** do not have 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**. Such expenses do not include salaries of any Insured in connection with the investigation and/or defense of the **Claim**.
- (4) All costs taxed against the Insured.
- (5) Prejudgment interest awarded against the Insured on that part of the judgment **we** pay. If **we** make an offer to pay the applicable **Limits of Liability**, **we** will not pay any prejudgment interest based on that period of time after the offer.
- (6) 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 **Limits of Liability**.

4. EXCLUSIONS:

This insurance does not apply to any **Claim** made against the Insured:

- a. **Arising out of** liability of others assumed by the Insured under any contract or agreement, either oral or written, except to the extent that the Insured would have been liable in the absence of the contract or agreement. This exclusion shall not apply to any municipal mutual assistance agreements for fire protection, first aid or other emergency services.
- b. **Arising out of** the Insured gaining any profit, advantage or remuneration to which the Insured is not entitled.
- c. **Arising out of** fraud, dishonesty, malicious, criminal and/or knowingly **Wrongful Act** or omission, if an investigation, judgment or other final adjudication establishes such a fraudulent, dishonest, malicious, criminal, and/or knowingly **Wrongful Act** or omission on the part of the Insured.
- d. **Arising out of** the willful violation of any federal, state, or local statute, ordinance, rule, regulation, agreement or judicial or regulatory order, committed by or with the knowledge and consent of any Insured. However, notwithstanding the foregoing, a defense shall be afforded under the terms of this policy up to, but not after, any judgment or other final adjudication adverse to the Insured related to any such **Claims**. A defense and indemnification shall be afforded to each Insured against whom no such final judgment or final adjudication is obtained.
- e. **Arising out of** strikes, picket lines, riots, war, insurrection, rebellion, revolution, terrorism, civil commotion, replacement or other similar actions.
- f. **Arising out of** liability or cost incurred by any Insured to modify any building or property in order to make such acceptable or accommodating to any disabled person whether or not pursuant to any law, or judgment.
- g. For which the Insured is entitled to indemnity or payment by reason of having given notice of any circumstances which might give rise to a **Claim** under any policies the term of which has expired prior to the inception date of this policy.
- h. **Arising out of** any failure or omission of the Insured to purchase or maintain insurance of any kind.
- i. **Arising out of** any Insured's:
 - (1) obligations under the Employee Retirement Income Security Act of 1974 (ERISA), including amendments, or any similar federal, state or local law or regulation; the Worker Adjustment and Retraining Notification act (WARN); the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA); the Occupational Safety and Health Act (OSHA); Public Employee Occupational Safety and Health Act

- (POSHA); rules or regulations promulgated thereunder and amendments thereto or similar provisions of any federal, state or local statutory law or common law; or
- (2) administration or activities in connection with any employee benefit plan or self-insurance fund; but this section does not apply with respect to Joint Insurance Funds established pursuant to N.J.S.A. 40:A 10-36, et seq.
- j. Solely seeking relief or redress in any form other than monetary damages, including but not limited to requests for injunctive and/or declaratory relief; nor shall **we** have any obligation to indemnify the Insured for any costs, fees (including attorney's fees), or expenses which the Insured shall become obligated to pay as a result of an adverse judgment solely for injunctive and/or declaratory relief.
 - k. **Arising out of** the operation of the principles of eminent domain, adverse possession, dedication by adverse use, temporary or permanent taking, inverse condemnation or condemnation proceedings, by whatever name used.
 - l. **Arising out of** the acts of any state or federal official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official who takes control of, supervises, manages or liquidates the Insured.
 - m. Seeking punitive or exemplary damages, multiplied damages, fines, or penalties.
 - n. **Arising out of** any **Loss**, cost, or expense arising, in whole or part, out of any of the following: (1) the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time; or (2) any request, demand, order, or any voluntary decision 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 (3) any **claim** 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**.
 - o. **Arising out of** electromagnetic fields, other electrical or magnetic waves or radiation.
 - p. **Arising out of** the use, handling, sale, distribution, transport, shipment, planning, maintenance, operation, use, construction, dispersal, storage or disposal of any nuclear, radioactive or fissionable material, or any alleged violation of any environmental statute, regulation, or ordinance with respect to such material, including any site, facility, reactor, or any act, omission, or condition incidental thereto.
 - q. **Arising out of** asbestos or any asbestos-related **Wrongful Act**, including its use, exposure, presence, existence, detection, removal, elimination or avoidance.
 - r. **Arising out of** any non-emergency activities of the volunteer emergency services organizations or to any **claim** which is covered by the Municipal Excess Liability Joint Insurance Fund Volunteer Emergency Services Directors and Officers Liability Policy (Claims Made Basis).
 - s. **Arising out of** any **loss**, cost, or expense pertaining to, in whole or part, the performance, failure to perform or the refusal to perform a marriage or civil union. Civil union is as defined in New Jersey Statutes, C.37:1-28 et seq. Defense of **claims** is provided. Such **defense costs** shall not exceed the Limit of Liability in Item 2 (B) of the Declarations.
5. ADDITIONAL EXCLUSIONS for INSURING AGREEMENT: 1. a. PUBLIC OFFICIALS:
- This insurance under INSURING AGREEMENT: 1. a. PUBLIC OFFICIALS, does not apply to any **Claim** made against the Insured:

- a. **Arising out of** the activities of any law enforcement agency or law enforcement personnel, including the operation of adult and juvenile detention facilities.
 - b. **Arising out of** liability of the Insured or any carrier, as the insurer of the Insured, under any workers' compensation act, unemployment compensation act, disability benefits law, or under any similar law, or under employers liability as respects any occupational disease.
 - c. **Arising out of** the breach of any contract whether written, oral or implied.
 - d. **Arising out of** bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property, including diminution of value, disappearance, or loss of use of that property; or **arising out of** the loss of use of property that is not physically damaged or destroyed.
 - e. **Arising out of** a **wrongful act** of any attorney, architect, licensed physician, engineer, independent auditor or independent accountant while acting in the scope of his professional duties on behalf of the **Public Entity**. However, this exclusion shall not apply to **Claims arising out of the wrongful act(s)** of accountants, engineers, or attorneys employed full-time by the **Public Entity** while acting on behalf of the **Public Entity**. As respects employed attorneys, an "Application for Member Entity Full Time Employed Attorney Professional Liability Coverage" must have been completed, reviewed, and approved by an authorized representative of the **Company**, and their name added by endorsement to this policy for coverage to apply. This exclusion shall not apply to an interim administrator while acting in the scope of their duties on behalf of the named insured.
 - f. Brought by an insured, against another insured.
 - g. **Arising out of** any **Claim** arising from any debt financing, including but not limited to bonds, notes, debentures, and guarantees of debt.
 - h. **Arising out of** one or more of the following offenses:
 - (1) False arrest, detention or imprisonment;
 - (2) Malicious prosecution;
 - (3) 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;
 - (4) 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;
 - (5) Oral or written publication of material that violates a person's right of privacy
 - (6) The use of another's advertising idea in **your** advertisement; or
 - (7) Infringing upon another's copyright, trade dress or slogan in **your** advertisement.
6. ADDITIONAL EXCLUSIONS for INSURING AGREEMENT: 1. b. EMPLOYMENT LIABILITY:
- This insurance under INSURING AGREEMENT: 1. b. EMPLOYMENT LIABILITY, does not apply to any **Claim** made against the Insured:
- a. **Arising out of** any actual or alleged obligation of any Insured pursuant to any workers' compensation, unemployment insurance, social security, disability benefits or similar law; provided, however, this exclusion shall not apply to any **Claim** based upon, arising from, or in consequence of any actual or alleged retaliatory treatment by the Insured on account of the exercise of rights pursuant to any such law.

- b. **Arising out of** bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property including diminution of value, disappearance, or loss of use thereof. However, this exclusion shall not apply to **claims** covered under INSURING AGREEMENT 1.b. alleging emotional distress, mental anguish or humiliation.
- c. For back wages, overtime or similar **Claims**, even if designated as liquidated damages, under any federal, state or local statutes, rules, ordinances or regulations, or **Claims** arising from collective bargaining agreements. **We** have no duty to defend **claims** seeking back wages, overtime or similar **claims** and/or benefits, even if designated as liquidated damages, unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, **we** have no duty to defend any **claims** seeking wages and/or other benefits.
- d. For front pay, future damages or other future economic relief or the equivalent thereof. **We** have no duty to defend **claims** seeking front pay, future damages or other future economic relief or the equivalent thereof, wages and/or benefits unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, **we** have no duty to defend any **claims** seeking wages and/or other benefits.
- e. For any amounts which constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits. **We** have no duty to defend **claims** seeking amounts which constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits, unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, **we** have no duty to defend any **claims** seeking amounts which constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits.

SECTION II – WHO IS AN INSURED

Each of the following is an Insured whether in the singular or plural, while acting solely within the course and scope of his or her duties and responsibilities on behalf of the **Public Entity**:

- 1. The **Public Entity** named in the Declarations, Item 1, which is legally constituted and incorporated as of the effective date of this policy, including its government body, departments and units.
- 2. **Your** lawfully elected, appointed or employed **Public Officials** or members, past, present and future.
- 3. Unless specifically endorsed herein, Insured does not mean, and coverage does not apply to, any one of the following boards, commissions or units: boards of education, hospitals, or nursing homes.
- 4. **Your** employees.
- 5. With regard to coverage afforded under INSURING AGREEMENT 1. b. EMPLOYMENT LIABILITY, any person providing volunteer services for **you** at **your** request and operating under **your** direction and control; with regard to coverage afforded under INSURING AGREEMENT 1. a. PUBLIC OFFICIALS LIABILITY, any person providing volunteer services authorized under Title 34 N.J.S.A., subsections 34:15-74, at **your** request and operating under **your** direction and control.
- 6. Any person providing services for **you** under municipal mutual assistance agreements.
- 7. The estates, heirs, legal representatives or assigns of the Insured who are deceased at the time of the **Wrongful Act(s)** upon which a covered **claim** is based.
- 8. The legal representatives or assigns of the Insureds who are incompetent, insolvent or bankrupt.

9. Persons designated by the Insured to serve on a designated outside entity, provided that the activities are in the course and scope of serving on the designated outside entity, the outside entity is tax exempt, the appointment is based solely on the person's being a **Public Official** of the **Public Entity**, and the person is directed by the **Public Entity** to serve on the outside entity.
10. Any Business or Special Improvement District affiliated with the **named insured** for which the **named insured** has submitted a request to, and received written confirmation from, the **Lead Agent**.

SECTION III – LIMITS OF INSURANCE

1. The **Limits of Liability** shown in the Declarations, Item 2, and the rules below fix the most **we** will pay regardless of the number of:
 - a. Insureds;
 - b. **Claims** made; or
 - c. Persons or organizations making **Claims**.
2. The **Limits of Liability** shown in the Declarations, Item 2, is the most **we** will pay under this policy.

For the purpose of determining the annual aggregate **Limits of Liability** of the **Company** for the **Extended Reporting Period** provided for under this policy, **we** shall combine the total of monies paid by the **Company** on behalf of the Insured during the immediately preceding **Coverage Period** plus the total of monies paid by the **Company** on behalf of the Insured during the **Extended Reporting Period**, with said combined total not to exceed the **Limits of Liability** set forth in Item 2 of the Declarations for this policy.

As respects Items 2 (A) and 2 (C) of the Declarations, the **Company's** liability under this policy shall apply only to that part of each **Loss** which is in excess of the **Retention Amount** set forth in Item 4 of the Declarations for this policy and such **Retention Amount** shall be borne by the Insured. As respects Item 2 (B) of the Declarations, the **Retention Amount** is part of, and not in addition to, the Limit of Liability.
3. Subject to subsection 2. above, the Combined Single Limit per **Claim** is the most **we** will pay for all **Loss arising out of** any one **Wrongful Act** covered by this policy, unless the **Claim** is **Land Use Claim**, which shall be subject to subsection 5. below. **Claims** based on and **arising out of** the same act or interrelated acts of one or more Insureds shall be considered to be a single **Claim**, and such **Claim** shall be deemed to have originated in the earliest **Coverage Period** in which a **Claim** is first made against any Insured.
4. If **Claim(s)** are made which fall under INSURING AGREEMENTS 1. a. PUBLIC OFFICIALS LIABILITY and 1. b. EMPLOYMENT LIABILITY, the **Coinsurance Percent** specified in Item 3 of the Declarations and the highest **Retention Amount** specified in Item 4 of the Declarations shall apply.
5. The **Limit of Liability** in Item 2 (C) of the Declarations is the most **we** will pay per **Land Use Claim** for the coverage described, and shall be part of, and not in addition to, the Annual Aggregate **Limit of Liability** set forth in Item 2 (A) of the Declarations.
6. The **Limit of Liability** in Item 2 (B) of the Declarations is the most **we** will pay for all **Claims** for the coverage described, and shall be part of, and not in addition to, the **Limit of Liability** set forth in Item 2 (A) of the Declarations.

SECTION IV – CONDITIONS

1. TERRITORY:

Coverage shall extend anywhere in the United States or its territories.

2. BANKRUPTCY:

Bankruptcy or insolvency of the Insured or of the Insured's successor will not relieve **us** of **our** obligations under this policy.

3. DUTIES IN THE EVENT OF POTENTIAL OR ACTUAL **CLAIM**:

a. **You** must see to it that **we** are notified of a **Wrongful Act** as soon as practicable 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 any witnesses; and
- (3) the nature and location of any injury or **Loss arising out of the Wrongful Act**.

Notice of a **Wrongful Act** which may give rise to a **Claim** shall be considered a "potential **Claim**". Reporting of a "potential **Claim**" is not a **Claim** under the policy. Any **Claim** that correlates with notice of a "potential **Claim**" will be deemed to have been made during the policy period when notice of such "potential **Claim**" is first received.

b. If a **Claim** is made against any Insured **you** must:

- (1) promptly record the specifics of the **Claim** and the date received; and
- (2) notify **us** promptly.

You must see to it that **we** receive written notice of the **Claim** promptly.

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**;
- (2) authorize **us** to obtain records and other information;
- (3) cooperate with **us** in the investigation, settlement, or defense of the **Claim**; 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 Insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without **our** consent.

4. LEGAL ACTION AGAINST **US**:

No person or organization has a right under this policy:

- a. To join **us** as a party or otherwise bring **us** into a suit asking for damages from an Insured; or
- b. To sue **us** under this policy unless all of its terms have been fully complied with.

5. AUTHORIZATION CLAUSE:

By acceptance of this policy, the Insured **Public Entity** agrees to act on behalf of all Insureds with respect to the giving and receiving of notice of **Claim** or termination, the payment of Assessments and the receiving of any return Assessments that may become due under this policy, the negotiation, agreement to and acceptance of Endorsements, and the giving or receiving of any notice provided for in this policy (except the giving of notice to apply for the Extended Reporting Period), and the Insureds agree that the Insured **Public Entity** shall act on their behalf.

6. CHANGES:

Notice to any agent or knowledge possessed by any agent or any other person shall not effect a waiver or a change in any part of this policy or stop the **Company** from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued by the **Company** to form a part of this policy.

7. ASSIGNMENT:

Assignment of interest under this policy shall not bind the **Company** until its consent is endorsed hereon.

8. TERMS OF COVERAGE CONFORMED TO STATUTE:

Terms of this policy which are in conflict with the law or statutes of the State of New Jersey or United States of America are hereby amended to conform to such statutes.

9. OTHER INSURANCE:

If all or any part of **Loss** under this policy is also insured:

- a. under any other insurance, other than a policy issued by the **Company**, then this policy shall, subject to its limitations, conditions, provisions and other terms, only apply in excess of the limit of such other policy, whether such other policy is stated to be primary, contributory, excess, contingent or otherwise, unless such other policy is written only as specific excess insurance over the **Limits of Liability** provided in this policy;
- b. under any other policy issued by the **Company**, whether prior, contemporaneous or subsequent to the term of this policy, no coverage shall apply to such **Loss** under this policy;
- c. under any other policy issued by a Joint Insurance Fund under Title 40:A N.J.S.A., no such coverage shall apply to such **Loss** under this policy; or
- d. under any other policy issued by the **Company**, no coverage shall apply to such **Loss** under this policy.

Other Insurance includes, but is not limited to, coverage or benefits provided by self-insurance arrangements, pools, self-insurance trusts, captive insurance companies, retention groups, reciprocal exchanges or any other plan or agreement of risk transfer or assumption.

10. REPRESENTATIONS:

In granting coverage to any Insured, the **Company** has relied upon the declarations and statements in the written application for this policy or prior **Company** policies. All such declarations and statements are the basis of such coverage and shall be considered as incorporated in and constituting part of this policy.

With respect to the declarations and statements contained in such written application for this policy or prior **Company** policies, no statement in the application or knowledge possessed by any Insured shall be imputed to any other Insured for the purpose of determining if coverage is available.

11. SEPARATION OF INSURED:

Except with respect to the **Limits of Liability**, and any rights or duties specifically assigned to the 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.

12. COINSURANCE:

The Insured and the **Company** shall participate with regard to a **Loss** subject to the percentages and Loss Amounts reflected in Item 3 of the Declarations.

The participation of the Insured and the **Company** on the coinsurance contribution percentage as set forth above is part of the **Limits of Liability** and is not in addition to the **Limits of Liability** as set forth in Item 2 (A) of the Declarations.

The coinsurance contribution percentage does not apply to the **Limits of Liability** as set forth in Item 2 (B) of the Declarations.

The participation of the Insured and the **Company** on the coinsurance contribution percentage as set forth above is not part of, and is in addition to, the Limit of Liability as set forth in Item 2 (C) of the Declarations.

Your Coinsurance Percentages and Loss Amount contemplate **your** compliance or non-compliance with an **Approved Risk Management/Loss Control Plan**.

13. WHEN WE DO NOT RENEW:

If **we** decide not to renew this policy, **we** will mail or deliver to the first named Insured shown in the Declarations written notice of the nonrenewal not less than 60 days before the expiration date.

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

14. CANCELLATION:

Any cancellation of this policy is expressly subject to the requirements of the laws of the State of New Jersey, including those regulations currently codified in N.J.A.C. 11:15-2 adopted by the New Jersey Commissioner of Insurance pursuant to the authority of N.J.S.A. 17:1-8.1, N.J.S.A. 17:1C-6(e) and N.J.S.A. 40A:10-36 et seq. and as hereafter amended. This policy may be canceled by the Insured by surrender thereof to the **Company** or any of its authorized agents and only in accordance with the requirements for withdrawal from the **Company** as set forth in the aforesaid statutes, rules and regulations and the **Company's** bylaws adopted thereunder. If the Insured cancels, its liability for any further **Assessments** shall be computed in accordance with the aforesaid rules and regulations.

If the **Company** cancels, it shall mail to the Insured, at the last **Mailing Address** known by the **Company**, written notice stating when not less than 30 days thereafter such cancellation shall be effective. Subject to the aforesaid rules and regulations, this policy may also be canceled by not less than 10 days' notice when the cancellation is being effected by reason of the Insured's nonpayment of **Assessment**. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Coverage Period**. If the **Company** cancels, earned **Assessment** shall be computed as provided in the aforesaid rules and regulations. **Assessment** adjustment may be made either at the time cancellation is effected or as soon as practicable, but payment or tender of unearned **Assessment** is not a condition of cancellation.

15. ELIGIBILITY:

It is expressly recognized and agreed that the Insured named in the Declarations, Item 1, is required to be a member of the **Company** as a condition of eligibility for this policy and that, in the event that the Insured named in the Declarations, Item 1, withdraws from or is terminated or expelled from the **Company**, then this policy shall be canceled and terminated as of the effective date of the withdrawal, termination or expulsion. Any such withdrawal, termination or expulsion from the **Company** shall be effectuated only in accordance with the **Company's** bylaws and risk management plan as approved pursuant to the aforementioned authorizing statutes and regulations.

SECTION V – EXTENDED REPORTING PERIODS

If the **Company** terminates or refuses to renew this policy other than for nonpayment of **Assessment**, the Insured shall have the right, upon payment of the **Additional Assessment** set forth in Item 6 (A) of the Declarations for this policy, to an extension of the coverage granted by this policy for the period set forth in Item 6 (B) of the Declarations for this policy (**Extended Reporting Period**) following the effective date of termination or non-renewal, but only for any **Wrongful Act** committed, attempted, or allegedly committed or attempted, prior to the effective date of termination or non-renewal.

If the Insured terminates or declines to accept renewal, the **Company** may, if requested, at its sole option, grant an **Extended Reporting Period**. The offer of renewal terms and conditions or **Assessments** different from those in effect prior to renewal shall not constitute refusal to renew.

This right of extension shall lapse unless written notice of such election, together with payment of the **Additional Assessment** due, is received by the **Company** as set forth in Item 6 (C) within 30 days following the effective date of termination or non-renewal. Any **Claim** made during the **Extended Reporting Period** shall be deemed to have been made during the immediately preceding **Coverage Period**.

For the limit of aggregate liability under this policy during the **Extended Reporting Period**, see Clause 2, SECTION III – LIMITS OF INSURANCE.

SECTION VI – DEFINITIONS

When used in this Policy:

1. **Approved Risk Management/Loss Control Plan** means
 - a. the Insured **Public Entity** has developed, and is following a program for risk management of employment liability **Claims** that has been approved and accepted by the **Municipal Excess Liability Joint Insurance Fund**,
 - b. the Insured **Public Entity** is updating its **Approved Risk Management/Loss Control Plan** on an annual basis, and has received an Attorney's Certification for its Employment Practices Loss Control Plan which has been signed by the **Public Entity's** attorney on an annual basis and in accordance with current **Municipal Excess Liability Joint Insurance Fund** requirements, and
 - c. the Insured **Public Entity** has completed **Employment Practices Training**.
2. **Arising out of** means connected with, incidental to, or growing out of.
3. **Claim** means:
 - a. a written demand for monetary damages;
 - b. a civil proceeding commenced by the service of a summons, complaint, or similar pleading, including any appeal therefrom;
 - c. a complaint or charge filed with the Equal Employment Opportunity Commission (EEOC), New Jersey Division of Civil Rights (DCR), or similar federal, state, or local government agency;
 - d. a **Land Use Claim**; or
 - e. an **Employment Claim**.

One or more **Claims** arising out of the same or similar incident(s) or circumstance(s) or series of the same or similar incident(s) or circumstance(s) shall constitute one **Claim**, shall be deemed to be made at the time of the earliest such **Claim** is made, and shall be subject to a single **Limit of Liability** as set forth in Item 2 of the Declarations.

4. **Company** means the insurance company named on the Declarations Page.
5. **Coverage Period** shall mean the period of one year following the Effective Date and hour of this policy or any anniversary thereof, or if the time between the Effective Date or any anniversary and the termination of the policy is less than one year, such lesser period.

Coverage begins on the Effective Date shown in the Declarations at 12:01 A.M. standard time at the **Mailing Address** of the Insured shown in the Declarations. Coverage ends on the Expiration Date shown in the Declarations or, if earlier, the cancellation date at 12:01 A.M. standard time at the **Mailing Address** of the Insured shown in the Declarations.
6. **Defense Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the Insureds) incurred, with the consent of **Company**, in defending or investigating **Claims** and the cost for appeal, attachment or similar bonds.
7. **Employment Claim** means:
 - a. a written demand for monetary damages;
 - b. a civil proceeding commenced by the service of a summons, complaint, or similar pleading, including any appeal therefrom;
 - c. any appeal from the final decision of the **Public Entity arising out of** the internal civil service or administrative procedures of the **Public Entity**; or
 - d. a complaint or charge filed with the Equal Employment Opportunity Commission (EEOC), New Jersey Division of Civil Rights (DCR), or similar federal, state, or local government agency.

arising out of wrongful termination, breach of employment contract, employment-related misrepresentation, discrimination, harassment (including **employment-related harassment**), failure to employ, failure to promote, wrongful discipline, wrongful deprivation of career opportunity, failure to grant tenure, negligent evaluation, invasion of privacy, employment-related defamation, wrongful infliction of emotional distress, retaliatory treatment, and/or violation of civil or constitutional right of any employee that creates a cause of action for damages.
8. **Employment-related harassment** means unwelcome or offensive verbal or physical conduct, including sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature that creates a cause of action for damages.
9. **Employment Practices Training** means the Insured **Public Entity** has made personnel practices training mandatory for supervisory and managerial personnel and has also made it available to all employees.
10. **Land Use Claim** shall mean any **Claim arising out of** any land use planning and/or municipal zoning decision or activity of any kind or any **Claim** alleging an act, error, omission or breach of duty of an Insured **arising out of** any land use planning and/or municipal zoning decision or activity of any kind.
11. **Lead Agent** shall mean the Joint Insurance Fund named on the Declarations Page as organized and created pursuant to the provisions of L. 1983 c.372 (N.J.S.A. 40A:10-36) et seq.
12. **Loss** means the total amount which any Insured becomes legally obligated to pay on account of each and all **Claims** reported in each **Coverage Period** and the **Extended Reporting Period**, if exercised, made against them for **Wrongful Acts** for which coverage applies, including, but not limited to, damages, judgments, settlements, costs and **Defense Costs**. **Loss** does not include (i) any amount not indemnified by the Insured for which the Insured is absolved from payment by reason of

any covenant, agreement or court order; (ii) matters uninsurable under the law pursuant to which this policy is construed; (iii) the employment reinstatement of the claimant by the Insured or the continued employment of the claimant; or (iv) harm or damages caused intentionally by an Insured.

13. **Pollutants** means any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or a state, county, municipality or locality counterpart thereof. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, electromagnetic radiation, or waste materials, which includes materials to be recycled, reconditioned or reclaimed. **Pollutants** shall also mean any other air emission, odor, wastewater, oil or oil products, infectious or medical waste, asbestos or asbestos products, and any noise.
14. **Public Entity** shall mean only that Municipality, Governmental Body, Department, or Unit, which is named in the Declarations and is legally constituted at the Effective Date of this policy.
15. **Public Official** shall mean all persons who were, now are or shall be lawfully appointed or elected officials of the Insured while acting within the scope of their official duties. The term **Public Official** shall include members of such commissions, boards or other units operating by and under the jurisdiction of such governing body and within an apportionment of the total operating budget of the Insured, while acting within the scope of their official duties. The term **Public Official** shall also include employees and **Volunteers** as may be responsible to the governing body or to its commissions, boards or other units. **Public Official** does not mean and does not apply to any officials, members or employees of any, hospital, boards of education or colleges, or any person working on a retainer or any independent or professional services contractors. **Public Official** shall also mean an interim administrator while acting in the scope of their duties on behalf of the named insured.
Public Official shall also mean members of the Board of Directors of not-for profit corporations where the not-for profit corporation has been approved for coverage with the **Lead Agent**.
16. **Retention Amount** means the initial amount, as stated in Item 4 of the Declarations, payable by the Insured for each **Loss**.
17. **Retroactive Date** means the dates shown in Items 7 and 8 of the Declaration Page. No coverage will be afforded for acts prior to this date.
18. **Volunteer** means any person whose services are uncompensated and whose activities are authorized, directed and supervised by, and for the benefit of, the **Public Entity**. **Volunteer** does not include any person performing services which are covered by, connected with, or supervised by any court, penal or law official or institution.
19. **Wrongful Act** means any alleged or actual act, error, omission or breach of duty of an Insured.

SECTION VII – ACCEPTANCE

By acceptance of this policy the Insured and its **Public Officials** agree that this policy embodies all agreements existing between themselves and the **Company** or any of its agents relating to this policy.



QBE Specialty Insurance Company

55 Water Street, New York, New York 10041

Home Office: c/o CT Corporation System, 314 East Thayer Avenue, Bismarck, North Dakota 58501

**PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE
(CLAIMS MADE BASIS)**

Policy No.: QJL01065-02

Renewal of: QJL01065-01

DECLARATIONS

Item 1. Insured Public Entity:

Toms River Municipal
Utilities Authority
340 West Water Street
Toms River, NJ 08753

Lead Agent:

New Jersey Utility Authorities
Joint Insurance Fund
Attn: Cate Kiernan
PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, NJ 07054-4412

Item 2. Limits of Liability:

- (A) \$2,000,000 Standard: Combined Single Limit per **Claim** (except **Land Use Claims**) and Annual Aggregate.
- (B) \$25,000 for defense only of **Claims** based on civil union and or marriage.
- (C) \$150,000 **Land Use Claim** Limit per **Claim**.
- Note that the **Limits of Liability** and **Retention Amount** are reduced or exhausted by **Defense Costs**.

Item 3. Coinsurance Contribution Percentage and Loss Amount:

The Coinsurance Percentages apply to the Loss Amounts below.

	Insured Percentage	Company Percentage	Loss Amount
(A) Any covered Claim other than a Claim arising out of a Wrongful Employment Practice or a Land Use Claim	20%	80%	\$100,000
(B) Claim arising out of a Wrongful Employment Practice	20%	80%	\$100,000
(C) Land Use Claim	20%	80%	\$150,000

Item 4. Retention Amount:

(A) Any covered Claim other than a Claim arising out of a Wrongful Employment Practice or a Land Use Claim	\$7,500
(B) Claim arising out of a Wrongful Employment Practice	\$7,500
(C) Land Use Claim	\$7,500

Item 5. Coverage Period: Effective Date: **January 1, 2018**
Expiration Date: **January 1, 2019**

each at 12:01 a.m. Standard Time at the address of the **Public Entity** as stated herein.

Item 6. Extended Reporting Period:

- (A) Additional Assessment: 200% of Annual Assessment
- (B) Additional Period: 12 Months
- (C) Insured Notification Period: 30 Days

Item 7. Public Officials Liability Retroactive Date:

1. Provide "full prior acts" coverage to members with five continuous years of membership.
2. Provide "full prior acts" coverage to new members who have full prior acts coverage in force at time of membership.
3. Provide prior acts to the existing retroactive date (defined as the retroactive date identified in their expiring or prior policy) for new members that do not have full prior acts coverage or a one year retroactive date, whichever is greater.

Item 8. Employment Liability Retroactive Date:

1. Members as of 1/1/1997 will have a uniform retroactive date of 10/1/1993. The members' respective retention and coinsurance contribution in effect at the time the **claim** is made will apply. This is based on whether or not the member has an **approved loss control/risk management plan** in place.
2. Members with effective dates after 1/1/1997 with prior Employment Liability coverage will have a retroactive date of 10/1/1993. All new members with prior coverage will have a six (6) month grace period for approval of a loss control/risk management plan in order to maintain the lower retention and the lower coinsurance contribution.
3. Members with effective dates after 1/1/1997 with no prior Employment Liability coverage will have a retroactive date that is the same as the date of membership. All new members with no prior coverage will have the higher retention and higher coinsurance percentage until their loss control/risk management program is submitted and approved.

Item 9. Notice of Claim to be given to:

Summit Risk Services
Attn: Alice Ivers
120 Gibraltar Road, Suite 210
Horsham, PA 19044
Email: newfundclaim@summitrisk.com
Phone: 215-443-3598 Fax: 215-773-7725

Item 10. Endorsements: Forms and Endorsements attached at issuance:

PRU-PO-100001-NJ (05-18) – Public Officials and Employment Liability Coverage Form

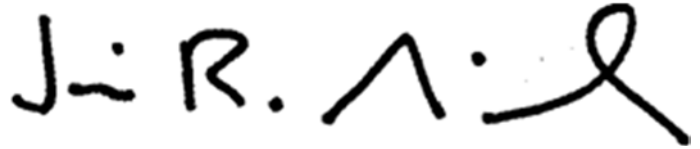
Item 11. **Warranty:** It is represented and warranted that with regard to a **Claim** arising out of a **Wrongful Employment Practice**, the statements contained in the written application regarding employment liability, a copy of which is on file at the offices of QBE Specialty Insurance Company, hereinafter referred to as the **Company**, and the Declarations, are reaffirmed as of the Effective Date of this policy, and are the basis of employment coverage under the policy and are considered as incorporated in and constituting part of this policy.

Item 12. **Annual Premium:** \$8,481

This Declarations Page is issued with, and forms a part of, the PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE POLICY.



Russell Johnston
President



Jose Ramon Gonzalez, Jr.
Secretary



PUBLIC OFFICIALS AND EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM CLAIMS MADE AND REPORTED

NOTICE: THIS COVERAGE FORM PROVIDES CLAIMS MADE AND REPORTED COVERAGE. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

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

Titles are used within this policy for convenience only and shall not control or affect the meaning or construction of any provision of this policy.

Throughout this policy the words “you” and “your” refer to the **Public Entity**. Refer to **Section III – WHO IS AN INSURED**. The words “we”, “us”, and “our” refer to the Company providing this insurance.

Other words and phrases that appear in bold have special meaning. Refer to **SECTION VIII - DEFINITIONS**.

In consideration of the payment of the assessment, in reliance upon the statements in the written application made a part hereof, and subject to all of the terms of this policy, we agree as follows:

SECTION I - COVERAGE

A. Insuring Agreement

1. We will pay those sums that the Insured becomes legally obligated to pay as **Damages** because of a **Wrongful Act** (regardless of whether or not such allegations prove to be groundless, false or fraudulent) arising out of the discharge of duties by or on behalf of the **Public Entity** as shown in the Declarations provided always that:
 - a. the **Claim**, on account of such **Wrongful Act**, is first made against the Insured and reported to us during the policy period, in compliance with **SECTION VII - CONDITIONS** - Item **A.**, or any applicable reporting period under **SECTION VI - EXTENDED REPORTING PERIODS**;
 - b. such **Wrongful Act** took place in the **Coverage Territory**; andFor purposes of paragraph 1.a. of **SECTION I - COVERAGE**, subsection **A. Insuring Agreement**, if, during the policy period or any applicable reporting period under **SECTION VI - EXTENDED REPORTING PERIODS**, the Insured gives written notice to us, in accordance with **SECTION VII - CONDITIONS** - Item **A.**, of a **Wrongful Act** likely to result in a **Claim**, then any **Claim** that may subsequently be made against an Insured arising out of such **Wrongful Act** shall be deemed to have been made during the policy period or any applicable reporting period hereunder.
2. We will have the right and duty to defend, except where excluded or otherwise outside the scope of coverage of this policy, any **Claim** seeking **Damages** to which this insurance applies. We may, at our discretion, investigate any **Claim**, but:
 - a. the amount we will pay for **Damages**, including **Claims Expenses**, is limited as described in **SECTION IV - LIMITS OF LIABILITY**; and
 - b. our right and duty to defend ends when we have used up the applicable limit of liability in the payment of judgments, settlements, or **Claims Expenses**.

No other obligation or liability to pay sums or perform acts or services is covered.

SECTION II - EXCLUSIONS

This policy does not apply to:

1. Criminal Acts

any **Damages** arising out of fraud, dishonesty, malicious, and/or a criminal and intentional act or omission, if an investigation, judgment or other final adjudication establishes such a fraudulent, dishonest, malicious, and/or criminal and intentional act or omission was committed by, on behalf of, or at the direction of the insured. However, notwithstanding the foregoing, subject to other terms and conditions of this policy, we will pay for

Claims Expenses incurred by the insured up to, but not after, an investigation, judgment or other final adjudication establishes such a fraudulent, dishonest, malicious, and/or criminal and intentional act or omission was committed by, on behalf of, or at the direction of the insured. A defense and indemnification shall be afforded to each Insured against whom no such final determination is made.

2. Willful Violations

any **Damages** arising from the willful violation of any federal, state, or local statute, ordinance, rule, regulation, agreement or judicial or regulatory order, committed by or with the knowledge and consent of any Insured. However, notwithstanding the foregoing, subject to other terms and conditions of this policy, we will pay for **Claims Expenses** incurred by the insured up to, but not after, an investigation, judgment or other final adjudication establishes such a willful violation on the part of the insured. A defense and indemnification shall be afforded to each Insured against whom no such final determination is made.

3. Statutory or Fiduciary Liability

any **Claims** or damages arising from any obligation or duty imposed by:

- a. the Employee Retirement Income Security Act (ERISA);
- b. the Pension Benefit Act;
- c. the Consolidated Omnibus Budget Reconciliation Act of 1988 (COBRA);
- d. SECTION 89 of the Internal Revenue Code
- e. the Occupational Safety and Health Act (OSHA);
- f. the Public Employee Occupational Safety and Health Act (PEOSHA);
- g. the Worker Adjustment and Retraining Notification Act (WARN); or
- h. the Fair Labor Standards Act (FLSA);

or any amendments thereto, or similar provisions of a federal, state, or local statutory or common law.

4. Employment Benefits

any **Damages** arising out of any Insured's administration or activities in connection with any employment benefit plan or self-insurance fund; provided, however, this exclusion does not apply with respect to Joint Insurance Funds established pursuant to N.J.S.A. 40:A 10-36m et seq.

5. Pollution

- a. any **Damages** which would not have occurred in whole or in part but for the actual, alleged or threatened existence, discharge, dispersal, seepage, migration, release or escape of **Pollutants**, irritants or hazardous substances at any time; or
- b. any **Damages** arising out of any:
 - 1) request, demand or order that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any other way respond to, or assess the effects of **Pollutants**; or
 - 2) **Claim** by or on behalf of a governmental authority or others 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**.

6. Asbestos, Silica Dust or Lead

- a. any disease or any ailment caused by or aggravated by asbestos in any form or silica dust;
- b. the existence of asbestos in any form or silica dust, including the costs in investigations or feasibility studies, or to the costs of testing, monitoring, abatement, mitigation, cleaning, removal or disposal of any property or substance;
- c. lead or the hazardous properties of lead;
- d. remedial investigations or feasibility studies or the costs of testing, monitoring, abatement, mitigation, cleaning, removal, or disposal of lead or any item(s) containing lead;
- e. any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with b. or c. above; or

- f. any obligation to share **Damages** with or repay someone else who must pay **Damages** in connection with a., b., c., d., or e. above.

7. Self-Dealing or Illegal Profit

any **Damages** arising out of self-dealing or gaining profit or advantage or remuneration to which an Insured is not legally entitled.

8. Condemnation

any **Damages** based upon or arising out of eminent domain, condemnation, inverse condemnation, adverse possession, dedication by adverse use, or temporary or permanent taking, all by whatever name used.

9. Bodily Injury, Personal Injury, Advertising Injury or Property Damage

any **Damages** based upon or arising out of:

- a. bodily injury including physical injury to any person, death, sickness, disease or any mental anguish associated with or arising from such bodily injury; provided however, this exclusion shall not apply to a **Wrongful Employment Practice** that also alleges emotional distress and mental anguish;
- b. assault or battery;
- c. emotional distress or mental anguish; provided however, this exclusion shall not apply to a **Wrongful Employment Practice**
- d. injury caused by a **Wrongful Act** arising from one or more of the following:
 - 1) false arrest, detention or imprisonment;
 - 2) malicious prosecution;
 - 3) publication or utterance of libel, slander, or disparaging material, or utterance in violation of an individual's right of privacy;
 - 4) 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;
 - 5) misappropriation of advertising ideas or style of business; or
 - 6) infringement of copyright title or slogan;provided however, this exclusion shall not apply to a **Wrongful Employment practice**.
- e. physical injury to tangible property, including all resulting loss of use of that property; or
- f. loss of use of tangible property that is not physically injured.

10. Law Enforcement Activities

any **Damages** arising out of the law enforcement activities to protect the public or property including the operation of correctional or detention facilities. This exclusion does not apply to a **Wrongful Employment Practice**.

11. War, Strikes, Riots, or Civil Commotion

any **Damages** due to:

- a. war, whether or not declared, or any act or condition incident to war; or
- b. strikes, riots or civil commotion.

War includes civil war, insurrection, rebellion or revolution.

12. Failure to Effect and Maintain Insurance

any **Damages** based upon or arising out of the failure of the Insured to effect, procure or maintain adequate insurance.

13. Bonds, Taxes or Construction Contracts

any **Damages** based upon or arising out of:

- a. the issuance of bonds;

- b. the improper collection of taxes; or
- c. construction, architectural or engineering contracts.

14. Prior Insurance

any **Damages** for which an Insured is entitled to indemnity or payment by reason of having given notice of any circumstance which might give rise to a **Claim** under any policy(ies) which has terminated or expired prior to the inception date of this insurance.

15. Non-monetary Damages, Fines or Penalties

any **Claim** solely seeking equitable relief or redress in any form other than money **Damages** or for costs, charges, fees or expense in relation to any **Claim** solely seeking relief or redress in any form other than money **Damages**, or for the costs of the Insured's compliance with the condition of any injunctive or equitable relief, or for any fines or penalties assessed from the failure to comply with any injunctive relief.

16. Collective Bargaining Agreement

any **Damages** due to any collective bargaining agreement or breach of that agreement.

17. Doctors or Health Care Facilities

any **Damages** arising out of:

- a. an Insured's **Wrongful Acts** as a doctor, physician, surgeon or dentist; or
- b. the premises or operation of any hospital, clinic, or nursing home. This exclusion, however, does not apply to any **Claim** arising out of a **Wrongful Employment Practice**.

18. Contractual Liability

any **Damages** the Insured is obligated to pay by reason of 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. This exclusion shall not apply to any municipal mutual assistance agreements for fire protection, first aid or other emergency services.

19. Capital Improvements

any costs incurred by an Insured to modify or adapt any building or property in order to make such building or property more accessible or accommodating to any disabled person.

20. Workers Compensation

any liability arising out of any obligation under any workers' compensation, disability benefits or unemployment compensation law, or any similar law. This exclusion, however, does not apply to any **Claim** arising out of a **Wrongful Employment Practice** on account of the filing of a workers' compensation **Claim** or a **Claim** for disability benefits.

21. Strike and Lock Out

any liability arising out of a strike, lockout, picket line, replacement, or other similar action resulting from labor disputes or labor negotiations or any protections contained within the National Labor Relations Act or state equivalent.

22. Racketeer Influence and Corruption Organizations (R.I.C.O.)

any **Claim** arising out of any actual or alleged violation of the racketeer influence and corrupt organizations act, 18 USC section et seq any amendments thereto, or any rules or organizations promulgated thereunder.

23. Change in Control

any **Claim** based upon or arising out of the acts of any state or federal official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official who takes control of, supervises, manages or liquidates the insured.

24. Punitive Damages

any **Claim** seeking punitive or exemplary damages, multiplied damages, fines or penalties.

25. Electromagnetic

any **Claim** based upon or arising out of electromagnetic fields, or any other electrical or magnetic waves or radiation.

26. Nuclear

any **Claim** arising out of the use, handling, sale, distribution, transport, shipment, planning, maintenance, operation, use, construction, dispersal, storage or disposal of any nuclear, radioactive or fissionable material, or any alleged violation of any environmental statute, regulation, or ordinance with respect to such material, including any site, facility, reactor, or any act, omission, or condition incidental thereto.

27. Volunteer Emergency Service Organizations

any **Claim** arising out of any non-emergency activities of a volunteer emergency services organization or any **Claim** which is covered by the Municipal Excess Liability Joint Insurance Fund Volunteer Emergency Services Directors and Officers Liability Policy (Claims Made Basis).

28. Certain Professional Services

any **Claim** arising out of a **Wrongful Act** of any attorney, architect, licensed physician, engineer, independent auditor or independent accountant while acting in the scope of his professional duties on behalf of the **Public Entity**. However, this exclusion shall not apply to any **Claim** arising out of a **Wrongful Act** of accountants or engineers employed full-time by the **Public Entity** while acting on behalf of the **Public Entity**, or attorneys included in the "Employed Attorney Endorsement". This Exclusion shall not apply to an interim administrator while acting in the scope of their duties on behalf of the **Public Entity**.

29. Back Wages and Front Pay

back wages, front pay, overtime, future damages (or other future economic relief), benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan or collective bargaining agreement, or any other payment, or the equivalent thereof (including liquidated damages), based upon or arising out of a **Claim** alleging a **Wrongful Employment Practice**. However, notwithstanding the foregoing, subject to other terms and conditions of this policy, we will pay for **Claims Expenses** incurred by the Insured if the **Claim** includes otherwise covered **Wrongful Acts** up to, but not after, there are no longer any covered **Wrongful Acts**.

30. Civil Union / Marriage

any **Damages** pertaining to, in whole or in part, the performance, failure to perform or the refusal to perform a marriage or civil union. Civil union is as defined in New Jersey Statutes, C.37:1-28 et seq. However, notwithstanding the foregoing, subject to other terms and conditions of this policy, we will pay for **Claims Expenses** incurred by the insured, which such **Claims Expenses** shall not exceed the Limit of Liability for **Civil Union / Marriage Claims Expenses** in the Declarations.

31. Breach of Contract

any damages arising out of the breach of any contract whether written, oral or implied. However, this exclusion shall not apply to a **Wrongful Employment Practice**.

SECTION III - WHO IS AN INSURED

Each of the following is an Insured:

1. The **Public Entity** named in the Declarations, Item 1, which is legally constituted and incorporated as of the effective date of this policy, including its government body, departments and units.
2. Your lawfully elected, appointed or employed **Public Officials** or members, past, present and future, but only while acting solely within the course and scope of his or her duties and responsibilities on behalf of the **Public Entity**.
3. Your employees, whether in the singular or plural, but only while acting solely within the course and scope of his or her duties and responsibilities on behalf of the **Public Entity**.
4. Any person(s) providing volunteer services for you at your request and operating under your direction and control, including any person under Title 34 N.J.S.A. 34.15-74;

5. Any person(s) providing services for you under municipal mutual assistance agreements, whether in the singular or plural, but only while acting solely within the course and scope of his or her duties and responsibilities on behalf of the **Public Entity**.
6. The estates, heirs, legal representatives or assigns of the Insured who are deceased at the time of the **Wrongful Act(s)** upon which a covered **Claim** is based.
7. The legal representatives or assigns of the Insureds who are incompetent, insolvent or bankrupt.
8. Person(s) designated by the Insured to serve on a designated outside entity, provided that the activities are in the course and scope of serving on the designated outside entity, the outside entity is tax exempt, the appointment is based solely on the person's being an insured of the **Public Entity**, and the person is directed by the **Public Entity** to serve on the outside entity.
9. Any Business or Special Improvement District affiliated with the **Public Entity** for which the **Public Entity** has submitted a request to, and received written confirmation from, the **Lead Agent**.

Unless specifically endorsed herein, Insured does not mean, and coverage does not apply to, any one of the following boards, commissions or units: boards of education, hospitals, or nursing homes.

SECTION IV - LIMITS OF LIABILITY

Regardless of the number of Insureds covered under this policy or the number of claimants or the number of **Claims** made, our liability is limited as follows:

1. The Limits of Liability shown in the Declarations, Item 2(A), is the most we will pay under this policy. For the purpose of determining the annual aggregate Limits of Liability of the Company for the Extended Reporting Period provided for under this policy, we shall combine the total of monies paid by the Company on behalf of the Insured during the immediately preceding Coverage Period plus the total of monies paid by the Company on behalf of the Insured during the Extended Reporting Period, with said combined total not to exceed the Limits of Liability set forth in Item 2 of the Declarations for this policy. As respects Items 2(A), 2(B) and 2(C) of the Declarations, the Company's liability under this policy shall apply only to that part of each loss which is in excess of the Retention Amount set forth in Item 4 of the Declarations for this policy and such Retention Amount shall be borne by the Insured.
2. Subject to subsection 1. above, the Combined Single Limit per **Claim** is the most we will pay for all **Damages** arising out of any one **Wrongful Act** covered by this policy, unless the **Claim** is a **Land Use Claim**, which shall be subject to subsection 3. below. **Claims** based on and arising out of the same act or interrelated acts of one or more Insureds shall be considered to be a single **Claim**, and such **Claim** shall be deemed to have originated in the earliest Coverage Period in which a **Claim** is first made against any Insured.
3. The **Limit of Liability** in Item 2(C) of the Declarations is the most we will pay for any single **Land Use Claim** and the most we will pay as the policy Annual Aggregate Limit of Liability for all **Land Use Claims**. The Limit of Liability shown in Item 2(C) shall be part of, and not in addition to, the Annual Aggregate **Limit of Liability** set forth in Item 2(A) of the Declarations.
4. The **Limit of Liability** in Item 2(B) of the Declarations is the most we will pay for any single **Claim** and the Annual Aggregate Limit of Liability for all **Claims** subject to Item 2(B) of the Declarations. The Limit of Liability shown in Item 2(B) shall be part of, and not in addition to, the Annual Aggregate **Limit of Liability** set forth in Item 2(A) of the Declarations.

SECTION V - COINSURANCE AND RETENTIONS

A. Coinsurance

The Insured and the Company shall participate with regard to a loss subject to the percentages and Loss Amounts reflected in Item 3 of the Declarations.

Except in the case of a **Land Use Claim**, the participation of the Insured and the Company on the coinsurance contribution percentage as set forth above is part of the Limits of Liability, and is not in addition to the Limits of Liability as set forth in Item 2(A) of the Declarations. In the case of a **Land Use Claim**, the coinsurance contribution of the Insured is not part of the Limits of Liability, and does not diminish the Limits of Liability reflected in Item 2(C) for a **Land Use Claim**.

The coinsurance contribution percentage of the insured does not apply to the Limits of Liability as set forth in Item 2(B) of the Declarations.

Your Coinsurance Percentages and Loss Amount contemplate your compliance or non-compliance with an **Approved Risk Management/Loss Control Plan**.

B. Retention

The retention amounts stated in Item 4. of the Declarations are applicable to each **Claim** and shall be subtracted from the total amount of **Damages** including: (1) payments for **Damages** and (2) investigation, adjustment, defense and/or appeal expenses (whether or not payments for **Damages** are made) resulting from each **Claim**. If more than one **Claim** results from the same or related **Wrongful Acts**, then only one retention amount will apply.

We are only liable for the difference between such retention amount and the amount otherwise applicable to a **Claim**. If we pay your portion of any retention, you will reimburse us immediately upon our request.

SECTION VI - EXTENDED REPORTING PERIODS

- A.** We will provide one or more extended reporting periods as described below.
- B.** The extended reporting periods do not extend the policy period or change the scope of coverage provided under this policy, and apply only to a **Claim** for **Damages** arising out of **Wrongful Acts** that occur before the end of the policy period.
- C.** The extended reporting periods do not reinstate or increase the Limits of Liability.
- D.** A Basic Extended Reporting Period of sixty (60) days from the effective date of expiry or cancellation or nonrenewal of this policy is automatically provided without an additional charge. Subject to the terms of this policy, the Basic Extended Reporting Period applies to **Claims** for **Damages** that are first made against an Insured during the policy period and reported to us in accordance with **SECTION VII - CONDITIONS** - Item **A.**, no later than the end of the Basic Extended Reporting Period. The Basic Extended Reporting Period does not apply to a **Claim** covered under any other insurance purchased subsequent to, or to replace, this policy.
- E.** If this policy is canceled or not renewed for any reason other than nonpayment of assessment or any other amount owed to us, an Optional Extended Reporting Period will be offered to you, subject to the payment of additional assessment, and shall take effect on the effective date of cancellation or nonrenewal of this policy. The Optional Extended Reporting Period will remain in effect for a period of one year. Subject to the terms of this policy, the Optional Extended Reporting Period applies to a **Claim** for **Damages** reported to us, in accordance with **SECTION VII - CONDITIONS** - Item **A.**, no later than the end of the one-year purchased Optional Extended Reporting Period. Nonrenewal by us shall mean the refusal by us to renew the policy on any terms. Nonrenewal by us shall not mean a change in assessment, retentions, Limits of Liability or other terms.

The additional assessment for the one-year Optional Extended Reporting Period will be 200% of the expiring annual assessment.

We must receive a written request from you, together with payment of the additional assessment due, within thirty (30) days after the effective date of cancellation or nonrenewal of this policy if you wish to purchase the one year Optional Extended Reporting Period. The Optional Extended Reporting Period will not go into effect unless you pay and we acknowledge receipt of the additional assessment when due. Once in effect, the Optional Extended Reporting Period may not be canceled and the assessment for the Optional Extended Reporting Period is fully earned.

The Optional Extended Reporting Period does not apply to Claims covered under any other insurance purchased subsequent to, or to replace, this policy.

SECTION VII - CONDITIONS

A. Duties in the Event of a Wrongful Act or Claim

1. If, during the policy period, you become aware of any specific **Wrongful Act** which may reasonably give rise to a future **Claim** covered under this policy, and if you give written notice to us during the policy period, the Automatic Reporting Period, or, if elected, the Optional Extended Reporting Period of:
 - a. the identity of the potential claimants;
 - b. a description of the anticipated **Wrongful Act** allegations;
 - c. the identity of the Insured allegedly involved;
 - d. the circumstances by which the Insured first became aware of the **Wrongful Act**;
 - e. the consequences which have resulted or may result; and
 - f. the nature of the potential monetary damages;then any **Claim** which arises out of such **Wrongful Act** shall be deemed to have been first made at the time such written notice was received by us. No coverage is provided for fees, expenses, and other costs incurred prior to the time such **Wrongful Act** results in a **Claim**.
2. If a **Claim** is made against any insured, you must:
 - a. promptly record the specifics of the **Claim** and the date received; and
 - b. notify us promptly.
3. You and any other involved Insured must:
 - a. immediately send us copies of any demands, notices, summonses or legal papers received in connection with the **Claim**;
 - b. authorize us to obtain records and other information;
 - c. cooperate with us in the investigation, settlement, or defense of the **Claim**; and
 - d. assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may also apply.
4. No Insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

B. Legal Action Against Us

No person or organization has a right under this policy:

1. to join us as a party or otherwise bring us into a **Suit** asking for **Damages** from an Insured; or
2. to sue us under this policy unless all terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an Insured obtained after an actual trial; but we will not be liable for **Damages** that are not payable under the terms of this policy or that are in excess of the applicable limit of liability. An agreed settlement means a settlement and release of liability signed by us, the Insured and the claimant or the claimant's legal representative.

C. Other insurance

If other insurance in any form and by whatever name known is available to the insured for a **Wrongful Act** covered by this policy, the insurance provided by this policy shall apply in excess of such other insurance, whether or not valid or collectible.

D. Material Representations

By accepting this policy, you represent and agree as a condition to coverage:

1. that the statements in the Declarations are accurate and complete;
2. that the statements made in the application, attachments, and any other materials submitted are true and are the basis of this coverage and are to be considered as incorporated into and constituting a part of this policy;

3. that the statements made in the application, attachments, and any other material submitted are representations and that such representations are deemed material to the acceptance of the risk or the hazard assumed by us under the policy and that this policy is issued in reliance upon the truth of such representations; and
4. that in the event that the application, including attachments and any other materials submitted, contains misrepresentations which materially affect either the acceptance of the risk or the hazard assumed by us, this policy in its entirety shall be void and of no effect.

With respect to any declarations and statements on which the coverage is based, no statement, declaration or knowledge by any Insured shall be imputed to any other Insured for the purpose of determining if coverage is available.

E. Separation of Insureds

Except with respect to the Limits of Liability, and any rights or duties specifically assigned in this policy to the **Public Entity**, this policy applies:

1. as if each Insured were the only Insured; and
2. separately to each Insured against whom a **Claim** is made or **Suit** is brought.

F. Transfer of Rights of Recovery Against others to Us

If the Insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The Insured must do nothing after loss to impair them. At our request, the Insured will bring legal action or transfer those rights to us and help us enforce them.

G. Assignment

This policy may not be assigned by you to anyone.

H. Sovereign Immunity Defense

We will use the defense of sovereign immunity, to which you may be entitled as a public entity, only when you agree with us in its use. If you do not agree with us in using the defense of sovereign immunity, you release us from all liability because of our failure to raise such defense.

I. Consent to Settle

We will consult with you when we settle a **Claim**. If you refuse to consent to any settlement offer we receive and you elect to contest the **Claim** or continue any legal proceeding in connection with such **Claim**, our liability will not exceed the settlement offer plus supplementary payments incurred as of the date of such refusal.

J. Cancellation

Any cancellation of this policy is expressly subject to the requirements of the laws of the State of New Jersey, including those regulations currently codified in N.J.A.C. 11:15-2 adopted by the New Jersey Commissioner of Insurance pursuant to the authority of N.J.S.A. 17:1-8.1, N.J.S.A. 17:1C-6(e) and N.J.S.A. 40A:10-36 et seq. and as hereafter amended. This policy may be cancelled by the Insured by surrender thereof to the Company or any of its authorized agents and only in accordance with the requirements for withdrawal from the Company as set forth in the aforesaid statutes, rules and regulations and the Company's bylaws adopted thereunder. If the Insured cancels, its liability for any further assessments shall be computed in accordance with the aforesaid rules and regulations.

If the Company cancels, it shall mail to the Insured, at the last mailing address known by the Company, written notice stating when not less than 30 days thereafter such cancellation shall be effective. Subject to the aforesaid rules and regulations, this policy may also be cancelled by not less than 10 days notice when the cancellation is being effected by reason of the Insured's nonpayment of assessment. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the coverage period. If the Company cancels, earned assessment shall be computed as provided in the aforesaid rules and regulations. Assessment adjustment may be made either at the time cancellation is effected or as soon as practicable, but payment or tender of unearned assessment is not a condition of cancellation.

K. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The **Public Entity** 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.

L. 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 (3) years afterward.

M. Inspections and Surveys

We have the right but are not obligated to make inspections and surveys at any time. We will give you reports on the conditions we find and recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the assessments 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. We do not warrant that conditions are safe or healthful, or comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service, or similar organization which make insurance inspections, surveys or reports.

N. Assessments

The first **Public Entity** shown in the Declarations is responsible for the payment of all assessments and will receive any return assessments.

O. 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 Insured.

P. Eligibility

It is expressly recognized and agreed the **Public Entity** named in the Declarations is required to be a member of the **Lead Agent** as a condition of eligibility for this policy and, in the event the Insured withdraws from or is terminated or expelled from the **Lead Agent**, this policy shall be cancelled and terminated as of the effective date of the withdrawal, termination or expulsion. Any such withdrawal, termination or expulsion from the **Lead Agent** shall be effectuated only in accordance with the **Lead Agent's** bylaws and risk management plan as approved pursuant to the aforementioned authorizing statutes and regulations.

SECTION VIII - DEFINITIONS

A. Approved Risk Management/Loss Control Plan means

1. the Insured **Public Entity** has developed, and is following a program for risk management of employment liability **Claims** that has been approved and accepted by the **Municipal Excess Liability Joint Insurance Fund**,
2. the Insured **Public Entity** is updating its **Approved Risk Management/Loss Control Plan** on an annual basis, and has received an Attorney's Certification for its Employment Practices Loss Control Plan which has been signed by the **Public Entity's** attorney on an annual basis and in accordance with current **Municipal Excess Liability Joint Insurance Fund** requirements, and
3. the Insured **Public Entity** has completed **Employment Practices Training**.

B. Claim means:

1. a written demand for **Damages** or a notice advising an Insured of an intent to sue;
2. a notice of an arbitration proceeding to which we agree;
3. a civil proceeding commenced by the service of a summons, complaint or similar pleading; received by an Insured alleging a **Wrongful Act**;
4. a complaint or charge filed with the Equal Employment Opportunity Commission (EEOC), New Jersey Division of Civil Rights (DCR), or similar federal, state or local government agency;
5. a **Land Use Claim**;

6. any appeal from the final decision of the Insured based upon or arising out of the internal civil service or administrative procedures of the Insured; or
7. a **Suit**.

More than one **Claim** brought by persons or entities arising out of the same **Wrongful Act** or a series of acts all related to a single **Wrongful Act** shall be treated as a single **Claim** and shall be deemed to have been made at the time that the first **Claim** is made against any Insured.

C. Claims Expenses means:

1. reasonable and necessary fees charged by any attorney designated by us to defend the Insured;
2. reasonable and necessary fees charged by any attorney designated by the Insured with our written consent.
3. other reasonable and necessary fees, costs and expenses resulting from investigation, adjustment, defense and appeal (other than premiums on appeal bonds and the cost of bonds to release attachments) of a **Claim** if incurred by the Insured.
4. premiums on appeal bonds in any such **Claim** and the cost of bonds to release attachments, but only for bond amounts not exceeding an amount equal to the limit of liability. We do not have an obligation to furnish any such bonds.
5. all reasonable expenses incurred by any Insured at our request to assist us in the investigation or defense of the **Claim**, including actual loss of earnings up to \$100 a day because of time off from work.
6. all costs taxed against the Insured in the **Suit**.

Claims Expenses shall not include salary expense or other charges relating to the Insured.

Claims Expenses also shall not include any amounts in excess of the applicable and available Limits of Liability of this policy, as set forth in the Declarations.

D. Coverage Territory means anywhere in the United States or its territories provided that the damage or injury arises out of discharge of duties as a **Public Entity** and that any **Suit** is brought against the Insured within the United States of America, its territories or possessions, Puerto Rico or Canada.

This policy shall not apply to any risk which would be in violation of the laws of the United States including, but not limited to, U.S. economic or trade sanction laws or export control laws administered by the U.S. Treasury, State, and Commerce Department.

E. Damages shall mean those amounts that the Insured becomes legally obligated to pay for **Claims** arising out of a **Wrongful Act** and shall include **Claims Expenses**. **Damages** includes all interest on the full amount of any judgment that accrues after entry and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limits of Liability. **Damages** also includes an award of an opposing party's attorney fees.

Damages shall not include

1. common law, statutory, or regulatory fines or penalties.
2. any amount not indemnified by the Insured for which the Insured is absolved from payment by reason of any covenant, agreement or court order;
3. matters uninsurable under the law pursuant to which this policy is construed;
4. the employment reinstatement of the claimant by the Insured or the continued employment of the claimant; or
5. harm or damages caused intentionally by an Insured.
6. Back wages, front pay, overtime, future damages (or other future economic relief), benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan or collective bargaining agreement, or any other payment, or the equivalent thereof (including liquidated damages), based upon or arising out of a **claim** alleging a **Wrongful Employment Practice**.

F. Employment Practices Training means the Insured **Public Entity** has made personnel practices training mandatory for supervisory and managerial personnel and has also made it available to all employees.

G. Land Use Claim shall mean a written demand for damages or notice advising an insured of intent to sue, a notice of an arbitration proceeding, a civil proceeding commences by the service of a summons, complaint or similar pleading

arising out of any land use planning and/or municipal zoning decision or activity of any kind, or any allegation of an act, error, omission or breach of duty of an Insured arising out of any land use planning and/or municipal zoning decision or activity of any kind.

- H. Lead Agent** shall mean the Joint Insurance Fund named on the Declarations Page as organized and created pursuant to the provisions of L. 1983 c.372 (N.J.S.A. 40A:10-36) et seq.
- I. Pollutants** means any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or a state, county, municipality or locality counterpart thereof. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, electromagnetic radiation, or waste materials, which includes materials to be recycled, reconditioned or reclaimed. **Pollutants** shall also mean any other air emission, odor, wastewater, oil or oil products, infectious or medical waste, asbestos or asbestos products, and any noise.
- J. Public Entity** shall mean only that Municipality, Governmental Body, Department, or Unit, which is named in the Declarations and is legally constituted at the Effective Date of this policy.
- K. Public Official** shall mean all persons who were, now are or shall be lawfully appointed or elected officials of the Insured while acting within the scope of their official duties. The term **Public Official** shall include members of such commissions, boards or other units operating by and under the jurisdiction of such governing body and within an apportionment of the total operating budget of the Insured, while acting within the scope of their official duties. The term **Public Official** shall also include employee and **Volunteers** as may be responsible to the governing body or to its commissions, boards or other units. **Public Official** does not mean and does not apply to any officials, members or employees of any hospital, boards of education or colleges, or any person working on a retainer or any independent or professional services contractors. **Public Official** shall also mean an interim administrator while acting in the scope of their duties on behalf of the named insured.
- L. Retroactive Date** means the dates shown in Items 7 and 8 of the Declaration Page. No coverage will be afforded for any **Wrongful Acts** occurring in whole or in part prior to this date.
- M. Suit** means a civil proceeding in which **Damages** to which this insurance applies are alleged. **Suit** includes:
1. an arbitration proceeding in which such **Damages** are claimed and to which you must submit or do submit with our consent; or
 2. any other alternative dispute resolution proceeding in which such **Damages** are claimed and to which you submit with our consent.
- N. Volunteer** means any person whose services are uncompensated and whose activities are authorized, directed and supervised by, and for the benefit of, the **Public Entity**. **Volunteer** does not include any person performing services which are covered by, connected with, or supervised by any court, penal or law official or institution.
- O. Wrongful Act** means a negligent act, error or omission, or **Wrongful Employment Practice**.
- P. Wrongful Employment Practice** means any of the following conduct or acts committed against a current or former employee, **Volunteer**, or applicant for employment of the **Public Entity**;
1. employment-related discrimination, including employment-related discrimination in connection with hiring, promotion, advancement or opportunity demotion, discipline, pay, or termination on the basis of race, color, sex, age, religion, national origin, disability, sexual orientation, marital status, or pregnancy, or any conduct that violates any federal, state, or local law prohibiting employment discrimination;
 2. workplace harassment, including unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature that (1) is made an explicit or implied term or condition of employment; or (2) is used as a basis for employment decisions; or (3) creates a work environment that is intimidating, hostile, or offensive; or
 3. any of the following employment-related actions: wrongful termination of employment, employment-related misrepresentation, failure to employ, failure to promote, wrongful discipline, wrongful deprivation of career opportunity, failure to grant tenure, negligent evaluation, invasion of privacy, employment-related defamation, wrongful infliction of emotional distress, retaliatory treatment, and/or violation of civil or constitutional right of any employee that creates a cause of action for damages.



QBE Specialty Insurance Company

55 Water Street, New York, New York 10041

Home Office: c/o CT Corporation System, 314 East Thayer Avenue, Bismarck, North Dakota 58501

**PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE
(CLAIMS MADE BASIS)**

Policy No.: QJL01065-03

Renewal of: QJL01065-02

DECLARATIONS

Item 1. Insured Public Entity:

Toms River Municipal
Utilities Authority
340 West Water Street
Toms River, NJ 08753

Lead Agent:

New Jersey Utility Authorities
Joint Insurance Fund
Attn: Cate Kiernan
PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, NJ 07054-4412

Item 2. Limits of Liability:

- (A) \$2,000,000 Standard: Combined Single Limit per **Claim** (except **Land Use Claims**) and Annual Aggregate.
- (B) \$25,000 for defense only of **Claims** based on civil union and or marriage.
- (C) \$150,000 **Land Use Claim** Limit per **Claim**.
- Note that the **Limits of Liability** and **Retention Amount** are reduced or exhausted by **Defense Costs**.

Item 3. Coinsurance Contribution Percentage and Loss Amount:

The Coinsurance Percentages apply to the Loss Amounts below.

	Insured Percentage	Company Percentage	Loss Amount
(A) Any covered Claim other than a Claim arising out of a Wrongful Employment Practice or a Land Use Claim	20%	80%	\$100,000
(B) Claim arising out of a Wrongful Employment Practice	20%	80%	\$100,000
(C) Land Use Claim	20%	80%	\$150,000

Item 4. Retention Amount:

- (A) Any covered **Claim** other than a **Claim** arising out of a **Wrongful Employment Practice** or a **Land Use Claim** \$7,500
- (B) **Claim** arising out of a **Wrongful Employment Practice** \$7,500
- (C) **Land Use Claim** \$7,500

Item 5. Coverage Period: Effective Date: **January 1, 2019**
Expiration Date: **January 1, 2020**

each at 12:01 a.m. Standard Time at the address of the **Public Entity** as stated herein.

Item 6. Extended Reporting Period:

- (A) Additional Assessment: 200% of Annual Assessment
- (B) Additional Period: 12 Months
- (C) Insured Notification Period: 30 Days

Item 7. Public Officials Liability Retroactive Date:

1. Provide "full prior acts" coverage to members with five continuous years of membership.
2. Provide "full prior acts" coverage to new members who have full prior acts coverage in force at time of membership.
3. Provide prior acts to the existing retroactive date (defined as the retroactive date identified in their expiring or prior policy) for new members that do not have full prior acts coverage or a one year retroactive date, whichever is greater.

Item 8. Employment Liability Retroactive Date:

1. Members as of 1/1/1997 will have a uniform retroactive date of 10/1/1993. The members' respective retention and coinsurance contribution in effect at the time the **claim** is made will apply. This is based on whether or not the member has an **approved loss control/risk management plan** in place.
2. Members with effective dates after 1/1/1997 with prior Employment Liability coverage will have a retroactive date of 10/1/1993. All new members with prior coverage will have a six (6) month grace period for approval of a loss control/risk management plan in order to maintain the lower retention and the lower coinsurance contribution.
3. Members with effective dates after 1/1/1997 with no prior Employment Liability coverage will have a retroactive date that is the same as the date of membership. All new members with no prior coverage will have the higher retention and higher coinsurance percentage until their loss control/risk management program is submitted and approved.

Item 9. Notice of Claim to be given to:

Summit Risk Services
Attn: Alice Ivers
120 Gibraltar Road, Suite 210
Horsham, PA 19044
Email: newfundclaim@summitrisk.com
Phone: 215-443-3598 Fax: 215-773-7725

Item 10. Endorsements: Forms and Endorsements attached at issuance:

PRU-PO-400001-NJ (02-19) – New Jersey Surplus Lines Stamp
PRU-PO-100001-NJ (05-18) – Public Officials and Employment Liability Coverage Form

POLICY NUMBER: QJL01065-03

SLA Transaction #: HO695-19-00466

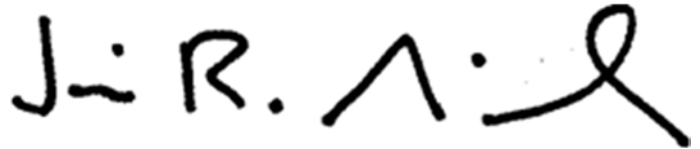
Item 11. **Warranty:** It is represented and warranted that with regard to a **Claim** arising out of a **Wrongful Employment Practice**, the statements contained in the written application regarding employment liability, a copy of which is on file at the offices of QBE Specialty Insurance Company, hereinafter referred to as the **Company**, and the Declarations, are reaffirmed as of the Effective Date of this policy, and are the basis of employment coverage under the policy and are considered as incorporated in and constituting part of this policy.

Item 12. **Annual Premium:** \$8,270

This Declarations Page is issued with, and forms a part of, the PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE POLICY.



Russell Johnston
President



Jose Ramon Gonzalez, Jr.
Secretary



This endorsement, effective January 1, 2019 at 12:01 a.m., forms a part of Policy No. QJL01065-03 issued to Toms River Municipal Utilities Authority by QBE Specialty Insurance Company.

NEW JERSEY SURPLUS LINES STAMP

Policy Number: QJL01065-03
SLA Transaction #: HO695-19-00466
Insured Public Entity: Toms River Municipal Utilities Authority

This policy is written by a surplus lines insurer and is not subject to the filing or approval requirements of the New Jersey Department of Banking and Insurance. Such a policy may contain conditions, limitations, exclusions and different terms than a policy issued by an insurer granted a Certificate of Authority by the New Jersey Department of Banking and Insurance. The insurer has been approved by the Department as an eligible surplus lines insurer, but the policy is not covered by the New Jersey Insurance Guaranty Fund, and only a policy of medical malpractice liability insurance as defined in N.J.S.A. 17:30D-3d or a policy of property insurance covering owner-occupied dwellings of less than four dwelling units are covered by the New Jersey Surplus Lines Guaranty Fund.



PUBLIC OFFICIALS AND EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM CLAIMS MADE AND REPORTED

NOTICE: THIS COVERAGE FORM PROVIDES CLAIMS MADE AND REPORTED COVERAGE. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

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

Titles are used within this policy for convenience only and shall not control or affect the meaning or construction of any provision of this policy.

Throughout this policy the words "you" and "your" refer to the **Public Entity**. Refer to **Section III – WHO IS AN INSURED**. The words "we", "us", and "our" refer to the Company providing this insurance.

Other words and phrases that appear in bold have special meaning. Refer to **SECTION VIII - DEFINITIONS**.

In consideration of the payment of the assessment, in reliance upon the statements in the written application made a part hereof, and subject to all of the terms of this policy, we agree as follows:

SECTION I - COVERAGE

A. Insuring Agreement

1. We will pay those sums that the Insured becomes legally obligated to pay as **Damages** because of a **Wrongful Act** (regardless of whether or not such allegations prove to be groundless, false or fraudulent) arising out of the discharge of duties by or on behalf of the **Public Entity** as shown in the Declarations provided always that:
 - a. the **Claim**, on account of such **Wrongful Act**, is first made against the Insured and reported to us during the policy period, in compliance with **SECTION VII - CONDITIONS** - Item **A.**, or any applicable reporting period under **SECTION VI - EXTENDED REPORTING PERIODS**;
 - b. such **Wrongful Act** took place in the **Coverage Territory**; andFor purposes of paragraph 1.a. of **SECTION I - COVERAGE**, subsection **A. Insuring Agreement**, if, during the policy period or any applicable reporting period under **SECTION VI - EXTENDED REPORTING PERIODS**, the Insured gives written notice to us, in accordance with **SECTION VII - CONDITIONS** - Item **A.**, of a **Wrongful Act** likely to result in a **Claim**, then any **Claim** that may subsequently be made against an Insured arising out of such **Wrongful Act** shall be deemed to have been made during the policy period or any applicable reporting period hereunder.
2. We will have the right and duty to defend, except where excluded or otherwise outside the scope of coverage of this policy, any **Claim** seeking **Damages** to which this insurance applies. We may, at our discretion, investigate any **Claim**, but:
 - a. the amount we will pay for **Damages**, including **Claims Expenses**, is limited as described in **SECTION IV - LIMITS OF LIABILITY**; and
 - b. our right and duty to defend ends when we have used up the applicable limit of liability in the payment of judgments, settlements, or **Claims Expenses**.

No other obligation or liability to pay sums or perform acts or services is covered.

SECTION II - EXCLUSIONS

This policy does not apply to:

1. Criminal Acts

any **Damages** arising out of fraud, dishonesty, malicious, and/or a criminal and intentional act or omission, if an investigation, judgment or other final adjudication establishes such a fraudulent, dishonest, malicious, and/or criminal and intentional act or omission was committed by, on behalf of, or at the direction of the insured. However, notwithstanding the foregoing, subject to other terms and conditions of this policy, we will pay for

Claims Expenses incurred by the insured up to, but not after, an investigation, judgment or other final adjudication establishes such a fraudulent, dishonest, malicious, and/or criminal and intentional act or omission was committed by, on behalf of, or at the direction of the insured. A defense and indemnification shall be afforded to each Insured against whom no such final determination is made.

2. Willful Violations

any **Damages** arising from the willful violation of any federal, state, or local statute, ordinance, rule, regulation, agreement or judicial or regulatory order, committed by or with the knowledge and consent of any Insured. However, notwithstanding the foregoing, subject to other terms and conditions of this policy, we will pay for **Claims Expenses** incurred by the insured up to, but not after, an investigation, judgment or other final adjudication establishes such a willful violation on the part of the insured. A defense and indemnification shall be afforded to each Insured against whom no such final determination is made.

3. Statutory or Fiduciary Liability

any **Claims** or damages arising from any obligation or duty imposed by:

- a. the Employee Retirement Income Security Act (ERISA);
- b. the Pension Benefit Act;
- c. the Consolidated Omnibus Budget Reconciliation Act of 1988 (COBRA);
- d. SECTION 89 of the Internal Revenue Code
- e. the Occupational Safety and Health Act (OSHA);
- f. the Public Employee Occupational Safety and Health Act (PEOSHA);
- g. the Worker Adjustment and Retraining Notification Act (WARN); or
- h. the Fair Labor Standards Act (FLSA);

or any amendments thereto, or similar provisions of a federal, state, or local statutory or common law.

4. Employment Benefits

any **Damages** arising out of any Insured's administration or activities in connection with any employment benefit plan or self-insurance fund; provided, however, this exclusion does not apply with respect to Joint Insurance Funds established pursuant to N.J.S.A. 40:A 10-36m et seq.

5. Pollution

- a. any **Damages** which would not have occurred in whole or in part but for the actual, alleged or threatened existence, discharge, dispersal, seepage, migration, release or escape of **Pollutants**, irritants or hazardous substances at any time; or
- b. any **Damages** arising out of any:
 - 1) request, demand or order that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any other way respond to, or assess the effects of **Pollutants**; or
 - 2) **Claim** by or on behalf of a governmental authority or others 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**.

6. Asbestos, Silica Dust or Lead

- a. any disease or any ailment caused by or aggravated by asbestos in any form or silica dust;
- b. the existence of asbestos in any form or silica dust, including the costs in investigations or feasibility studies, or to the costs of testing, monitoring, abatement, mitigation, cleaning, removal or disposal of any property or substance;
- c. lead or the hazardous properties of lead;
- d. remedial investigations or feasibility studies or the costs of testing, monitoring, abatement, mitigation, cleaning, removal, or disposal of lead or any item(s) containing lead;
- e. any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with b. or c. above; or

- f. any obligation to share **Damages** with or repay someone else who must pay **Damages** in connection with a., b., c., d., or e. above.

7. Self-Dealing or Illegal Profit

any **Damages** arising out of self-dealing or gaining profit or advantage or remuneration to which an Insured is not legally entitled.

8. Condemnation

any **Damages** based upon or arising out of eminent domain, condemnation, inverse condemnation, adverse possession, dedication by adverse use, or temporary or permanent taking, all by whatever name used.

9. Bodily Injury, Personal Injury, Advertising Injury or Property Damage

any **Damages** based upon or arising out of:

- a. bodily injury including physical injury to any person, death, sickness, disease or any mental anguish associated with or arising from such bodily injury; provided however, this exclusion shall not apply to a **Wrongful Employment Practice** that also alleges emotional distress and mental anguish;
- b. assault or battery;
- c. emotional distress or mental anguish; provided however, this exclusion shall not apply to a **Wrongful Employment Practice**
- d. injury caused by a **Wrongful Act** arising from one or more of the following:
 - 1) false arrest, detention or imprisonment;
 - 2) malicious prosecution;
 - 3) publication or utterance of libel, slander, or disparaging material, or utterance in violation of an individual's right of privacy;
 - 4) 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;
 - 5) misappropriation of advertising ideas or style of business; or
 - 6) infringement of copyright title or slogan;provided however, this exclusion shall not apply to a **Wrongful Employment practice**.
- e. physical injury to tangible property, including all resulting loss of use of that property; or
- f. loss of use of tangible property that is not physically injured.

10. Law Enforcement Activities

any **Damages** arising out of the law enforcement activities to protect the public or property including the operation of correctional or detention facilities. This exclusion does not apply to a **Wrongful Employment Practice**.

11. War, Strikes, Riots, or Civil Commotion

any **Damages** due to:

- a. war, whether or not declared, or any act or condition incident to war; or
- b. strikes, riots or civil commotion.

War includes civil war, insurrection, rebellion or revolution.

12. Failure to Effect and Maintain Insurance

any **Damages** based upon or arising out of the failure of the Insured to effect, procure or maintain adequate insurance.

13. Bonds, Taxes or Construction Contracts

any **Damages** based upon or arising out of:

- a. the issuance of bonds;

- b. the improper collection of taxes; or
- c. construction, architectural or engineering contracts.

14. Prior Insurance

any **Damages** for which an Insured is entitled to indemnity or payment by reason of having given notice of any circumstance which might give rise to a **Claim** under any policy(ies) which has terminated or expired prior to the inception date of this insurance.

15. Non-monetary Damages, Fines or Penalties

any **Claim** solely seeking equitable relief or redress in any form other than money **Damages** or for costs, charges, fees or expense in relation to any **Claim** solely seeking relief or redress in any form other than money **Damages**, or for the costs of the Insured's compliance with the condition of any injunctive or equitable relief, or for any fines or penalties assessed from the failure to comply with any injunctive relief.

16. Collective Bargaining Agreement

any **Damages** due to any collective bargaining agreement or breach of that agreement.

17. Doctors or Health Care Facilities

any **Damages** arising out of:

- a. an Insured's **Wrongful Acts** as a doctor, physician, surgeon or dentist; or
- b. the premises or operation of any hospital, clinic, or nursing home. This exclusion, however, does not apply to any **Claim** arising out of a **Wrongful Employment Practice**.

18. Contractual Liability

any **Damages** the Insured is obligated to pay by reason of 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. This exclusion shall not apply to any municipal mutual assistance agreements for fire protection, first aid or other emergency services.

19. Capital Improvements

any costs incurred by an Insured to modify or adapt any building or property in order to make such building or property more accessible or accommodating to any disabled person.

20. Workers Compensation

any liability arising out of any obligation under any workers' compensation, disability benefits or unemployment compensation law, or any similar law. This exclusion, however, does not apply to any **Claim** arising out of a **Wrongful Employment Practice** on account of the filing of a workers' compensation **Claim** or a **Claim** for disability benefits.

21. Strike and Lock Out

any liability arising out of a strike, lockout, picket line, replacement, or other similar action resulting from labor disputes or labor negotiations or any protections contained within the National Labor Relations Act or state equivalent.

22. Racketeer Influence and Corruption Organizations (R.I.C.O.)

any **Claim** arising out of any actual or alleged violation of the racketeer influence and corrupt organizations act, 18 USC section et seq any amendments thereto, or any rules or organizations promulgated thereunder.

23. Change in Control

any **Claim** based upon or arising out of the acts of any state or federal official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official who takes control of, supervises, manages or liquidates the insured.

24. Punitive Damages

any **Claim** seeking punitive or exemplary damages, multiplied damages, fines or penalties.

25. Electromagnetic

any **Claim** based upon or arising out of electromagnetic fields, or any other electrical or magnetic waves or radiation.

26. Nuclear

any **Claim** arising out of the use, handling, sale, distribution, transport, shipment, planning, maintenance, operation, use, construction, dispersal, storage or disposal of any nuclear, radioactive or fissionable material, or any alleged violation of any environmental statute, regulation, or ordinance with respect to such material, including any site, facility, reactor, or any act, omission, or condition incidental thereto.

27. Volunteer Emergency Service Organizations

any **Claim** arising out of any non-emergency activities of a volunteer emergency services organization or any **Claim** which is covered by the Municipal Excess Liability Joint Insurance Fund Volunteer Emergency Services Directors and Officers Liability Policy (Claims Made Basis).

28. Certain Professional Services

any **Claim** arising out of a **Wrongful Act** of any attorney, architect, licensed physician, engineer, independent auditor or independent accountant while acting in the scope of his professional duties on behalf of the **Public Entity**. However, this exclusion shall not apply to any **Claim** arising out of a **Wrongful Act** of accountants or engineers employed full-time by the **Public Entity** while acting on behalf of the **Public Entity**, or attorneys included in the "Employed Attorney Endorsement". This Exclusion shall not apply to an interim administrator while acting in the scope of their duties on behalf of the **Public Entity**.

29. Back Wages and Front Pay

back wages, front pay, overtime, future damages (or other future economic relief), benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan or collective bargaining agreement, or any other payment, or the equivalent thereof (including liquidated damages), based upon or arising out of a **Claim** alleging a **Wrongful Employment Practice**. However, notwithstanding the foregoing, subject to other terms and conditions of this policy, we will pay for **Claims Expenses** incurred by the Insured if the **Claim** includes otherwise covered **Wrongful Acts** up to, but not after, there are no longer any covered **Wrongful Acts**.

30. Civil Union / Marriage

any **Damages** pertaining to, in whole or in part, the performance, failure to perform or the refusal to perform a marriage or civil union. Civil union is as defined in New Jersey Statutes, C.37:1-28 et seq. However, notwithstanding the foregoing, subject to other terms and conditions of this policy, we will pay for **Claims Expenses** incurred by the insured, which such **Claims Expenses** shall not exceed the Limit of Liability for **Civil Union / Marriage Claims Expenses** in the Declarations.

31. Breach of Contract

any damages arising out of the breach of any contract whether written, oral or implied. However, this exclusion shall not apply to a **Wrongful Employment Practice**.

SECTION III - WHO IS AN INSURED

Each of the following is an Insured:

1. The **Public Entity** named in the Declarations, Item 1, which is legally constituted and incorporated as of the effective date of this policy, including its government body, departments and units.
2. Your lawfully elected, appointed or employed **Public Officials** or members, past, present and future, but only while acting solely within the course and scope of his or her duties and responsibilities on behalf of the **Public Entity**.
3. Your employees, whether in the singular or plural, but only while acting solely within the course and scope of his or her duties and responsibilities on behalf of the **Public Entity**.
4. Any person(s) providing volunteer services for you at your request and operating under your direction and control, including any person under Title 34 N.J.S.A. 34.15-74;

5. Any person(s) providing services for you under municipal mutual assistance agreements, whether in the singular or plural, but only while acting solely within the course and scope of his or her duties and responsibilities on behalf of the **Public Entity**.
6. The estates, heirs, legal representatives or assigns of the Insured who are deceased at the time of the **Wrongful Act(s)** upon which a covered **Claim** is based.
7. The legal representatives or assigns of the Insureds who are incompetent, insolvent or bankrupt.
8. Person(s) designated by the Insured to serve on a designated outside entity, provided that the activities are in the course and scope of serving on the designated outside entity, the outside entity is tax exempt, the appointment is based solely on the person's being an insured of the **Public Entity**, and the person is directed by the **Public Entity** to serve on the outside entity.
9. Any Business or Special Improvement District affiliated with the **Public Entity** for which the **Public Entity** has submitted a request to, and received written confirmation from, the **Lead Agent**.

Unless specifically endorsed herein, Insured does not mean, and coverage does not apply to, any one of the following boards, commissions or units: boards of education, hospitals, or nursing homes.

SECTION IV - LIMITS OF LIABILITY

Regardless of the number of Insureds covered under this policy or the number of claimants or the number of **Claims** made, our liability is limited as follows:

1. The Limits of Liability shown in the Declarations, Item 2(A), is the most we will pay under this policy. For the purpose of determining the annual aggregate Limits of Liability of the Company for the Extended Reporting Period provided for under this policy, we shall combine the total of monies paid by the Company on behalf of the Insured during the immediately preceding Coverage Period plus the total of monies paid by the Company on behalf of the Insured during the Extended Reporting Period, with said combined total not to exceed the Limits of Liability set forth in Item 2 of the Declarations for this policy. As respects Items 2(A), 2(B) and 2(C) of the Declarations, the Company's liability under this policy shall apply only to that part of each loss which is in excess of the Retention Amount set forth in Item 4 of the Declarations for this policy and such Retention Amount shall be borne by the Insured.
2. Subject to subsection 1. above, the Combined Single Limit per **Claim** is the most we will pay for all **Damages** arising out of any one **Wrongful Act** covered by this policy, unless the **Claim** is a **Land Use Claim**, which shall be subject to subsection 3. below. **Claims** based on and arising out of the same act or interrelated acts of one or more Insureds shall be considered to be a single **Claim**, and such **Claim** shall be deemed to have originated in the earliest Coverage Period in which a **Claim** is first made against any Insured.
3. The **Limit of Liability** in Item 2(C) of the Declarations is the most we will pay for any single **Land Use Claim** and the most we will pay as the policy Annual Aggregate Limit of Liability for all **Land Use Claims**. The Limit of Liability shown in Item 2(C) shall be part of, and not in addition to, the Annual Aggregate **Limit of Liability** set forth in Item 2(A) of the Declarations.
4. The **Limit of Liability** in Item 2(B) of the Declarations is the most we will pay for any single **Claim** and the Annual Aggregate Limit of Liability for all **Claims** subject to Item 2(B) of the Declarations. The Limit of Liability shown in Item 2(B) shall be part of, and not in addition to, the Annual Aggregate **Limit of Liability** set forth in Item 2(A) of the Declarations.

SECTION V - COINSURANCE AND RETENTIONS

A. Coinsurance

The Insured and the Company shall participate with regard to a loss subject to the percentages and Loss Amounts reflected in Item 3 of the Declarations.

Except in the case of a **Land Use Claim**, the participation of the Insured and the Company on the coinsurance contribution percentage as set forth above is part of the Limits of Liability, and is not in addition to the Limits of Liability as set forth in Item 2(A) of the Declarations. In the case of a **Land Use Claim**, the coinsurance contribution of the Insured is not part of the Limits of Liability, and does not diminish the Limits of Liability reflected in Item 2(C) for a **Land Use Claim**.

The coinsurance contribution percentage of the insured does not apply to the Limits of Liability as set forth in Item 2(B) of the Declarations.

Your Coinsurance Percentages and Loss Amount contemplate your compliance or non-compliance with an **Approved Risk Management/Loss Control Plan**.

B. Retention

The retention amounts stated in Item 4. of the Declarations are applicable to each **Claim** and shall be subtracted from the total amount of **Damages** including: (1) payments for **Damages** and (2) investigation, adjustment, defense and/or appeal expenses (whether or not payments for **Damages** are made) resulting from each **Claim**. If more than one **Claim** results from the same or related **Wrongful Acts**, then only one retention amount will apply.

We are only liable for the difference between such retention amount and the amount otherwise applicable to a **Claim**. If we pay your portion of any retention, you will reimburse us immediately upon our request.

SECTION VI - EXTENDED REPORTING PERIODS

- A.** We will provide one or more extended reporting periods as described below.
- B.** The extended reporting periods do not extend the policy period or change the scope of coverage provided under this policy, and apply only to a **Claim** for **Damages** arising out of **Wrongful Acts** that occur before the end of the policy period.
- C.** The extended reporting periods do not reinstate or increase the Limits of Liability.
- D.** A Basic Extended Reporting Period of sixty (60) days from the effective date of expiry or cancellation or nonrenewal of this policy is automatically provided without an additional charge. Subject to the terms of this policy, the Basic Extended Reporting Period applies to **Claims** for **Damages** that are first made against an Insured during the policy period and reported to us in accordance with **SECTION VII - CONDITIONS** - Item **A.**, no later than the end of the Basic Extended Reporting Period. The Basic Extended Reporting Period does not apply to a **Claim** covered under any other insurance purchased subsequent to, or to replace, this policy.
- E.** If this policy is canceled or not renewed for any reason other than nonpayment of assessment or any other amount owed to us, an Optional Extended Reporting Period will be offered to you, subject to the payment of additional assessment, and shall take effect on the effective date of cancellation or nonrenewal of this policy. The Optional Extended Reporting Period will remain in effect for a period of one year. Subject to the terms of this policy, the Optional Extended Reporting Period applies to a **Claim** for **Damages** reported to us, in accordance with **SECTION VII - CONDITIONS** - Item **A.**, no later than the end of the one-year purchased Optional Extended Reporting Period. Nonrenewal by us shall mean the refusal by us to renew the policy on any terms. Nonrenewal by us shall not mean a change in assessment, retentions, Limits of Liability or other terms.

The additional assessment for the one-year Optional Extended Reporting Period will be 200% of the expiring annual assessment.

We must receive a written request from you, together with payment of the additional assessment due, within thirty (30) days after the effective date of cancellation or nonrenewal of this policy if you wish to purchase the one year Optional Extended Reporting Period. The Optional Extended Reporting Period will not go into effect unless you pay and we acknowledge receipt of the additional assessment when due. Once in effect, the Optional Extended Reporting Period may not be canceled and the assessment for the Optional Extended Reporting Period is fully earned.

The Optional Extended Reporting Period does not apply to Claims covered under any other insurance purchased subsequent to, or to replace, this policy.

SECTION VII - CONDITIONS

A. Duties in the Event of a Wrongful Act or Claim

1. If, during the policy period, you become aware of any specific **Wrongful Act** which may reasonably give rise to a future **Claim** covered under this policy, and if you give written notice to us during the policy period, the Automatic Reporting Period, or, if elected, the Optional Extended Reporting Period of:
 - a. the identity of the potential claimants;
 - b. a description of the anticipated **Wrongful Act** allegations;
 - c. the identity of the Insured allegedly involved;
 - d. the circumstances by which the Insured first became aware of the **Wrongful Act**;
 - e. the consequences which have resulted or may result; and
 - f. the nature of the potential monetary damages;then any **Claim** which arises out of such **Wrongful Act** shall be deemed to have been first made at the time such written notice was received by us. No coverage is provided for fees, expenses, and other costs incurred prior to the time such **Wrongful Act** results in a **Claim**.
2. If a **Claim** is made against any insured, you must:
 - a. promptly record the specifics of the **Claim** and the date received; and
 - b. notify us promptly.
3. You and any other involved Insured must:
 - a. immediately send us copies of any demands, notices, summonses or legal papers received in connection with the **Claim**;
 - b. authorize us to obtain records and other information;
 - c. cooperate with us in the investigation, settlement, or defense of the **Claim**; and
 - d. assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may also apply.
4. No Insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

B. Legal Action Against Us

No person or organization has a right under this policy:

1. to join us as a party or otherwise bring us into a **Suit** asking for **Damages** from an Insured; or
2. to sue us under this policy unless all terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an Insured obtained after an actual trial; but we will not be liable for **Damages** that are not payable under the terms of this policy or that are in excess of the applicable limit of liability. An agreed settlement means a settlement and release of liability signed by us, the Insured and the claimant or the claimant's legal representative.

C. Other insurance

If other insurance in any form and by whatever name known is available to the insured for a **Wrongful Act** covered by this policy, the insurance provided by this policy shall apply in excess of such other insurance, whether or not valid or collectible.

D. Material Representations

By accepting this policy, you represent and agree as a condition to coverage:

1. that the statements in the Declarations are accurate and complete;
2. that the statements made in the application, attachments, and any other materials submitted are true and are the basis of this coverage and are to be considered as incorporated into and constituting a part of this policy;

3. that the statements made in the application, attachments, and any other material submitted are representations and that such representations are deemed material to the acceptance of the risk or the hazard assumed by us under the policy and that this policy is issued in reliance upon the truth of such representations; and
4. that in the event that the application, including attachments and any other materials submitted, contains misrepresentations which materially affect either the acceptance of the risk or the hazard assumed by us, this policy in its entirety shall be void and of no effect.

With respect to any declarations and statements on which the coverage is based, no statement, declaration or knowledge by any Insured shall be imputed to any other Insured for the purpose of determining if coverage is available.

E. Separation of Insureds

Except with respect to the Limits of Liability, and any rights or duties specifically assigned in this policy to the **Public Entity**, this policy applies:

1. as if each Insured were the only Insured; and
2. separately to each Insured against whom a **Claim** is made or **Suit** is brought.

F. Transfer of Rights of Recovery Against others to Us

If the Insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The Insured must do nothing after loss to impair them. At our request, the Insured will bring legal action or transfer those rights to us and help us enforce them.

G. Assignment

This policy may not be assigned by you to anyone.

H. Sovereign Immunity Defense

We will use the defense of sovereign immunity, to which you may be entitled as a public entity, only when you agree with us in its use. If you do not agree with us in using the defense of sovereign immunity, you release us from all liability because of our failure to raise such defense.

I. Consent to Settle

We will consult with you when we settle a **Claim**. If you refuse to consent to any settlement offer we receive and you elect to contest the **Claim** or continue any legal proceeding in connection with such **Claim**, our liability will not exceed the settlement offer plus supplementary payments incurred as of the date of such refusal.

J. Cancellation

Any cancellation of this policy is expressly subject to the requirements of the laws of the State of New Jersey, including those regulations currently codified in N.J.A.C. 11:15-2 adopted by the New Jersey Commissioner of Insurance pursuant to the authority of N.J.S.A. 17:1-8.1, N.J.S.A. 17:1C-6(e) and N.J.S.A. 40A:10-36 et seq. and as hereafter amended. This policy may be cancelled by the Insured by surrender thereof to the Company or any of its authorized agents and only in accordance with the requirements for withdrawal from the Company as set forth in the aforesaid statutes, rules and regulations and the Company's bylaws adopted thereunder. If the Insured cancels, its liability for any further assessments shall be computed in accordance with the aforesaid rules and regulations.

If the Company cancels, it shall mail to the Insured, at the last mailing address known by the Company, written notice stating when not less than 30 days thereafter such cancellation shall be effective. Subject to the aforesaid rules and regulations, this policy may also be cancelled by not less than 10 days notice when the cancellation is being effected by reason of the Insured's nonpayment of assessment. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the coverage period. If the Company cancels, earned assessment shall be computed as provided in the aforesaid rules and regulations. Assessment adjustment may be made either at the time cancellation is effected or as soon as practicable, but payment or tender of unearned assessment is not a condition of cancellation.

K. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The **Public Entity** 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.

L. 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 (3) years afterward.

M. Inspections and Surveys

We have the right but are not obligated to make inspections and surveys at any time. We will give you reports on the conditions we find and recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the assessments 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. We do not warrant that conditions are safe or healthful, or comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service, or similar organization which make insurance inspections, surveys or reports.

N. Assessments

The first **Public Entity** shown in the Declarations is responsible for the payment of all assessments and will receive any return assessments.

O. 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 Insured.

P. Eligibility

It is expressly recognized and agreed the **Public Entity** named in the Declarations is required to be a member of the **Lead Agent** as a condition of eligibility for this policy and, in the event the Insured withdraws from or is terminated or expelled from the **Lead Agent**, this policy shall be cancelled and terminated as of the effective date of the withdrawal, termination or expulsion. Any such withdrawal, termination or expulsion from the **Lead Agent** shall be effectuated only in accordance with the **Lead Agent's** bylaws and risk management plan as approved pursuant to the aforementioned authorizing statutes and regulations.

SECTION VIII - DEFINITIONS

A. Approved Risk Management/Loss Control Plan means

1. the Insured **Public Entity** has developed, and is following a program for risk management of employment liability **Claims** that has been approved and accepted by the **Municipal Excess Liability Joint Insurance Fund**,
2. the Insured **Public Entity** is updating its **Approved Risk Management/Loss Control Plan** on an annual basis, and has received an Attorney's Certification for its Employment Practices Loss Control Plan which has been signed by the **Public Entity's** attorney on an annual basis and in accordance with current **Municipal Excess Liability Joint Insurance Fund** requirements, and
3. the Insured **Public Entity** has completed **Employment Practices Training**.

B. Claim means:

1. a written demand for **Damages** or a notice advising an Insured of an intent to sue;
2. a notice of an arbitration proceeding to which we agree;
3. a civil proceeding commenced by the service of a summons, complaint or similar pleading; received by an Insured alleging a **Wrongful Act**;
4. a complaint or charge filed with the Equal Employment Opportunity Commission (EEOC), New Jersey Division of Civil Rights (DCR), or similar federal, state or local government agency;
5. a **Land Use Claim**;

6. any appeal from the final decision of the Insured based upon or arising out of the internal civil service or administrative procedures of the Insured; or
7. a **Suit**.

More than one **Claim** brought by persons or entities arising out of the same **Wrongful Act** or a series of acts all related to a single **Wrongful Act** shall be treated as a single **Claim** and shall be deemed to have been made at the time that the first **Claim** is made against any Insured.

C. Claims Expenses means:

1. reasonable and necessary fees charged by any attorney designated by us to defend the Insured;
2. reasonable and necessary fees charged by any attorney designated by the Insured with our written consent.
3. other reasonable and necessary fees, costs and expenses resulting from investigation, adjustment, defense and appeal (other than premiums on appeal bonds and the cost of bonds to release attachments) of a **Claim** if incurred by the Insured.
4. premiums on appeal bonds in any such **Claim** and the cost of bonds to release attachments, but only for bond amounts not exceeding an amount equal to the limit of liability. We do not have an obligation to furnish any such bonds.
5. all reasonable expenses incurred by any Insured at our request to assist us in the investigation or defense of the **Claim**, including actual loss of earnings up to \$100 a day because of time off from work.
6. all costs taxed against the Insured in the **Suit**.

Claims Expenses shall not include salary expense or other charges relating to the Insured.

Claims Expenses also shall not include any amounts in excess of the applicable and available Limits of Liability of this policy, as set forth in the Declarations.

D. Coverage Territory means anywhere in the United States or its territories provided that the damage or injury arises out of discharge of duties as a **Public Entity** and that any **Suit** is brought against the Insured within the United States of America, its territories or possessions, Puerto Rico or Canada.

This policy shall not apply to any risk which would be in violation of the laws of the United States including, but not limited to, U.S. economic or trade sanction laws or export control laws administered by the U.S. Treasury, State, and Commerce Department.

E. Damages shall mean those amounts that the Insured becomes legally obligated to pay for **Claims** arising out of a **Wrongful Act** and shall include **Claims Expenses**. **Damages** includes all interest on the full amount of any judgment that accrues after entry and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limits of Liability. **Damages** also includes an award of an opposing party's attorney fees.

Damages shall not include

1. common law, statutory, or regulatory fines or penalties.
2. any amount not indemnified by the Insured for which the Insured is absolved from payment by reason of any covenant, agreement or court order;
3. matters uninsurable under the law pursuant to which this policy is construed;
4. the employment reinstatement of the claimant by the Insured or the continued employment of the claimant; or
5. harm or damages caused intentionally by an Insured.
6. Back wages, front pay, overtime, future damages (or other future economic relief), benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan or collective bargaining agreement, or any other payment, or the equivalent thereof (including liquidated damages), based upon or arising out of a **claim** alleging a **Wrongful Employment Practice**.

F. Employment Practices Training means the Insured **Public Entity** has made personnel practices training mandatory for supervisory and managerial personnel and has also made it available to all employees.

G. Land Use Claim shall mean a written demand for damages or notice advising an insured of intent to sue, a notice of an arbitration proceeding, a civil proceeding commences by the service of a summons, complaint or similar pleading

arising out of any land use planning and/or municipal zoning decision or activity of any kind, or any allegation of an act, error, omission or breach of duty of an Insured arising out of any land use planning and/or municipal zoning decision or activity of any kind.

- H. Lead Agent** shall mean the Joint Insurance Fund named on the Declarations Page as organized and created pursuant to the provisions of L. 1983 c.372 (N.J.S.A. 40A:10-36) et seq.
- I. Pollutants** means any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or a state, county, municipality or locality counterpart thereof. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, electromagnetic radiation, or waste materials, which includes materials to be recycled, reconditioned or reclaimed. **Pollutants** shall also mean any other air emission, odor, wastewater, oil or oil products, infectious or medical waste, asbestos or asbestos products, and any noise.
- J. Public Entity** shall mean only that Municipality, Governmental Body, Department, or Unit, which is named in the Declarations and is legally constituted at the Effective Date of this policy.
- K. Public Official** shall mean all persons who were, now are or shall be lawfully appointed or elected officials of the Insured while acting within the scope of their official duties. The term **Public Official** shall include members of such commissions, boards or other units operating by and under the jurisdiction of such governing body and within an apportionment of the total operating budget of the Insured, while acting within the scope of their official duties. The term **Public Official** shall also include employee and **Volunteers** as may be responsible to the governing body or to its commissions, boards or other units. **Public Official** does not mean and does not apply to any officials, members or employees of any hospital, boards of education or colleges, or any person working on a retainer or any independent or professional services contractors. **Public Official** shall also mean an interim administrator while acting in the scope of their duties on behalf of the named insured.
- L. Retroactive Date** means the dates shown in Items 7 and 8 of the Declaration Page. No coverage will be afforded for any **Wrongful Acts** occurring in whole or in part prior to this date.
- M. Suit** means a civil proceeding in which **Damages** to which this insurance applies are alleged. **Suit** includes:
1. an arbitration proceeding in which such **Damages** are claimed and to which you must submit or do submit with our consent; or
 2. any other alternative dispute resolution proceeding in which such **Damages** are claimed and to which you submit with our consent.
- N. Volunteer** means any person whose services are uncompensated and whose activities are authorized, directed and supervised by, and for the benefit of, the **Public Entity**. **Volunteer** does not include any person performing services which are covered by, connected with, or supervised by any court, penal or law official or institution.
- O. Wrongful Act** means a negligent act, error or omission, or **Wrongful Employment Practice**.
- P. Wrongful Employment Practice** means any of the following conduct or acts committed against a current or former employee, **Volunteer**, or applicant for employment of the **Public Entity**:
1. employment-related discrimination, including employment-related discrimination in connection with hiring, promotion, advancement or opportunity demotion, discipline, pay, or termination on the basis of race, color, sex, age, religion, national origin, disability, sexual orientation, marital status, or pregnancy, or any conduct that violates any federal, state, or local law prohibiting employment discrimination;
 2. workplace harassment, including unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature that (1) is made an explicit or implied term or condition of employment; or (2) is used as a basis for employment decisions; or (3) creates a work environment that is intimidating, hostile, or offensive; or
 3. any of the following employment-related actions: wrongful termination of employment, employment-related misrepresentation, failure to employ, failure to promote, wrongful discipline, wrongful deprivation of career opportunity, failure to grant tenure, negligent evaluation, invasion of privacy, employment-related defamation, wrongful infliction of emotional distress, retaliatory treatment, and/or violation of civil or constitutional right of any employee that creates a cause of action for damages.



- BENEFIT INFORMATION -

Available Exclusively to Safety National's Excess and Large Deductible Workers' Compensation Policyholders

SAFETY NATIONAL CRISIS PROTECTION NOTIFICATION EMAIL ADDRESS:
crisisprotection@safetynational.com

SAFETY NATIONAL CRISIS PROTECTION 24-HOUR HOTLINE:
(855) 887-3254

DEFINITIONS

- A. Domestic Crisis Event** means a man-made emergency situation limited to an explosion, arson, bombing, workplace violence, structural fire or a vehicular accident occurring entirely in the United States and/or any territories or possessions of the same. Domestic Crisis Event also means a natural disaster at owned, leased or designated workplace locations limited to a tornado, explosion, wildfire, structural fire, earthquake and any resulting tsunami, hurricane or flood occurring entirely in the United States and/or any territories or possessions of the same. In order to qualify as a Domestic Crisis Event, an event must directly involve the death of two (2) or more of Your Employees. Safety National Casualty Corporation ("Safety National") shall solely determine what qualifies as a Domestic Crisis Event for purposes of this benefit.
- B. International Extraction Crisis Event** means an international crisis directly involving Your Employees and resulting in their immediate need of removal from a geographic location to avoid imminent serious injury or death as the result of an existing emergency situation. An International Extraction Crisis Event is limited to employee extraction from a man-made emergency situation only as the result of an explosion, arson, bombing, riot, or government collapse and political unrest. An International Extraction Crisis Event that necessitates employee extraction as the result of a natural disaster is limited to a tornado, explosion, wildfire, earthquake and any resulting tsunami, cyclone/typhoon/hurricane or flood. Safety National shall solely determine what qualifies as an International Extraction Crisis Event for purposes of this benefit.
- C. Your Employees** means any direct employees of Your Company that are directly involved in a qualifying event. It specifically excludes any contractors. Safety National specifically restricts Safety National Crisis Protection to, and will only provide benefits for, Your Employees who are directly covered by any excess or large deductible workers' compensation insurance policy issued to You by Safety National and who are currently employed at the time of the qualifying event.

* Safety National Crisis Protection is a complimentary benefit for Safety National's excess and large deductible workers' compensation customers only and is NOT an insurance coverage or policy of any type.

- D. Immediate Family Member** means spouse, child or children and parents of Your Employee directly involved in a Domestic Crisis Event.
- E. You, Your and Yours** shall refer to an excess or large deductible workers' compensation policyholder of Safety National who has an active and fully-paid policy at the time of the qualifying event.
- F. Warning Country** shall refer to any country, territory, province or geographical location listed by the United States Department of State at <http://travel.state.gov/content/passports/english/alertswarnings.html> as a location for which a travel warning has been issued and is currently active. Safety National shall solely determine whether a certain country, territory, province or geographical location is considered a Warning Country at the time of the qualifying event.
- G. Sanctioned Country** shall refer to any country, territory, province or geographical location listed by the United States Department of the Treasury at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx> as the subject of any current Office of Foreign Assets Control ("OFAC") sanctions program. Safety National shall solely determine whether a certain country, territory, province or geographical location is considered a Sanctioned Country at the time of the qualifying event.

YOUR BENEFITS UNDER SAFETY NATIONAL CRISIS PROTECTION*

As a valued policyholder, Safety National has developed the Safety National Crisis Protection program as a complimentary benefit available to You. If a qualifying Domestic Crisis Event occurs that directly involves You as a Safety National excess or large deductible workers' compensation policyholder, Safety National will pay to cover the cost of either a Safety National approved crisis management firm, crisis response firm, public relations firm and/or for emergency psychological services up to the annual, aggregate limit of the benefit. If You choose to use an unapproved vendor, reimbursement will be made directly to You for services that are approved by Safety National, up to the annual, aggregate limit of this benefit.

In the event that a qualifying International Extraction Crisis Event occurs that directly involves You as a Safety National excess or large deductible workers' compensation policyholder, Safety National will reimburse You to cover the cost of expenses approved by Safety National involving an employee extraction firm of Your choice. With respect to any International Extraction Crisis Event, Safety National will provide this benefit for qualifying events anywhere in the world outside the United States or United States possessions and territories, except for events that occur in any country, territory, province or geographical location listed as a Warning Country by the United States Department of State on the initial date that You report the International Extraction Crisis Event to Safety National. Safety National will also not provide this benefit for events that occur in any country, territory, province or geographical location listed by the United States Department of Treasury as the subject of any current Office of Foreign Assets Control ("OFAC") sanctions program on the initial date that You report the International Extraction Crisis Event to Safety National.

The total annual, aggregate limit for a Domestic Crisis Event, an International Extraction Crisis Event, or any combination of the two is \$50,000 for any active excess or large deductible workers' compensation policy year. In the case of a multi-year excess or large deductible workers' compensation policy, the \$50,000 annual, aggregate limit shall renew on the annual anniversary date of such multi-year policy. There is no sublimit for a Domestic Crisis Event or International Extraction Crisis Event but in no instance will Safety National pay an approved vendor and/or reimburse You more than \$50,000 in any one-year period. For the sake of clarity, Safety National will only pay up to

* Safety National Crisis Protection is a complimentary benefit for Safety National's excess and large deductible workers' compensation customers only and is NOT an insurance coverage or policy of any type.

the maximum of \$50,000 in any one year that coincides with your active and fully-paid excess or large deductible workers' compensation insurance policy with Safety National. The annual, aggregate benefit limit of \$50,000 shall apply regardless of the number of policies You have with Safety National.

SCOPE OF BENEFITS UNDER SAFETY NATIONAL CRISIS PROTECTION*

In order to take advantage of this benefit: (1) the Domestic Crisis Event or International Extraction Crisis Event must directly involve Your business and occur within the period of coverage provided by Safety National to You under an active and fully-paid excess or large deductible workers' compensation insurance policy; (2) the facts, circumstances, pre-existing condition(s) or situation(s) that lead up to the Domestic Crisis Event or International Extraction Crisis Event were not known to You in advance; and (3) the Domestic Crisis Event or International Extraction Crisis Event had not affected Your operation in any way before the current policy period began.

Since Safety National has approved vendors for Domestic Crisis Events, you can contact them via the following 24-hour hotline as soon as the event occurs:

(855) 887-3254. Black Swan Solutions is the Safety National approved vendor for Crisis Management and Counseling and takes all incoming calls regarding Domestic Crisis Events. In the event You need to get in contact with another approved vendor for a Crisis Communication/Public Relations situation, Black Swan Solutions will route Your call to the appropriate vendor. During Your initial call with Black Swan Solutions, You must provide: (1) Your active excess or large deductible workers' compensation account name, (2) Your policy number and (3) the effective date of that policy.

If an International Extraction Crisis Event occurs, since there are no approved vendors, You should contact the vendor of Your choice and Safety National will reimburse you for those approved costs up to the above listed annual, aggregate limit.

In addition to contacting a vendor, **You must notify Safety National within five (5) business days of any Domestic Crisis Event or International Extraction Crisis Event which may result in any benefits under Safety National Crisis Protection at the following email address: crisisprotection@safetynational.com. Failure to do so may void this benefit and any payments or reimbursements by Safety National.** This email address is also listed at the beginning of this benefit information packet. Further written notification regarding specifics of the qualifying event must be made as soon as possible after the initial email notification. The written notification must include when, where and how the Domestic Crisis Event or International Extraction Crisis Event occurred, and the nature of the injuries or damages You have experienced to date as well as those You expect to experience as a result of the Domestic Crisis Event or International Extraction Crisis Event. **Any notice You provide to Black Swan Solutions and/or Safety National under this Safety National Crisis Protection benefit program shall NOT be considered a notice of loss under any Safety National excess or large deductible workers' compensation insurance policy.**

All invoices and receipts relating to any request for direct vendor payment and/or reimbursement to You under this benefit must be submitted to Safety National for payment within sixty (60) days from the original date they were generated. Any older invoices or receipts will not be paid by Safety National.

* Safety National Crisis Protection is a complimentary benefit for Safety National's excess and large deductible workers' compensation customers only and is NOT an insurance coverage or policy of any type.

SPECIFIC EXCESS
WORKERS' COMPENSATION AND
EMPLOYERS' LIABILITY INSURANCE AGREEMENT

SAFETY NATIONAL CASUALTY CORPORATION
ST. LOUIS, MISSOURI

(Hereinafter called the CORPORATION)

In consideration of the payment of premium and subject to all the terms of this Agreement, hereby agrees with the EMPLOYER named in the Declarations (hereinafter called the EMPLOYER), as follows:

A. Coverage of Agreement

This Agreement applies only to Loss sustained by the EMPLOYER because of liability imposed upon the EMPLOYER by the Workers' Compensation or Employers' Liability Laws of:

- (1) the State(s) designated in the Declarations, or
- (2) other State(s), provided that the Loss shall not be greater than it would have been had liability been imposed by the State(s) specified in the Declarations,

on account of bodily injury by accident or bodily injury by occupational disease due to Occurrences taking place within the Liability Period to Employees of the EMPLOYER engaged in the business operations specified in the Declarations and all other operations necessary, incidental, or appurtenant thereto. Bodily injury includes resulting death.

The inclusion of more than one EMPLOYER in the Declarations shall not increase the EMPLOYER's Self-Insured Retention nor the CORPORATION's Maximum Limit of Indemnity.

The insurance afforded by this Agreement applies to operations in the State(s) specified in the Declarations, including, however, incidental operations conducted by Employees who are regularly engaged in operations in the specified State(s), but who may be temporarily outside the specified State(s).

B. Insurance Under This Agreement

(1) Specific Excess Insurance

With respect to each Occurrence taking place within a Liability Period, the EMPLOYER shall retain as its own Loss, as defined below, the amount specified in Item 7 of the Declarations, and the CORPORATION agrees to reimburse the EMPLOYER only for such Loss in excess of such Self-Insured Retention, subject to the Maximum Limit of Indemnity Per Occurrence, or the Employers' Liability Maximum Limit of Indemnity Per Occurrence, whichever is applicable, as specified in Item 8 of the Declarations. The separate Employers' Liability Maximum Limit of Indemnity Per Occurrence shall not operate, in any case, to increase the total amount the CORPORATION agrees to reimburse the EMPLOYER for Loss per any one Occurrence as per Item 8(a) of the Declarations.

C. Definitions

- (1) "Loss" – shall mean actual payments, less recoveries, legally made by the EMPLOYER to Employees and their dependents in satisfaction of: (a) statutory benefits, (b) settlements of suits and claims, and (c) awards and judgments. Loss shall also include Claim Expenses, paid by the EMPLOYER, as defined in Paragraph (2) of this Section. The term Loss shall not include the items specifically excluded by Paragraph (3) of this Section.
- (2) "Claim Expenses" – shall mean court costs, interest upon awards and judgments and the reasonable allocated costs of investigation, adjustment, defense, and appeal, including pension or appeal bond costs (provided that the prosecution of such appeal and/or the posting of such pension or appeal bond is approved by the CORPORATION) of claims, suits or proceedings brought against the EMPLOYER under the Workers' Compensation or Employers' Liability Laws of the State(s) designated in the Declarations, or other State(s), as provided in Section A, even though such claims, suits, proceedings or demands are wholly groundless, false or fraudulent. Claim Expenses shall not include fees to the EMPLOYER's Service Company.
- (3) "Exclusions from Loss" – shall refer to the following amounts paid by the EMPLOYER, and specifically excluded from the term Loss:
 - (a) Salaries, wages, and remuneration provided to Employees;
 - (b) Fees to the EMPLOYER's Service Company and/or costs of self-administration of claims;
 - (c) Punitive or exemplary damages as they relate to claims made under the Employers' Liability coverage provided by this Agreement;
 - (d) Fines or penalties assessed against the EMPLOYER for any violation by the EMPLOYER, or its representative(s), of any statute or regulation, unless the fines or penalties result from a reasonable dispute as to Workers' Compensation benefits owed by the EMPLOYER;
 - (e) Assessments and taxes made upon the EMPLOYER as self-insurer whether imposed by statute, regulation, or otherwise;

(f) Any amounts required to be paid by the EMPLOYER because of:

- 1) Serious and willful misconduct of the EMPLOYER, including intentional torts and intentional acts or omissions resulting in injury, acts or omissions taken with reckless disregard of the possible occurrence of an injury or acts or omissions taken that are substantially certain to result in injury, regardless of whether or not said actions may be classified in the State(s) as intentional torts,
 - 2) Coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any Employee and/or related personnel practices, policies, acts or omissions by the EMPLOYER,
 - 3) Knowingly employing an Employee in violation of law,
 - 4) Rejection by the EMPLOYER of any Workers' Compensation Law,
 - 5) Failure to comply with any health, safety, or notification law or regulation,
- (g) Loss voluntarily assumed by the EMPLOYER under any contract or agreement, whether express or implied;
- (h) Loss for which the EMPLOYER carries a full coverage Workers' Compensation and Employers' Liability policy; and
- (i) Any amount owed by the EMPLOYER pursuant to provision of any law that provides non-occupational disability benefits.
- (4) "Occurrence" – shall mean accident. In addition, bodily injury by occupational disease must be caused or aggravated by the conditions of employment and shall be deemed to have occurred on the last day of the last exposure to those conditions of employment causing or aggravating such injury by occupational disease, or such dates as is otherwise established by the Workers' Compensation and Employers' Liability Laws of the appropriate State(s). Bodily injury by occupational disease sustained by each Employee shall be deemed to be a separate Occurrence unless such disease results directly from an accident.
- (5) "Employee" – as respects liability imposed upon the EMPLOYER by the Workers' Compensation Law of any State, the word Employee shall mean any person performing work which renders the EMPLOYER liable under the Workers' Compensation Law of a State named in Item 2 of the Declarations, which is the State of the injured Employee's normal employment, for bodily injuries or occupational disease sustained by such person.
- (6) "State" – shall mean any state, territory, or possession of the United States of America and the District of Columbia.

D. Reimbursement

If the EMPLOYER pays any Loss incurred in any Liability Period in excess of the Self-Insured Retention Per Occurrence, the CORPORATION shall reimburse the EMPLOYER upon receipt of a formal proof of loss and other evidence acceptable to the CORPORATION of such payment. Within a reasonable

period of time, reimbursement payments shall be made by the CORPORATION.

The CORPORATION shall have, and may exercise at any time, and from time to time, the right to offset any balance or balances, whether on account of premiums, Losses or otherwise, due from the EMPLOYER to the CORPORATION against any balance or balances due from the CORPORATION to the EMPLOYER under this Agreement.

E. Liability Period

The liability of the CORPORATION for Loss hereunder shall be determined separately for each Liability Period. The initial Liability Period shall commence at 12:01 A.M. on the Effective Date and end at 12:01 A.M. on the Anniversary Date, designated in Items 3 and 4 respectively, of the Declarations. Each succeeding Liability Period shall begin concurrently with the end of the previous Liability Period and continue for the same number of consecutive months as the initial Liability Period. All time is stated in local time for the State(s) designated in the Declarations.

In the event the EMPLOYER fails to give express written intent to continue coverage at the end of a given Liability Period, the Agreement shall be deemed terminated, and the Anniversary Date shall serve as the termination date of the Agreement.

F. Premium

Upon acceptance of the Agreement and at the beginning of each Payroll Reporting Period, as specified in Item 12 of the Declarations, the EMPLOYER shall pay to the CORPORATION the amount of the Deposit Premium specified in Item 11 of the Declarations. The EMPLOYER shall pay premiums when due. The Deposit Premium shall be held by the CORPORATION until the expiration of the Payroll Reporting Period. Within thirty (30) days after the close of each Payroll Reporting Period, the EMPLOYER shall render to the CORPORATION a report, upon a form satisfactory to the CORPORATION, exhibiting, by classification, the amount of such remuneration earned by Employees during such reporting period, and the EMPLOYER shall therewith pay to the CORPORATION the excess of the Earned Premium over the Deposit Premium previously paid. In case the Deposit Premium paid exceeds the Earned Premium, the CORPORATION shall return to the EMPLOYER the amount of such excess or give appropriate credit, subject to the proportion of Minimum Premium for the Liability Period in the case of multi-year Liability Periods.

Upon expiration of a Liability Period, a summary of voluntary payroll reports for such Liability Period shall be made to determine the Earned Premium under this Agreement. In no event, however, shall the Earned Premium in respect of any Liability Period be less than the Minimum Premium specified in the Declarations.

For each Payroll Reporting Period, the CORPORATION shall compute the Earned Premium as follows:

- (1) Remuneration – The remuneration earned, or man hours accumulated during such period by all Employees, including volunteers, engaged in each classification covered by this Agreement shall be computed in accordance with the rules set forth in the appropriate Manual of Workers' Compensation and Employers' Liability Insurance.
- (2) Manual and Standard Premium – The remuneration, or man-hours, so computed for Employees engaged in each such classification shall be multiplied by the Manual Rate per \$100 of remuneration/man-hour, in effect at the inception of each Payroll Reporting Period, and the products so obtained shall be added together to determine the Manual Premium. An Experience Modification Factor may be applied to the Manual Premium to determine a Standard Premium. Such Experience Modification Factor shall be determined at the inception of this Agreement and is subject to annual review and possible revision. A Standard Premium takes precedence over any Manual Premium.
- (3) Earned Premium – Against the Manual or Standard Premium shall be applied the Premium Rate, as specified in Item 9 of the Declarations, to determine the appropriate Earned Premium.

This Agreement is issued by the CORPORATION and accepted by the EMPLOYER subject to the agreement that, in the event of any change in the Rates per \$100 remuneration/man-hour, as stated in Item 6 of the Declarations, because of any general rate increase or any legislative amendment affecting the benefits under the Workers' Compensation Law of any State(s) named in Item 2 of the Declarations, such change, upon the effective date thereof, shall be, without endorsement, made a part of this Agreement.

G. Self-Insurer

The EMPLOYER, by acceptance of this Agreement, warrants that it is a duly qualified Self-Insurer in the State(s) designated in the Declarations, and will continue to maintain such qualifications during the currency of this Agreement. In the event the EMPLOYER should at any time while this Agreement is in force terminate such qualifications or if they should be cancelled or revoked, such loss of qualifications shall operate as notice of cancellation of this Agreement by the EMPLOYER, subject to the additional terms of the Cancellation Section of this Agreement.

H. Service and Administration

This Agreement contemplates the concurrent and continued existence of a separate service agreement between the EMPLOYER and the Service Company, its designated representative, named in Item 5 of the Declarations, providing services approved by the CORPORATION. The EMPLOYER agrees that its Service Company shall furnish the CORPORATION with quarterly loss runs concurrent with each Liability Period of this Agreement. The provision of loss runs alone does not relieve the EMPLOYER of its reporting obligations as set forth in Section I of this Agreement. In

addition, the electronic transfer of loss information by a Service Company of the EMPLOYER shall not constitute notice of a claim.

Cancellation of the service agreement between the Service Company and the EMPLOYER shall operate as a notice of cancellation of this Agreement by the EMPLOYER, subject to the additional terms of the Cancellation Section of this Agreement. Any change in service companies must be immediately communicated to and approved by the CORPORATION, and this obligation shall survive the termination or non-renewal of this Agreement.

I. Prompt Reporting of Claims

As soon as the EMPLOYER becomes aware, the EMPLOYER must provide prompt notice to the CORPORATION of: (a) any claim or action commenced against the EMPLOYER which exceeds, or is likely to exceed, fifty percent (50%) of the Self-Insured Retention Per Occurrence specified in Item 7 of the Declarations and (b) the reopening of any claim in which a further award might involve liability of the CORPORATION under this Agreement.

In addition, the following categories of claims shall be reported to the CORPORATION immediately, regardless of any question of potential involvement of the CORPORATION:

1. Fatalities;
2. Paraplegics and quadriplegics;
3. Serious burns, defined as 2nd or 3rd degree burns involving 25% or more of the body;
4. Brain injury;
5. Spinal cord injury;
6. Amputation of a major extremity; and
7. Any Occurrence which results in a serious injury to two or more Employees.

If the CORPORATION is prejudiced by the EMPLOYER's failure to provide prompt notice of a claim in accordance with the requirements set forth above and/or as otherwise provided by the Law of any State(s), the CORPORATION may elect to deny coverage for Loss arising from such claim. To constitute prompt, sufficient notice, the EMPLOYER must provide complete information as to the details of the injury, disease, or death.

J. Defense of Claims

The EMPLOYER shall investigate and settle or defend all claims and shall conduct the defense and appeal of all actions, suits, and proceedings commenced against it. The EMPLOYER shall forward promptly to the CORPORATION copies of any pleadings or reports as may be requested. The CORPORATION shall not be obliged to assume charge of the investigation, defense, appeal or settlement of any claim, suit, or proceeding brought against the EMPLOYER, but the CORPORATION shall be given the opportunity to investigate, defend, or participate with the EMPLOYER in the investigation and defense of any claim, if, in the opinion of the CORPORATION, its liability under this Agreement might be involved.

K. Good Faith Claims Administration

The EMPLOYER shall use diligence, prudence, and good faith in the investigation, defense, pursuit of recovery from others and settlement of all claims. The EMPLOYER shall not unreasonably refuse to settle any claim which, in the exercise of sound judgment with respect to the entire claim, should be settled, provided, however, that the EMPLOYER shall not make any payment or agree to any settlement for any sum which would involve the limits of the CORPORATION's liability hereunder without the approval of the CORPORATION.

If the CORPORATION is prejudiced by the EMPLOYER's failure to exercise diligence, prudence, and good faith, the CORPORATION may elect to disclaim coverage for Loss from such claim.

L. Inspection and Audit

The CORPORATION shall have the right, but not the obligation, to inspect the premises and equipment and/or to audit the books and records of the EMPLOYER and of its agents and representatives, including all records relating to payroll and claims matters, at any reasonable time during the period of this Agreement and within three (3) years after final settlement of all claims due to Occurrences happening during the term of this Agreement. An audit to determine Manual or Standard Premium shall supersede any and all prior voluntary payroll reports by the EMPLOYER, and will be used to determine the final adjustment of premiums due to the CORPORATION. Should a determination be made that additional audit premium is due to the CORPORATION, the due date for payment of such audit premium shall be thirty (30) days after the date of billing.

M. Other Insurance

If the EMPLOYER carries other valid and collectible insurance, reinsurance, or indemnity with any other insurer or reinsurer covering a Loss also covered by this Agreement (other than insurance or reinsurance that is purchased to apply in excess of the sum of the Self-Insured Retention and the Maximum Limits of Indemnity hereunder), the insurance afforded by this Agreement shall apply in excess of and shall not contribute with such other insurance or reinsurance.

N. Recovery from Others

The EMPLOYER agrees to prosecute any and all valid claims the EMPLOYER may have against any other party or source that may mitigate any Loss under this Agreement and return to the CORPORATION any amount so recovered, less the reasonable expense of collecting such amounts.

The CORPORATION shall have the EMPLOYER's rights to prosecute any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. The EMPLOYER agrees that it will assist the CORPORATION in any prosecution of any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. Any amounts recovered by the EMPLOYER or the CORPORATION from any party or source that may

mitigate any Loss under this Agreement shall first be used to pay the expenses of collection and to reimburse the CORPORATION for any amount it may have paid the EMPLOYER for the Liability Period concerned, and all remaining amounts collected shall be paid to the EMPLOYER.

O. Change in Agreement

No condition, provision, or declaration of this Agreement shall be waived or altered at any time, except as specified in Section F, except by endorsement signed by the President or a Senior Vice President and the Secretary or an Assistant Secretary of the CORPORATION.

This Agreement hereby terminates, supersedes, and replaces all previously issued Workers' Compensation Insurance or Reinsurance Agreements, as amended, between the EMPLOYER and the CORPORATION.

If terms of this Agreement are in conflict with any law applicable to this Agreement, this statement amends this Agreement to conform to such law. In addition, in the event any terms are in conflict with applicable laws, the remaining terms of the Agreement shall be enforceable.

P. Cancellation

This Agreement may be cancelled by either party giving the other party written notice not less than sixty (60) days prior to the date of cancellation, except, that if the CORPORATION cancels for non-payment of any premium, the cancellation shall become effective ten (10) days after dispatch of notice by the CORPORATION. The date of cancellation then becomes the termination date of the final Liability Period. This Agreement does not apply to Loss as a result of Occurrences taking place after the effective date of such cancellation.

If cancellation is effected by the EMPLOYER, the Manual or Standard Premium shall be determined by the short rate tables used for casualty insurance, and the Earned Premium shall be the product of the Premium Rate (Item 9) times the Manual or Standard Premium (or the Total Annual Remuneration) so arrived at, but not less than the Minimum Premium specified in the Declarations.

If cancellation is effected by the CORPORATION for non-payment of premium, the EMPLOYER shall pay the CORPORATION Earned Premium for the period up to the date of cancellation.

If the CORPORATION cancels for any other reason, the Manual or Standard Premium (or the Total Annual Remuneration) shall be determined upon a pro rata basis and the Earned Premium adjusted in accordance therewith.

Q. Assignment

An assignment of interest under this Agreement will not bind the CORPORATION unless an endorsement signed by the President or a Senior Vice President and the Secretary or an Assistant Secretary of the CORPORATION assigning interest under this Agreement is issued by the CORPORATION.

R. Bankruptcy or Insolvency of Employer

The bankruptcy or insolvency of the EMPLOYER will not relieve the CORPORATION or the EMPLOYER of its duties and liabilities under this Agreement. After payments have been made by or on behalf of the EMPLOYER, reimbursements due under this Agreement will be made by the CORPORATION as if the EMPLOYER had not become bankrupt or insolvent, but not in excess of the CORPORATION's limit of indemnity.

S. Sole Representative

If more than one EMPLOYER is named in Item 1 of the Declarations, or an endorsement related thereto, the EMPLOYER first named in Item 1, or a related endorsement, will act on behalf of all EMPLOYERS to give or receive notice of cancellation, to receive return premium or reimbursement, or to request changes in this Agreement.

T. Acceptance

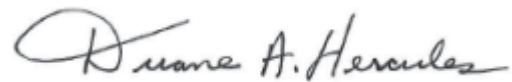
By acceptance of this Agreement, the EMPLOYER agrees that the statements in this Agreement, in the Declarations, and

in the application are the EMPLOYER's representations; that this Agreement is issued in reliance upon such representations; that this Agreement embodies all agreements existing between the EMPLOYER and the CORPORATION, or any of its agents, relating to this excess insurance, and that full compliance by the EMPLOYER with all terms of this Agreement is a condition precedent to the CORPORATION's liability hereunder.

IN WITNESS WHEREOF, SAFETY NATIONAL CASUALTY CORPORATION has caused this Agreement to be executed by printing below the facsimile signatures of its President and Secretary and by the actual signature of its Secretary on the Declarations.



Secretary



President

SAFETY NATIONAL CASUALTY CORPORATION1832 SCHUETZ ROAD
ST. LOUIS, MO 63146**DECLARATIONS – SPECIFIC EXCESS****SP 4054278**

Item 1. Employer: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND INCLUDING ONLY THE INSURED MEMBERS OF THE FUND ON FILE WITH THE CORPORATION (PER ENDORSEMENT 0411)

Address: 9 CAMPUS DRIVE, SUITE 16, PARSIPPANY, NJ 07054

Item 2. This Agreement covers all business operations of the EMPLOYER as a Self-Insurer in the following State(s): NEW JERSEY

Item 3. Effective Date: 12:01 A.M. January 01, 2016

Item 4. Anniversary Date: 12:01 A.M. January 01, 2018

Item 5. The Service Company shall be QUAL-LYNX

Item 6. CLASSIFICATIONS OF OPERATIONS	Code Number	Estimated Total Annual Remuneration/Manhours	Rate Per \$ 100 Remuneration/Manhours
See Attached			

Total Estimated Manual Premium	N/A
SNCC Experience Modification Factor	N/A
Total Estimated Standard Premium	N/A

Item 7. Self-Insured Retention Per Occurrence \$ 2,000,000

Item 8. (a) Maximum Limit of Indemnity Per Occurrence Statutory
(b) Employers' Liability Maximum Limit of Indemnity Per Occurrence \$ 5,000,000

Item 9. Premium Rate See Endt 0342

Item 10. Minimum Premium for the Liability Period \$ 5,092,956

Item 11. Deposit Premium for the Payroll Reporting Period \$ 2,680,503

Item 12. Payroll Reporting Period January 01, 2016 through January 01, 2017

Item 13. Endorsements See Endorsement Schedule

Signed at St. Louis, Missouri on March 30, 2016



Secretary

Countersigned this day of

By: N/A

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**Policy No:** SP 4054278**Effective Date:** 12:01 A.M. January 01, 2016**Declarations:****Item 6.**

St	Classifications of Operations	Code No.	Estimated Total Annual Remuneration/ Manhours	Rate per \$100 Remuneration/ Manhours	Estimated Premium
NJ					
	Tree Pruning, Spraying, Repairing, Trimming or Fumigating & Drivers	0106	\$ 2,388,760	N/A	N/A
	Concrete Construction in Connection with Bridges or Culverts	5222	\$ 1,040,871		
	Street Or Road Maintenance - Municipal - County Or State Departments & Drivers	5509	\$ 204,467,791		
	Landfill	6217	\$ 2,402,533		
	Sewer Construction & Drivers	6306	\$ 172,500		
	Bus Company-Franchised or Chartered--& Drivers	7384	\$ 124,050		
	Waterworks Operation & Drivers	7520	\$ 67,615,793		
	Electric Light Or Power Co NOC & Drivers	7539	\$ 10,232,460		
	Sewerage Disposal Plant Operation & Drivers	7580	\$ 101,509,188		
	Firemen - Paid & Drivers	7711	\$ 173,861,715		
	Firemen - Volunteer & Drivers	7711.B	\$ 21,505,469		
	First Aid Or Rescue Squad - Paid & Drivers	7715	\$ 23,525,785		
	First Aid Or Rescue Squad - Volunteer & Drivers	7715.B	\$ 8,719,000		
	Sheriff's Officers, Policemen Or Correctional Institution	7720	\$ 1,101,505,410		
	Police officers-special, reserve or auxiliary-volunteers-public & dirves	7728	\$ 3,691,535		
	Shop & Parts Dept. Employees & Drivers	8397	\$ 3,616,691		
	Architect or Engineer	8601	\$ 654,160		
	Salespersons-Outside	8742	\$ 1,530,709		
	Clerical Office Employees NOC	8810	\$ 419,385,058		
	Clerical Office Employees NOC (Police Dept)	8810.B	\$ 84,663,574		
	Clerical Office Employees NOC	88102	\$ 5,930,764		
	Clerical Office Employees NOC	88103	\$ 4,519,458		
	Attorney-All Employees & Clerical, Messengers, Drivers	8820	\$ 2,028,821		
	Homemaker service	8828	\$ 157,434		
	Nursing-Home Health, Public and Traveling-All Employees	8835	\$ 429,066		
	Library - Public - Professional Employees & Clerical	8838	\$ 74,563,646		
	College: Professional Employees & Clerical	8868	\$ 977,064		
	Buildings NOC - Operation By Owner Or Lessee	9015	\$ 46,848,435		
	Housing Authority - Clerical, Salespersons, & Drivers	9033	\$ 85,171,820		
	Hospital & Clerical, Drivers	9045	\$ 207,000		
	Clubs NOC & Clerical	9061	\$ 453,609		
	Park NOC & Drivers	9102	\$ 87,948,331		
	College or School: Non Professional Employees	9106	\$ 1,033,573		
	Street Cleaning & Drivers	9402	\$ 13,721,870		

ITEM 6 (CONTINUED)

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

Policy No: SP 4054278

Effective Date: 12:01 A.M. January 01, 2016

Declarations:

Item 6.

St	Classifications of Operations	Code No.	Estimated Total Annual Remuneration/ Manhours	Rate per \$100 Remuneration/ Manhours	Estimated Premium
	Garbage Collection & Drivers	9403	\$ 76,060,379		
	Municipal, Township, County Or State Employee NOC	9410	\$ 199,844,477		
	Municipal, Township, County Or State Employee NOC	9410.B	\$ 16,217,275		
	Welfare Board-County-& Clerical, Salesmen, Drivers	9421	\$ 4,019,331		
	Animal Shelter & Drivers	9726	\$ 526,922		

			\$ 2,853,272,327		
	Total Payroll		\$ 2,853,272,327		

1004 00 1101 (XWC)

Endorsement Schedule

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

Policy No: SP 4054278

Effective Date: 12:01 A.M. January 01, 2016

Number	Title
0411 00 0196 (XWC)	INSURED MEMBERS OF ASSOCIATION
0026 00 1291 (XWC)	NEW JERSEY AMENDMENT REGARDING INSOLVENCY AND CANCELLATION
0242 00 1291 (XWC)	LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT
0276 02 0408 (XWC)	BROAD FORM ALL STATES FOR EMPLOYEE TRAVEL
0277 00 1291 (XWC)	DEPOSIT PREMIUM PAYMENT
0322 01 1198 (XWC)	120-DAYS NOTICE OF CANCELLATION
0342 01 0892 (XWC)	PREMIUM RATES
0346 01 0908 (XWC)	LIMITED SAME COMMUNICABLE DISEASE-SPECIFIC EXCESS
0428 01 0307 (XWC)	FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE
0436 00 1096 (XWC)	UNINTENTIONAL ERROR AND OMISSIONS BY EMPLOYER
0451 08 0112 (XWC)	REVISED PREMIUM SECTION ENDORSEMENT
0454 00 0697 (XWC)	MARITIME COVERAGE ENDORSEMENT (LIMITED TO A STATE BENEFIT)
0817 01 0112 (XWC)	EMPLOYER DEFINITION
1061 11 0115 (XWC)	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
1180 02 0112 (XWC)	REVISED INSPECTION AND AUDIT SECTION ENDORSEMENT
2010 02 1208 (XWC)	REVISED INTENTIONAL TORT AND UNLAWFUL EMPLOYMENT PRACTICES EXCLUSION - SPECIFIC EXCESS AGREEMENTS

0411 00 0196 (XWC)

ENDORSEMENT

INSURED MEMBERS OF ASSOCIATION

Effective 12:01 A.M., Local Time, January 01, 2016

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that Item 1 of the Declarations, EMPLOYER, shall include only the Insured Members on file with the CORPORATION.

"Insured Members on file with the CORPORATION" shall be defined as those members of the association/EMPLOYER listed as members on the official "Member List - MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND (NJ)" (hereinafter "Member List") which shall be furnished to the CORPORATION on a quarterly basis. It is further understood that the effective date for inclusion of a particular Insured Member of the association/EMPLOYER, as well as the cancellation date indicating when an Insured Member ceases to be a member of the association/EMPLOYER, shall hereby correspond with the respective effective date and cancellation date reflected on such official Member List.

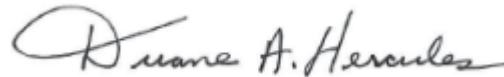
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0026 00 1291 (XWC)

ENDORSEMENT

NEW JERSEY AMENDMENT REGARDING INSOLVENCY AND CANCELLATION

Effective 12:01 A.M., Local Time, January 01, 2016

In consideration of the terms and conditions under which this Agreement is written, it is hereby understood and agreed that the following language regarding Insolvency and Cancellation be added to this Agreement:

INSOLVENCY - It is understood and agreed that bankruptcy or insolvency of the Insured or of the Insured's estate, or any default of the Insured, shall not relieve the CORPORATION of any of its obligations to pay promptly and when due all compensation and other benefits required of the Insured by the Workers' Compensation Law. It is further agreed that in the event of bankruptcy or insolvency of the Insured or of the Insured's estate, or in the event of any default of the Insured, payment shall be made directly to the Insurance Commissioner, State of New Jersey, for and in the behalf of the account of the injured Employee.

CANCELLATION - Notice of Cancellation will be sent to the Commissioner of Insurance, State of New Jersey, Trenton, New Jersey, in writing stating when, not less than thirty (30) days thereafter, such cancellation shall be effective.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0242 00 1291 (XWC)

ENDORSEMENT

LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT

Effective 12:01 A.M., Local Time, January 01, 2016

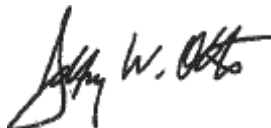
In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

The term, "Workers' Compensation Law," includes the Longshoremen's and Harbor Workers' Compensation Act (USL&H) (33 USC Sections 901-950), and any amendment to that Act that is in effect during the Liability Period. This endorsement does not apply to work subject to the Defense Base Act, the Outer Continental Shelf Lands Act, or the Nonappropriated Fund Instrumentalities Act.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

BROAD FORM ALL STATES FOR EMPLOYEE TRAVEL

Effective 12:01 A.M., Local Time, January 01, 2016

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that this Agreement shall include the following:

1. If the EMPLOYER undertakes operations in or, at the request of the EMPLOYER, an Employee travels to or is temporarily assigned to, any State not designated in Item 2 of the Declarations, this Agreement applies to such operations, travel or temporary assignment. Should EMPLOYER undertake operations in a state not designated in Item 2 of the Declarations, the EMPLOYER shall give notice to the CORPORATION before or within a reasonable time after the commencement of such operations. The EMPLOYER shall take whatever action is necessary to come within the Workers' Compensation and occupational disease laws of such State.
2. Should an Employee, at the direction of the EMPLOYER, travel to or be temporarily assigned to any State or States not designated in Item 2 of the Declarations, this Agreement shall provide coverage for Loss sustained by the EMPLOYER because of liability imposed upon the EMPLOYER by the Workers' Compensation or Employers' Liability Laws of such non-designated State.
3. This Agreement also applies to Loss sustained by the EMPLOYER because of liability imposed upon the EMPLOYER by the Workers' Compensation and Employers' Liability Laws of such non-designated State.
4. Any Loss covered by this Endorsement shall be subject to all the limitations of this Agreement including but not limited to the Self-Insured Retention Per Occurrence or the Limitation Per Occurrence and the Maximum Limit(s) of Indemnity of the CORPORATION for the Liability Period.
5. The word "State" as used in this Endorsement shall mean any State of the United States of America and the District of Columbia.
6. The insurance afforded by this Endorsement does not cover fines or penalties imposed on the EMPLOYER for failure to comply with the requirements of any Workers' Compensation Law.
7. All of the provisions of this Agreement, insofar as such provisions are not inconsistent herewith, are applicable to the insurance afforded by the Agreement by virtue of this Endorsement.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0277 00 1291 (XWC)

ENDORSEMENT

DEPOSIT PREMIUM PAYMENT

Effective 12:01 A.M., Local Time, January 01, 2016

It is hereby understood and agreed that the Deposit Premium of \$ 2,680,503, shall be payable as follows:

\$ 893,679.00 due January 01, 2016

\$ 893,412.00 due February 01, 2016

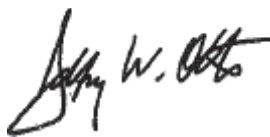
\$ 893,412.00 due March 01, 2016

All payments made by the EMPLOYER shall be credited against the Earned Premium as determined by audit performed following the expiration of the Liability Period of this Agreement.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary


President

0322 01 1198 (XWC)

ENDORSEMENT

120-DAYS NOTICE OF CANCELLATION

Effective 12:01 A.M., Local Time, January 01, 2016

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

The portion of the first paragraph of the Section entitled Cancellation, which reads, "... not less than sixty (60) days prior to the date of cancellation..." is amended to read, "...not less than one hundred twenty (120) days prior to the date of cancellation..."

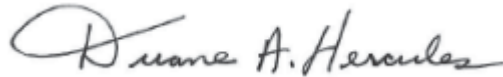
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0342 01 0892 (XWC)

ENDORSEMENT

PREMIUM RATES

Effective 12:01 A.M., Local Time, January 01, 2016

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

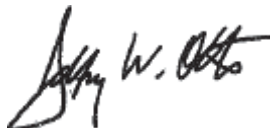
DECLARATIONS:

- Item 9. (a) Premium Rate for the period, January 01, 2016 through January 01, 2017: \$ 0.093955 per \$100 of Payroll
(b) Premium Rate for the period, January 01, 2017 through January 01, 2018: \$ 0.091606 per \$100 of Payroll

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION


Secretary


President

ENDORSEMENT

LIMITED SAME COMMUNICABLE DISEASE-SPECIFIC EXCESS

Effective 12:01 A.M., Local Time, January 01, 2016

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that the Section titled Definitions, shall be revised as follows:

1. Paragraph (4) shall be revised to include the following:

With respect to bodily injury caused by the Same Communicable Disease, occurrence shall mean accident or a series of related events having a detectable common source of causation at the workplace, that results in bodily injury to two or more Employees who are infected with the Same Communicable Disease, which infection is manifested during the Liability Period of this Agreement.

2. Paragraph (7) shall be added and shall read as follows:

- (7) "Same Communicable Disease" - shall mean specifically diagnosed infectious disease caused by an infectious organism which is transmitted from one source to another, directly or indirectly, which is the same proximate cause of bodily injury to each infected Employee. It is understood and agreed, however, that tuberculosis is excluded from the definition of "Same Communicable Disease." Accordingly, this Agreement shall not apply to, and therefore shall provide no coverage for any Occurrence involving tuberculosis as respects Same Communicable Disease.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE

Effective 12:01 A.M., Local Time, January 01, 2016

SECTION 1. SCOPE OF INSURANCE

- A The insurance afforded by this Agreement also applies to Employees, as defined in Section 2 of this Endorsement, who are employed to work at locations within the following country or countries:

anywhere in the world outside the United States or United States possessions and territories, except: Afghanistan, Algeria, Belarus, Burma, Burundi, Cameroon, Central African Republic, Chad, Colombia, Cote d'Ivoire, Cuba, Democratic Republic of Congo, Djibouti, El Salvador, Eritrea, Guinea, Haiti, Honduras, Iran, Iraq, Israel, Kenya, Lebanon, Lesotho, Liberia, Libya, Mali, Mauritania, Niger, Nigeria, North Korea, Pakistan, Philippines, Republic of South Sudan, Saudi Arabia, Sierra Leone, Somalia, Sudan, Syria, Ukraine, Venezuela, West Bank and Gaza, Yemen, and Zimbabwe.

- B Benefits payable under this Endorsement are the same as those that would be payable if the Employees in question were subject to the Worker's Compensation Law of the following State or States: NEW JERSEY
- C Benefits payable under this Endorsement shall include repatriation expense in an amount up to \$ 25,000 with respect to any one Employee and as otherwise subject to the CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability.
- D The CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability is limited to \$ 100,000 and applies in excess of the Self-Insured Retention Per Occurrence.

SECTION 2. EMPLOYEES COVERED

- A It is agreed that the insurance provided by this Agreement also applies to those Employees of the EMPLOYER who are hired or assigned by the EMPLOYER to work at locations within the country or countries not excluded in this Endorsement.
- B This insurance, with respect to any such Employee, shall attach from the moment such Employee is hired or assigned for such work and shall cease from the moment the employment or assignment for such work is terminated. If the Employee has been hired in the United States of America, coverage continues after termination of employment until the Employee returns to the United States of America or for a reasonable period of time for the opportunity to return to the United States of America, unless termination of employment is due to the Employee's resignation.
- C This insurance shall not apply to persons other than citizens or residents of the United States of America within the country or countries stated in this Endorsement except as stated herein: NONE
- D The benefits payable hereunder shall also be deemed payable to or for an Employee who contracts an endemic disease, providing that such disease shall have manifested itself within thirty (30) days from the moment such Employee's employment or assignment for such work is terminated.

0428 01 0307 (XWC)

ENDORSEMENT (CONTINUED)

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION

Handwritten signature of Jeffrey W. Otto in black ink.

Secretary

Handwritten signature of Duane A. Hercules in black ink.
President

0436 00 1096 (XWC)

ENDORSEMENT

UNINTENTIONAL ERROR AND OMISSIONS BY EMPLOYER

Effective 12:01 A.M., Local Time, January 01, 2016

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

Any unintentional errors or omissions by the EMPLOYER which relate to this Agreement, shall not constitute grounds for a declination of coverage by the CORPORATION.

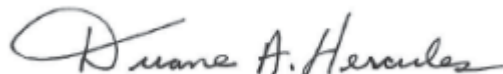
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION

A handwritten signature in black ink, appearing to read "Jeffrey W. Otto".

Secretary

A handwritten signature in black ink, appearing to read "Duane A. Hercules".

President

ENDORSEMENT

REVISED PREMIUM SECTION ENDORSEMENT

Effective 12:01 A.M., Local Time, January 01, 2016

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that Section **F. Premium** is deleted in its entirety and replaced by the following:

F. Premium

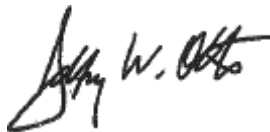
Upon acceptance of the Agreement and at the beginning of each Payroll Reporting Period, as specified in Item 12 of the Declarations, the EMPLOYER shall pay to the CORPORATION the amount of the Deposit Premium specified in Item 11 of the Declarations. The Deposit Premium shown in the Declarations as applicable to each Payroll Reporting Period is an estimate based on the Estimated Total Annual Remuneration/Man-Hours stated in Item 6 of the Declarations. During the Liability Period, the EMPLOYER shall report to the CORPORATION, on no less frequently than a quarterly basis, any and all new Insured Members added during such period. The EMPLOYER shall be billed by the CORPORATION for additional premium based on the annual remuneration applicable to such new Insured Member. The EMPLOYER shall pay premiums within thirty (30) days after the date of billing.

Remuneration earned, or man-hours accumulated, during the Liability Period by all Employees, including volunteers, engaged in each classification covered by this Agreement, shall be computed in accordance with the rules set forth in the appropriate Manual of Workers' Compensation and Employers' Liability Insurance.

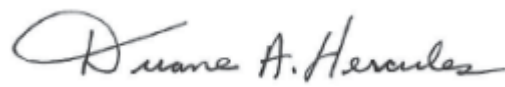
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

MARITIME COVERAGE ENDORSEMENT (LIMITED TO A STATE BENEFIT)

Effective 12:01 A.M., Local Time, January 01, 2016

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

The coverage afforded by Employers' Liability Laws, as specified in this Agreement, shall include Loss on account of bodily injury to a master or member of the crew of a vessel. However, it is also understood that this Agreement shall apply to such Loss, but only to the extent that such Loss does not exceed the benefits payable under the NEW JERSEY Worker's Compensation Law. In addition, such coverage shall be subject to the following additional provisions:

This coverage does not include Loss on account of:

1. bodily injury covered by a Protection and Indemnity Policy or similar policy issued to the EMPLOYER or for the EMPLOYER'S benefit. This exclusion applies even if the other policy does not apply because of an other insurance clause, deductible or limitation of liability clause, or any similar clause.
2. the EMPLOYER'S duty to provide transportation, wages, maintenance and cure.

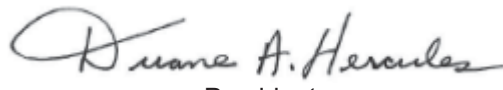
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0817 01 0112 (XWC)

ENDORSEMENT

EMPLOYER DEFINITION

Effective 12:01 A.M., Local Time, January 01, 2016

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

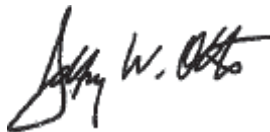
For purposes of this Agreement, "EMPLOYER" shall include:

- (1) An EMPLOYER named in Item 1 of the Declarations. If an EMPLOYER named in Item 1 of the Declarations is a partnership or joint venture, then a partner in the partnership or individual member of the joint venture is covered as an EMPLOYER, but only in their capacity as an employer of employees of the partnership or joint venture.
- (2) An EMPLOYER'S subsidiary, division or affiliated company now existing or as may hereafter be constituted, provided a 51% majority interest is owned or controlled by an EMPLOYER named in Item 1 of the Declarations.
- (3) A business entity over which an EMPLOYER named in Item 1 of the Declarations has day-to-day management control.
- (4) Municipal Excess Liability Residual Claim Fund.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Effective 12:01 A.M., Local Time, January 01, 2016

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

Coverage for workers' compensation losses caused by certified acts of terrorism is included in this Agreement as set forth under the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015 (collectively, "the Act").

For purposes of this Endorsement, a "certified act of terrorism" is defined as any act:

- a. That is certified by the Secretary of the Treasury in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism within certification time frames prescribed in the Act; and,
- b. That is violent or dangerous to human life, property or infrastructure; and,
- c. That results 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,
- d. 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.

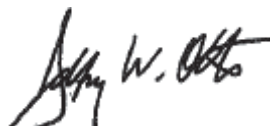
Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your Agreement, and any applicable federal and/or state laws, rules, or regulations. Under the Act, terrorism losses would be partially reimbursed by the U.S. Government under a formula established by the Act. Under this formula, the U.S. Government would generally reimburse between 80% to 85% of covered terrorism losses exceeding a deductible paid by the CORPORATION. The Act contains a \$100 million annual program trigger for 2015 and an increasing trigger amount each year of up to a \$200 million annual program trigger for 2020 and limits on the reimbursement from the U.S. Government as well as from all insurers. If aggregate insured losses for all insurers exceed program caps, the EMPLOYER's coverage may be reduced.

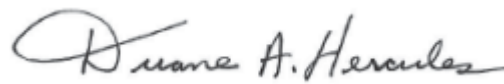
The portion of the EMPLOYER'S annual premium that is attributable to coverage for losses caused by a certified act of terrorism is: 0.5%.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION


Secretary


President

1180 02 0112 (XWC)

ENDORSEMENT

REVISED INSPECTION AND AUDIT SECTION ENDORSEMENT

Effective 12:01 A.M., Local Time, January 01, 2016

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that Section **L. Inspection and Audit**, is deleted in its entirety and replaced by the following:

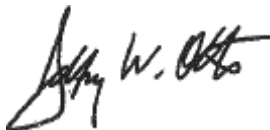
L. Inspection and Audit

The CORPORATION shall have the right, but not the obligation, to inspect the premises and equipment and/or to audit the books and records of the EMPLOYER and of its agents and representatives, to the extent such books and records relate to claims matters, at any reasonable time during the period of this Agreement and within three (3) years after final settlement of all claims due to Occurrences happening during the term of this Agreement.

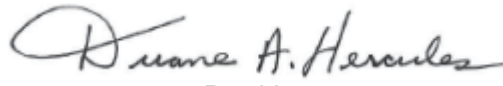
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

REVISED INTENTIONAL TORT AND UNLAWFUL EMPLOYMENT PRACTICES EXCLUSION - SPECIFIC
EXCESS AGREEMENTS

Effective 12:01 A.M., Local Time, January 01, 2016

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that subparagraph (f) of paragraph (3), "Exclusions from Loss" of the Definitions section of this Agreement shall be deleted and replaced as follows:

- (f) Any amounts required to be paid by the EMPLOYER because of:
- 1) Loss under the Workers' Compensation coverage of this Agreement resulting from:
 - (i) The EMPLOYER's serious and willful misconduct;
 - (ii) The EMPLOYER's failure to comply with any health, safety or notification laws or regulations; and/or
 - (iii) The EMPLOYER's discharge, coercion or discrimination against any Employee in violation of the Workers' Compensation Law.
 - 2) Loss under the Employers' Liability coverage of this Agreement resulting from:
 - (i) Bodily injury intentionally caused or aggravated by the EMPLOYER; and/or
 - (ii) The EMPLOYER's coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any Employee, or any personnel practices, policies, acts or omissions.
 - 3) Loss under the Workers' Compensation and/or Employers' Liability coverage of this Agreement resulting from:
 - (i) The EMPLOYER knowingly employing an Employee in violation of the law; and/or
 - (ii) The rejection by the EMPLOYER of any Workers' Compensation Law.

In addition, the following shall be added as paragraph (7) of the Definitions section of this Agreement:

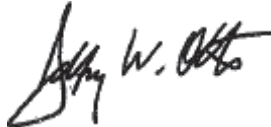
- (7) "Employers' Liability" or "Employers' Liability Laws" – shall mean liability imposed upon the EMPLOYER on account of bodily injury by accident or bodily injury by occupational disease arising out of and in the course of the injured Employee's employment and not otherwise covered under the applicable Workers' Compensation Law of the State(s).

ENDORSEMENT (CONTINUED)

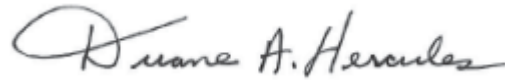
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION

Handwritten signature of Jeffrey W. Otto in black ink.

Secretary

Handwritten signature of Duane A. Hercules in black ink.

President

SAFETY NATIONAL CASUALTY CORPORATION

PRIVACY STATEMENT

Our Commitment To Our Customers

Safety National Casualty Corporation ("Safety National") is proud to have provided quality products and services to its customers for over 50 years. We greatly appreciate the trust that you and all of our customers place in us. We protect that trust by respecting the privacy of all of our customers, both present and past. The following will explain our privacy practices so that you will understand our commitment to your privacy.

We Respect Your Privacy

When you apply to Safety National for any type of insurance, you disclose information about you to us. The collection, use and disclosure of such information is regulated by law. Safety National and its affiliates maintain physical, electronic and procedural safeguards that comply with state and federal regulations to guard your personal information. Our employees are also advised of the importance of maintaining the confidentiality of your information.

Types Of Information We Collect

Safety National obtains most of our information directly from you, your agent or broker. The application you complete, as well as any additional information you provide, generally gives us most of the details we need to know. Depending on the nature of your insurance transaction, we may need further details about you.

We may obtain information from third parties, such as other insurance or reinsurance companies, medical providers, government agencies, information clearinghouses and other public records. We may also obtain information about you from your other transactions with us, our affiliates or others.

What We Do With Your Information

Information that has been collected about you will be retained in our files. We will review your information in evaluating your request for insurance coverage, determining your rates or underwriting risk, servicing your policy or adjusting claims. We may retain information about our former customers and would disclose that information only to affiliates and to non-affiliates as described in this notice or as otherwise permitted by law.

To Whom Do We Disclose Your Information

We will not disclose any non-public, personal information about our customers or former customers, except as permitted by law. That means we may disclose information we have collected about you to the following types of third parties:

- Our affiliated companies (Members and subsidiaries of the Tokio Marine Holdings, Inc. group of companies).
- Your agent or broker.
- Parties who perform a business or insurance function for Safety National, including reinsurance, underwriting, claims administration or adjusting, investigation, loss control and computer systems companies.
- Other insurance companies or agents as reasonably necessary concerning your application, policy or claim.
- Insurance regulatory or statistical reporting agencies.
- Law enforcement or governmental authorities in connection with suspected fraud or illegal activities.
- Authorized persons as ordered by subpoena, warrant or court order, or as required by law.

We do not disclose any non-public, personal information about you to non-affiliated companies for marketing purposes or for any other purpose except those specifically allowed by law and described above.

Independent Sales Agents or Brokers

Your policy may have been placed with us through an independent agent or broker ("Sales Agent"). Your Sales Agent may have gathered information about you. The use and protection of information obtained by your Sales Agent is their responsibility, not Safety National's. If you have questions about how your Sales Agent uses or discloses your information, please contact them directly.



- BENEFIT INFORMATION -

Available Exclusively to Safety National's Excess and Large Deductible Workers' Compensation Policyholders

SAFETY NATIONAL CRISIS PROTECTION NOTIFICATION EMAIL ADDRESS:
crisisprotection@safetynational.com

SAFETY NATIONAL CRISIS PROTECTION 24-HOUR HOTLINE:
(855) 887-3254

DEFINITIONS

- A. Domestic Crisis Event** means a man-made emergency situation limited to an explosion, arson, bombing, workplace violence, structural fire or a vehicular accident occurring entirely in the United States and/or any territories or possessions of the same. Domestic Crisis Event also means a natural disaster at owned, leased or designated workplace locations limited to a tornado, explosion, wildfire, structural fire, earthquake and any resulting tsunami, hurricane or flood occurring entirely in the United States and/or any territories or possessions of the same. In order to qualify as a Domestic Crisis Event, an event must directly involve the death of two (2) or more of Your Employees. Safety National Casualty Corporation ("Safety National") shall solely determine what qualifies as a Domestic Crisis Event for purposes of this benefit.
- B. International Extraction Crisis Event** means an international crisis directly involving Your Employees and resulting in their immediate need of removal from a geographic location to avoid imminent serious injury or death as the result of an existing emergency situation. An International Extraction Crisis Event is limited to employee extraction from a man-made emergency situation only as the result of an explosion, arson, bombing, riot, or government collapse and political unrest. An International Extraction Crisis Event that necessitates employee extraction as the result of a natural disaster is limited to a tornado, explosion, wildfire, earthquake and any resulting tsunami, cyclone/typhoon/hurricane or flood. Safety National shall solely determine what qualifies as an International Extraction Crisis Event for purposes of this benefit.
- C. Your Employees** means any direct employees of Your Company that are directly involved in a qualifying event. It specifically excludes any contractors. Safety National specifically restricts Safety National Crisis Protection to, and will only provide benefits for, Your Employees who are directly covered by any excess or large deductible workers' compensation insurance policy issued to You by Safety National and who are currently employed at the time of the qualifying event.

* Safety National Crisis Protection is a complimentary benefit for Safety National's excess and large deductible workers' compensation customers only and is NOT an insurance coverage or policy of any type.

- D. Immediate Family Member** means spouse, child or children and parents of Your Employee directly involved in a Domestic Crisis Event.
- E. You, Your and Yours** shall refer to an excess or large deductible workers' compensation policyholder of Safety National who has an active and fully-paid policy at the time of the qualifying event.
- F. Warning Country** shall refer to any country, territory, province or geographical location listed by the United States Department of State at <http://travel.state.gov/content/passports/english/alertswarnings.html> as a location for which a travel warning has been issued and is currently active. Safety National shall solely determine whether a certain country, territory, province or geographical location is considered a Warning Country at the time of the qualifying event.
- G. Sanctioned Country** shall refer to any country, territory, province or geographical location listed by the United States Department of the Treasury at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx> as the subject of any current Office of Foreign Assets Control ("OFAC") sanctions program. Safety National shall solely determine whether a certain country, territory, province or geographical location is considered a Sanctioned Country at the time of the qualifying event.

YOUR BENEFITS UNDER SAFETY NATIONAL CRISIS PROTECTION*

As a valued policyholder, Safety National has developed the Safety National Crisis Protection program as a complimentary benefit available to You. If a qualifying Domestic Crisis Event occurs that directly involves You as a Safety National excess or large deductible workers' compensation policyholder, Safety National will pay to cover the cost of either a Safety National approved crisis management firm, crisis response firm, public relations firm and/or for emergency psychological services up to the annual, aggregate limit of the benefit. If You choose to use an unapproved vendor, reimbursement will be made directly to You for services that are approved by Safety National, up to the annual, aggregate limit of this benefit.

In the event that a qualifying International Extraction Crisis Event occurs that directly involves You as a Safety National excess or large deductible workers' compensation policyholder, Safety National will reimburse You to cover the cost of expenses approved by Safety National involving an employee extraction firm of Your choice. With respect to any International Extraction Crisis Event, Safety National will provide this benefit for qualifying events anywhere in the world outside the United States or United States possessions and territories, except for events that occur in any country, territory, province or geographical location listed as a Warning Country by the United States Department of State on the initial date that You report the International Extraction Crisis Event to Safety National. Safety National will also not provide this benefit for events that occur in any country, territory, province or geographical location listed by the United States Department of Treasury as the subject of any current Office of Foreign Assets Control ("OFAC") sanctions program on the initial date that You report the International Extraction Crisis Event to Safety National.

The total annual, aggregate limit for a Domestic Crisis Event, an International Extraction Crisis Event, or any combination of the two is \$50,000 for any active excess or large deductible workers' compensation policy year. In the case of a multi-year excess or large deductible workers' compensation policy, the \$50,000 annual, aggregate limit shall renew on the annual anniversary date of such multi-year policy. There is no sublimit for a Domestic Crisis Event or International Extraction Crisis Event but in no instance will Safety National pay an approved vendor and/or reimburse You more than \$50,000 in any one-year period. For the sake of clarity, Safety National will only pay up to

* Safety National Crisis Protection is a complimentary benefit for Safety National's excess and large deductible workers' compensation customers only and is NOT an insurance coverage or policy of any type.

the maximum of \$50,000 in any one year that coincides with your active and fully-paid excess or large deductible workers' compensation insurance policy with Safety National. The annual, aggregate benefit limit of \$50,000 shall apply regardless of the number of policies You have with Safety National.

SCOPE OF BENEFITS UNDER SAFETY NATIONAL CRISIS PROTECTION*

In order to take advantage of this benefit: (1) the Domestic Crisis Event or International Extraction Crisis Event must directly involve Your business and occur within the period of coverage provided by Safety National to You under an active and fully-paid excess or large deductible workers' compensation insurance policy; (2) the facts, circumstances, pre-existing condition(s) or situation(s) that lead up to the Domestic Crisis Event or International Extraction Crisis Event were not known to You in advance; and (3) the Domestic Crisis Event or International Extraction Crisis Event had not affected Your operation in any way before the current policy period began.

Since Safety National has approved vendors for Domestic Crisis Events, you can contact them via the following 24-hour hotline as soon as the event occurs:

(855) 887-3254. Black Swan Solutions is the Safety National approved vendor for Crisis Management and Counseling and takes all incoming calls regarding Domestic Crisis Events. In the event You need to get in contact with another approved vendor for a Crisis Communication/Public Relations situation, Black Swan Solutions will route Your call to the appropriate vendor. During Your initial call with Black Swan Solutions, You must provide: (1) Your active excess or large deductible workers' compensation account name, (2) Your policy number and (3) the effective date of that policy.

If an International Extraction Crisis Event occurs, since there are no approved vendors, You should contact the vendor of Your choice and Safety National will reimburse you for those approved costs up to the above listed annual, aggregate limit.

In addition to contacting a vendor, **You must notify Safety National within five (5) business days of any Domestic Crisis Event or International Extraction Crisis Event which may result in any benefits under Safety National Crisis Protection at the following email address: crisisprotection@safetynational.com. Failure to do so may void this benefit and any payments or reimbursements by Safety National.** This email address is also listed at the beginning of this benefit information packet. Further written notification regarding specifics of the qualifying event must be made as soon as possible after the initial email notification. The written notification must include when, where and how the Domestic Crisis Event or International Extraction Crisis Event occurred, and the nature of the injuries or damages You have experienced to date as well as those You expect to experience as a result of the Domestic Crisis Event or International Extraction Crisis Event. **Any notice You provide to Black Swan Solutions and/or Safety National under this Safety National Crisis Protection benefit program shall NOT be considered a notice of loss under any Safety National excess or large deductible workers' compensation insurance policy.**

All invoices and receipts relating to any request for direct vendor payment and/or reimbursement to You under this benefit must be submitted to Safety National for payment within sixty (60) days from the original date they were generated. Any older invoices or receipts will not be paid by Safety National.

* Safety National Crisis Protection is a complimentary benefit for Safety National's excess and large deductible workers' compensation customers only and is NOT an insurance coverage or policy of any type.

SPECIFIC EXCESS
WORKERS' COMPENSATION AND
EMPLOYERS' LIABILITY INSURANCE AGREEMENT

SAFETY NATIONAL CASUALTY CORPORATION
ST. LOUIS, MISSOURI

(Hereinafter called the CORPORATION)

In consideration of the payment of premium and subject to all the terms of this Agreement, hereby agrees with the EMPLOYER named in the Declarations (hereinafter called the EMPLOYER), as follows:

A. Coverage of Agreement

This Agreement applies only to Loss sustained by the EMPLOYER because of liability imposed upon the EMPLOYER by the Workers' Compensation or Employers' Liability Laws of:

- (1) the State(s) designated in the Declarations, or
- (2) other State(s), provided that the Loss shall not be greater than it would have been had liability been imposed by the State(s) specified in the Declarations,

on account of bodily injury by accident or bodily injury by occupational disease due to Occurrences taking place within the Liability Period to Employees of the EMPLOYER engaged in the business operations specified in the Declarations and all other operations necessary, incidental, or appurtenant thereto. Bodily injury includes resulting death.

The inclusion of more than one EMPLOYER in the Declarations shall not increase the EMPLOYER's Self-Insured Retention nor the CORPORATION's Maximum Limit of Indemnity.

The insurance afforded by this Agreement applies to operations in the State(s) specified in the Declarations, including, however, incidental operations conducted by Employees who are regularly engaged in operations in the specified State(s), but who may be temporarily outside the specified State(s).

B. Insurance Under This Agreement

(1) Specific Excess Insurance

With respect to each Occurrence taking place within a Liability Period, the EMPLOYER shall retain as its own Loss, as defined below, the amount specified in Item 7 of the Declarations, and the CORPORATION agrees to reimburse the EMPLOYER only for such Loss in excess of such Self-Insured Retention, subject to the Maximum Limit of Indemnity Per Occurrence, or the Employers' Liability Maximum Limit of Indemnity Per Occurrence, whichever is applicable, as specified in Item 8 of the Declarations. The separate Employers' Liability Maximum Limit of Indemnity Per Occurrence shall not operate, in any case, to increase the total amount the CORPORATION agrees to reimburse the EMPLOYER for Loss per any one Occurrence as per Item 8(a) of the Declarations.

C. Definitions

- (1) "Loss" – shall mean actual payments, less recoveries, legally made by the EMPLOYER to Employees and their dependents in satisfaction of: (a) statutory benefits, (b) settlements of suits and claims, and (c) awards and judgments. Loss shall also include Claim Expenses, paid by the EMPLOYER, as defined in Paragraph (2) of this Section. The term Loss shall not include the items specifically excluded by Paragraph (3) of this Section.
- (2) "Claim Expenses" – shall mean court costs, interest upon awards and judgments and the reasonable allocated costs of investigation, adjustment, defense, and appeal, including pension or appeal bond costs (provided that the prosecution of such appeal and/or the posting of such pension or appeal bond is approved by the CORPORATION) of claims, suits or proceedings brought against the EMPLOYER under the Workers' Compensation or Employers' Liability Laws of the State(s) designated in the Declarations, or other State(s), as provided in Section A, even though such claims, suits, proceedings or demands are wholly groundless, false or fraudulent. Claim Expenses shall not include fees to the EMPLOYER's Service Company.
- (3) "Exclusions from Loss" – shall refer to the following amounts paid by the EMPLOYER, and specifically excluded from the term Loss:
 - (a) Salaries, wages, and remuneration provided to Employees;
 - (b) Fees to the EMPLOYER's Service Company and/or costs of self-administration of claims;
 - (c) Punitive or exemplary damages as they relate to claims made under the Employers' Liability coverage provided by this Agreement;
 - (d) Fines or penalties assessed against the EMPLOYER for any violation by the EMPLOYER, or its representative(s), of any statute or regulation, unless the fines or penalties result from a reasonable dispute as to Workers' Compensation benefits owed by the EMPLOYER;
 - (e) Assessments and taxes made upon the EMPLOYER as self-insurer whether imposed by statute, regulation, or otherwise;

(f) Any amounts required to be paid by the EMPLOYER because of:

- 1) Serious and willful misconduct of the EMPLOYER, including intentional torts and intentional acts or omissions resulting in injury, acts or omissions taken with reckless disregard of the possible occurrence of an injury or acts or omissions taken that are substantially certain to result in injury, regardless of whether or not said actions may be classified in the State(s) as intentional torts,
 - 2) Coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any Employee and/or related personnel practices, policies, acts or omissions by the EMPLOYER,
 - 3) Knowingly employing an Employee in violation of law,
 - 4) Rejection by the EMPLOYER of any Workers' Compensation Law,
 - 5) Failure to comply with any health, safety, or notification law or regulation,
- (g) Loss voluntarily assumed by the EMPLOYER under any contract or agreement, whether express or implied;
- (h) Loss for which the EMPLOYER carries a full coverage Workers' Compensation and Employers' Liability policy; and
- (i) Any amount owed by the EMPLOYER pursuant to provision of any law that provides non-occupational disability benefits.
- (4) "Occurrence" – shall mean accident. In addition, bodily injury by occupational disease must be caused or aggravated by the conditions of employment and shall be deemed to have occurred on the last day of the last exposure to those conditions of employment causing or aggravating such injury by occupational disease, or such dates as is otherwise established by the Workers' Compensation and Employers' Liability Laws of the appropriate State(s). Bodily injury by occupational disease sustained by each Employee shall be deemed to be a separate Occurrence unless such disease results directly from an accident.
- (5) "Employee" – as respects liability imposed upon the EMPLOYER by the Workers' Compensation Law of any State, the word Employee shall mean any person performing work which renders the EMPLOYER liable under the Workers' Compensation Law of a State named in Item 2 of the Declarations, which is the State of the injured Employee's normal employment, for bodily injuries or occupational disease sustained by such person.
- (6) "State" – shall mean any state, territory, or possession of the United States of America and the District of Columbia.

D. Reimbursement

If the EMPLOYER pays any Loss incurred in any Liability Period in excess of the Self-Insured Retention Per Occurrence, the CORPORATION shall reimburse the EMPLOYER upon receipt of a formal proof of loss and other evidence acceptable to the CORPORATION of such payment. Within a reasonable

period of time, reimbursement payments shall be made by the CORPORATION.

The CORPORATION shall have, and may exercise at any time, and from time to time, the right to offset any balance or balances, whether on account of premiums, Losses or otherwise, due from the EMPLOYER to the CORPORATION against any balance or balances due from the CORPORATION to the EMPLOYER under this Agreement.

E. Liability Period

The liability of the CORPORATION for Loss hereunder shall be determined separately for each Liability Period. The initial Liability Period shall commence at 12:01 A.M. on the Effective Date and end at 12:01 A.M. on the Anniversary Date, designated in Items 3 and 4 respectively, of the Declarations. Each succeeding Liability Period shall begin concurrently with the end of the previous Liability Period and continue for the same number of consecutive months as the initial Liability Period. All time is stated in local time for the State(s) designated in the Declarations.

In the event the EMPLOYER fails to give express written intent to continue coverage at the end of a given Liability Period, the Agreement shall be deemed terminated, and the Anniversary Date shall serve as the termination date of the Agreement.

F. Premium

Upon acceptance of the Agreement and at the beginning of each Payroll Reporting Period, as specified in Item 12 of the Declarations, the EMPLOYER shall pay to the CORPORATION the amount of the Deposit Premium specified in Item 11 of the Declarations. The EMPLOYER shall pay premiums when due. The Deposit Premium shall be held by the CORPORATION until the expiration of the Payroll Reporting Period. Within thirty (30) days after the close of each Payroll Reporting Period, the EMPLOYER shall render to the CORPORATION a report, upon a form satisfactory to the CORPORATION, exhibiting, by classification, the amount of such remuneration earned by Employees during such reporting period, and the EMPLOYER shall therewith pay to the CORPORATION the excess of the Earned Premium over the Deposit Premium previously paid. In case the Deposit Premium paid exceeds the Earned Premium, the CORPORATION shall return to the EMPLOYER the amount of such excess or give appropriate credit, subject to the proportion of Minimum Premium for the Liability Period in the case of multi-year Liability Periods.

Upon expiration of a Liability Period, a summary of voluntary payroll reports for such Liability Period shall be made to determine the Earned Premium under this Agreement. In no event, however, shall the Earned Premium in respect of any Liability Period be less than the Minimum Premium specified in the Declarations.

For each Payroll Reporting Period, the CORPORATION shall compute the Earned Premium as follows:

- (1) Remuneration – The remuneration earned, or man hours accumulated during such period by all Employees, including volunteers, engaged in each classification covered by this Agreement shall be computed in accordance with the rules set forth in the appropriate Manual of Workers' Compensation and Employers' Liability Insurance.
- (2) Manual and Standard Premium – The remuneration, or man-hours, so computed for Employees engaged in each such classification shall be multiplied by the Manual Rate per \$100 of remuneration/man-hour, in effect at the inception of each Payroll Reporting Period, and the products so obtained shall be added together to determine the Manual Premium. An Experience Modification Factor may be applied to the Manual Premium to determine a Standard Premium. Such Experience Modification Factor shall be determined at the inception of this Agreement and is subject to annual review and possible revision. A Standard Premium takes precedence over any Manual Premium.
- (3) Earned Premium – Against the Manual or Standard Premium shall be applied the Premium Rate, as specified in Item 9 of the Declarations, to determine the appropriate Earned Premium.

This Agreement is issued by the CORPORATION and accepted by the EMPLOYER subject to the agreement that, in the event of any change in the Rates per \$100 remuneration/man-hour, as stated in Item 6 of the Declarations, because of any general rate increase or any legislative amendment affecting the benefits under the Workers' Compensation Law of any State(s) named in Item 2 of the Declarations, such change, upon the effective date thereof, shall be, without endorsement, made a part of this Agreement.

G. Self-Insurer

The EMPLOYER, by acceptance of this Agreement, warrants that it is a duly qualified Self-Insurer in the State(s) designated in the Declarations, and will continue to maintain such qualifications during the currency of this Agreement. In the event the EMPLOYER should at any time while this Agreement is in force terminate such qualifications or if they should be cancelled or revoked, such loss of qualifications shall operate as notice of cancellation of this Agreement by the EMPLOYER, subject to the additional terms of the Cancellation Section of this Agreement.

H. Service and Administration

This Agreement contemplates the concurrent and continued existence of a separate service agreement between the EMPLOYER and the Service Company, its designated representative, named in Item 5 of the Declarations, providing services approved by the CORPORATION. The EMPLOYER agrees that its Service Company shall furnish the CORPORATION with quarterly loss runs concurrent with each Liability Period of this Agreement. The provision of loss runs alone does not relieve the EMPLOYER of its reporting obligations as set forth in Section I of this Agreement. In

addition, the electronic transfer of loss information by a Service Company of the EMPLOYER shall not constitute notice of a claim.

Cancellation of the service agreement between the Service Company and the EMPLOYER shall operate as a notice of cancellation of this Agreement by the EMPLOYER, subject to the additional terms of the Cancellation Section of this Agreement. Any change in service companies must be immediately communicated to and approved by the CORPORATION, and this obligation shall survive the termination or non-renewal of this Agreement.

I. Prompt Reporting of Claims

As soon as the EMPLOYER becomes aware, the EMPLOYER must provide prompt notice to the CORPORATION of: (a) any claim or action commenced against the EMPLOYER which exceeds, or is likely to exceed, fifty percent (50%) of the Self-Insured Retention Per Occurrence specified in Item 7 of the Declarations and (b) the reopening of any claim in which a further award might involve liability of the CORPORATION under this Agreement.

In addition, the following categories of claims shall be reported to the CORPORATION immediately, regardless of any question of potential involvement of the CORPORATION:

1. Fatalities;
2. Paraplegics and quadriplegics;
3. Serious burns, defined as 2nd or 3rd degree burns involving 25% or more of the body;
4. Brain injury;
5. Spinal cord injury;
6. Amputation of a major extremity; and
7. Any Occurrence which results in a serious injury to two or more Employees.

If the CORPORATION is prejudiced by the EMPLOYER's failure to provide prompt notice of a claim in accordance with the requirements set forth above and/or as otherwise provided by the Law of any State(s), the CORPORATION may elect to deny coverage for Loss arising from such claim. To constitute prompt, sufficient notice, the EMPLOYER must provide complete information as to the details of the injury, disease, or death.

J. Defense of Claims

The EMPLOYER shall investigate and settle or defend all claims and shall conduct the defense and appeal of all actions, suits, and proceedings commenced against it. The EMPLOYER shall forward promptly to the CORPORATION copies of any pleadings or reports as may be requested. The CORPORATION shall not be obliged to assume charge of the investigation, defense, appeal or settlement of any claim, suit, or proceeding brought against the EMPLOYER, but the CORPORATION shall be given the opportunity to investigate, defend, or participate with the EMPLOYER in the investigation and defense of any claim, if, in the opinion of the CORPORATION, its liability under this Agreement might be involved.

K. Good Faith Claims Administration

The EMPLOYER shall use diligence, prudence, and good faith in the investigation, defense, pursuit of recovery from others and settlement of all claims. The EMPLOYER shall not unreasonably refuse to settle any claim which, in the exercise of sound judgment with respect to the entire claim, should be settled, provided, however, that the EMPLOYER shall not make any payment or agree to any settlement for any sum which would involve the limits of the CORPORATION's liability hereunder without the approval of the CORPORATION.

If the CORPORATION is prejudiced by the EMPLOYER's failure to exercise diligence, prudence, and good faith, the CORPORATION may elect to disclaim coverage for Loss from such claim.

L. Inspection and Audit

The CORPORATION shall have the right, but not the obligation, to inspect the premises and equipment and/or to audit the books and records of the EMPLOYER and of its agents and representatives, including all records relating to payroll and claims matters, at any reasonable time during the period of this Agreement and within three (3) years after final settlement of all claims due to Occurrences happening during the term of this Agreement. An audit to determine Manual or Standard Premium shall supersede any and all prior voluntary payroll reports by the EMPLOYER, and will be used to determine the final adjustment of premiums due to the CORPORATION. Should a determination be made that additional audit premium is due to the CORPORATION, the due date for payment of such audit premium shall be thirty (30) days after the date of billing.

M. Other Insurance

If the EMPLOYER carries other valid and collectible insurance, reinsurance, or indemnity with any other insurer or reinsurer covering a Loss also covered by this Agreement (other than insurance or reinsurance that is purchased to apply in excess of the sum of the Self-Insured Retention and the Maximum Limits of Indemnity hereunder), the insurance afforded by this Agreement shall apply in excess of and shall not contribute with such other insurance or reinsurance.

N. Recovery from Others

The EMPLOYER agrees to prosecute any and all valid claims the EMPLOYER may have against any other party or source that may mitigate any Loss under this Agreement and return to the CORPORATION any amount so recovered, less the reasonable expense of collecting such amounts.

The CORPORATION shall have the EMPLOYER's rights to prosecute any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. The EMPLOYER agrees that it will assist the CORPORATION in any prosecution of any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. Any amounts recovered by the EMPLOYER or the CORPORATION from any party or source that may

mitigate any Loss under this Agreement shall first be used to pay the expenses of collection and to reimburse the CORPORATION for any amount it may have paid the EMPLOYER for the Liability Period concerned, and all remaining amounts collected shall be paid to the EMPLOYER.

O. Change in Agreement

No condition, provision, or declaration of this Agreement shall be waived or altered at any time, except as specified in Section F, except by endorsement signed by the President or a Senior Vice President and the Secretary or an Assistant Secretary of the CORPORATION.

This Agreement hereby terminates, supersedes, and replaces all previously issued Workers' Compensation Insurance or Reinsurance Agreements, as amended, between the EMPLOYER and the CORPORATION.

If terms of this Agreement are in conflict with any law applicable to this Agreement, this statement amends this Agreement to conform to such law. In addition, in the event any terms are in conflict with applicable laws, the remaining terms of the Agreement shall be enforceable.

P. Cancellation

This Agreement may be cancelled by either party giving the other party written notice not less than sixty (60) days prior to the date of cancellation, except, that if the CORPORATION cancels for non-payment of any premium, the cancellation shall become effective ten (10) days after dispatch of notice by the CORPORATION. The date of cancellation then becomes the termination date of the final Liability Period. This Agreement does not apply to Loss as a result of Occurrences taking place after the effective date of such cancellation.

If cancellation is effected by the EMPLOYER, the Manual or Standard Premium shall be determined by the short rate tables used for casualty insurance, and the Earned Premium shall be the product of the Premium Rate (Item 9) times the Manual or Standard Premium (or the Total Annual Remuneration) so arrived at, but not less than the Minimum Premium specified in the Declarations.

If cancellation is effected by the CORPORATION for non-payment of premium, the EMPLOYER shall pay the CORPORATION Earned Premium for the period up to the date of cancellation.

If the CORPORATION cancels for any other reason, the Manual or Standard Premium (or the Total Annual Remuneration) shall be determined upon a pro rata basis and the Earned Premium adjusted in accordance therewith.

Q. Assignment

An assignment of interest under this Agreement will not bind the CORPORATION unless an endorsement signed by the President or a Senior Vice President and the Secretary or an Assistant Secretary of the CORPORATION assigning interest under this Agreement is issued by the CORPORATION.

R. Bankruptcy or Insolvency of Employer

The bankruptcy or insolvency of the EMPLOYER will not relieve the CORPORATION or the EMPLOYER of its duties and liabilities under this Agreement. After payments have been made by or on behalf of the EMPLOYER, reimbursements due under this Agreement will be made by the CORPORATION as if the EMPLOYER had not become bankrupt or insolvent, but not in excess of the CORPORATION's limit of indemnity.

S. Sole Representative

If more than one EMPLOYER is named in Item 1 of the Declarations, or an endorsement related thereto, the EMPLOYER first named in Item 1, or a related endorsement, will act on behalf of all EMPLOYERS to give or receive notice of cancellation, to receive return premium or reimbursement, or to request changes in this Agreement.

T. Acceptance

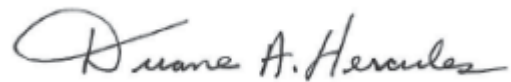
By acceptance of this Agreement, the EMPLOYER agrees that the statements in this Agreement, in the Declarations, and

in the application are the EMPLOYER's representations; that this Agreement is issued in reliance upon such representations; that this Agreement embodies all agreements existing between the EMPLOYER and the CORPORATION, or any of its agents, relating to this excess insurance, and that full compliance by the EMPLOYER with all terms of this Agreement is a condition precedent to the CORPORATION's liability hereunder.

IN WITNESS WHEREOF, SAFETY NATIONAL CASUALTY CORPORATION has caused this Agreement to be executed by printing below the facsimile signatures of its President and Secretary and by the actual signature of its Secretary on the Declarations.



Secretary



President

SAFETY NATIONAL CASUALTY CORPORATION1832 SCHUETZ ROAD
ST. LOUIS, MO 63146**DECLARATIONS – SPECIFIC EXCESS****SP 4059716**

Item 1. Employer: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND INCLUDING ONLY THE INSURED MEMBERS OF THE FUND ON FILE WITH THE CORPORATION (PER ENDORSEMENT 0411)

Address: 9 CAMPUS DRIVE, SUITE 16, PARSIPPANY, NJ 07054

Item 2. This Agreement covers all business operations of the EMPLOYER as a Self-Insurer in the following State(s): NEW JERSEY

Item 3. Effective Date: 12:01 A.M. January 01, 2019

Item 4. Anniversary Date: 12:01 A.M. January 01, 2021

Item 5. The Service Company shall be QUAL-LYNX

Item 6. CLASSIFICATIONS OF OPERATIONS	Code Number	Estimated Total Annual Remuneration/Manhours	Rate Per \$ 100 Remuneration/Manhours
See Attached			
	Total Estimated Manual Premium		N/A
	SNCC Experience Modification Factor		N/A
	Total Estimated Standard Premium		N/A

Item 7. Self-Insured Retention Per Occurrence \$ 2,000,000

Item 8. (a) Maximum Limit of Indemnity Per Occurrence Statutory
(b) Employers' Liability Maximum Limit of Indemnity Per Occurrence \$ 5,000,000

Item 9. Premium Rate \$ 0.085687 per \$100 of Payroll

Item 10. Minimum Premium for the Liability Period \$ 4,992,830

Item 11. Deposit Premium for the Payroll Reporting Period \$ 2,627,805

Item 12. Payroll Reporting Period January 01, 2019 through January 01, 2020

Item 13. Endorsements See Endorsement Schedule

Signed at St. Louis, Missouri on March 19, 2019



Secretary

Countersigned this day of

By: _____ N/A

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**Policy No:** SP 4059716**Effective Date:** 12:01 A.M. January 01, 2019**Declarations:****Item 6.**

St	Classifications of Operations	Code No.	Estimated Total Annual Remuneration/ Manhours	Rate per \$100 Remuneration/ Manhours	Estimated Premium
NJ					
	Tree Pruning, Spraying, Repairing, Trimming or Fumigating & Drivers	0106	\$ 2,636,212	N/A	N/A
	Concrete Construction in Connection with Bridges or Culverts	5222	\$ 1,021,097		
	Street Or Road Maintenance - Municipal - County Or State Departments & Drivers	5509	\$ 214,512,207		
	Contractor - Executive Supervisor	5606	If Any		
	Landfill	6217	\$ 1,990,284		
	Sewer Construction & Drivers	6306	\$ 149,428		
	Bus Company-Franchised or Chartered--& Drivers	7384	\$ 103,020		
	Waterworks Operation & Drivers	7520	\$ 67,833,831		
	Electric Light Or Power Co NOC & Drivers	7539	\$ 10,049,419		
	Sewerage Disposal Plant Operation & Drivers	7580	\$ 107,352,913		
	Firemen - Paid & Drivers	7711	\$ 209,848,350		
	Firemen - Volunteer & Drivers	7711.B	\$ 21,836,472		
	First Aid Or Rescue Squad - Paid & Drivers	7715	\$ 26,598,615		
	First Aid Or Rescue Squad - Volunteer & Drivers	7715.B	\$ 9,267,300		
	Sheriff's Officers, Policemen Or Correctional Institution	7720	\$ 1,181,909,628		
	Police officers-special, reserve or auxiliary-volunteers-public & dirves	7728	\$ 23,897,916		
	Shop & Parts Dept. Employees & Drivers	8397	\$ 5,622,807		
	Architect or Engineer	8601	\$ 4,119,276		
	Salespersons-Outside	8742	\$ 856,971		
	Clerical Office Employees NOC	8810	\$ 448,950,066		
	Clerical Office Employees NOC (Police Dept)	8810.B	\$ 85,212,713		
	Clerical Office Employees NOC	88102	\$ 8,043,952		
	Clerical Office Employees NOC	88103	\$ 6,079,481		
	Attorney-All Employees & Clerical, Messengers, Drivers	8820	\$ 3,739,383		
	Homemaker service	8828	\$ 196,604		
	Nursing-Home Health, Public and Traveling-All Employees	8835	\$ 372,537		
	Library - Public - Professional Employees & Clerical	8838	\$ 77,889,160		
	College: Professional Employees & Clerical	8868	\$ 1,264,300		
	Buildings NOC - Operation By Owner Or Lessee	9015	\$ 51,698,649		
	Housing Authority - Clerical, Salespersons, & Drivers	9033	\$ 83,718,286		
	Hospital & Clerical, Drivers	9045	\$ 305,669		
	Clubs NOC & Clerical	9061	\$ 836,837		
	Park NOC & Drivers	9102	\$ 103,659,199		
	College or School: Non Professional Employees	9106	\$ 1,634,602		

1005 00 1101 (XWC)

ITEM 6 (CONTINUED)

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

Policy No: SP 4059716

Effective Date: 12:01 A.M. January 01, 2019

Declarations:

Item 6.

St	Classifications of Operations	Code No.	Estimated Total Annual Remuneration/ Manhours	Rate per \$100 Remuneration/ Manhours	Estimated Premium
	Street Cleaning & Drivers	9402	\$ 15,005,951		
	Garbage Collection & Drivers	9403	\$ 75,284,421		
	Municipal, Township, County Or State Employee NOC	9410	\$ 198,171,221		
	Municipal, Township, County Or State Employee NOC	9410.B	\$ 14,516,512		
	Welfare Board-County-& Clerical, Salesmen, Drivers	9421	\$ 79,714		
	Animal Shelter & Drivers	9726	\$ 483,706		

			\$ 3,066,748,709		
	Total Payroll		\$ 3,066,748,709		

Endorsement Schedule

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

Policy No: SP 4059716

Effective Date: 12:01 A.M. January 01, 2019

Number	Title
0411 00 0196 (XWC)	INSURED MEMBERS OF ASSOCIATION
0026 00 0916 (XWC)	NEW JERSEY AMENDMENT REGARDING INSOLVENCY AND CANCELLATION
0242 00 1291 (XWC)	LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT
0276 02 0408 (XWC)	BROAD FORM ALL STATES FOR EMPLOYEE TRAVEL
0277 00 1291 (XWC)	DEPOSIT PREMIUM PAYMENT
0322 01 1198 (XWC)	120-DAYS NOTICE OF CANCELLATION
0346 01 0908 (XWC)	LIMITED SAME COMMUNICABLE DISEASE-SPECIFIC EXCESS
0428 01 0307 (XWC)	FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE
0436 00 1096 (XWC)	UNINTENTIONAL ERROR AND OMISSIONS BY EMPLOYER
0451 08 0112 (XWC)	REVISED PREMIUM SECTION ENDORSEMENT
0454 00 0697 (XWC)	MARITIME COVERAGE ENDORSEMENT (LIMITED TO A STATE BENEFIT)
0817 01 0112 (XWC)	EMPLOYER DEFINITION
1061 11 0115 (XWC)	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
1180 02 0112 (XWC)	REVISED INSPECTION AND AUDIT SECTION ENDORSEMENT
2010 02 1208 (XWC)	REVISED INTENTIONAL TORT AND UNLAWFUL EMPLOYMENT PRACTICES EXCLUSION - SPECIFIC EXCESS AGREEMENTS

0411 00 0196 (XWC)

ENDORSEMENT

INSURED MEMBERS OF ASSOCIATION

Effective 12:01 A.M., Local Time, January 01, 2019

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that Item 1 of the Declarations, EMPLOYER, shall include only the Insured Members on file with the CORPORATION.

"Insured Members on file with the CORPORATION" shall be defined as those members of the association/EMPLOYER listed as members on the official "Member List - MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND (NJ)" (hereinafter "Member List") which shall be furnished to the CORPORATION on a quarterly basis. It is further understood that the effective date for inclusion of a particular Insured Member of the association/EMPLOYER, as well as the cancellation date indicating when an Insured Member ceases to be a member of the association/EMPLOYER, shall hereby correspond with the respective effective date and cancellation date reflected on such official Member List.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4059716, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2019.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0026 00 0916 (XWC)

ENDORSEMENT

NEW JERSEY AMENDMENT REGARDING INSOLVENCY AND CANCELLATION

Effective 12:01 A.M., Local Time, January 01, 2019

In consideration of the terms and conditions under which this Agreement is written, it is hereby understood and agreed that the following language regarding Insolvency and Cancellation be added to this Agreement:

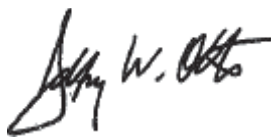
The bankruptcy or insolvency of the EMPLOYER will not relieve the CORPORATION or the EMPLOYER of its duties and liabilities under this Agreement. After payments have been made by or on behalf of the EMPLOYER, reimbursements due under this Agreement will be made by the CORPORATION as if the EMPLOYER had not become bankrupt or insolvent, but not in excess of the CORPORATION's limit of indemnity, and such reimbursements shall be made to the Insurance Commissioner of the State of New Jersey.

CANCELLATION - Notice of Cancellation will be sent to the Commissioner of Insurance, State of New Jersey, Trenton, New Jersey, in writing stating when, not less than thirty (30) days thereafter, such cancellation shall be effective.

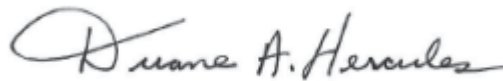
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4059716, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2019.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary


President

0242 00 1291 (XWC)

ENDORSEMENT

LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT

Effective 12:01 A.M., Local Time, January 01, 2019

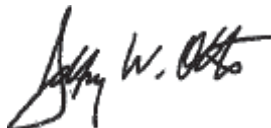
In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

The term, "Workers' Compensation Law," includes the Longshoremen's and Harbor Workers' Compensation Act (USL&H) (33 USC Sections 901-950), and any amendment to that Act that is in effect during the Liability Period. This endorsement does not apply to work subject to the Defense Base Act, the Outer Continental Shelf Lands Act, or the Nonappropriated Fund Instrumentalities Act.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4059716, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2019.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

BROAD FORM ALL STATES FOR EMPLOYEE TRAVEL

Effective 12:01 A.M., Local Time, January 01, 2019

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that this Agreement shall include the following:

1. If the EMPLOYER undertakes operations in or, at the request of the EMPLOYER, an Employee travels to or is temporarily assigned to, any State not designated in Item 2 of the Declarations, this Agreement applies to such operations, travel or temporary assignment. Should EMPLOYER undertake operations in a state not designated in Item 2 of the Declarations, the EMPLOYER shall give notice to the CORPORATION before or within a reasonable time after the commencement of such operations. The EMPLOYER shall take whatever action is necessary to come within the Workers' Compensation and occupational disease laws of such State.
2. Should an Employee, at the direction of the EMPLOYER, travel to or be temporarily assigned to any State or States not designated in Item 2 of the Declarations, this Agreement shall provide coverage for Loss sustained by the EMPLOYER because of liability imposed upon the EMPLOYER by the Workers' Compensation or Employers' Liability Laws of such non-designated State.
3. This Agreement also applies to Loss sustained by the EMPLOYER because of liability imposed upon the EMPLOYER by the Workers' Compensation and Employers' Liability Laws of such non-designated State.
4. Any Loss covered by this Endorsement shall be subject to all the limitations of this Agreement including but not limited to the Self-Insured Retention Per Occurrence or the Limitation Per Occurrence and the Maximum Limit(s) of Indemnity of the CORPORATION for the Liability Period.
5. The word "State" as used in this Endorsement shall mean any State of the United States of America and the District of Columbia.
6. The insurance afforded by this Endorsement does not cover fines or penalties imposed on the EMPLOYER for failure to comply with the requirements of any Workers' Compensation Law.
7. All of the provisions of this Agreement, insofar as such provisions are not inconsistent herewith, are applicable to the insurance afforded by the Agreement by virtue of this Endorsement.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4059716, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2019.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0277 00 1291 (XWC)

ENDORSEMENT

DEPOSIT PREMIUM PAYMENT

Effective 12:01 A.M., Local Time, January 01, 2019

It is hereby understood and agreed that the Deposit Premium of \$ 2,627,805 shall be payable as follows:

\$ 876,111.00 due January 01, 2019

\$ 875,847.00 due February 15, 2019

\$ 875,847.00 due April 01, 2019

All payments made by the EMPLOYER shall be credited against the Earned Premium as determined by audit performed following the expiration of the Liability Period of this Agreement.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4059716, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2019.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0322 01 1198 (XWC)

ENDORSEMENT

120-DAYS NOTICE OF CANCELLATION

Effective 12:01 A.M., Local Time, January 01, 2019

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

The portion of the first paragraph of the Section entitled Cancellation, which reads, "... not less than sixty (60) days prior to the date of cancellation..." is amended to read, "...not less than one hundred twenty (120) days prior to the date of cancellation..."

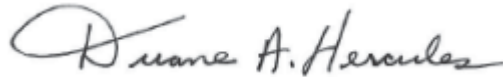
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4059716, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2019.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

LIMITED SAME COMMUNICABLE DISEASE-SPECIFIC EXCESS

Effective 12:01 A.M., Local Time, January 01, 2019

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that the Section titled Definitions, shall be revised as follows:

1. Paragraph (4) shall be revised to include the following:

With respect to bodily injury caused by the Same Communicable Disease, occurrence shall mean accident or a series of related events having a detectable common source of causation at the workplace, that results in bodily injury to two or more Employees who are infected with the Same Communicable Disease, which infection is manifested during the Liability Period of this Agreement.

2. Paragraph (7) shall be added and shall read as follows:

- (7) "Same Communicable Disease" - shall mean specifically diagnosed infectious disease caused by an infectious organism which is transmitted from one source to another, directly or indirectly, which is the same proximate cause of bodily injury to each infected Employee. It is understood and agreed, however, that tuberculosis is excluded from the definition of "Same Communicable Disease." Accordingly, this Agreement shall not apply to, and therefore shall provide no coverage for any Occurrence involving tuberculosis as respects Same Communicable Disease.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4059716, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2019.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE

Effective 12:01 A.M., Local Time, January 01, 2019

SECTION 1. SCOPE OF INSURANCE

- A The insurance afforded by this Agreement also applies to Employees, as defined in Section 2 of this Endorsement, who are employed to work at locations within the following country or countries:

anywhere in the world outside the United States or United States possessions and territories, except Countries or areas of Countries that are assigned a Travel Advisory Ranking at the time of travel that is either Level 3: Reconsider Travel or Level 4: Do Not Travel, as shown on the [Travel.State.Gov](https://travel.state.gov) website of the US Department of State – Bureau of Consular Affairs.

- B Benefits payable under this Endorsement are the same as those that would be payable if the Employees in question were subject to the Worker's Compensation Law of the following State or States: NEW JERSEY
- C Benefits payable under this Endorsement shall include repatriation expense in an amount up to \$ 25,000 with respect to any one Employee and as otherwise subject to the CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability.
- D The CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability is limited to \$ 100,000 and applies in excess of the Self-Insured Retention Per Occurrence.

SECTION 2. EMPLOYEES COVERED

- A It is agreed that the insurance provided by this Agreement also applies to those Employees of the EMPLOYER who are hired or assigned by the EMPLOYER to work at locations within the country or countries not excluded in this Endorsement.
- B This insurance, with respect to any such Employee, shall attach from the moment such Employee is hired or assigned for such work and shall cease from the moment the employment or assignment for such work is terminated. If the Employee has been hired in the United States of America, coverage continues after termination of employment until the Employee returns to the United States of America or for a reasonable period of time for the opportunity to return to the United States of America, unless termination of employment is due to the Employee's resignation.
- C This insurance shall not apply to persons other than citizens or residents of the United States of America within the country or countries stated in this Endorsement except as stated herein: NONE
- D The benefits payable hereunder shall also be deemed payable to or for an Employee who contracts an endemic disease, providing that such disease shall have manifested itself within thirty (30) days from the moment such Employee's employment or assignment for such work is terminated.

0428 01 0307 (XWC)

ENDORSEMENT (CONTINUED)

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4059716, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2019.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0436 00 1096 (XWC)

ENDORSEMENT

UNINTENTIONAL ERROR AND OMISSIONS BY EMPLOYER

Effective 12:01 A.M., Local Time, January 01, 2019

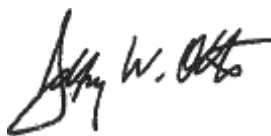
In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

Any unintentional errors or omissions by the EMPLOYER which relate to this Agreement, shall not constitute grounds for a declination of coverage by the CORPORATION.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4059716, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2019.

SAFETY NATIONAL CASUALTY CORPORATION

A handwritten signature in black ink, appearing to read "Jeffrey W. Otto".

Secretary

A handwritten signature in black ink, appearing to read "Duane A. Hercules".

President

ENDORSEMENT

REVISED PREMIUM SECTION ENDORSEMENT

Effective 12:01 A.M., Local Time, January 01, 2019

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that Section **F. Premium** is deleted in its entirety and replaced by the following:

F. Premium

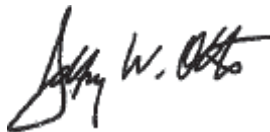
Upon acceptance of the Agreement and at the beginning of each Payroll Reporting Period, as specified in Item 12 of the Declarations, the EMPLOYER shall pay to the CORPORATION the amount of the Deposit Premium specified in Item 11 of the Declarations. The Deposit Premium shown in the Declarations as applicable to each Payroll Reporting Period is an estimate based on the Estimated Total Annual Remuneration/Man-Hours stated in Item 6 of the Declarations. During the Liability Period, the EMPLOYER shall report to the CORPORATION, on no less frequently than a quarterly basis, any and all new Insured Members added during such period. The EMPLOYER shall be billed by the CORPORATION for additional premium based on the annual remuneration applicable to such new Insured Member. The EMPLOYER shall pay premiums within thirty (30) days after the date of billing.

Remuneration earned, or man-hours accumulated, during the Liability Period by all Employees, including volunteers, engaged in each classification covered by this Agreement, shall be computed in accordance with the rules set forth in the appropriate Manual of Workers' Compensation and Employers' Liability Insurance.

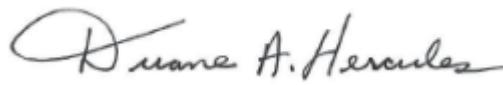
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4059716, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2019.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0454 00 0697 (XWC)

ENDORSEMENT

MARITIME COVERAGE ENDORSEMENT (LIMITED TO A STATE BENEFIT)

Effective 12:01 A.M., Local Time, January 01, 2019

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

The coverage afforded by Employers' Liability Laws, as specified in this Agreement, shall include Loss on account of bodily injury to a master or member of the crew of a vessel. However, it is also understood that this Agreement shall apply to such Loss, but only to the extent that such Loss does not exceed the benefits payable under the NEW JERSEY Worker's Compensation Law. In addition, such coverage shall be subject to the following additional provisions:

This coverage does not include Loss on account of:

1. bodily injury covered by a Protection and Indemnity Policy or similar policy issued to the EMPLOYER or for the EMPLOYER'S benefit. This exclusion applies even if the other policy does not apply because of an other insurance clause, deductible or limitation of liability clause, or any similar clause.
2. the EMPLOYER'S duty to provide transportation, wages, maintenance and cure.

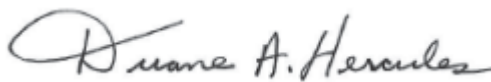
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4059716, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2019.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

0817 01 0112 (XWC)

ENDORSEMENT

EMPLOYER DEFINITION

Effective 12:01 A.M., Local Time, January 01, 2019

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

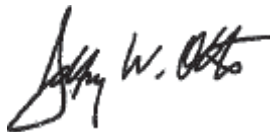
For purposes of this Agreement, "EMPLOYER" shall include:

- (1) An EMPLOYER named in Item 1 of the Declarations. If an EMPLOYER named in Item 1 of the Declarations is a partnership or joint venture, then a partner in the partnership or individual member of the joint venture is covered as an EMPLOYER, but only in their capacity as an employer of employees of the partnership or joint venture.
- (2) An EMPLOYER'S subsidiary, division or affiliated company now existing or as may hereafter be constituted, provided a 51% majority interest is owned or controlled by an EMPLOYER named in Item 1 of the Declarations.
- (3) A business entity over which an EMPLOYER named in Item 1 of the Declarations has day-to-day management control.
- (4) Municipal Excess Liability Residual Claim Fund.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4059716, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2019.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Effective 12:01 A.M., Local Time, January 01, 2019

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

Coverage for workers' compensation losses caused by certified acts of terrorism is included in this Agreement as set forth under the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015 (collectively, "the Act").

For purposes of this Endorsement, a "certified act of terrorism" is defined as any act:

- a. That is certified by the Secretary of the Treasury in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism within certification time frames prescribed in the Act; and,
- b. That is violent or dangerous to human life, property or infrastructure; and,
- c. That results 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,
- d. 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.

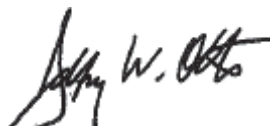
Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your Agreement, and any applicable federal and/or state laws, rules, or regulations. Under the Act, terrorism losses would be partially reimbursed by the U.S. Government under a formula established by the Act. Under this formula, the U.S. Government would generally reimburse between 80% to 85% of covered terrorism losses exceeding a deductible paid by the CORPORATION. The Act contains a \$100 million annual program trigger for 2015 and an increasing trigger amount each year of up to a \$200 million annual program trigger for 2020 and limits on the reimbursement from the U.S. Government as well as from all insurers. If aggregate insured losses for all insurers exceed program caps, the EMPLOYER's coverage may be reduced.

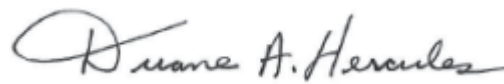
The portion of the EMPLOYER'S annual premium that is attributable to coverage for losses caused by a certified act of terrorism is: 0.5%.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4059716, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2019.

SAFETY NATIONAL CASUALTY CORPORATION


Secretary


President

1180 02 0112 (XWC)

ENDORSEMENT

REVISED INSPECTION AND AUDIT SECTION ENDORSEMENT

Effective 12:01 A.M., Local Time, January 01, 2019

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that Section **L. Inspection and Audit**, is deleted in its entirety and replaced by the following:

L. Inspection and Audit

The CORPORATION shall have the right, but not the obligation, to inspect the premises and equipment and/or to audit the books and records of the EMPLOYER and of its agents and representatives, to the extent such books and records relate to claims matters, at any reasonable time during the period of this Agreement and within three (3) years after final settlement of all claims due to Occurrences happening during the term of this Agreement.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4059716, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2019.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

REVISED INTENTIONAL TORT AND UNLAWFUL EMPLOYMENT PRACTICES EXCLUSION - SPECIFIC
EXCESS AGREEMENTS

Effective 12:01 A.M., Local Time, January 01, 2019

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that subparagraph (f) of paragraph (3), "Exclusions from Loss" of the Definitions section of this Agreement shall be deleted and replaced as follows:

- (f) Any amounts required to be paid by the EMPLOYER because of:
- 1) Loss under the Workers' Compensation coverage of this Agreement resulting from:
 - (i) The EMPLOYER's serious and willful misconduct;
 - (ii) The EMPLOYER's failure to comply with any health, safety or notification laws or regulations; and/or
 - (iii) The EMPLOYER's discharge, coercion or discrimination against any Employee in violation of the Workers' Compensation Law.
 - 2) Loss under the Employers' Liability coverage of this Agreement resulting from:
 - (i) Bodily injury intentionally caused or aggravated by the EMPLOYER; and/or
 - (ii) The EMPLOYER's coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any Employee, or any personnel practices, policies, acts or omissions.
 - 3) Loss under the Workers' Compensation and/or Employers' Liability coverage of this Agreement resulting from:
 - (i) The EMPLOYER knowingly employing an Employee in violation of the law; and/or
 - (ii) The rejection by the EMPLOYER of any Workers' Compensation Law.

In addition, the following shall be added as paragraph (7) of the Definitions section of this Agreement:

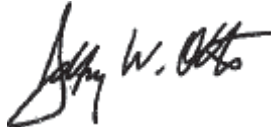
- (7) "Employers' Liability" or "Employers' Liability Laws" – shall mean liability imposed upon the EMPLOYER on account of bodily injury by accident or bodily injury by occupational disease arising out of and in the course of the injured Employee's employment and not otherwise covered under the applicable Workers' Compensation Law of the State(s).

ENDORSEMENT (CONTINUED)

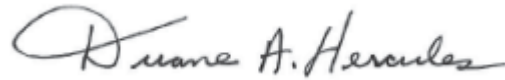
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4059716, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2019.

SAFETY NATIONAL CASUALTY CORPORATION

Handwritten signature of Jeffrey W. Otto in black ink.

Secretary

Handwritten signature of Duane A. Hercules in black ink.

President

SAFETY NATIONAL CASUALTY CORPORATION

PRIVACY STATEMENT

Our Commitment To Our Customers

Safety National Casualty Corporation ("Safety National") is proud to have provided quality products and services to its customers for over 50 years. We greatly appreciate the trust that you and all of our customers place in us. We protect that trust by respecting the privacy of all of our customers, both present and past. The following will explain our privacy practices so that you will understand our commitment to your privacy.

We Respect Your Privacy

When you apply to Safety National for any type of insurance, you disclose information about you to us. The collection, use and disclosure of such information is regulated by law. Safety National and its affiliates maintain physical, electronic and procedural safeguards that comply with state and federal regulations to guard your personal information. Our employees are also advised of the importance of maintaining the confidentiality of your information.

Types Of Information We Collect

Safety National obtains most of our information directly from you, your agent or broker. The application you complete, as well as any additional information you provide, generally gives us most of the details we need to know. Depending on the nature of your insurance transaction, we may need further details about you.

We may obtain information from third parties, such as other insurance or reinsurance companies, medical providers, government agencies, information clearinghouses and other public records. We may also obtain information about you from your other transactions with us, our affiliates or others.

What We Do With Your Information

Information that has been collected about you will be retained in our files. We will review your information in evaluating your request for insurance coverage, determining your rates or underwriting risk, servicing your policy or adjusting claims. We may retain information about our former customers and would disclose that information only to affiliates and to non-affiliates as described in this notice or as otherwise permitted by law.

To Whom Do We Disclose Your Information

We will not disclose any non-public, personal information about our customers or former customers, except as permitted by law. That means we may disclose information we have collected about you to the following types of third parties:

- Our affiliated companies (Members and subsidiaries of the Tokio Marine Holdings, Inc. group of companies).
- Your agent or broker.
- Parties who perform a business or insurance function for Safety National, including reinsurance, underwriting, claims administration or adjusting, investigation, loss control and computer systems companies.
- Other insurance companies or agents as reasonably necessary concerning your application, policy or claim.
- Insurance regulatory or statistical reporting agencies.
- Law enforcement or governmental authorities in connection with suspected fraud or illegal activities.
- Authorized persons as ordered by subpoena, warrant or court order, or as required by law.

We do not disclose any non-public, personal information about you to non-affiliated companies for marketing purposes or for any other purpose except those specifically allowed by law and described above.

Independent Sales Agents or Brokers

Your policy may have been placed with us through an independent agent or broker ("Sales Agent"). Your Sales Agent may have gathered information about you. The use and protection of information obtained by your Sales Agent is their responsibility, not Safety National's. If you have questions about how your Sales Agent uses or discloses your information, please contact them directly.



- BENEFIT INFORMATION -

Available Exclusively to Safety National's Excess and Large Deductible Workers' Compensation Policyholders

SAFETY NATIONAL CRISIS PROTECTION NOTIFICATION EMAIL ADDRESS:
crisisprotection@safetynational.com

SAFETY NATIONAL CRISIS PROTECTION 24-HOUR HOTLINE:
(855) 887-3254

DEFINITIONS

- A. Domestic Crisis Event** means a man-made emergency situation limited to an explosion, arson, bombing, workplace violence, structural fire or a vehicular accident occurring entirely in the United States and/or any territories or possessions of the same. Domestic Crisis Event also means a natural disaster at owned, leased or designated workplace locations limited to a tornado, explosion, wildfire, structural fire, earthquake and any resulting tsunami, hurricane or flood occurring entirely in the United States and/or any territories or possessions of the same. In order to qualify as a Domestic Crisis Event, an event must directly involve the death of two (2) or more of Your Employees. Safety National Casualty Corporation ("Safety National") shall solely determine what qualifies as a Domestic Crisis Event for purposes of this benefit.
- B. International Extraction Crisis Event** means an international crisis directly involving Your Employees and resulting in their immediate need of removal from a geographic location to avoid imminent serious injury or death as the result of an existing emergency situation. An International Extraction Crisis Event is limited to employee extraction from a man-made emergency situation only as the result of an explosion, arson, bombing, riot, or government collapse and political unrest. An International Extraction Crisis Event that necessitates employee extraction as the result of a natural disaster is limited to a tornado, explosion, wildfire, earthquake and any resulting tsunami, cyclone/typhoon/hurricane or flood. Safety National shall solely determine what qualifies as an International Extraction Crisis Event for purposes of this benefit.
- C. Your Employees** means any direct employees of Your Company that are directly involved in a qualifying event. It specifically excludes any contractors. Safety National specifically restricts Safety National Crisis Protection to, and will only provide benefits for, Your Employees who are directly covered by any excess or large deductible workers' compensation insurance policy issued to You by Safety National and who are currently employed at the time of the qualifying event.

* Safety National Crisis Protection is a complimentary benefit for Safety National's excess and large deductible workers' compensation customers only and is NOT an insurance coverage or policy of any type.

- D. Immediate Family Member** means spouse, child or children and parents of Your Employee directly involved in a Domestic Crisis Event.
- E. You, Your and Yours** shall refer to an excess or large deductible workers' compensation policyholder of Safety National who has an active and fully-paid policy at the time of the qualifying event.
- F. Warning Country** shall refer to any country, territory, province or geographical location listed by the United States Department of State at <http://travel.state.gov/content/passports/english/alertswarnings.html> as a location for which a travel warning has been issued and is currently active. Safety National shall solely determine whether a certain country, territory, province or geographical location is considered a Warning Country at the time of the qualifying event.
- G. Sanctioned Country** shall refer to any country, territory, province or geographical location listed by the United States Department of the Treasury at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx> as the subject of any current Office of Foreign Assets Control ("OFAC") sanctions program. Safety National shall solely determine whether a certain country, territory, province or geographical location is considered a Sanctioned Country at the time of the qualifying event.

YOUR BENEFITS UNDER SAFETY NATIONAL CRISIS PROTECTION*

As a valued policyholder, Safety National has developed the Safety National Crisis Protection program as a complimentary benefit available to You. If a qualifying Domestic Crisis Event occurs that directly involves You as a Safety National excess or large deductible workers' compensation policyholder, Safety National will pay to cover the cost of either a Safety National approved crisis management firm, crisis response firm, public relations firm and/or for emergency psychological services up to the annual, aggregate limit of the benefit. If You choose to use an unapproved vendor, reimbursement will be made directly to You for services that are approved by Safety National, up to the annual, aggregate limit of this benefit.

In the event that a qualifying International Extraction Crisis Event occurs that directly involves You as a Safety National excess or large deductible workers' compensation policyholder, Safety National will reimburse You to cover the cost of expenses approved by Safety National involving an employee extraction firm of Your choice. With respect to any International Extraction Crisis Event, Safety National will provide this benefit for qualifying events anywhere in the world outside the United States or United States possessions and territories, except for events that occur in any country, territory, province or geographical location listed as a Warning Country by the United States Department of State on the initial date that You report the International Extraction Crisis Event to Safety National. Safety National will also not provide this benefit for events that occur in any country, territory, province or geographical location listed by the United States Department of Treasury as the subject of any current Office of Foreign Assets Control ("OFAC") sanctions program on the initial date that You report the International Extraction Crisis Event to Safety National.

The total annual, aggregate limit for a Domestic Crisis Event, an International Extraction Crisis Event, or any combination of the two is \$50,000 for any active excess or large deductible workers' compensation policy year. In the case of a multi-year excess or large deductible workers' compensation policy, the \$50,000 annual, aggregate limit shall renew on the annual anniversary date of such multi-year policy. There is no sublimit for a Domestic Crisis Event or International Extraction Crisis Event but in no instance will Safety National pay an approved vendor and/or reimburse You more than \$50,000 in any one-year period. For the sake of clarity, Safety National will only pay up to

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the maximum of \$50,000 in any one year that coincides with your active and fully-paid excess or large deductible workers' compensation insurance policy with Safety National. The annual, aggregate benefit limit of \$50,000 shall apply regardless of the number of policies You have with Safety National.

SCOPE OF BENEFITS UNDER SAFETY NATIONAL CRISIS PROTECTION*

In order to take advantage of this benefit: (1) the Domestic Crisis Event or International Extraction Crisis Event must directly involve Your business and occur within the period of coverage provided by Safety National to You under an active and fully-paid excess or large deductible workers' compensation insurance policy; (2) the facts, circumstances, pre-existing condition(s) or situation(s) that lead up to the Domestic Crisis Event or International Extraction Crisis Event were not known to You in advance; and (3) the Domestic Crisis Event or International Extraction Crisis Event had not affected Your operation in any way before the current policy period began.

Since Safety National has approved vendors for Domestic Crisis Events, you can contact them via the following 24-hour hotline as soon as the event occurs:

(855) 887-3254. Black Swan Solutions is the Safety National approved vendor for Crisis Management and Counseling and takes all incoming calls regarding Domestic Crisis Events. In the event You need to get in contact with another approved vendor for a Crisis Communication/Public Relations situation, Black Swan Solutions will route Your call to the appropriate vendor. During Your initial call with Black Swan Solutions, You must provide: (1) Your active excess or large deductible workers' compensation account name, (2) Your policy number and (3) the effective date of that policy.

If an International Extraction Crisis Event occurs, since there are no approved vendors, You should contact the vendor of Your choice and Safety National will reimburse you for those approved costs up to the above listed annual, aggregate limit.

In addition to contacting a vendor, **You must notify Safety National within five (5) business days of any Domestic Crisis Event or International Extraction Crisis Event which may result in any benefits under Safety National Crisis Protection at the following email address: crisisprotection@safetynational.com. Failure to do so may void this benefit and any payments or reimbursements by Safety National.** This email address is also listed at the beginning of this benefit information packet. Further written notification regarding specifics of the qualifying event must be made as soon as possible after the initial email notification. The written notification must include when, where and how the Domestic Crisis Event or International Extraction Crisis Event occurred, and the nature of the injuries or damages You have experienced to date as well as those You expect to experience as a result of the Domestic Crisis Event or International Extraction Crisis Event. **Any notice You provide to Black Swan Solutions and/or Safety National under this Safety National Crisis Protection benefit program shall NOT be considered a notice of loss under any Safety National excess or large deductible workers' compensation insurance policy.**

All invoices and receipts relating to any request for direct vendor payment and/or reimbursement to You under this benefit must be submitted to Safety National for payment within sixty (60) days from the original date they were generated. Any older invoices or receipts will not be paid by Safety National.

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SAFETY NATIONAL CASUALTY CORPORATION1832 SCHUETZ ROAD
ST. LOUIS, MO 63146**ANNIVERSARY DECLARATIONS – SPECIFIC EXCESS****SP 4054278**

Item 1. Employer: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND INCLUDING ONLY THE INSURED MEMBERS OF THE FUND ON FILE WITH THE CORPORATION (PER ENDORSEMENT 0411)

Address: 9 CAMPUS DRIVE, SUITE 16, PARSIPPANY, NJ 07054

Item 2. This Agreement covers all business operations of the EMPLOYER as a Self-Insurer in the following State(s): NEW JERSEY

Item 3. Effective Date: 12:01 A.M. January 01, 2016

Item 4. Anniversary Date: 12:01 A.M. January 01, 2019

Item 5. The Service Company shall be QUAL-LYNX

Item 6. CLASSIFICATIONS OF OPERATIONS	Code Number	Estimated Total Annual Remuneration/Manhours	Rate Per \$ 100 Remuneration/Manhours
See Attached			
	Total Estimated Manual Premium		N/A
	SNCC Experience Modification Factor		N/A
	Total Estimated Standard Premium		N/A

Item 7. Self-Insured Retention Per Occurrence \$ 2,000,000

Item 8. (a) Maximum Limit of Indemnity Per Occurrence Statutory
(b) Employers' Liability Maximum Limit of Indemnity Per Occurrence \$ 5,000,000

Item 9. Premium Rate See Amended Endt 0342

Item 10. Minimum Premium for the Liability Period \$ 7,565,035

Item 11. Deposit Premium for the Payroll Reporting Period \$ 2,601,610

Item 12. Payroll Reporting Period January 01, 2017 through January 01, 2018

Item 13. Endorsements See Endorsement Schedule

Signed at St. Louis, Missouri on March 02, 2017



Secretary

Countersigned this day of

By: _____ N/A

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**Policy No:** SP 4054278**Effective Date:** 12:01 A.M. January 01, 2017**Declarations:****Item 6.**

St	Classifications of Operations	Code No.	Estimated Total Annual Remuneration/ Manhours	Rate per \$100 Remuneration/ Manhours	Estimated Premium
NJ					
	Tree Pruning, Spraying, Repairing, Trimming or Fumigating & Drivers	0106	\$ 2,646,839	N/A	N/A
	Concrete Construction in Connection with Bridges or Culverts	5222	\$ 1,021,097		
	Street Or Road Maintenance - Municipal - County Or State Departments & Drivers	5509	\$ 208,809,276		
	Landfill	6217	\$ 2,189,746		
	Sewer Construction & Drivers	6306	\$ 175,950		
	Bus Company-Franchised or Chartered--& Drivers	7384	\$ 121,070		
	Waterworks Operation & Drivers	7520	\$ 66,697,075		
	Electric Light Or Power Co NOC & Drivers	7539	\$ 10,580,659		
	Sewerage Disposal Plant Operation & Drivers	7580	\$ 101,766,996		
	Firemen - Paid & Drivers	7711	\$ 175,419,694		
	Firemen - Volunteer & Drivers	7711.B	\$ 22,406,267		
	First Aid Or Rescue Squad - Paid & Drivers	7715	\$ 23,383,317		
	First Aid Or Rescue Squad - Volunteer & Drivers	7715.B	\$ 17,346,695		
	Sheriff's Officers, Policemen Or Correctional Institution	7720	\$ 1,128,067,580		
	Police officers-special, reserve or auxiliary-volunteers-public & dirves	7728	\$ 3,476,043		
	Shop & Parts Dept. Employees & Drivers	8397	\$ 4,623,906		
	Architect or Engineer	8601	\$ 3,620,493		
	Salespersons-Outside	8742	\$ 768,300		
	Clerical Office Employees NOC	8810	\$ 418,871,139		
	Clerical Office Employees NOC (Police Dept)	8810.B	\$ 85,151,782		
	Clerical Office Employees NOC	88102	\$ 7,561,985		
	Clerical Office Employees NOC	88103	\$ 6,320,438		
	Attorney-All Employees & Clerical, Messengers, Drivers	8820	\$ 1,952,126		
	Homemaker service	8828	\$ 73,992		
	Nursing-Home Health, Public and Traveling-All Employees	8835	\$ 385,379		
	Library - Public - Professional Employees & Clerical	8838	\$ 75,495,894		
	College: Professional Employees & Clerical	8868	\$ 856,775		
	Buildings NOC - Operation By Owner Or Lessee	9015	\$ 49,196,646		
	Housing Authority - Clerical, Salespersons, & Drivers	9033	\$ 84,827,681		
	Hospital & Clerical, Drivers	9045	\$ 371,449		
	Clubs NOC & Clerical	9061	\$ 742,916		
	Park NOC & Drivers	9102	\$ 92,740,281		
	College or School: Non Professional Employees	9106	\$ 1,822,543		
	Street Cleaning & Drivers	9402	\$ 15,280,153		
	Garbage Collection & Drivers	9403	\$ 77,103,371		

Declarations:

St	Classifications of Operations	Code No.	Estimated Total Annual Remuneration/ Manhours	Rate per \$100 Remuneration/ Manhours	Estimated Premium
	Municipal, Township, County Or State Employee NOC	9410	\$ 207,916,118		
	Municipal, Township, County Or State Employee NOC	9410.B	\$ 14,378,111		
	Welfare Board-County-& Clerical, Salesmen, Drivers	9421	\$ 73,807		
	Animal Shelter & Drivers	9726	\$ 488,492		
			\$ 2,914,732,081		
	Total Payroll		\$ 2,914,732,081		

Endorsement Schedule

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

Policy No: SP 4054278

Effective Date: 12:01 A.M. January 01, 2017

Number	Title
0411 00 0196 (XWC)	INSURED MEMBERS OF ASSOCIATION
0026 00 0916 (XWC)	NEW JERSEY AMENDMENT REGARDING INSOLVENCY AND CANCELLATION
0242 00 1291 (XWC)	LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT
0276 02 0408 (XWC)	BROAD FORM ALL STATES FOR EMPLOYEE TRAVEL
0277 00 1291 (XWC)	DEPOSIT PREMIUM PAYMENT
0322 01 1198 (XWC)	120-DAYS NOTICE OF CANCELLATION
0342 01 0892 (XWC)	PREMIUM RATES
0346 01 0908 (XWC)	LIMITED SAME COMMUNICABLE DISEASE-SPECIFIC EXCESS
0428 01 0307 (XWC)	FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE
0436 00 1096 (XWC)	UNINTENTIONAL ERROR AND OMISSIONS BY EMPLOYER
0451 08 0112 (XWC)	REVISED PREMIUM SECTION ENDORSEMENT
0454 00 0697 (XWC)	MARITIME COVERAGE ENDORSEMENT (LIMITED TO A STATE BENEFIT)
0817 01 0112 (XWC)	EMPLOYER DEFINITION
1061 11 0115 (XWC)	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
1180 02 0112 (XWC)	REVISED INSPECTION AND AUDIT SECTION ENDORSEMENT
2010 02 1208 (XWC)	REVISED INTENTIONAL TORT AND UNLAWFUL EMPLOYMENT PRACTICES EXCLUSION - SPECIFIC EXCESS AGREEMENTS

0026 00 0916 (XWC)

ENDORSEMENT

NEW JERSEY AMENDMENT REGARDING INSOLVENCY AND CANCELLATION

Effective 12:01 A.M., Local Time, January 01, 2017

In consideration of the terms and conditions under which this Agreement is written, it is hereby understood and agreed that the following language regarding Insolvency and Cancellation be added to this Agreement:

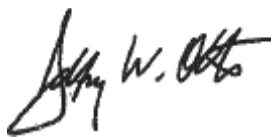
The bankruptcy or insolvency of the EMPLOYER will not relieve the CORPORATION or the EMPLOYER of its duties and liabilities under this Agreement. After payments have been made by or on behalf of the EMPLOYER, reimbursements due under this Agreement will be made by the CORPORATION as if the EMPLOYER had not become bankrupt or insolvent, but not in excess of the CORPORATION's limit of indemnity, and such reimbursements shall be made to the Insurance Commissioner of the State of New Jersey.

CANCELLATION - Notice of Cancellation will be sent to the Commissioner of Insurance, State of New Jersey, Trenton, New Jersey, in writing stating when, not less than thirty (30) days thereafter, such cancellation shall be effective.

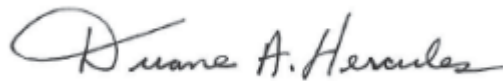
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary


President

0277 00 1291 (XWC)

ENDORSEMENT

DEPOSIT PREMIUM PAYMENT

Effective 12:01 A.M., Local Time, January 01, 2017

It is hereby understood and agreed that the Deposit Premium of \$ 2,601,610 shall be payable as follows:

\$ 867,376.00 due January 01, 2017

\$ 867,117.00 due February 01, 2017

\$ 867,117.00 due March 01, 2017

All payments made by the EMPLOYER shall be credited against the Earned Premium as determined by audit performed following the expiration of the Liability Period of this Agreement.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE

Effective 12:01 A.M., Local Time, January 01, 2017

SECTION 1. SCOPE OF INSURANCE

- A The insurance afforded by this Agreement also applies to Employees, as defined in Section 2 of this Endorsement, who are employed to work at locations within the following country or countries:

anywhere in the world outside the United States or United States possessions and territories, except: Afghanistan, Algeria, Belarus, Burkina Faso, Burma, Burundi, Cameroon, Central African Republic, Chad, Colombia, Cote d'Ivoire, Cuba, Democratic Republic of Congo, Djibouti, El Salvador, Eritrea, Honduras, Iran, Iraq, Israel, Kenya, Lebanon, Libya, Mali, Mauritania, Niger, Nigeria, North Korea, Pakistan, Philippines, Republic of South Sudan, Saudi Arabia, Somalia, Sudan, Syria, Turkey, Ukraine, Venezuela, West Bank and Gaza, Yemen, and Zimbabwe.

- B Benefits payable under this Endorsement are the same as those that would be payable if the Employees in question were subject to the Worker's Compensation Law of the following State or States: NEW JERSEY
- C Benefits payable under this Endorsement shall include repatriation expense in an amount up to \$ 25,000 with respect to any one Employee and as otherwise subject to the CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability.
- D The CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability is limited to \$ 100,000 and applies in excess of the Self-Insured Retention Per Occurrence.

SECTION 2. EMPLOYEES COVERED

- A It is agreed that the insurance provided by this Agreement also applies to those Employees of the EMPLOYER who are hired or assigned by the EMPLOYER to work at locations within the country or countries not excluded in this Endorsement.
- B This insurance, with respect to any such Employee, shall attach from the moment such Employee is hired or assigned for such work and shall cease from the moment the employment or assignment for such work is terminated. If the Employee has been hired in the United States of America, coverage continues after termination of employment until the Employee returns to the United States of America or for a reasonable period of time for the opportunity to return to the United States of America, unless termination of employment is due to the Employee's resignation.
- C This insurance shall not apply to persons other than citizens or residents of the United States of America within the country or countries stated in this Endorsement except as stated herein: NONE
- D The benefits payable hereunder shall also be deemed payable to or for an Employee who contracts an endemic disease, providing that such disease shall have manifested itself within thirty (30) days from the moment such Employee's employment or assignment for such work is terminated.

0428 01 0307 (XWC)

ENDORSEMENT (CONTINUED)

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION

Handwritten signature of Jeffrey W. Otto in black ink.

Secretary

Handwritten signature of Duane A. Hercules in black ink.
President

SAFETY NATIONAL CASUALTY CORPORATION

PRIVACY STATEMENT

Our Commitment To Our Customers

Safety National Casualty Corporation ("Safety National") is proud to have provided quality products and services to its customers for over 50 years. We greatly appreciate the trust that you and all of our customers place in us. We protect that trust by respecting the privacy of all of our customers, both present and past. The following will explain our privacy practices so that you will understand our commitment to your privacy.

We Respect Your Privacy

When you apply to Safety National for any type of insurance, you disclose information about you to us. The collection, use and disclosure of such information is regulated by law. Safety National and its affiliates maintain physical, electronic and procedural safeguards that comply with state and federal regulations to guard your personal information. Our employees are also advised of the importance of maintaining the confidentiality of your information.

Types Of Information We Collect

Safety National obtains most of our information directly from you, your agent or broker. The application you complete, as well as any additional information you provide, generally gives us most of the details we need to know. Depending on the nature of your insurance transaction, we may need further details about you.

We may obtain information from third parties, such as other insurance or reinsurance companies, medical providers, government agencies, information clearinghouses and other public records. We may also obtain information about you from your other transactions with us, our affiliates or others.

What We Do With Your Information

Information that has been collected about you will be retained in our files. We will review your information in evaluating your request for insurance coverage, determining your rates or underwriting risk, servicing your policy or adjusting claims. We may retain information about our former customers and would disclose that information only to affiliates and to non-affiliates as described in this notice or as otherwise permitted by law.

To Whom Do We Disclose Your Information

We will not disclose any non-public, personal information about our customers or former customers, except as permitted by law. That means we may disclose information we have collected about you to the following types of third parties:

- Our affiliated companies (Members and subsidiaries of the Tokio Marine Holdings, Inc. group of companies).
- Your agent or broker.
- Parties who perform a business or insurance function for Safety National, including reinsurance, underwriting, claims administration or adjusting, investigation, loss control and computer systems companies.
- Other insurance companies or agents as reasonably necessary concerning your application, policy or claim.
- Insurance regulatory or statistical reporting agencies.
- Law enforcement or governmental authorities in connection with suspected fraud or illegal activities.
- Authorized persons as ordered by subpoena, warrant or court order, or as required by law.

We do not disclose any non-public, personal information about you to non-affiliated companies for marketing purposes or for any other purpose except those specifically allowed by law and described above.

Independent Sales Agents or Brokers

Your policy may have been placed with us through an independent agent or broker ("Sales Agent"). Your Sales Agent may have gathered information about you. The use and protection of information obtained by your Sales Agent is their responsibility, not Safety National's. If you have questions about how your Sales Agent uses or discloses your information, please contact them directly.



- BENEFIT INFORMATION -

Available Exclusively to Safety National's Excess and Large Deductible Workers' Compensation Policyholders

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DEFINITIONS

- A. Domestic Crisis Event** means a man-made emergency situation limited to an explosion, arson, bombing, workplace violence, structural fire or a vehicular accident occurring entirely in the United States and/or any territories or possessions of the same. Domestic Crisis Event also means a natural disaster at owned, leased or designated workplace locations limited to a tornado, explosion, wildfire, structural fire, earthquake and any resulting tsunami, hurricane or flood occurring entirely in the United States and/or any territories or possessions of the same. In order to qualify as a Domestic Crisis Event, an event must directly involve the death of two (2) or more of Your Employees. Safety National Casualty Corporation ("Safety National") shall solely determine what qualifies as a Domestic Crisis Event for purposes of this benefit.
- B. International Extraction Crisis Event** means an international crisis directly involving Your Employees and resulting in their immediate need of removal from a geographic location to avoid imminent serious injury or death as the result of an existing emergency situation. An International Extraction Crisis Event is limited to employee extraction from a man-made emergency situation only as the result of an explosion, arson, bombing, riot, or government collapse and political unrest. An International Extraction Crisis Event that necessitates employee extraction as the result of a natural disaster is limited to a tornado, explosion, wildfire, earthquake and any resulting tsunami, cyclone/typhoon/hurricane or flood. Safety National shall solely determine what qualifies as an International Extraction Crisis Event for purposes of this benefit.
- C. Your Employees** means any direct employees of Your Company that are directly involved in a qualifying event. It specifically excludes any contractors. Safety National specifically restricts Safety National Crisis Protection to, and will only provide benefits for, Your Employees who are directly covered by any excess or large deductible workers' compensation insurance policy issued to You by Safety National and who are currently employed at the time of the qualifying event.

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- D. Immediate Family Member** means spouse, child or children and parents of Your Employee directly involved in a Domestic Crisis Event.
- E. You, Your and Yours** shall refer to an excess or large deductible workers' compensation policyholder of Safety National who has an active and fully-paid policy at the time of the qualifying event.
- F. Warning Country** shall refer to any country, territory, province or geographical location listed by the United States Department of State at <http://travel.state.gov/content/passports/english/alertswarnings.html> as a location for which a travel warning has been issued and is currently active. Safety National shall solely determine whether a certain country, territory, province or geographical location is considered a Warning Country at the time of the qualifying event.
- G. Sanctioned Country** shall refer to any country, territory, province or geographical location listed by the United States Department of the Treasury at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx> as the subject of any current Office of Foreign Assets Control ("OFAC") sanctions program. Safety National shall solely determine whether a certain country, territory, province or geographical location is considered a Sanctioned Country at the time of the qualifying event.

YOUR BENEFITS UNDER SAFETY NATIONAL CRISIS PROTECTION*

As a valued policyholder, Safety National has developed the Safety National Crisis Protection program as a complimentary benefit available to You. If a qualifying Domestic Crisis Event occurs that directly involves You as a Safety National excess or large deductible workers' compensation policyholder, Safety National will pay to cover the cost of either a Safety National approved crisis management firm, crisis response firm, public relations firm and/or for emergency psychological services up to the annual, aggregate limit of the benefit. If You choose to use an unapproved vendor, reimbursement will be made directly to You for services that are approved by Safety National, up to the annual, aggregate limit of this benefit.

In the event that a qualifying International Extraction Crisis Event occurs that directly involves You as a Safety National excess or large deductible workers' compensation policyholder, Safety National will reimburse You to cover the cost of expenses approved by Safety National involving an employee extraction firm of Your choice. With respect to any International Extraction Crisis Event, Safety National will provide this benefit for qualifying events anywhere in the world outside the United States or United States possessions and territories, except for events that occur in any country, territory, province or geographical location listed as a Warning Country by the United States Department of State on the initial date that You report the International Extraction Crisis Event to Safety National. Safety National will also not provide this benefit for events that occur in any country, territory, province or geographical location listed by the United States Department of Treasury as the subject of any current Office of Foreign Assets Control ("OFAC") sanctions program on the initial date that You report the International Extraction Crisis Event to Safety National.

The total annual, aggregate limit for a Domestic Crisis Event, an International Extraction Crisis Event, or any combination of the two is \$50,000 for any active excess or large deductible workers' compensation policy year. In the case of a multi-year excess or large deductible workers' compensation policy, the \$50,000 annual, aggregate limit shall renew on the annual anniversary date of such multi-year policy. There is no sublimit for a Domestic Crisis Event or International Extraction Crisis Event but in no instance will Safety National pay an approved vendor and/or reimburse You more than \$50,000 in any one-year period. For the sake of clarity, Safety National will only pay up to

* Safety National Crisis Protection is a complimentary benefit for Safety National's excess and large deductible workers' compensation customers only and is NOT an insurance coverage or policy of any type.

the maximum of \$50,000 in any one year that coincides with your active and fully-paid excess or large deductible workers' compensation insurance policy with Safety National. The annual, aggregate benefit limit of \$50,000 shall apply regardless of the number of policies You have with Safety National.

SCOPE OF BENEFITS UNDER SAFETY NATIONAL CRISIS PROTECTION*

In order to take advantage of this benefit: (1) the Domestic Crisis Event or International Extraction Crisis Event must directly involve Your business and occur within the period of coverage provided by Safety National to You under an active and fully-paid excess or large deductible workers' compensation insurance policy; (2) the facts, circumstances, pre-existing condition(s) or situation(s) that lead up to the Domestic Crisis Event or International Extraction Crisis Event were not known to You in advance; and (3) the Domestic Crisis Event or International Extraction Crisis Event had not affected Your operation in any way before the current policy period began.

Since Safety National has approved vendors for Domestic Crisis Events, you can contact them via the following 24-hour hotline as soon as the event occurs:

(855) 887-3254. Black Swan Solutions is the Safety National approved vendor for Crisis Management and Counseling and takes all incoming calls regarding Domestic Crisis Events. In the event You need to get in contact with another approved vendor for a Crisis Communication/Public Relations situation, Black Swan Solutions will route Your call to the appropriate vendor. During Your initial call with Black Swan Solutions, You must provide: (1) Your active excess or large deductible workers' compensation account name, (2) Your policy number and (3) the effective date of that policy.

If an International Extraction Crisis Event occurs, since there are no approved vendors, You should contact the vendor of Your choice and Safety National will reimburse you for those approved costs up to the above listed annual, aggregate limit.

In addition to contacting a vendor, **You must notify Safety National within five (5) business days of any Domestic Crisis Event or International Extraction Crisis Event which may result in any benefits under Safety National Crisis Protection at the following email address: crisisprotection@safetynational.com. Failure to do so may void this benefit and any payments or reimbursements by Safety National.** This email address is also listed at the beginning of this benefit information packet. Further written notification regarding specifics of the qualifying event must be made as soon as possible after the initial email notification. The written notification must include when, where and how the Domestic Crisis Event or International Extraction Crisis Event occurred, and the nature of the injuries or damages You have experienced to date as well as those You expect to experience as a result of the Domestic Crisis Event or International Extraction Crisis Event. **Any notice You provide to Black Swan Solutions and/or Safety National under this Safety National Crisis Protection benefit program shall NOT be considered a notice of loss under any Safety National excess or large deductible workers' compensation insurance policy.**

All invoices and receipts relating to any request for direct vendor payment and/or reimbursement to You under this benefit must be submitted to Safety National for payment within sixty (60) days from the original date they were generated. Any older invoices or receipts will not be paid by Safety National.

* Safety National Crisis Protection is a complimentary benefit for Safety National's excess and large deductible workers' compensation customers only and is NOT an insurance coverage or policy of any type.

SAFETY NATIONAL CASUALTY CORPORATION1832 SCHUETZ ROAD
ST. LOUIS, MO 63146**ANNIVERSARY DECLARATIONS – SPECIFIC EXCESS****SP 4054278**

Item 1. Employer: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND INCLUDING ONLY THE INSURED MEMBERS OF THE FUND ON FILE WITH THE CORPORATION (PER ENDORSEMENT 0411)

Address: 9 CAMPUS DRIVE, SUITE 16, PARSIPPANY, NJ 07054

Item 2. This Agreement covers all business operations of the EMPLOYER as a Self-Insurer in the following State(s): NEW JERSEY

Item 3. Effective Date: 12:01 A.M. January 01, 2016

Item 4. Anniversary Date: 12:01 A.M. January 01, 2019

Item 5. The Service Company shall be QUAL-LYNX

Item 6. CLASSIFICATIONS OF OPERATIONS	Code Number	Estimated Total Annual Remuneration/Manhours	Rate Per \$ 100 Remuneration/Manhours
See Attached			
	Total Estimated Manual Premium		N/A
	SNCC Experience Modification Factor		N/A
	Total Estimated Standard Premium		N/A

Item 7. Self-Insured Retention Per Occurrence \$ 2,000,000

Item 8. (a) Maximum Limit of Indemnity Per Occurrence Statutory
(b) Employers' Liability Maximum Limit of Indemnity Per Occurrence \$ 5,000,000

Item 9. Premium Rate See Amended Endt 0342

Item 10. Minimum Premium for the Liability Period \$ 7,567,617

Item 11. Deposit Premium for the Payroll Reporting Period \$ 2,646,660

Item 12. Payroll Reporting Period January 01, 2018 through January 01, 2019

Item 13. Endorsements See Endorsement Schedule

Signed at St. Louis, Missouri on February 14, 2018



Secretary

Countersigned this day of

By: _____ N/A

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**Policy No:** SP 4054278**Effective Date:** 12:01 A.M. January 01, 2018**Declarations:****Item 6.**

St	Classifications of Operations	Code No.	Estimated Total Annual Remuneration/ Manhours	Rate per \$100 Remuneration/ Manhours	Estimated Premium
NJ					
	Tree Pruning, Spraying, Repairing, Trimming or Fumigating & Drivers	0106	\$ 3,102,001	N/A	N/A
	Concrete Construction in Connection with Bridges or Culverts	5222	\$ 1,021,097		
	Street Or Road Maintenance - Municipal - County Or State Departments & Drivers	5509	\$ 208,909,316		
	Landfill	6217	\$ 2,399,303		
	Sewer Construction & Drivers	6306	\$ 175,950		
	Bus Company-Franchised or Chartered--& Drivers	7384	\$ 121,559		
	Waterworks Operation & Drivers	7520	\$ 69,512,929		
	Electric Light Or Power Co NOC & Drivers	7539	\$ 10,310,490		
	Sewerage Disposal Plant Operation & Drivers	7580	\$ 103,771,825		
	Firemen - Paid & Drivers	7711	\$ 176,813,253		
	Firemen - Volunteer & Drivers	7711.B	\$ 21,314,330		
	First Aid Or Rescue Squad - Paid & Drivers	7715	\$ 26,024,406		
	First Aid Or Rescue Squad - Volunteer & Drivers	7715.B	\$ 9,278,241		
	Sheriff's Officers, Policemen Or Correctional Institution	7720	\$ 1,147,113,448		
	Police officers-special, reserve or auxiliary-volunteers-public & dirves	7728	\$ 22,187,549		
	Shop & Parts Dept. Employees & Drivers	8397	\$ 5,315,928		
	Architect or Engineer	8601	\$ 3,970,868		
	Salespersons-Outside	8742	\$ 991,311		
	Clerical Office Employees NOC	8810	\$ 430,483,896		
	Clerical Office Employees NOC (Police Dept)	8810.B	\$ 86,301,280		
	Clerical Office Employees NOC	88102	\$ 7,897,388		
	Clerical Office Employees NOC	88103	\$ 6,027,439		
	Attorney-All Employees & Clerical, Messengers, Drivers	8820	\$ 1,902,273		
	Homemaker service	8828	\$ 167,646		
	Nursing-Home Health, Public and Traveling-All Employees	8835	\$ 374,565		
	Library - Public - Professional Employees & Clerical	8838	\$ 76,765,838		
	College: Professional Employees & Clerical	8868	\$ 1,203,500		
	Buildings NOC - Operation By Owner Or Lessee	9015	\$ 50,772,253		
	Housing Authority - Clerical, Salespersons, & Drivers	9033	\$ 85,746,857		
	Hospital & Clerical, Drivers	9045	\$ 160,710		
	Clubs NOC & Clerical	9061	\$ 836,074		
	Park NOC & Drivers	9102	\$ 97,734,982		
	College or School: Non Professional Employees	9106	\$ 1,586,132		
	Street Cleaning & Drivers	9402	\$ 15,472,197		
	Garbage Collection & Drivers	9403	\$ 75,105,032		

1005 00 1101 (XWC)

ITEM 6 (CONTINUED)

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

Policy No: SP 4054278

Effective Date: 12:01 A.M. January 01, 2018

Declarations:

Item 6.

St	Classifications of Operations	Code No.	Estimated Total Annual Remuneration/ Manhours	Rate per \$100 Remuneration/ Manhours	Estimated Premium
	Municipal, Township, County Or State Employee NOC	9410	\$ 199,101,457		
	Municipal, Township, County Or State Employee NOC	9410.B	\$ 14,575,959		
	Welfare Board-County-& Clerical, Salesmen, Drivers	9421	\$ 75,947		
	Animal Shelter & Drivers	9726	\$ 578,925		

			\$ 2,965,204,154		
	Total Payroll		\$ 2,965,204,154		

1004 00 1101 (XWC)

Endorsement Schedule

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

Policy No: SP 4054278

Effective Date: 12:01 A.M. January 01, 2018

Number	Title
0411 00 0196 (XWC)	INSURED MEMBERS OF ASSOCIATION
0026 00 0916 (XWC)	NEW JERSEY AMENDMENT REGARDING INSOLVENCY AND CANCELLATION
0242 00 1291 (XWC)	LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT
0276 02 0408 (XWC)	BROAD FORM ALL STATES FOR EMPLOYEE TRAVEL
0277 00 1291 (XWC)	DEPOSIT PREMIUM PAYMENT
0322 01 1198 (XWC)	120-DAYS NOTICE OF CANCELLATION
0342 01 0892 (XWC)	PREMIUM RATES
0346 01 0908 (XWC)	LIMITED SAME COMMUNICABLE DISEASE-SPECIFIC EXCESS
0428 01 0307 (XWC)	FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE
0436 00 1096 (XWC)	UNINTENTIONAL ERROR AND OMISSIONS BY EMPLOYER
0451 08 0112 (XWC)	REVISED PREMIUM SECTION ENDORSEMENT
0454 00 0697 (XWC)	MARITIME COVERAGE ENDORSEMENT (LIMITED TO A STATE BENEFIT)
0817 01 0112 (XWC)	EMPLOYER DEFINITION
1061 11 0115 (XWC)	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
1180 02 0112 (XWC)	REVISED INSPECTION AND AUDIT SECTION ENDORSEMENT
2010 02 1208 (XWC)	REVISED INTENTIONAL TORT AND UNLAWFUL EMPLOYMENT PRACTICES EXCLUSION - SPECIFIC EXCESS AGREEMENTS

0277 00 1291 (XWC)

ENDORSEMENT

DEPOSIT PREMIUM PAYMENT

Effective 12:01 A.M., Local Time, January 01, 2018

It is hereby understood and agreed that the Deposit Premium of \$ 2,646,660 shall be payable as follows:

\$ 882,220.00 due January 01, 2018

\$ 882,220.00 due February 15, 2018

\$ 882,220.00 due April 01, 2018

All payments made by the EMPLOYER shall be credited against the Earned Premium as determined by audit performed following the expiration of the Liability Period of this Agreement.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4054278, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2016.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

SAFETY NATIONAL CASUALTY CORPORATION

PRIVACY STATEMENT

Our Commitment To Our Customers

Safety National Casualty Corporation ("Safety National") is proud to have provided quality products and services to its customers for over 50 years. We greatly appreciate the trust that you and all of our customers place in us. We protect that trust by respecting the privacy of all of our customers, both present and past. The following will explain our privacy practices so that you will understand our commitment to your privacy.

We Respect Your Privacy

When you apply to Safety National for any type of insurance, you disclose information about you to us. The collection, use and disclosure of such information is regulated by law. Safety National and its affiliates maintain physical, electronic and procedural safeguards that comply with state and federal regulations to guard your personal information. Our employees are also advised of the importance of maintaining the confidentiality of your information.

Types Of Information We Collect

Safety National obtains most of our information directly from you, your agent or broker. The application you complete, as well as any additional information you provide, generally gives us most of the details we need to know. Depending on the nature of your insurance transaction, we may need further details about you.

We may obtain information from third parties, such as other insurance or reinsurance companies, medical providers, government agencies, information clearinghouses and other public records. We may also obtain information about you from your other transactions with us, our affiliates or others.

What We Do With Your Information

Information that has been collected about you will be retained in our files. We will review your information in evaluating your request for insurance coverage, determining your rates or underwriting risk, servicing your policy or adjusting claims. We may retain information about our former customers and would disclose that information only to affiliates and to non-affiliates as described in this notice or as otherwise permitted by law.

To Whom Do We Disclose Your Information

We will not disclose any non-public, personal information about our customers or former customers, except as permitted by law. That means we may disclose information we have collected about you to the following types of third parties:

- Our affiliated companies (Members and subsidiaries of the Tokio Marine Holdings, Inc. group of companies).
- Your agent or broker.
- Parties who perform a business or insurance function for Safety National, including reinsurance, underwriting, claims administration or adjusting, investigation, loss control and computer systems companies.
- Other insurance companies or agents as reasonably necessary concerning your application, policy or claim.
- Insurance regulatory or statistical reporting agencies.
- Law enforcement or governmental authorities in connection with suspected fraud or illegal activities.
- Authorized persons as ordered by subpoena, warrant or court order, or as required by law.

We do not disclose any non-public, personal information about you to non-affiliated companies for marketing purposes or for any other purpose except those specifically allowed by law and described above.

Independent Sales Agents or Brokers

Your policy may have been placed with us through an independent agent or broker ("Sales Agent"). Your Sales Agent may have gathered information about you. The use and protection of information obtained by your Sales Agent is their responsibility, not Safety National's. If you have questions about how your Sales Agent uses or discloses your information, please contact them directly.



**NATIONAL UNION
FIRE INSURANCE COMPANY
OF PITTSBURGH, PA**

A CAPITAL STOCK COMPANY
ADMINISTRATIVE OFFICES

POLICY NUMBER:
XWC 469-77-48

RENEWAL OF:
3758051

70 PINE STREET, NEW YORK, N.Y. 10270-0150

**EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY
I N F O R M A T I O N P A G E**

- ITEM 1: Named Insured and Mailing Address**
MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
PARK 80 WEST PLAZA 1
SADDLE BROOK, NJ 07663
- ITEM 2: States (in which coverage is to apply) NJ**
- ITEM 3: Policy Period FROM: 01/01/2008 TO 01/01/2009** 12:01 A.M. Standard Time at the
Mailing Address shown herein
- ITEM 4: Our Limit of Indemnity**
PART ONE: WORKERS COMPENSATION
STATUTORY - Each Accident
STATUTORY - Each Employee For Disease
PART TWO: EMPLOYERS LIABILITY
\$5,000,000 - Each Accident
\$5,000,000 - Each Employee For Disease
- ITEM 5: Your Retention**
PART ONE: WORKERS COMPENSATION
SEE COMBINED RETENTION ENDT 61859 (0195) - EACH ACCIDENT
SEE COMBINED RETENTION ENDT 61859 (0195) - EACH EMPLOYEE FOR DISEASE
PART TWO: EMPLOYERS LIABILITY
SEE COMBINED RETENTION ENDT 61859 (0195) - EACH ACCIDENT
SEE COMBINED RETENTION ENDT 61859 (0195) - EACH EMPLOYEE FOR DISEASE
- ITEM 6: Premium and Premium Computation**
Estimated Total Annual Remuneration \$2,592,167,024
Rates Per \$100 of Remuneration 0.1060
Deposit Premium \$2,747,697
Minimum Premium \$2,747,697
Premium for Certified Acts of Terrorism Coverage Under Terrorism Risk Insurance Act 2002:
\$257,371 Included In Policy Premium

THIS POLICY INCLUDES THESE ENDORSEMENTS: SEE ATTACHED SCHEDULE

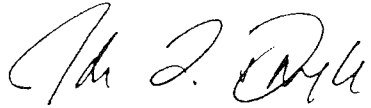
PRODUCER NAME AND ADDRESS:
COMMERCE BANC INS SERVICES INC
PARK 80 WEST PLAZA 1
SADDLE BROOK, NJ 07663

COUNTERSIGNED BY:

(AUTHORIZED REPRESENTATIVE)

Date Issued 12/19/2007

By signing below, the President and the Secretary of the Insurer agree on behalf of the Insurer to all the terms of this policy.



President

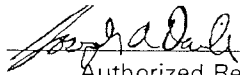
NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA



Secretary

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

This policy shall not be valid unless signed at the time of issuance by an authorized representative of the Insurer, either below or on the Declarations page of the policy.



Authorized Representative

EXCESS 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 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 or joint venture and if you are a partner in the partnership or a member of the joint venture, you are insured, but only in your capacity as an employer of employees of the partnership or joint venture.

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 2 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. Location

This policy covers all of your workplaces in the states listed in Item 2 of the Information Page.

F. Qualified Self-Insurer

You represent that you are a duly qualified self-insurer under the Workers Compensation Law of each state named in Item 2 of the Information Page and will continue to maintain such qualifications during the term this policy is in effect. If you should terminate such qualifications or if your qualification as a self-insurer is cancelled or revoked while this policy is in force, the amounts payable under this policy will not be increased and you will be responsible for payments within Your Retention.

PART ONE

WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This insurance applies to losses paid by you as a qualified self-insurer under the Workers Compensation Law for 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.

If you begin work after the effective date of this policy in any state for which you are not insured or are not self-insured for such work, this insurance will apply as though that state were listed in Item 2 of the Information Page but only if you notify us in writing within ninety (90) days from the date you begin such work.

B. We Will Indemnify

We will indemnify you for your loss as a qualified self-insurer under the Workers Compensation Law in excess of Your Retention as stated in Item 5 of the Information Page but not for more than Our Limit of Indemnity as stated in Item 4 of the Information Page.

Loss means amounts actually paid by you as a qualified self-insurer under the Workers Compensation Law and also includes your claim expenses.

Your claim expenses are included within Your Retention. Our payments to indemnify you for your claim expenses are included within Our Limit of Indemnity.

Your claim expenses mean your litigation costs, interest as required by law on awards or judgments and your claim investigation or legal expenses which can be directly allocated to a specific claim. Claim expenses do not include salaries and travel expenses of your employees, annual retainers, overhead and any fees you paid for claim administration.

Your bankruptcy, insolvency or inability to pay will not relieve us from the indemnification of any claim covered by this policy. But under no circumstances will we be required to drop down and replace Your Retention or assume any of your obligations within the retention area. After Your Retention has been reached, indemnification due under this policy will be made by us as if you had not become bankrupt or insolvent but not in excess of Our Limit of Indemnity as stated in Item 4 of the Information Page. Such indemnification will be made to the Trustee in Bankruptcy or as a Court of competent jurisdiction may ultimately direct.

C. Defense

We have no duty to investigate, handle, settle, or defend any claim, suit or proceeding against you. However, we have the right and shall be given the opportunity by you to associate with you in the defense, investigation or settlement of any claim, suit or proceeding which might involve a loss to us. In such an association, you shall promptly cooperate with us in all aspects of defense, investigation or settlement.

D. Other Insurance

If any other insurance exists protecting you against loss covered by this insurance, this insurance shall apply in excess of the other insurance. However, this provision shall not apply to other insurance which you have procured to apply in excess of the sum of Your Retention and Our Limit of Indemnity under this policy.

E. 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;
4. you discharge, coerce or otherwise discriminate against any employee in violation of the Workers Compensation Law; or
5. you violate or fail to comply with any 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.

F. Exclusion

We will not indemnify you for any loss arising out of operations for which you have rejected any Workers Compensation Law.

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. Any recovered loss will be allocated as follows:

If there is insurance coverage in excess of Our Limit of Indemnity, that insurer's loss will be reimbursed first. The remaining recovered loss, after deducting our recovery expenses, will first be used to reduce our loss. Then we will pay the balance, if any, to you.

H. Action Against Us

There will be no right of action against us under this insurance unless you have complied with all the terms of this policy.

I. Statutory Provision

Terms of this insurance that conflict with the Workers Compensation Law are changed by this statement to conform to that law.

PART TWO

EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This insurance applies to losses paid by you as a qualified self-insurer of Employers Liability for 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 2 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.

If you begin work after the effective date of this policy in any state for which you are not insured or are not self-insured for such work this insurance will apply as though that state were listed in Item 2 of the Information Page but only if you notify us in writing within ninety (90) days from the date you begin such work.

B. We Will Indemnify

We will indemnify you for loss as a qualified self-insurer of Employers Liability in excess of Your Retention as stated in Item 5 of the Information Page but not for more than Our Limit of Indemnity as stated in Item 4 of the Information Page.

Loss means amounts which you legally paid as damages as a qualified self-insurer because of Bodily Injury by Accident or Bodily Injury by Disease and also includes your claim expenses. Bodily Injury includes resulting death.

Your claim expenses are included within Your Retention. Our payments to indemnify you for your claim expenses are included within Our Limit of Indemnity.

Your claim expenses mean your litigation costs, interest as required by law on awards or judgments and your claim investigation or legal expenses which can be directly allocated to a specific claim. Claim expenses do not include salaries and travel expenses of your employees, annual retainers, overhead and any fees you paid for claim administration.

Damages include:

1. damages 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. damages for care and loss of services; and
3. damages 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. damages 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.

Your bankruptcy, insolvency, or inability to pay will not relieve us from the indemnification of any claim covered by this policy. But under no circumstances will we be required to drop down and replace Your Retention or assume any of your obligations within the retention area. After Your Retention has been reached, indemnification due under this policy will be made by us as if you had not become bankrupt or insolvent but not in excess of Our Limit of Indemnity as stated in Item 4 of the Information Page. Such indemnification will be made to the Trustee in Bankruptcy or as a Court of competent jurisdiction may ultimately direct.

C. Exclusions

This insurance does not cover:

1. liability assumed under a contract;
2. punitive or exemplary damages;
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. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America who is temporarily outside the United States of America;
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 USC Sections 901-950), the Nonappropriated Fund Instrumentalities Act (5 USC Sections 8171-8173),

the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942), 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 USC Sections 51-60), 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;
11. fines or penalties imposed for violation of federal or state law;
12. damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws;
13. damages arising out of operations for which you have violated or failed to comply with any Workers Compensation Law;
14. damages arising out of operations for which you have rejected any Workers Compensation Law.

D. Defense

We have no duty to investigate, handle, settle or defend any claim, suit or proceeding against you. However, we have the right and shall be given the opportunity by you to associate with you in the defense, investigation or settlement of any claim, suit, or proceeding which might involve a loss to us. In such an association, you shall promptly cooperate with us in all aspects of defense, investigation or settlement.

E. Other Insurance

If any other insurance exists protecting you against loss covered by this insurance, this insurance shall apply in excess of the other insurance. However, this provision shall not apply to other insurance which you have procured to apply in excess of the sum of Your Retention and Our Limit of Indemnity under this policy.

F. 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. Any recovered loss will be allocated as follows:

If there is insurance coverage in excess of Our Limit of Indemnity, that insurer's loss will be reimbursed first. The remaining recovered loss, after deducting our recovery expenses, will first be used to reduce our loss. Then we will pay the balance, if any, to you.

G. 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.

PART THREE

YOUR RETENTION AND OUR LIMIT OF INDEMNITY

A. Your Retention

You shall pay for your own account any loss up to the amount stated in Item 5 of the Information Page as Your Retention.

B. Our Limit of Indemnity

We will indemnify you for loss over the amount stated as Your Retention in Item 5 of the Information Page. Our Limit of Indemnity for Workers Compensation Insurance will not exceed the limits stated in Item 4 of the Information Page. Our Limit of Indemnity for Employers Liability Insurance will not exceed the limits stated in Item 4 of the Information Page.

C. How Your Retention and Our Limit of Indemnity Apply

Your Retention and Our Limit of Indemnity stated on the Information Page apply to each loss paid by you as a qualified self-insurer of Workers Compensation and Employers Liability as follows:

1. To one or more employees because of bodily injury or death in any one accident.

A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. To any one employee for bodily injury or death by disease.

Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

The inclusion of more than one legal entity as insured in Item 1 of the Information Page will not increase Your Retention or Our Limit of Indemnity.

PART FOUR

CLAIMS

A. Your Claims Reporting Duties

You must immediately notify us in writing of any claim, either paid or reserved, for 50% or more of Your Retention stated in Item 5 of the Information Page.

You must also give us immediate written notice of any injury involving the following types of accident:

1. a fatality;
2. an amputation of a major extremity;
3. any serious head injury (including skull fracture or loss of sight of either or both eyes);
4. any injury to the spinal cord;
5. any second or third degree burn of 25% or more of the body;
6. any accident which causes serious injury to two or more employees; or
7. any disability of more than one year or where it appears reasonably likely that there will be a disability of more than one year.

B. Your Claims Handling Duties

It is your responsibility to investigate, settle, defend and appeal any claim, suit or other proceeding made against you. However, you must not make any voluntary settlement involving loss to us without our written consent.

If you do not appeal an award or judgment which exceeds Your Retention, we have the right to take an appeal at our own cost and expense and shall be liable for costs, disbursements and interest related to the appeal. If we elect to appeal, our liability on such an award or judgment shall not exceed Our Limit of Indemnity as stated in Item 4 of the Information Page plus the cost and expense of such appeal.

C. Claim Audits

We have the right to examine and audit your claims handling and reserving procedures, practices and records while this policy is in force and for three years after the final settlement of all claims. Also you will provide us any claim information which we may request.

PART FIVE

PREMIUM

A. 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.

B. Deposit Premium

At the beginning of the policy period you must pay us the deposit premium shown on the Information Page. At the end of the policy period:

1. you will owe us the amount by which the final premium is greater than the deposit premium; or
2. we will owe you the amount by which the deposit premium is greater than the final premium;

but in any event, we shall retain the policy Minimum Premium shown on the Information Page.

C. Final Premium

The deposit premium shown on the Information Page is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis which 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.

If this policy is cancelled, final premium will be determined in the following way:

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 short rate share of the Minimum Premium.

D. 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.

E. 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.

PART SIX

CONDITIONS

A. Acceptance

By acceptance of this policy, you agree that the statements on the Information Page are your agreements and representations, that this policy is issued in reliance upon the truth of such representations, and that this policy embodies all agreements existing between you and us or any of our agents relating to this insurance.

B. 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. If we cancel because of non-payment of premium, we must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. If we cancel for any other reason, we must mail or deliver to you not less than sixty 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 that law.

C. 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 law, regulations, codes or standards.

D. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to give or receive notice of cancellation, accept indemnity, receive return premium or request change in this policy.

E. Transfer of Your Rights and Duties

Your rights and 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.

FORMS SCHEDULE

EFFECTIVE DATE: 01/01/2008

NAMED INSURED: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

POLICY NO: XWC 469-77-48

56292	(0393)	BROAD FORM OTHER STATES ENDT
56293	(0393)	CANCELLATION CONDITION AMENDED
56301	(0393)	JONES ACT ENDORSEMENT
56309	(0393)	WHO IS INSURED
56316	(0393)	USL&HW COMP ACT ENDORSEMENT
61859	(0195)	COMBINED RETENTION ENDT
62529	(0595)	NJ AMENDATORY ENDORSEMENT
81066	(1002)	AMENDATORY ENDORSEMENT
78052	(1206)	PRIVACY POLICY
89644	(0705)	AMENDATORY ENDT - COVERAGE TERR
67218	(0397)	COMMUNICABLE DISEASE ENDORSEMENT
61304	(1194)	FOREIGN VOL COMP INS ENDT
MANU	ENDT	PAYROLL AUDIT ENDT

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01A.M. 01/01/2008 forms a part of

policy No. XWC 469-77-48 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

BROAD FORM OTHER STATES ENDORSEMENT

It is hereby agreed that this policy is amended to include loss under the Workers Compensation Law of a state not listed in Item 2 of the InformationPage provided:

- A) The injured employee was working within the scope of his employment, at your direction;
- B) The injured employee was regularly employed in a state listed in Item 2 of the InformationPage;
- C) The work in the other state was incidental to work in a state listed in Item 2 of the InformationPage; and
- D) The work in the other state was temporary and transitory.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/2008 forms a part of

policy No. XWC 469-77-48 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

CANCELLATION CONDITION AMENDED

It is agreed that with respect to cancellation by us, 90 days notice of cancellation will be provided except with respect to non-payment of premium in which case ten (10) days notice will be provided.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01A.M. 01/01/2008 forms a part of

policy No. XWC 469-77-48 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

WHO IS INSURED

Paragraph B, Who Is Insured, of the General Section of this policy is hereby deleted and replaced by the following:

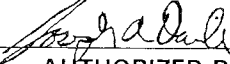
B. Who Is Insured:

You are insured if you are an employer named in Item 1 of the Information Page. You are also insured if you are a subsidiary, a division or an affiliated company now existing or as may hereafter be constituted provided a 51% majority interest is owned or controlled by an employer named in Item 1 of the Information Page. You are also insured if you are a business entity over which an employer named in Item 1 of the Information Page has day-to-day management control. If an employer named in Item 1 of the Information Page is a partnership or joint venture and if you are a partner in the partnership or a member of the joint venture, you are insured, but only in your capacity as an employer of employees of the partnership or joint venture.

In addition, the following entities are insured:

RESIDUAL CLAIM FUND.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01A.M. 01/01/2008 forms a part of

policy No. XWC 469-77-48 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

JONES ACT ENDORSEMENT

It is agreed that with respect to operations in the State(s) designated in Item 2 of the Information Page, the term "Workers Compensation Law" includes the Jones Act (46 USC Section 688) and any amendment to that act that is in effect during the policy period and paragraph C of the General Section is amended accordingly.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/2008 forms a part of

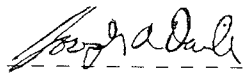
policy No. XWC 469-77-48 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

**UNITED STATES LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT
ENDORSEMENT**

It is agreed that with respect to operations in the State(s) designated in Item 2 of the Information Page, the term "Workers Compensation Law" includes the United States Longshore and Harbor Workers Act (33 USC Sections 901-950) and Paragraph C of the General Section is amended accordingly.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/2008 forms a part of

policy No. XWC 469-77-48 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

EXCESS WORKERS COMPENSATION

Combined Retention Endorsement

Item 5, Your Retention, of the Information Page is hereby deleted in its entirety and replaced by the following:

Item 5: Your Retention

Part One: Workers Compensation and Part Two: Employers Liability Combined.

\$	2,000,000	Each Accident
\$	2,000,000	Each Employee For Disease

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

EXCESS WORKERS COMPENSATION

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/2008 forms a part of

policy No. XWC 469-77-48 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

NEW JERSEY AMENDATORY ENDORSEMENT

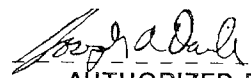
In Section B., We Will Indemnify, of Part One, Workers Compensation Insurance, and Part Two, Employers Liability Insurance, the following provision is added to the last paragraph:

It is further agreed that in the event of your bankruptcy or insolvency or the bankruptcy or insolvency of your estate, or in the event of any default by you, indemnification due under this policy shall be made directly to the Insurance Commissioner, State of New Jersey, for and in the behalf of the injured employee.

In Condition B., Cancellation, of Part Six, Conditions, paragraph 2. is hereby deleted in its entirety and replaced by the following:

2. We may cancel this policy. If we cancel because of non-payment of premium, we must mail or deliver to you and to the Commissioner of Insurance, State of New Jersey, not less than thirty days advance written notice stating when the cancellation is to take effect. If we cancel for any other reason, we must mail or deliver to you and to the Commissioner of Insurance, State of New Jersey, not less than sixty 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.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/2008 forms a part of

policy No. XWC 469-77-48 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT

This endorsement modifies Insurance provided under the following:

EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

It is hereby understood and agreed that **PART ONE, WORKERS COMPENSATION INSURANCE**, paragraph **E. Payments You Must Make**, is deleted and replaced with the following:

E. Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the Workers Compensation Law including but not limited to those required because:

1. of our 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;
4. you discharge, coerce or otherwise discriminate against any employee in violation of the Workers Compensation Law;
5. you violate or fail to comply with any Workers Compensation law; or
6. of the unreasonable delay or refusal to make payments of compensation by you or on your behalf.

We will not make any payments on your behalf in excess of the benefits regularly provided by the workers compensation law, including, but not limited to, fines, penalties, assessments and punitive damages.

It is further understood and agreed that **PART TWO, EMPLOYERS LIABILITY INSURANCE**, paragraph **C. Exclusions**, number **2**, is deleted and replaced with the following:

2. fines, penalties or punitive, exemplary and multiplied damages;

All other terms and conditions of the policy remain unchanged.



Authorized Representative or
Countersignature (in States Where
Applicable)

PRIVACY POLICY

Our Commitment to Privacy:

The AIG Companies (AIG) believe one of our most important assets is the trust consumers place in us to respect and properly handle nonpublic personal information received by us in connection with providing our products and services. To continue earning your trust and enhance the products and services offered to you, the companies listed below have adopted the following privacy policy to govern how we treat your nonpublic personal information including such information about our former customers.

It's important for you to know that this privacy policy applies only to the product or service you have just obtained or the insurance policy under which you are seeking or receiving benefits. As a worldwide leader in the delivery of financial products and services, we offer numerous products and services to many types of consumers and clients in different states and countries around the world. Therefore, the same company may have more than one privacy policy, each tailored to fit specific products and services.

Information We Collect:

We collect information about you that is necessary to tailor our products and services to meet your individual needs, provide effective customer service, and comply with legal requirements.

We may collect nonpublic personal information about you, from one or more of the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates or others;
- Information we receive from a consumer-reporting agency; and
- Information received in handling claims.

Sharing Information Within Our Family of Companies:

We may share some or all of the nonpublic personal information we collect with our affiliates - the members of the AIG family of companies (this includes any of the AIG Companies, not just the ones listed at the end of this document), unless such sharing of information is prohibited by law. In many cases, the information that is shared may be at your request or is necessary to administer, process or otherwise handle your transactions with us or settle a claim on your behalf. In addition, we may provide this information to our affiliates in order to offer you products and services in which you may be interested.

Our family of companies includes many insurance companies (e.g., auto, home and life insurance), insurance claims handling companies, other financial institutions, (e.g., savings bank), and non-financial institutions.

Sharing Information Outside the AIG Family:

Sometimes, we use companies or businesses outside the AIG family to administer, process, or otherwise handle your transactions with us, such as for claims handling or customer service. Other times, we may enter into contracts with nonaffiliated companies to perform services on our behalf, such as marketing our products and services, or we may enter into joint marketing agreements with other financial institutions. In these and other circumstances permitted by law, we may share some or all of the information we collect above with these nonaffiliated third parties. However, whenever we utilize a nonaffiliated third party to provide these services, they are required to follow federal privacy laws governing this notice. We also may share information to combat fraud, in response to a court order, or at the request of government regulators.

Nonpublic Personal Health Information:

We will not disclose non-public personal health information about you without obtaining prior written authorization from you, except as permitted by applicable law or regulation.

PRIVACY POLICY

Protecting and Safeguarding Your Information:

To help prevent unwarranted disclosure of your nonpublic information and secure it from theft, we utilize secure computer networks and restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. In addition, we maintain physical, electronic, and procedural safeguards that comply with applicable laws and regulations to guard our customers' nonpublic personal information.

Maintaining Accurate Information:

We also maintain procedures to ensure that the information we collect is accurate, up-to-date, and as complete as possible. If you believe the information we have about you in our records or files is incomplete or inaccurate, you may request that we make additions or corrections, or if it is feasible, that we delete this information from our files. You may make this request in writing to (including your name, address and policy number):

Chief Privacy Officer
AIG - Domestic Brokerage Group
175 Water Street, 3rd Floor
New York, NY 10038

FAX: 212-785-9495

e-mail: DBG.Privacy@AIG.com

Special notice for customers who reside in any of the following states: Arizona, California, Connecticut, Georgia, Illinois, Kansas, Maine, Massachusetts, Minnesota, Montana, Nevada, New Jersey, North Carolina, Ohio, Oregon, Virginia or Wisconsin: You can obtain access to any nonpublic personal information we have about you if you properly identify yourself and submit a written request to us at the address above describing the information you want to review (include your name, address and policy number). Once we have received your request, and if the information is reasonably locatable and retrievable, we will, within 30 business days, take the following actions:

- Inform you of the nature and substance of the recorded information;
- Allow you to see and copy, in person, such recorded personal information; or
- Send you a copy of the recorded personal information by mail (we may charge you a reasonable fee to cover the cost of this service).

We will also tell you at this time the identity, if recorded, of persons to whom we have disclosed the nonpublic personal information within the preceding two years.

If you ask us to correct, amend or delete any information about you, we will, within 30 business days, either correct, amend or delete the nonpublic personal information in dispute or notify you of our refusal to take such action along with the reasons for our decision. If we make the correction, amendment or deletion you've requested, we will also notify you along with any person you designate who has received the information about you within the preceding two years, together with any insurance support organization(s) which provided us with the disputed information.

If we refuse to make the requested correction, amendment or deletion, you are permitted to file a concise statement setting forth what you think is the correct, relevant or fair information along with a statement of the reasons why you disagree with our refusal to correct, amend or delete the information subject to dispute. We will file your statement with the disputed personal information and make any person who reviews your file aware of your statement. We will also furnish your statement to any person who has received personal information from us within the two preceding years and any insurance support organization whose primary source of personal information is an insurer.

PRIVACY POLICY

Important Information Concerning the Applicability and Future Changes to this Privacy Policy:

This privacy policy applies, with respect to nonpublic personal financial information, to the particular products or services you have just obtained, which are primarily for personal, family, or household purposes in the United States by the AIG Companies listed below, and it applies to all nonpublic personal health information these Companies may have. Although we may change this policy at any time, as it relates to the particular product or service, please rest assured that you will be notified of any changes as required by law.

This Policy Is Used by the Following AIG Companies:

AIG Hawaii Insurance Company, Inc.
AIG Casualty Company
AIU Insurance Company
American Home Assurance Company
American International Pacific Insurance Company
American International South Insurance Company
Audubon Indemnity Company
Audubon Insurance Company
Commerce and Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Co.
National Union Fire Insurance Company of Louisiana
National Union Fire Insurance Company of Pittsburgh, Pa.
New Hampshire Insurance Company
The Insurance Company of the State of Pennsylvania
American International Specialty Lines Insurance Company
American Pacific Insurance Company, Inc.
Landmark Insurance Company
Lexington Insurance Company
Starr Excess Liability Insurance Company Ltd
Agency Management Corporation
A.I. Risk Specialists Insurance, Inc.
A.I. Risk Specialists of Missouri, Inc.
American International Entertainment, Inc.
Eastern Risk Specialists, Inc.
Florida Risk Specialists, Inc.
The Gulf Agency, Inc.
Louisiana Risk Specialists, Inc.
Medical Excess Insurance Services, Inc.
Michigan Risk Specialists, Inc.
Midwestern Risk Specialists, Inc.
Nevada, Risk Specialists, Inc.
New England Risk Specialists, Inc.
Northwestern Risk Specialists, Inc.
Risk Specialists Companies, Inc.
Risk Specialists Company (Bermuda), Ltd
Risk Specialists Company of Colorado, Inc.
Risk Specialists Company of Kentucky, Inc.
Risk Specialists Company of Minnesota, Inc.
Risk Specialists Company of New Jersey, Inc.
Risk Specialists Company of New York, Inc.
Risk Specialists Company of Ohio, Inc.
Risk Specialists Company of the Carolinas, Inc.

PRIVACY POLICY

Southeastern Risk Specialists, Inc.
Southern Risk Specialists, Inc.
Western Risk Specialists, Inc.
American International Surplus Lines Agency, Inc.
AIG Warranty Services and Insurance Agency, Inc.

and other member companies of the AIG family who sent you this privacy policy statement.

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/2008 forms a part of

policy No. XWC 469-77-48 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

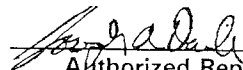
by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT - COVERAGE TERRITORY

This endorsement modifies insurance provided under the following:

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").



Authorized Representative or
Countersignature (in States Where
Applicable)

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/08 forms a part of

policy No. **XWC 469-7748** issued to **MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**

by **NATIONAL UNION FIRE INSURANCE CO**

EXCESS WORKERS COMPENSATION

FOREIGN VOLUNTARY COMPENSATION INSURANCE ENDORSEMENT (UNITED STATES CITIZENS)

In consideration of the payment of the premium and subject to all of the provisions of the policy not expressly modified herein, we agree with you as follows:

SECTION 1 - EMPLOYEES COVERED

- A. It is agreed that the insurance provided by this endorsement applies only to your employees who are hired or assigned by you to work at locations outside of the United States of America.
- B. This insurance, with respect to any such employee, shall attach from the moment he is hired or assigned for such work and shall cease from the moment his employment or assignment for such work is terminated. If the employee has been hired in the United States of America, coverage continues after termination of employment until his return to the United States of America unless termination of employment is due to his resignation.
- C. This insurance shall only apply to United States Citizens employed by you and assigned to operations outside of the United States of America.

SECTION 2 - DESIGNATED WORKERS COMPENSATION LAW: **NJ**

SECTION 3 - VOLUNTARY COMPENSATION

It is agreed that in Part One, Workers Compensation Insurance, coverage is extended to employees as defined in Section 1 for the benefits specified in the Workers Compensation Law designated in Section 2 in the same manner as if such employees were covered under the provisions of such law or laws. However, with respect to such employees who are subject to a foreign workers compensation act or law and for which you have paid a premium to the proper fund, authority or insurance company, we agree to indemnify you in excess of Your Retention only for the difference between the benefits specified in the Workers Compensation Law designated in Section 2 and the benefits to which such employees are entitled under the foreign workers compensation law to which they are subject.

Before we indemnify you in excess of Your Retention for the benefits payable under this endorsement, the persons entitled to such benefits must:

- A. Release you and us, in writing, of all responsibility for the injury or death;
- B. Transfer to us their right of recovery from others who may be responsible for the injury or death; and
- C. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If such persons fail to do these things, our duty to indemnify you ends at once. If they claim damages from you or from us for the injury or death, our duty to indemnify you ends at once.

Before we indemnify you in excess of Your Retention for the benefits payable under this endorsement, the persons entitled to such benefits must:

- A. Release you and us, in writing, of all responsibility for the injury or death;
- B. Transfer to us their right of recovery from others who may be responsible for the injury or death; and
- C. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If such persons fail to do these things, our duty to indemnify you ends at once. If they claim damages from you or from us for the injury or death, our duty to indemnify you ends at once.

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the amount we indemnified you. We will pay the balance, if any, to you or other persons entitled to it. If you make a recovery from others, you must reimburse us the amount we indemnified you.

SECTION 4 - EMPLOYERS LIABILITY

It is agreed that in Part Two, Employers Liability Insurance, coverage is extended to employees as defined in Section 1 of this endorsement as respects loss arising out of and in the course of their employment in operations connected with their assignment outside the United States of America.

SECTION 5 - REPATRIATION EXPENSES

This section only applies if a Limit of Indemnity is set forth hereunder.

Under Part One, Workers Compensation Insurance, we agree to also cover such additional expenses as reasonably may be incurred over and above normal transportation costs for repatriation of injured, sick or deceased employees covered by the provisions of this endorsement from the location of operations to the destination in the United States of America, it being understood that such injuries must make such repatriation necessary in the opinion of competent medical authorities.

Our Limit of Indemnity under this Section 5 shall be \$ **25,000** with respect to any one employee.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. **01/01/08** forms a part of

policy No. **XWC 469-7748** issued to **MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**

by **NATIONAL UNION FIRE INSURANCE CO**

COMMUNICABLE DISEASE ENDORSEMENT
(Revised Application Of Your Retention)
(Version 2)

Solely as respects Bodily Injury by Disease caused by the same "communicable disease", it is agreed that in Part Three, Your Retention and Our Limit of Indemnity, paragraph C. is hereby deleted in its entirety and replaced by the following:

C. How Your Retention and Our Limit of Indemnity Apply.

Your Retention and Our Limit of Indemnity stated on the Information Page apply to each loss paid by you as a qualified self-insurer of Workers Compensation and Employers Liability as follows:

1. To one or more employees because of bodily injury or death in any one accident.
A disease is not a bodily injury by accident unless it results directly from a bodily injury by accident.
2. Your Retention applies to one or more employees for bodily injury or death by disease caused by the same "communicable disease". Our Limit of Indemnity applies to any one employee for bodily injury or death by disease caused by the same "communicable disease".

Bodily Injury by disease does not include disease that results directly from a bodily injury by accident.

The inclusion of more than one legal entity as Insured in Item 1 of the Information Page will not increase Your Retention or Our Limit of Indemnity.

For the purposes of this endorsement, the term "communicable disease" shall be defined as an infectious disease transmissible from person to person by direct or indirect contact with an infected person or that person's bodily fluids.

All other terms, conditions and exclusions shall remain the same.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT

THIS ENDORSEMENT, EFFECTIVE 12:01 A.M. 01/01/08

FORMS A PART OF POLICY NO. 469-7748

ISSUED TO: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

BY: NATIONAL UNION FIRE INSURANCE CO

PAYROLL AUDIT ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

It is hereby agreed that Part Five, Premium, C. Final Premium section,

"The deposit premium shown on the Information Page is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis which 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."

is deleted in its entirety from this policy and replaced by the following:

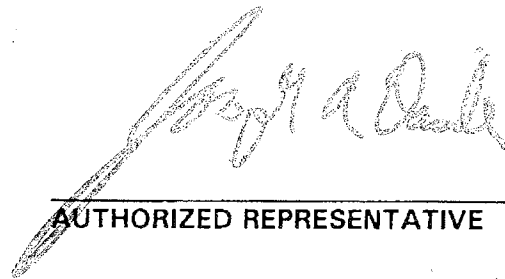
"The deposit premium shown on the Information Page is an estimate. The final premium will be determined after this policy ends by using the estimated payroll plus the payroll and all other remuneration paid or payable during the policy period by a new member which has been added during the policy for the services of:

1. all officers and employees of any such new member engaged in work covered by this policy; and

2. all other persons engaged in work for such new member 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."

The remainder of Part Five remains the same.

All other terms and conditions of this policy shall remain the same.



A handwritten signature in dark ink, appearing to read "Joseph A. Decker", is written over a horizontal line.

AUTHORIZED REPRESENTATIVE



**NATIONAL UNION
FIRE INSURANCE COMPANY
OF PITTSBURGH, PA**

A CAPITAL STOCK COMPANY
ADMINISTRATIVE OFFICES

70 PINE STREET, NEW YORK, N.Y. 10270-0150

POLICY NUMBER:
XWC 477-81-37

RENEWAL OF:
4697748

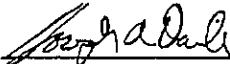
**EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY
I N F O R M A T I O N P A G E**

- ITEM 1:** **Named Insured and Mailing Address**
MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
PARK 80 WEST PLAZA 1
SADDLE BROOK, NJ 07663
- ITEM 2:** **States (in which coverage is to apply) NJ**
- ITEM 3:** **Policy Period** **FROM: 01/01/2009 TO 01/01/2010** 12:01 A.M. Standard Time at the
Mailing Address shown herein
- ITEM 4:** **Our Limit of Indemnity**
PART ONE: WORKERS COMPENSATION
STATUTORY - Each Accident
STATUTORY - Each Employee For Disease
PART TWO: EMPLOYERS LIABILITY
\$5,000,000 - Each Accident
\$5,000,000 - Each Employee For Disease
- ITEM 5:** **Your Retention**
PART ONE: WORKERS COMPENSATION
SEE COMBINED RETENTION ENDT 61859 (0195) - EACH ACCIDENT
SEE COMBINED RETENTION ENDT 61859 (0195) - EACH EMPLOYEE FOR DISEASE
PART TWO: EMPLOYERS LIABILITY
SEE COMBINED RETENTION ENDT 61859 (0195) - EACH ACCIDENT
SEE COMBINED RETENTION ENDT 61859 (0195) - EACH EMPLOYEE FOR DISEASE
- ITEM 6:** **Premium and Premium Computation**
Estimated Total Annual Remuneration \$2,758,144,365
Rates Per \$100 of Remuneration 0.1060
Deposit Premium \$2,923,633
Minimum Premium \$2,923,633
Premium for Certified Acts of Terrorism Coverage Under Terrorism Risk Insurance Act 2002:
\$193,683 Included In Policy Premium

THIS POLICY INCLUDES THESE ENDORSEMENTS: SEE ATTACHED SCHEDULE

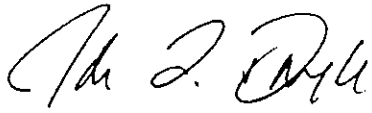
PRODUCER NAME AND ADDRESS:
CONNER STRONG COMPANIES INC
PARK 80 WEST PLAZA 1
SADDLE BROOK, NJ 07663

COUNTERSIGNED BY:


(AUTHORIZED REPRESENTATIVE)

Date Issued 02/03/2009

By signing below, the President and the Secretary of the Insurer agree on behalf of the Insurer to all the terms of this policy.

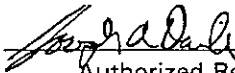


President
NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA



Secretary
NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

This policy shall not be valid unless signed at the time of issuance by an authorized representative of the Insurer, either below or on the Declarations page of the policy.



Authorized Representative

SIGNUJ

EXCESS 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 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 or joint venture and if you are a partner in the partnership or a member of the joint venture, you are insured, but only in your capacity as an employer of employees of the partnership or joint venture.

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 2 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. Location

This policy covers all of your workplaces in the states listed in Item 2 of the Information Page.

F. Qualified Self-Insurer

You represent that you are a duly qualified self-insurer under the Workers Compensation Law of each state named in Item 2 of the Information Page and will continue to maintain such qualifications during the term this policy is in effect. If you should terminate such qualifications or if your qualification as a self-insurer is cancelled or revoked while this policy is in force, the amounts payable under this policy will not be increased and you will be responsible for payments within Your Retention.

PART ONE

WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This insurance applies to losses paid by you as a qualified self-insurer under the Workers Compensation Law for 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.

If you begin work after the effective date of this policy in any state for which you are not insured or are not self-insured for such work, this insurance will apply as though that state were listed in Item 2 of the Information Page but only if you notify us in writing within ninety (90) days from the date you begin such work.

B. We Will Indemnify

We will indemnify you for your loss as a qualified self-insurer under the Workers Compensation Law in excess of Your Retention as stated in Item 5 of the Information Page but not for more than Our Limit of Indemnity as stated in Item 4 of the Information Page.

Loss means amounts actually paid by you as a qualified self-insurer under the Workers Compensation Law and also includes your claim expenses.

Your claim expenses are included within Your Retention. Our payments to indemnify you for your claim expenses are included within Our Limit of Indemnity.

Your claim expenses mean your litigation costs, interest as required by law on awards or judgments and your claim investigation or legal expenses which can be directly allocated to a specific claim. Claim expenses do not include salaries and travel expenses of your employees, annual retainers, overhead and any fees you paid for claim administration.

Your bankruptcy, insolvency or inability to pay will not relieve us from the indemnification of any claim covered by this policy. But under no circumstances will we be required to drop down and replace Your Retention or assume any of your obligations within the retention area. After Your Retention has been reached, indemnification due under this policy will be made by us as if you had not become bankrupt or insolvent but not in excess of Our Limit of Indemnity as stated in Item 4 of the Information Page. Such indemnification will be made to the Trustee in Bankruptcy or as a Court of competent jurisdiction may ultimately direct.

C. Defense

We have no duty to investigate, handle, settle, or defend any claim, suit or proceeding against you. However, we have the right and shall be given the opportunity by you to associate with you in the defense, investigation or settlement of any claim, suit or proceeding which might involve a loss to us. In such an association, you shall promptly cooperate with us in all aspects of defense, investigation or settlement.

D. Other Insurance

If any other insurance exists protecting you against loss covered by this insurance, this insurance shall apply in excess of the other insurance. However, this provision shall not apply to other insurance which you have procured to apply in excess of the sum of Your Retention and Our Limit of Indemnity under this policy.

E. 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;
4. you discharge, coerce or otherwise discriminate against any employee in violation of the Workers Compensation Law; or
5. you violate or fail to comply with any 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.

F. Exclusion

We will not indemnify you for any loss arising out of operations for which you have rejected any Workers Compensation Law.

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. Any recovered loss will be allocated as follows:

If there is insurance coverage in excess of Our Limit of Indemnity, that insurer's loss will be reimbursed first. The remaining recovered loss, after deducting our recovery expenses, will first be used to reduce our loss. Then we will pay the balance, if any, to you.

H. Action Against Us

There will be no right of action against us under this insurance unless you have complied with all the terms of this policy.

I. Statutory Provision

Terms of this insurance that conflict with the Workers Compensation Law are changed by this statement to conform to that law.

PART TWO

EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This insurance applies to losses paid by you as a qualified self-insurer of Employers Liability for 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 2 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.

If you begin work after the effective date of this policy in any state for which you are not insured or are not self-insured for such work this insurance will apply as though that state were listed in Item 2 of the Information Page but only if you notify us in writing within ninety (90) days from the date you begin such work.

B. We Will Indemnify

We will indemnify you for loss as a qualified self-insurer of Employers Liability in excess of Your Retention as stated in Item 5 of the Information Page but not for more than Our Limit of Indemnity as stated in Item 4 of the Information Page.

Loss means amounts which you legally paid as damages as a qualified self-insurer because of Bodily Injury by Accident or Bodily Injury by Disease and also includes your claim expenses. Bodily Injury includes resulting death.

Your claim expenses are included within Your Retention. Our payments to indemnify you for your claim expenses are included within Our Limit of Indemnity.

Your claim expenses mean your litigation costs, interest as required by law on awards or judgments and your claim investigation or legal expenses which can be directly allocated to a specific claim. Claim expenses do not include salaries and travel expenses of your employees, annual retainers, overhead and any fees you paid for claim administration.

Damages include:

1. damages 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. damages for care and loss of services; and
3. damages 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. damages 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.

Your bankruptcy, insolvency, or inability to pay will not relieve us from the indemnification of any claim covered by this policy. But under no circumstances will we be required to drop down and replace Your Retention or assume any of your obligations within the retention area. After Your Retention has been reached, indemnification due under this policy will be made by us as if you had not become bankrupt or insolvent but not in excess of Our Limit of Indemnity as stated in Item 4 of the Information Page. Such indemnification will be made to the Trustee in Bankruptcy or as a Court of competent jurisdiction may ultimately direct.

C. Exclusions

This insurance does not cover:

1. liability assumed under a contract;
2. punitive or exemplary damages;
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. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America who is temporarily outside the United States of America;
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 USC Sections 901-950), the Nonappropriated Fund Instrumentalities Act (5 USC Sections 8171-8173),

the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942), 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 USC Sections 51-60), 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;
11. fines or penalties imposed for violation of federal or state law;
12. damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws;
13. damages arising out of operations for which you have violated or failed to comply with any Workers Compensation Law;
14. damages arising out of operations for which you have rejected any Workers Compensation Law.

D. Defense

We have no duty to investigate, handle, settle or defend any claim, suit or proceeding against you. However, we have the right and shall be given the opportunity by you to associate with you in the defense, investigation or settlement of any claim, suit, or proceeding which might involve a loss to us. In such an association, you shall promptly cooperate with us in all aspects of defense, investigation or settlement.

E. Other Insurance

If any other insurance exists protecting you against loss covered by this insurance, this insurance shall apply in excess of the other insurance. However, this provision shall not apply to other insurance which you have procured to apply in excess of the sum of Your Retention and Our Limit of Indemnity under this policy.

F. 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. Any recovered loss will be allocated as follows:

If there is insurance coverage in excess of Our Limit of Indemnity, that insurer's loss will be reimbursed first. The remaining recovered loss, after deducting our recovery expenses, will first be used to reduce our loss. Then we will pay the balance, if any, to you.

G. 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.

PART THREE

YOUR RETENTION AND OUR LIMIT OF INDEMNITY

A. Your Retention

You shall pay for your own account any loss up to the amount stated in Item 5 of the Information Page as Your Retention.

B. Our Limit of Indemnity

We will indemnify you for loss over the amount stated as Your Retention in Item 5 of the Information Page. Our Limit of Indemnity for Workers Compensation Insurance will not exceed the limits stated in Item 4 of the Information Page. Our Limit of Indemnity for Employers Liability Insurance will not exceed the limits stated in Item 4 of the Information Page.

C. How Your Retention and Our Limit of Indemnity Apply

Your Retention and Our Limit of Indemnity stated on the Information Page apply to each loss paid by you as a qualified self-insurer of Workers Compensation and Employers Liability as follows:

1. To one or more employees because of bodily injury or death in any one accident.

A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. To any one employee for bodily injury or death by disease.

Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

The inclusion of more than one legal entity as insured in Item 1 of the Information Page will not increase Your Retention or Our Limit of Indemnity.

PART FOUR

CLAIMS

A. Your Claims Reporting Duties

You must immediately notify us in writing of any claim, either paid or reserved, for 50% or more of Your Retention stated in Item 5 of the Information Page.

You must also give us immediate written notice of any injury involving the following types of accident:

1. a fatality;
2. an amputation of a major extremity;
3. any serious head injury (including skull fracture or loss of sight of either or both eyes);
4. any injury to the spinal cord;
5. any second or third degree burn of 25% or more of the body;
6. any accident which causes serious injury to two or more employees; or
7. any disability of more than one year or where it appears reasonably likely that there will be a disability of more than one year.

B. Your Claims Handling Duties

It is your responsibility to investigate, settle, defend and appeal any claim, suit or other proceeding made against you. However, you must not make any voluntary settlement involving loss to us without our written consent.

If you do not appeal an award or judgment which exceeds Your Retention, we have the right to take an appeal at our own cost and expense and shall be liable for costs, disbursements and interest related to the appeal. If we elect to appeal, our liability on such an award or judgment shall not exceed Our Limit of Indemnity as stated in Item 4 of the Information Page plus the cost and expense of such appeal.

C. Claim Audits

We have the right to examine and audit your claims handling and reserving procedures, practices and records while this policy is in force and for three years after the final settlement of all claims. Also you will provide us any claim information which we may request.

PART FIVE

PREMIUM

A. 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.

B. Deposit Premium

At the beginning of the policy period you must pay us the deposit premium shown on the Information Page. At the end of the policy period:

1. you will owe us the amount by which the final premium is greater than the deposit premium; or
2. we will owe you the amount by which the deposit premium is greater than the final premium;

but in any event, we shall retain the policy Minimum Premium shown on the Information Page.

C. Final Premium

The deposit premium shown on the Information Page is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis which 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.

If this policy is cancelled, final premium will be determined in the following way:

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 short rate share of the Minimum Premium.

D. 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.

E. 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.

PART SIX

CONDITIONS

A. Acceptance

By acceptance of this policy, you agree that the statements on the Information Page are your agreements and representations, that this policy is issued in reliance upon the truth of such representations, and that this policy embodies all agreements existing between you and us or any of our agents relating to this insurance.

B. 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. If we cancel because of non-payment of premium, we must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. If we cancel for any other reason, we must mail or deliver to you not less than sixty 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 that law.

C. 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 law, regulations, codes or standards.

D. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to give or receive notice of cancellation, accept indemnity, receive return premium or request change in this policy.

E. Transfer of Your Rights and Duties

Your rights and 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.

FORMS SCHEDULE

EFFECTIVE DATE: 01/01/2009

NAMED INSURED: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

POLICY NO: XWC 477-81-37

36292 (0393) BROAD FORM OTHER STATES ENDT
36293 (0393) CANCELLATION CONDITION AMENDED
36301 (0393) JONES ACT ENDORSEMENT
56309 (0393) WHO IS INSURED

56316 (0393) USL&HW COMP ACT ENDORSEMENT

61859 (0195) COMBINED RETENTION ENDT
62529 (0595) NJ AMENDATORY ENDORSEMENT
81066 (1002) AMENDATORY ENDORSEMENT
78052 (1206) PRIVACY POLICY
89644 (0705) AMENDATORY ENDT - COVERAGE TERR
67218 (0397) COMMUNICABLE DISEASE ENDORSEMENT
61304 (1194) FOREIGN VOL COMP INS ENDT
MANU ENDT PAYROLL AUDIT ENDT

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01A.M. 01/01/2009 forms a part of

policy No. XWC 477-81-37 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

BROAD FORM OTHER STATES ENDORSEMENT

It is hereby agreed that this policy is amended to include loss under the Workers Compensation Law of a state not listed in Item 2 of the InformationPage provided:

- A) The injured employee was working within the scope of his employment, at your direction;
- B) The injured employee was regularly employed in a state listed in Item 2 of the InformationPage;
- C) The work in the other state was incidental to work in a state listed in Item 2 of the InformationPage; and
- D) The work in the other state was temporary and transitory.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

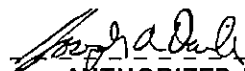
This endorsement, effective 12:01 A.M. 01/01/2009 forms a part of

policy No. XWC 477-81-37 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

CANCELLATION CONDITION AMENDED

It is agreed that with respect to cancellation by us, 90 days notice of cancellation will be provided except with respect to non-payment of premium in which case ten (10) days notice will be provided.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01A.M. 01/01/2009 forms a part of

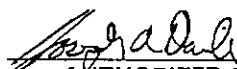
policy No. XWC 477-81-37 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

JONES ACT ENDORSEMENT

It is agreed that with respect to operations in the State(s) designated in Item 2 of the Information Page, the term "Workers Compensation Law" includes the Jones Act (46 USC Section 688) and any amendment to that act that is in effect during the policy period and paragraph C of the General Section is amended accordingly.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01A.M. 01/01/2009 forms a part of

policy No. XWC 477-81-37 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

WHO IS INSURED

Paragraph B, Who Is Insured, of the General Section of this policy is hereby deleted and replaced by the following:

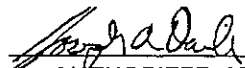
B. Who Is Insured:

You are insured if you are an employer named in Item 1 of the Information Page. You are also insured if you are a subsidiary, a division or an affiliated company now existing or as may hereafter be constituted provided a 51% majority interest is owned or controlled by an employer named in Item 1 of the Information Page. You are also insured if you are a business entity over which an employer named in Item 1 of the Information Page has day-to-day management control. If an employer named in Item 1 of the Information Page is a partnership or joint venture and if you are a partner in the partnership or a member of the joint venture, you are insured, but only in your capacity as an employer of employees of the partnership or joint venture.

In addition, the following entities are insured:

RESIDUAL CLAIM FUND

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/2009 forms a part of

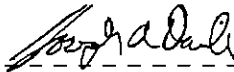
policy No. XWC 477-81-37 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

**UNITED STATES LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT
ENDORSEMENT**

It is agreed that with respect to operations in the State(s) designated in Item 2 of the Information Page, the term "Workers Compensation Law" includes the United States Longshore and Harbor Workers Act (33 USC Sections 901-950) and Paragraph C of the General Section is amended accordingly.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/2009 forms a part of

policy No. XWC 477-81-37 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

EXCESS WORKERS COMPENSATION

Combined Retention Endorsement

Item 5, Your Retention, of the Information Page is hereby deleted in its entirety and replaced by the following:

Item 5: Your Retention

Part One: Workers Compensation and Part Two: Employers Liability Combined.

\$	2,000,000	Each Accident
\$	2,000,000	Each Employee For Disease

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/2009 forms a part of

policy No. XWC 477-81-37 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

NEW JERSEY AMENDATORY ENDORSEMENT

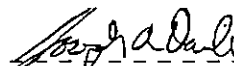
In Section B., We Will Indemnify, of Part One, Workers Compensation Insurance, and Part Two, Employers Liability Insurance, the following provision is added to the last paragraph:

It is further agreed that in the event of your bankruptcy or insolvency or the bankruptcy or insolvency of your estate, or in the event of any default by you, indemnification due under this policy shall be made directly to the Insurance Commissioner, State of New Jersey, for and in the behalf of the injured employee.

In Condition B., Cancellation, of Part Six, Conditions, paragraph 2. is hereby deleted in its entirety and replaced by the following:

2. We may cancel this policy. If we cancel because of non-payment of premium, we must mail or deliver to you and to the Commissioner of Insurance, State of New Jersey, not less than thirty days advance written notice stating when the cancellation is to take effect. If we cancel for any other reason, we must mail or deliver to you and to the Commissioner of Insurance, State of New Jersey, not less than sixty 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.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/2009 forms a part of

policy No. XWC 477-81-37 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT

This endorsement modifies Insurance provided under the following:

EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

It is hereby understood and agreed that **PART ONE, WORKERS COMPENSATION INSURANCE**, paragraph E. **Payments You Must Make**, is deleted and replaced with the following:

E. Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the Workers Compensation Law including but not limited to those required because:

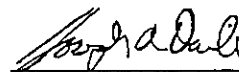
1. of our serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation;
4. you discharge, coerce or otherwise discriminate against any employee in violation of the Workers Compensation Law;
5. you violate or fail to comply with any Workers Compensation law; or
6. of the unreasonable delay or refusal to make payments of compensation by you or on your behalf.

We will not make any payments on your behalf in excess of the benefits regularly provided by the workers compensation law, including, but not limited to, fines, penalties, assessments and punitive damages.

It is further understood and agreed that **PART TWO, EMPLOYERS LIABILITY INSURANCE**, paragraph C. **Exclusions**, number 2. is deleted and replaced with the following:

2. fines, penalties or punitive, exemplary and multiplied damages;

All other terms and conditions of the policy remain unchanged.



Authorized Representative or
Countersignature (in States Where
Applicable)

PRIVACY POLICY

Our Commitment to Privacy:

The AIG Companies (AIG) believe one of our most important assets is the trust consumers place in us to respect and properly handle nonpublic personal information received by us in connection with providing our products and services. To continue earning your trust and enhance the products and services offered to you, the companies listed below have adopted the following privacy policy to govern how we treat your nonpublic personal information including such information about our former customers.

It's important for you to know that this privacy policy applies only to the product or service you have just obtained or the insurance policy under which you are seeking or receiving benefits. As a worldwide leader in the delivery of financial products and services, we offer numerous products and services to many types of consumers and clients in different states and countries around the world. Therefore, the same company may have more than one privacy policy, each tailored to fit specific products and services.

Information We Collect:

We collect information about you that is necessary to tailor our products and services to meet your individual needs, provide effective customer service, and comply with legal requirements.

We may collect nonpublic personal information about you, from one or more of the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates or others;
- Information we receive from a consumer-reporting agency; and
- Information received in handling claims.

Sharing Information Within Our Family of Companies:

We may share some or all of the nonpublic personal information we collect with our affiliates - the members of the AIG family of companies (this includes any of the AIG Companies, not just the ones listed at the end of this document), unless such sharing of information is prohibited by law. In many cases, the information that is shared may be at your request or is necessary to administer, process or otherwise handle your transactions with us or settle a claim on your behalf. In addition, we may provide this information to our affiliates in order to offer you products and services in which you may be interested.

Our family of companies includes many insurance companies (e.g., auto, home and life insurance), insurance claims handling companies, other financial institutions, (e.g., savings bank), and non-financial institutions.

Sharing Information Outside the AIG Family:

Sometimes, we use companies or businesses outside the AIG family to administer, process, or otherwise handle your transactions with us, such as for claims handling or customer service. Other times, we may enter into contracts with nonaffiliated companies to perform services on our behalf, such as marketing our products and services, or we may enter into joint marketing agreements with other financial institutions. In these and other circumstances permitted by law, we may share some or all of the information we collect above with these nonaffiliated third parties. However, whenever we utilize a nonaffiliated third party to provide these services, they are required to follow federal privacy laws governing this notice. We also may share information to combat fraud, in response to a court order, or at the request of government regulators.

Nonpublic Personal Health Information:

We will not disclose non-public personal health information about you without obtaining prior written authorization from you, except as permitted by applicable law or regulation.

PRIVACY POLICY

Protecting and Safeguarding Your Information:

To help prevent unwarranted disclosure of your nonpublic information and secure it from theft, we utilize secure computer networks and restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. In addition, we maintain physical, electronic, and procedural safeguards that comply with applicable laws and regulations to guard our customers' nonpublic personal information.

Maintaining Accurate Information:

We also maintain procedures to ensure that the information we collect is accurate, up-to-date, and as complete as possible. If you believe the information we have about you in our records or files is incomplete or inaccurate, you may request that we make additions or corrections, or if it is feasible, that we delete this information from our files. You may make this request in writing to (including your name, address and policy number):

Chief Privacy Officer
AIG - Domestic Brokerage Group
175 Water Street, 3rd Floor
New York, NY 10038

FAX: 212-785-9495

e-mail: DBG.Privacy@AIG.com

Special notice for customers who reside in any of the following states: Arizona, California, Connecticut, Georgia, Illinois, Kansas, Maine, Massachusetts, Minnesota, Montana, Nevada, New Jersey, North Carolina, Ohio, Oregon, Virginia or Wisconsin: You can obtain access to any nonpublic personal information we have about you if you properly identify yourself and submit a written request to us at the address above describing the information you want to review (include your name, address and policy number). Once we have received your request, and if the information is reasonably locatable and retrievable, we will, within 30 business days, take the following actions:

- *Inform you of the nature and substance of the recorded information;*
- *Allow you to see and copy, in person, such recorded personal information; or*
- *Send you a copy of the recorded personal information by mail (we may charge you a reasonable fee to cover the cost of this service).*

We will also tell you at this time the identity, if recorded, of persons to whom we have disclosed the nonpublic personal information within the preceding two years.

If you ask us to correct, amend or delete any information about you, we will, within 30 business days, either correct, amend or delete the nonpublic personal information in dispute or notify you of our refusal to take such action along with the reasons for our decision. If we make the correction, amendment or deletion you've requested, we will also notify you along with any person you designate who has received the information about you within the preceding two years, together with any insurance support organization(s) which provided us with the disputed information.

If we refuse to make the requested correction, amendment or deletion, you are permitted to file a concise statement setting forth what you think is the correct, relevant or fair information along with a statement of the reasons why you disagree with our refusal to correct, amend or delete the information subject to dispute. We will file your statement with the disputed personal information and make any person who reviews your file aware of your statement. We will also furnish your statement to any person who has received personal information from us within the two preceding years and any insurance support organization whose primary source of personal information is an insurer.

PRIVACY POLICY

Important Information Concerning the Applicability and Future Changes to this Privacy Policy:

This privacy policy applies, with respect to nonpublic personal financial information, to the particular products or services you have just obtained, which are primarily for personal, family, or household purposes in the United States by the AIG Companies listed below, and it applies to all nonpublic personal health information these Companies may have. Although we may change this policy at any time, as it relates to the particular product or service, please rest assured that you will be notified of any changes as required by law.

This Policy Is Used by the Following AIG Companies:

AIG Hawaii Insurance Company, Inc.
AIG Casualty Company
AIU Insurance Company
American Home Assurance Company
American International Pacific Insurance Company
American International South Insurance Company
Audubon Indemnity Company
Audubon Insurance Company
Commerce and Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Co.
National Union Fire Insurance Company of Louisiana
National Union Fire Insurance Company of Pittsburgh, Pa.
New Hampshire Insurance Company
The Insurance Company of the State of Pennsylvania
American International Specialty Lines Insurance Company
American Pacific Insurance Company, Inc.
Landmark Insurance Company
Lexington Insurance Company
Starr Excess Liability Insurance Company Ltd
Agency Management Corporation
A.I. Risk Specialists Insurance, Inc.
A.I. Risk Specialists of Missouri, Inc.
American International Entertainment, Inc.
Eastern Risk Specialists, Inc.
Florida Risk Specialists, Inc.
The Gulf Agency, Inc.
Louisiana Risk Specialists, Inc.
Medical Excess Insurance Services, Inc.
Michigan Risk Specialists, Inc.
Midwestern Risk Specialists, Inc.
Nevada, Risk Specialists, Inc.
New England Risk Specialists, Inc.
Northwestern Risk Specialists, Inc.
Risk Specialists Companies, Inc.
Risk Specialists Company (Bermuda), Ltd
Risk Specialists Company of Colorado, Inc.
Risk Specialists Company of Kentucky, Inc.
Risk Specialists Company of Minnesota, Inc.
Risk Specialists Company of New Jersey, Inc.
Risk Specialists Company of New York, Inc.
Risk Specialists Company of Ohio, Inc.
Risk Specialists Company of the Carolinas, Inc.

PRIVACY POLICY

Southeastern Risk Specialists, Inc.
Southern Risk Specialists, Inc.
Western Risk Specialists, Inc.
American International Surplus Lines Agency, Inc.
AIG Warranty Services and Insurance Agency, Inc.

and other member companies of the AIG family who sent you this privacy policy statement.

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/2009 forms a part of

policy No. XWC 477-81-37 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

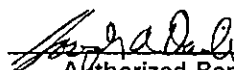
by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT - COVERAGE TERRITORY

This endorsement modifies insurance provided under the following:

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").



Authorized Representative or
Countersignature (in States Where
Applicable)

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/09 forms a part of

policy No. XWC 477-8137 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE CO

EXCESS WORKERS COMPENSATION

FOREIGN VOLUNTARY COMPENSATION INSURANCE ENDORSEMENT (UNITED STATES CITIZENS)

In consideration of the payment of the premium and subject to all of the provisions of the policy not expressly modified herein, we agree with you as follows:

SECTION 1 - EMPLOYEES COVERED

- A. It is agreed that the insurance provided by this endorsement applies only to your employees who are hired or assigned by you to work at locations outside of the United States of America.
- B. This insurance, with respect to any such employee, shall attach from the moment he is hired or assigned for such work and shall cease from the moment his employment or assignment for such work is terminated. If the employee has been hired in the United States of America, coverage continues after termination of employment until his return to the United States of America unless termination of employment is due to his resignation.
- C. This insurance shall only apply to United States Citizens employed by you and assigned to operations outside of the United States of America.

SECTION 2 - DESIGNATED WORKERS COMPENSATION LAW: NJ

SECTION 3 - VOLUNTARY COMPENSATION

It is agreed that in Part One, Workers Compensation Insurance, coverage is extended to employees as defined in Section 1 for the benefits specified in the Workers Compensation Law designated in Section 2 in the same manner as if such employees were covered under the provisions of such law or laws. However, with respect to such employees who are subject to a foreign workers compensation act or law and for which you have paid a premium to the proper fund, authority or insurance company, we agree to indemnify you in excess of Your Retention only for the difference between the benefits specified in the Workers Compensation Law designated in Section 2 and the benefits to which such employees are entitled under the foreign workers compensation law to which they are subject.

Before we indemnify you in excess of Your Retention for the benefits payable under this endorsement, the persons entitled to such benefits must:

- A. Release you and us, in writing, of all responsibility for the injury or death;
- B. Transfer to us their right of recovery from others who may be responsible for the injury or death; and
- C. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If such persons fail to do these things, our duty to indemnify you ends at once. If they claim damages from you or from us for the injury or death, our duty to indemnify you ends at once.

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/09

forms a part of

policy No. **XWC 477-8137**

issued to **MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**

by **NATIONAL UNION FIRE INSURANCE COMPANY**

COMMUNICABLE DISEASE ENDORSEMENT
(Revised Application Of Your Retention)
(Version 2)

Solely as respects Bodily Injury by Disease caused by the same "communicable disease", it is agreed that in Part Three, Your Retention and Our Limit of Indemnity, paragraph C. is hereby deleted in its entirety and replaced by the following:

C. How Your Retention and Our Limit of Indemnity Apply.

Your Retention and Our Limit of Indemnity stated on the Information Page apply to each loss paid by you as a qualified self-insurer of Workers Compensation and Employers Liability as follows:

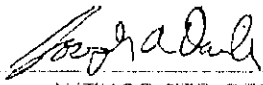
1. To one or more employees because of bodily injury or death in any one accident.
A disease is not a bodily injury by accident unless it results directly from a bodily injury by accident.
2. Your Retention applies to one or more employees for bodily injury or death by disease caused by the same "communicable disease". Our Limit of Indemnity applies to any one employee for bodily injury or death by disease caused by the same "communicable disease".

Bodily Injury by disease does not include disease that results directly from a bodily injury by accident.

The inclusion of more than one legal entity as Insured in Item 1 of the Information Page will not increase Your Retention or Our Limit of Indemnity.

For the purposes of this endorsement, the term "communicable disease" shall be defined as an infectious disease transmissible from person to person by direct or indirect contact with an infected person or that person's bodily fluids.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/09
Forms a part of Policy No. XWC 477-81-37 issued to MUNICIPAL EXCESS
LIABILITY JOINT INSURANCE FUND
By NATIONAL UNION FIRE INSURANCE COMPANY

PAYROLL AUDIT ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

It is hereby agreed that Part Five, Premium, C. Final Premium section,

"The deposit premium shown on the Information Page is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis which 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."

is deleted in its entirety from this policy and replaced by the following:

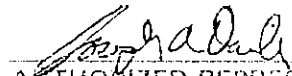
"The deposit premium shown on the Information Page is an estimate. The final premium will be determined after this policy ends by using the estimated payroll plus the payroll and all other remuneration paid or payable during the policy period by a new member which has been added during the policy for the services of:

1. all officers and employees of any such new member engaged in work covered by this policy; and

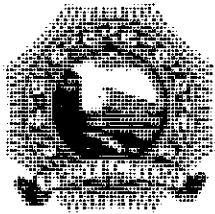
2. all other persons engaged in work for such new member that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations."

The remainder of Part Five remains the same.

All other terms and conditions of this policy shall remain the same.



AUTHORIZED REPRESENTATIVE



**NATIONAL UNION
FIRE INSURANCE COMPANY
OF PITTSBURGH, PA**

A CAPITAL STOCK COMPANY
ADMINISTRATIVE OFFICES

175 WATER STREET, NEW YORK, NY 10038

POLICY NUMBER:
XWC 488-03-53

RENEWAL OF:
4778137

**EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY
I N F O R M A T I O N P A G E**

ITEM 1: **Named Insured and Mailing Address**
MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

PARK 80 WEST PLAZA 1
SADDLE BROOK, NJ 07663

ITEM 2: **States (in which coverage is to apply) NJ**

ITEM 3: **Policy Period** **FROM: 01/01/2010 TO 01/01/2011** 12:01 A.M. Standard Time at the
Mailing Address shown herein

ITEM 4: **Our Limit of Indemnity**

PART ONE: WORKERS COMPENSATION

STATUTORY - Each Accident
STATUTORY - Each Employee For Disease

PART TWO: EMPLOYERS LIABILITY

\$5,000,000 - Each Accident
\$5,000,000 - Each Employee For Disease

ITEM 5: **Your Retention**

PART ONE: WORKERS COMPENSATION

SEE COMBINED RETENTION ENDT 61859 (0195) - EACH ACCIDENT
SEE COMBINED RETENTION ENDT 61859 (0195) - EACH EMPLOYEE FOR DISEASE

PART TWO: EMPLOYERS LIABILITY

SEE COMBINED RETENTION ENDT 61859 (0195) - EACH ACCIDENT
SEE COMBINED RETENTION ENDT 61859 (0195) - EACH EMPLOYEE FOR DISEASE

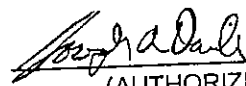
ITEM 6: **Premium and Premium Computation**

Estimated Total Annual Remuneration	\$2,811,416,501
Rates Per \$100 of Remuneration	0.1007
Deposit Premium	\$2,831,096
Minimum Premium	\$2,831,096

THIS POLICY INCLUDES THESE ENDORSEMENTS: SEE ATTACHED SCHEDULE

PRODUCER NAME AND ADDRESS:
JOE HRUBASH
CONNER STRONG COMPANIES INC
9 CAMPUS DRIVE
PARSIPPANY, NJ 07054

COUNTERSIGNED BY:


(AUTHORIZED REPRESENTATIVE)

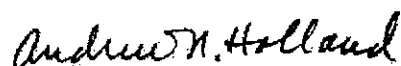
Date Issued 02/09/2010

By signing below, the President and the Secretary of the Insurer agree on behalf of the Insurer to all the terms of this policy.



President

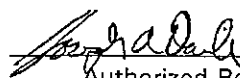
NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA



Secretary

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

This policy shall not be valid unless signed at the time of issuance by an authorized representative of the Insurer, either below or on the Declarations page of the policy.



Authorized Representative

EXCESS 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 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 or joint venture and if you are a partner in the partnership or a member of the joint venture, you are insured, but only in your capacity as an employer of employees of the partnership or joint venture.

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 2 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. Location

This policy covers all of your workplaces in the states listed in Item 2 of the Information Page.

F. Qualified Self-Insurer

You represent that you are a duly qualified self-insurer under the Workers Compensation Law of each state named in Item 2 of the Information Page and will continue to maintain such qualifications during the term this policy is in effect. If you should terminate such qualifications or if your qualification as a self-insurer is cancelled or revoked while this policy is in force, the amounts payable under this policy will not be increased and you will be responsible for payments within Your Retention.

PART ONE

WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This insurance applies to losses paid by you as a qualified self-insurer under the Workers Compensation Law for 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.

If you begin work after the effective date of this policy in any state for which you are not insured or are not self-insured for such work, this insurance will apply as though that state were listed in Item 2 of the Information Page but only if you notify us in writing within ninety (90) days from the date you begin such work.

B. We Will Indemnify

We will indemnify you for your loss as a qualified self-insurer under the Workers Compensation Law in excess of Your Retention as stated in Item 5 of the Information Page but not for more than Our Limit of Indemnity as stated in Item 4 of the Information Page.

Loss means amounts actually paid by you as a qualified self-insurer under the Workers Compensation Law and also includes your claim expenses.

Your claim expenses are included within Your Retention. Our payments to indemnify you for your claim expenses are included within Our Limit of Indemnity.

Your claim expenses mean your litigation costs, interest as required by law on awards or judgments and your claim investigation or legal expenses which can be directly allocated to a specific claim. Claim expenses do not include salaries and travel expenses of your employees, annual retainers, overhead and any fees you paid for claim administration.

Your bankruptcy, insolvency or inability to pay will not relieve us from the indemnification of any claim covered by this policy. But under no circumstances will we be required to drop down and replace Your Retention or assume any of your obligations within the retention area. After Your Retention has been reached, indemnification due under this policy will be made by us as if you had not become bankrupt or insolvent but not in excess of Our Limit of Indemnity as stated in Item 4 of the Information Page. Such indemnification will be made to the Trustee in Bankruptcy or as a Court of competent jurisdiction may ultimately direct.

C. Defense

We have no duty to investigate, handle, settle, or defend any claim, suit or proceeding against you. However, we have the right and shall be given the opportunity by you to associate with you in the defense, investigation or settlement of any claim, suit or proceeding which might involve a loss to us. In such an association, you shall promptly cooperate with us in all aspects of defense, investigation or settlement.

D. Other Insurance

If any other insurance exists protecting you against loss covered by this insurance, this insurance shall apply in excess of the other insurance. However, this provision shall not apply to other insurance which you have procured to apply in excess of the sum of Your Retention and Our Limit of Indemnity under this policy.

E. 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;
4. you discharge, coerce or otherwise discriminate against any employee in violation of the Workers Compensation Law; or
5. you violate or fail to comply with any 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.

F. Exclusion

We will not indemnify you for any loss arising out of operations for which you have rejected any Workers Compensation Law.

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. Any recovered loss will be allocated as follows:

If there is insurance coverage in excess of Our Limit of Indemnity, that insurer's loss will be reimbursed first. The remaining recovered loss, after deducting our recovery expenses, will first be used to reduce our loss. Then we will pay the balance, if any, to you.

H. Action Against Us

There will be no right of action against us under this insurance unless you have complied with all the terms of this policy.

I. Statutory Provision

Terms of this insurance that conflict with the Workers Compensation Law are changed by this statement to conform to that law.

PART TWO

EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This insurance applies to losses paid by you as a qualified self-insurer of Employers Liability for 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 2 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.

If you begin work after the effective date of this policy in any state for which you are not insured or are not self-insured for such work this insurance will apply as though that state were listed in Item 2 of the Information Page but only if you notify us in writing within ninety (90) days from the date you begin such work.

B. We Will Indemnify

We will indemnify you for loss as a qualified self-insurer of Employers Liability in excess of Your Retention as stated in Item 5 of the Information Page but not for more than Our Limit of Indemnity as stated in Item 4 of the Information Page

Loss means amounts which you legally paid as damages as a qualified self-insurer because of Bodily Injury by Accident or Bodily Injury by Disease and also includes your claim expenses. Bodily Injury includes resulting death.

Your claim expenses are included within Your Retention. Our payments to indemnify you for your claim expenses are included within Our Limit of Indemnity.

Your claim expenses mean your litigation costs, interest as required by law on awards or judgments and your claim investigation or legal expenses which can be directly allocated to a specific claim. Claim expenses do not include salaries and travel expenses of your employees, annual retainers, overhead and any fees you paid for claim administration.

Damages include:

1. damages 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. damages for care and loss of services; and
3. damages 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. damages 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.

Your bankruptcy, insolvency, or inability to pay will not relieve us from the indemnification of any claim covered by this policy. But under no circumstances will we be required to drop down and replace Your Retention or assume any of your obligations within the retention area. After Your Retention has been reached, indemnification due under this policy will be made by us as if you had not become bankrupt or insolvent but not in excess of Our Limit of Indemnity as stated in Item 4 of the Information Page. Such indemnification will be made to the Trustee in Bankruptcy or as a Court of competent jurisdiction may ultimately direct.

C. Exclusions

This insurance does not cover:

1. liability assumed under a contract;
2. punitive or exemplary damages;
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. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America who is temporarily outside the United States of America;
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 USC Sections 901-950). the Nonappropriated Fund Instrumentalities Act (5 USC Sections 8171-8173),

the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942), 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 USC Sections 51-60), 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;
11. fines or penalties imposed for violation of federal or state law;
12. damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws;
13. damages arising out of operations for which you have violated or failed to comply with any Workers Compensation Law;
14. damages arising out of operations for which you have rejected any Workers Compensation Law.

D. Defense

We have no duty to investigate, handle, settle or defend any claim, suit or proceeding against you. However, we have the right and shall be given the opportunity by you to associate with you in the defense, investigation or settlement of any claim, suit, or proceeding which might involve a loss to us. In such an association, you shall promptly cooperate with us in all aspects of defense, investigation or settlement.

E. Other Insurance

If any other insurance exists protecting you against loss covered by this insurance, this insurance shall apply in excess of the other insurance. However, this provision shall not apply to other insurance which you have procured to apply in excess of the sum of Your Retention and Our Limit of Indemnity under this policy.

F. 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. Any recovered loss will be allocated as follows:

If there is insurance coverage in excess of Our Limit of Indemnity, that insurer's loss will be reimbursed first. The remaining recovered loss, after deducting our recovery expenses, will first be used to reduce our loss. Then we will pay the balance, if any, to you.

G. 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.

PART THREE

YOUR RETENTION AND OUR LIMIT OF INDEMNITY

A. Your Retention

You shall pay for your own account any loss up to the amount stated in Item 5 of the Information Page as Your Retention.

B. Our Limit of Indemnity

We will indemnify you for loss over the amount stated as Your Retention in Item 5 of the Information Page. Our Limit of Indemnity for Workers Compensation Insurance will not exceed the limits stated in Item 4 of the Information Page. Our Limit of Indemnity for Employers Liability Insurance will not exceed the limits stated in Item 4 of the Information Page.

C. How Your Retention and Our Limit of Indemnity Apply

Your Retention and Our Limit of Indemnity stated on the Information Page apply to each loss paid by you as a qualified self-insurer of Workers Compensation and Employers Liability as follows:

1. To one or more employees because of bodily injury or death in any one accident.
A disease is not bodily injury by accident unless it results directly from bodily injury by accident.
2. To any one employee for bodily injury or death by disease.
Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

The inclusion of more than one legal entity as insured in Item 1 of the Information Page will not increase Your Retention or Our Limit of Indemnity.

PART FOUR

CLAIMS

A. Your Claims Reporting Duties

You must immediately notify us in writing of any claim, either paid or reserved, for 50% or more of Your Retention stated in Item 5 of the Information Page.

You must also give us immediate written notice of any injury involving the following types of accident:

1. a fatality;
2. an amputation of a major extremity;
3. any serious head injury (including skull fracture or loss of sight of either or both eyes);
4. any injury to the spinal cord;
5. any second or third degree burn of 25% or more of the body;
6. any accident which causes serious injury to two or more employees; or
7. any disability of more than one year or where it appears reasonably likely that there will be a disability of more than one year.

B. Your Claims Handling Duties

It is your responsibility to investigate, settle, defend and appeal any claim, suit or other proceeding made against you. However, you must not make any voluntary settlement involving loss to us without our written consent.

If you do not appeal an award or judgment which exceeds Your Retention, we have the right to take an appeal at our own cost and expense and shall be liable for costs, disbursements and interest related to the appeal. If we elect to appeal, our liability on such an award or judgment shall not exceed Our Limit of Indemnity as stated in Item 4 of the Information Page plus the cost and expense of such appeal.

C. Claim Audits

We have the right to examine and audit your claims handling and reserving procedures, practices and records while this policy is in force and for three years after the final settlement of all claims. Also you will provide us any claim information which we may request.

PART FIVE

PREMIUM

A. 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.

B. Deposit Premium

At the beginning of the policy period you must pay us the deposit premium shown on the Information Page. At the end of the policy period:

1. you will owe us the amount by which the final premium is greater than the deposit premium; or
2. we will owe you the amount by which the deposit premium is greater than the final premium;

but in any event, we shall retain the policy Minimum Premium shown on the Information Page.

C. Final Premium

The deposit premium shown on the Information Page is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis which 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.

If this policy is cancelled, final premium will be determined in the following way:

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 short rate share of the Minimum Premium.

D. 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.

E. 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.

PART SIX

CONDITIONS

A. Acceptance

By acceptance of this policy, you agree that the statements on the Information Page are your agreements and representations, that this policy is issued in reliance upon the truth of such representations, and that this policy embodies all agreements existing between you and us or any of our agents relating to this insurance.

B. 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. If we cancel because of non-payment of premium, we must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. If we cancel for any other reason, we must mail or deliver to you not less than sixty 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 that law.

C. 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 law, regulations, codes or standards.

D. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to give or receive notice of cancellation, accept indemnity, receive return premium or request change in this policy.

E. Transfer of Your Rights and Duties

Your rights and 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.

FORMS SCHEDULE

EFFECTIVE DATE: 01/01/2010

NAMED INSURED: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

POLICY NO: XWC 488-03-53

56292	(0393)	BROAD FORM OTHER STATES ENDT
56293	(0393)	CANCELLATION CONDITION AMENDED
56301	(0393)	JONES ACT ENDORSEMENT
56309	(0393)	WHO IS INSURED
56316	(0393)	USL&HW CDMP ACT ENDORSEMENT
61859	(0195)	COMBINED RETENTION ENDT
62529	(0595)	NJ AMENDATORY ENDORSEMENT
78052	(1209)	PRIVACY POLICY
81066	(1002)	AMENDATORY ENDORSEMENT
89644	(0705)	AMENDATORY ENDT - COVERAGE TERR
67218	(0397)	COMMUNICABLE DISEASE ENDORSEMENT
61304	(1194)	FOREIGN VOL COMP INS ENDT
MANU	ENDT	PAYROLL AUDIT ENDT

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/2010 forms a part of

policy No. XWC 488-03-53 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

BROAD FORM OTHER STATES ENDORSEMENT

It is hereby agreed that this policy is amended to include loss under the Workers Compensation Law of a state not listed in Item 2 of the Information Page provided:

- A) The injured employee was working within the scope of his employment, at your direction;
- B) The injured employee was regularly employed in a state listed in Item 2 of the Information Page;
- C) The work in the other state was incidental to work in a state listed in Item 2 of the Information Page; and
- D) The work in the other state was temporary and transitory.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/2010 forms a part of

policy No. XWC 488-03-53 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

CANCELLATION CONDITION AMENDED

It is agreed that with respect to cancellation by us, 90 days notice of cancellation will be provided except with respect to non-payment of premium in which case ten (10) days notice will be provided.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/2010 forms a part of

policy No. XWC 488-03-53 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

JONES ACT ENDORSEMENT

It is agreed that with respect to operations in the State(s) designated in Item 2 of the Information Page, the term "Workers Compensation Law" includes the Jones Act (46 USC Section 688) and any amendment to that act that is in effect during the policy period and paragraph C of the General Section is amended accordingly.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/2010 forms a part of

policy No. XWC 488-03-53 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

WHO IS INSURED

Paragraph B, Who Is Insured, of the General Section of this policy is hereby deleted and replaced by the following:

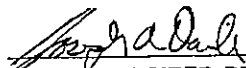
B. Who Is Insured:

You are insured if you are an employer named in Item 1 of the Information Page. You are also insured if you are a subsidiary, a division or an affiliated company now existing or as may hereafter be constituted provided a 51% majority interest is owned or controlled by an employer named in Item 1 of the Information Page. You are also insured if you are a business entity over which an employer named in Item 1 of the Information Page has day-to-day management control. If an employer named in Item 1 of the Information Page is a partnership or joint venture and if you are a partner in the partnership or a member of the joint venture, you are insured, but only in your capacity as an employer of employees of the partnership or joint venture.

In addition, the following entities are insured:

RESIDUAL CLAIM FUND

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/2010 forms a part of

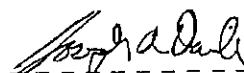
policy No. XWC 488-03-53 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

**UNITED STATES LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT
ENDORSEMENT**

It is agreed that with respect to operations in the State(s) designated in Item 2 of the Information Page, the term "Workers Compensation Law" includes the United States Longshore and Harbor Workers Act (33 USC Sections 901-950) and Paragraph C of the General Section is amended accordingly.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/2010 forms a part of

policy No. XWC 488-03-53 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

EXCESS WORKERS COMPENSATION

Combined Retention Endorsement

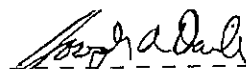
Item 5, Your Retention, of the Information Page is hereby deleted in its entirety and replaced by the following:

Item 5: Your Retention

Part One: Workers Compensation and Part Two: Employers Liability Combined.

\$	2,000,000	Each Accident
\$	2,000,000	Each Employee For Disease

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

EXCESS WORKERS COMPENSATION

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/2010 forms a part of

policy No. XWC 488-03-53 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

NEW JERSEY AMENDATORY ENDORSEMENT

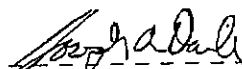
In Section B., We Will Indemnify, of Part One, Workers Compensation Insurance, and Part Two, Employers Liability Insurance, the following provision is added to the last paragraph:

It is further agreed that in the event of your bankruptcy or insolvency or the bankruptcy or insolvency of your estate, or in the event of any default by you, indemnification due under this policy shall be made directly to the Insurance Commissioner, State of New Jersey, for and in the behalf of the injured employee.

In Condition B., Cancellation, of Part Six, Conditions, paragraph 2. is hereby deleted in its entirety and replaced by the following:

2. We may cancel this policy. If we cancel because of non-payment of premium, we must mail or deliver to you and to the Commissioner of Insurance, State of New Jersey, not less than thirty days advance written notice stating when the cancellation is to take effect. If we cancel for any other reason, we must mail or deliver to you and to the Commissioner of Insurance, State of New Jersey, not less than sixty 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.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

Chartis U.S. Privacy and Data Security Notice

I. Your Privacy

In the course of conducting business, we collect information about you in order to properly service the products we sell to you. Accordingly, Chartis U.S. has established practices, procedures and system protections that are designed to help protect the privacy and security of your information.

About This Notice

The term "Personal Information," as used in this Privacy and Data Security Notice, means information that identifies you, our Customer, personally. Examples of Personal Information include a first and last name, a home or other physical address, an email address, a credit card number, a driver's license number, or information on your physical condition or health status.

This Privacy and Data Security Notice outlines how we collect, handle, and disclose Personal Information about you. It applies only to your Personal Information obtained by the Companies listed at the end of this Notice, in connection with products or services with which you received this Notice which are primarily for personal, family, or household purposes in the United States.

Information Collection

We may collect Personal Information about you from applications, enrollment forms, your other interactions with us, our Affiliates, and when we process claims or other transactions in connection with the underwriting process. We may also collect Personal Information about you from credit reporting agencies and other third parties in connection with the sale of our products to you.

We will collect Personal Information about you only in accordance with applicable laws or regulations or in response to your request for a product or service from us.

Information Sharing

We may share your Personal Information with Affiliates and Non-Affiliates as described below.

With our Affiliates: We may share customer information with our Affiliates. Our Affiliates may include other insurance companies, insurance holding companies, insurance agents and agencies, claims administrators, marketing companies, e-commerce service providers, and companies providing administrative services.

- We may share your Personal Information with our Affiliates that assist us in servicing your insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share your Personal Information with our Affiliates for the purpose of detecting and preventing fraud, as directed or authorized by you, or as otherwise permitted or required by law.
- We will not share your Personal Information that is of a financial nature with our Affiliates for marketing purposes without first providing you an opportunity to direct that such information not be shared.
- We will not share your Personal Information that is of a health nature with our Affiliates except as directed or authorized by you.

With Non-Affiliates: We may also share customer information with Non-Affiliated companies.

1. We may share your Personal Information with Non-Affiliates that assist us in servicing your insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share your Personal Information with Non-Affiliates for the purpose of detecting and preventing fraud, as directed or authorized by you, or as otherwise permitted or required by law.
2. We may enter into joint marketing agreements with Non-Affiliates to share your non-health Personal Information as permitted by law. These Non-Affiliates may include providers of financial products or services such as insurance companies, financial institutions, and securities firms.

Because we do not share customer information in any other way, there is no need for an opt-out process in our privacy procedures.

For California and Vermont Residents: If it becomes necessary to share your Personal Information with Non-Affiliates other than as specifically allowed by law, we will not do so without first obtaining your permission.

II. Information Protection

We maintain physical, electronic, and procedural safeguards designed to protect your Personal Information. Only authorized employees, insurance agents and administrators are permitted to have access to that information.

We expect any Non-Affiliates that serve our Customers on our behalf to adhere to our privacy policy. Those non-affiliates are legally bound to use your Personal Information received from us only for the purposes for which it was provided and to not disclose it or use it in any other way. These Non-Affiliates are also subject to and governed by federal and state privacy laws and regulations. We are not responsible for their misuse of information.

To help prevent unwarranted disclosure of your Personal Information and secure it from theft, we utilize secure computer networks. Access is restricted to those individuals who need to use your Personal Information to provide products or services to you.

III. Maintaining Information

We also maintain procedures to ensure that the information we collect is accurate, up-to-date, and as complete as possible. If you believe the information we have about you in our records or files is incomplete or inaccurate, you may request that we make additions or corrections, or if it is feasible, that we delete this information from our files. You may make this request in writing to (include your name, address and policy number):

**Chief Privacy Officer
Chartis U.S.
175 Water Street, 17th Floor
New York, NY 10038
Fax: 212 458-7081
E-Mail: CIPrivacy@chartisinsurance.com**

Special Notice: You can obtain access to any non-public Personal Information we have about you if you properly identify yourself and submit a written request to the address above describing the information you want to review. We will also tell you the identity, if recorded, of persons to whom we have disclosed your non-public Personal Information within the preceding two years.

You may request that we correct, amend or delete any information about you. If we do so, we will notify organizations that provided us with that information and, at your request, persons who received that information from us within the preceding two years. If we refuse to correct, amend or delete the information, you may give us a written statement of the reasons you disagree, which we will place in your file and give to the same parties who would have been notified of the requested change.

Our Customers Can Depend on Us

We are committed to maintaining our trusted relationship with our Customers. We consider it our privilege to serve our Customers' insurance and financial needs and we value the trust they have placed in us. Our Customers' privacy is a top priority with us and thus we will continue to monitor our privacy practices in order to protect and respect that privacy and will comply with state privacy laws that require more restrictive practices than those set out in this notice.

Important Information Concerning the Applicability and Future Changes to this Privacy and Data Security Notice

Although we may change this Privacy and Data Security Notice at any time, you will be notified of any changes as required by law.

American Home Assurance Company; Audubon Indemnity Company; Audubon Insurance Company; Chartis Casualty Company; Chartis Property Casualty Company; Chartis Select Insurance Company; Chartis Specialty Insurance Company; Commerce and Industry Insurance Company; Granite State Insurance Company; Illinois National Insurance Co.; Landmark Insurance Company; Lexington Insurance Company; National Union Fire Insurance Company of Pittsburgh, Pa.; National Union Fire Insurance Company of Vermont; New Hampshire Insurance Company; The Insurance Company of the State of Pennsylvania; other member companies of Chartis U.S., and American International Life Assurance Company of New York and AIG Life Insurance Company.

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/2010 forms a part of

policy No. XWC 488-03-53 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT

This endorsement modifies Insurance provided under the following:

EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

It is hereby understood and agreed that **PART ONE, WORKERS COMPENSATION INSURANCE**, paragraph E. **Payments You Must Make**, is deleted and replaced with the following:

E. **Payments You Must Make**

You are responsible for any payments in excess of the benefits regularly provided by the Workers Compensation Law including but not limited to those required because:

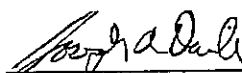
1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation;
4. you discharge, coerce or otherwise discriminate against any employee in violation of the Workers Compensation Law;
5. you violate or fail to comply with any Workers Compensation law; or
6. of the unreasonable delay or refusal to make payments of compensation by you or on your behalf.

We will not make any payments on your behalf in excess of the benefits regularly provided by the workers compensation law, including, but not limited to, fines, penalties, assessments and punitive damages.

It is further understood and agreed that **PART TWO, EMPLOYERS LIABILITY INSURANCE**, paragraph C. **Exclusions**, number 2. is deleted and replaced with the following:

2. fines, penalties or punitive, exemplary and multiplied damages;

All other terms and conditions of the policy remain unchanged.



Authorized Representative or
Countersignature (in States Where
Applicable)

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/2010 forms a part of

policy No.XWC 488-03-53 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

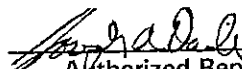
by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT - COVERAGE TERRITORY

This endorsement modifies insurance provided under the following:

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").



Authorized Representative or
Countersignature (in States Where
Applicable)

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/10 forms a part of

policy No. XWC 488-0353 issued to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE CO

EXCESS WORKERS COMPENSATION

FOREIGN VOLUNTARY COMPENSATION INSURANCE ENDORSEMENT (UNITED STATES CITIZENS)

In consideration of the payment of the premium and subject to all of the provisions of the policy not expressly modified herein, we agree with you as follows:

SECTION 1 - EMPLOYEES COVERED

- A. It is agreed that the insurance provided by this endorsement applies only to your employees who are hired or assigned by you to work at locations outside of the United States of America.
- B. This insurance, with respect to any such employee, shall attach from the moment he is hired or assigned for such work and shall cease from the moment his employment or assignment for such work is terminated. If the employee has been hired in the United States of America, coverage continues after termination of employment until his return to the United States of America unless termination of employment is due to his resignation.
- C. This insurance shall only apply to United States Citizens employed by you and assigned to operations outside of the United States of America.

SECTION 2 - DESIGNATED WORKERS COMPENSATION LAW: NJ

SECTION 3 - VOLUNTARY COMPENSATION

It is agreed that in Part One, Workers Compensation Insurance, coverage is extended to employees as defined in Section 1 for the benefits specified in the Workers Compensation Law designated in Section 2 in the same manner as if such employees were covered under the provisions of such law or laws. However, with respect to such employees who are subject to a foreign workers compensation act or law and for which you have paid a premium to the proper fund, authority or insurance company, we agree to indemnify you in excess of Your Retention only for the difference between the benefits specified in the Workers Compensation Law designated in Section 2 and the benefits to which such employees are entitled under the foreign workers compensation law to which they are subject.

Before we indemnify you in excess of Your Retention for the benefits payable under this endorsement, the persons entitled to such benefits must:

- A. Release you and us, in writing, of all responsibility for the injury or death;
- B. Transfer to us their right of recovery from others who may be responsible for the injury or death; and
- C. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If such persons fail to do these things, our duty to indemnify you ends at once. If they claim damages from you or from us for the injury or death, our duty to indemnify you ends at once.

Before we indemnify you in excess of Your Retention for the benefits payable under this endorsement, the persons entitled to such benefits must:

- A. Release you and us, in writing, of all responsibility for the injury or death;
- B. Transfer to us their right of recovery from others who may be responsible for the injury or death; and
- C. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If such persons fail to do these things, our duty to indemnify you ends at once. If they claim damages from you or from us for the injury or death, our duty to indemnify you ends at once.

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the amount we indemnified you. We will pay the balance, if any, to you or other persons entitled to it. If you make a recovery from others, you must reimburse us the amount we indemnified you.

SECTION 4 - EMPLOYERS LIABILITY

It is agreed that in Part Two, Employers Liability Insurance, coverage is extended to employees as defined in Section 1 of this endorsement as respects loss arising out of and in the course of their employment in operations connected with their assignment outside the United States of America.

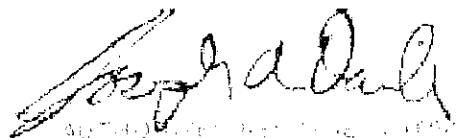
SECTION 5 - REPATRIATION EXPENSES

This section only applies if a Limit of Indemnity is set forth hereunder.

Under Part One, Workers Compensation Insurance, we agree to also cover such additional expenses as reasonably may be incurred over and above normal transportation costs for repatriation of injured, sick or deceased employees covered by the provisions of this endorsement from the location of operations to the destination in the United States of America, it being understood that such injuries must make such repatriation necessary in the opinion of competent medical authorities.

Our Limit of Indemnity under this Section 5 shall be \$ 25,000 with respect to any one employee.

All other terms, conditions and exclusions shall remain the same.



JOSEPH A. DOHERTY

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/10 forms a part of

policy No. **XWC 488-0353** issued to **MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**

by **NATIONAL UNION FIRE INSURANCE COMPANY**

COMMUNICABLE DISEASE ENDORSEMENT
(Revised Application Of Your Retention)
(Version 2)

Solely as respects Bodily Injury by Disease caused by the same "communicable disease", it is agreed that in Part Three, Your Retention and Our Limit of Indemnity, paragraph C. is hereby deleted in its entirety and replaced by the following:

C. How Your Retention and Our Limit of Indemnity Apply.

Your Retention and Our Limit of Indemnity stated on the Information Page apply to each loss paid by you as a qualified self-insurer of Workers Compensation and Employers Liability as follows:

1. To one or more employees because of bodily injury or death in any one accident.

A disease is not a bodily injury by accident unless it results directly from a bodily injury by accident.

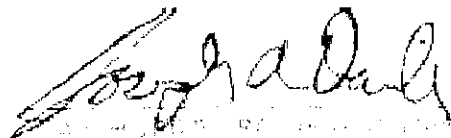
2. Your Retention applies to one or more employees for bodily injury or death by disease caused by the same "communicable disease". Our Limit of Indemnity applies to any one employee for bodily injury or death by disease caused by the same "communicable disease".

Bodily Injury by disease does not include disease that results directly from a bodily injury by accident.

The inclusion of more than one legal entity as Insured in Item 1 of the Information Page will not increase Your Retention or Our Limit of Indemnity.

For the purposes of this endorsement, the term "communicable disease" shall be defined as an infectious disease transmissible from person to person by direct or indirect contact with an infected person or that person's bodily fluids.

All other terms, conditions and exclusions shall remain the same.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/10

Forms a part of Policy XWC 488-0353

Issued to: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

By: NATIONAL UNION FIRE INSURANCE COMPANY

PAYROLL AUDIT ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

It is hereby agreed that Part Five, Premium, C. Final Premium section,

"The deposit premium shown on the Information Page is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis which 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."

is deleted in its entirety from this policy and replaced by the following:

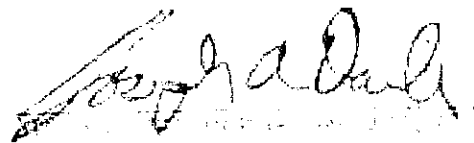
"The deposit premium shown on the Information Page is an estimate. The final premium will be determined after this policy ends by using the estimated payroll plus the payroll and all other remuneration paid or payable during the policy period by a new member which has been added during the policy for the services of:

1. all officers and employees of any such new member engaged in work covered by this policy; and

2. all other persons engaged in work for such new member 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."

The remainder of Part Five remains the same.

All other terms and conditions of this policy shall remain the same.

A handwritten signature in dark ink, appearing to read "K. A. Dahl". The signature is written in a cursive, flowing style with a long horizontal stroke at the beginning.



NEW YORK
FINANCIAL SQUARE
32 OLD SLIP
NEW YORK, NEW YORK 10005
Telephone Number: 2016314238
Fax Number: 2016315130

02/09/2010

JOE HRUBASH
CONNER STRONG COMPANIES INC
9 CAMPUS DRIVE
PARSIPPANY, NJ 07054

Re: INSURED NAME: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
Policy No.: XWC 488-03-53
Effective Date: 01/01/2010

Dear JOE HRUBASH:

Enclosed please find the following document:

☐ New Policy

Thank you for your binder. Enclosed please find the original and broker copies of the policy issued to the above named insured.

☒ Renewal

Thank you for your renewal binder. Enclosed please find the original and broker copies of the policy issued to the above named insured.

☐ Endorsement(s) No. and Type of Change

Enclosed please find the original and one copy of the change endorsement(s) as requested.

The enclosed documents provide a complete and accurate representation of the coverages agreed to under the terms and conditions set out in the binder or change request document. Upon your review, please contact your underwriter promptly with any questions or concerns.

We appreciate your business and strive to make your satisfaction our #1 priority.

Very truly yours,

WINDEL RAMSARAN
Service Center Specialist

CC: BRETT WILKES, UNDERWRITER

POLICYHOLDER NOTICE

Thank you for purchasing insurance from the Chartis companies. Chartis insurance companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by Chartis insurance companies to brokers and independent agents in the United States by visiting our website at www.chartisinsurance.com/producercompensation or by calling 1-800-706-3102.



**NATIONAL UNION
FIRE INSURANCE COMPANY
OF PITTSBURGH, PA**

A CAPITAL STOCK
COMPANY ADMINISTRATIVE
OFFICES

175 WATER STREET, NEW YORK, N.Y. 10238

**POLICY NUMBER:
XWC 488-05-41**

**RENEWAL OF:
4880353**

**EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY
INFORMATION PAGE**

ITEM 1: Named Insured and Mailing Address

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
PARK 80 WEST PLAZA 1
SADDLE BROOK, NJ 07663

ITEM 2: States (in which coverage is to apply) NJ

ITEM 3: Policy Period FROM: 01/01/2011 TO 01/01/2012 12:01 A.M. Standard Time at the
Mailing Address shown herein

ITEM 4: Our Limit of Indemnity

PART ONE: WORKERS COMPENSATION

STATUTORY -Each Accident
STATUTORY -Each Employee For Disease

PART TWO: EMPLOYERS LIABILITY

\$ 5,000,000 -Each Accident
\$ 5,000,000 -Each Employee For Disease

ITEM 5: Your Retention

PART ONE: WORKERS COMPENSATION

\$ 2,000,000 -Each Accident
\$ 2,000,000-Each Employee For Disease

PART TWO: EMPLOYERS LIABILITY

\$ 2,000,000 -Each Accident
\$ 2,000,000 -Each Employee For Disease

ITEM 6: Premium and Premium Computation

Estimated Total Annual Remuneration	\$2,827,098,925
Rates Per \$100 of Remuneration	0.0986
Deposit Premium	\$2,787,520
Minimum Premium	\$2,787,520

Premium for certified Acts of Terrorism coverage Under Terrorism Risk Insurance Act 2002 as amended by
The Terrorism Risk Insurance Program Reauthorization Act 2007:
\$160,989 Included in Policy Premium

THIS POLICY INCLUDES THESE ENDORSEMENTS: SEE ATTACHED SCHEDULE

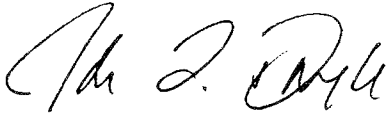
PRODUCER NAME AND ADDRESS:
CONNER STRONG COMPANIES INC
9 CAMOUS DRIVE
PARSIPPANY, NJ 07054

COUNTERSIGNED BY:


(AUTHORIZED REPRESENTATIVE)

Date Issued :
02/25/2011

By signing below, the President and the Secretary of the Insurer agree on behalf of the Insurer to all the terms of this policy.



President

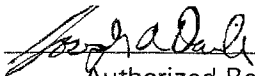
NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA



Secretary

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

This policy shall not be valid unless signed at the time of issuance by an authorized representative of the Insurer, either below or on the Declarations page of the policy.



Authorized Representative

EXCESS 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 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 or joint venture and if you are a partner in the partnership or a member of the joint venture, you are insured, but only in your capacity as an employer of employees of the partnership or joint venture.

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 2 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.

State

State means any state of the United States of America, and the District of Columbia.

E. Location

This policy covers all of your workplaces in the states listed in Item 2 of the Information Page.

F. Qualified Self-Insurer

You represent that you are a duly qualified self-insurer under the Workers Compensation Law of each state named in Item 2 of the Information Page and will continue to maintain such qualifications during the term this policy is in effect. If you should terminate such qualifications or if your qualification as a self-insurer is cancelled or revoked while this policy is in force, the amounts payable under this policy will not be increased and you will be responsible for payments within Your Retention.

PART ONE

WORKERS COMPENSATION INSURANCE

A. How This Insurance Applies

This insurance applies to losses paid by you as a qualified self-insurer under the Workers Compensation Law for 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.

If you begin work after the effective date of this policy in any state for which you are not insured or are not self-insured for such work, this insurance will apply as though that state were listed in Item 2 of the Information Page but only if you notify us in writing within ninety (90) days from the date you begin such work.

B. We Will Indemnify

We will indemnify you for your loss as a qualified self-insurer under the Workers Compensation Law in excess of Your Retention as stated in Item 5 of the Information Page but not for more than Our Limit of Indemnity as stated in Item 4 of the Information Page.

Loss means amounts actually paid by you as a qualified self-insurer under the Workers Compensation Law and also includes your claim expenses.

Your claim expenses are included within Your Retention. Our payments to indemnify you for your claim expenses are included within Our Limit of Indemnity.

Your claim expenses mean your litigation costs, interest as required by law on awards or judgments and your claim investigation or legal expenses which can be directly allocated to a specific claim. Claim expenses do not include salaries and travel expenses of your employees, annual retainers, overhead and any fees you paid for claim administration.

Your bankruptcy, insolvency or inability to pay will not relieve us from the indemnification of any claim covered by this policy. But under no circumstances will we be required to drop down and replace Your Retention or assume any of your obligations within the retention area. After Your Retention has been reached, indemnification due under this policy will be made by us as if you had not become bankrupt or insolvent but not in excess of Our Limit of Indemnity as stated in Item 4 of the Information Page. Such indemnification will be made to the Trustee in Bankruptcy or as a Court of competent jurisdiction may ultimately direct.

C. Defense

We have no duty to investigate, handle, settle, or defend any claim, suit or proceeding against you. However, we have the right and shall be given the opportunity by you to associate with you in the defense, investigation or settlement of any claim, suit or proceeding which might involve a loss to us. In such an association, you shall promptly cooperate with us in all aspects of defense, investigation or settlement.

D. Other Insurance

If any other insurance exists protecting you against loss covered by this insurance, this insurance shall apply in excess of the other insurance. However, this provision shall not apply to other insurance which you have procured to apply in excess of the sum of Your Retention and Our Limit of Indemnity under this policy.

E. 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;
4. you discharge, coerce or otherwise discriminate against any employee in violation of the Workers Compensation Law; or
5. you violate or fail to comply with any 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.

F. Exclusion

We will not indemnify you for any loss arising out of operations for which you have rejected any Workers Compensation Law.

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. Any recovered loss will be allocated as follows:

If there is insurance coverage in excess of Our Limit of Indemnity, that insurer's loss will be reimbursed first. The remaining recovered loss, after deducting our recovery expenses, will first be used to reduce our loss. Then we will pay the balance, if any, to you.

H. Action Against Us

There will be no right of action against us under this insurance unless you have complied with all the terms of this policy.

I. Statutory Provision

Terms of this insurance that conflict with the Workers Compensation Law are changed by this statement to conform to that law.

PART TWO

EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies

This insurance applies to losses paid by you as a qualified self-insurer of Employers Liability for 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 2 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.

If you begin work after the effective date of this policy in any state for which you are not insured or are not self-insured for such work this insurance will apply as though that state were listed in Item 2 of the Information Page but only if you notify us in writing within ninety (90) days from the date you begin such work.

B. We Will Indemnify

We will indemnify you for loss as a qualified self-insurer of Employers Liability in excess of Your Retention as stated in Item 5 of the Information Page but not for more than Our Limit of Indemnity as stated in Item 4 of the Information Page.

Loss means amounts which you legally paid as damages as a qualified self-insurer because of Bodily Injury by Accident or Bodily Injury by Disease and also includes your claim expenses. Bodily Injury includes resulting death.

Your claim expenses are included within Your Retention. Our payments to indemnify you for your claim expenses are included within Our Limit of Indemnity.

Your claim expenses mean your litigation costs, interest as required by law on awards or judgments and your claim investigation or legal expenses which can be directly allocated to a specific claim. Claim expenses do not include salaries and travel expenses of your employees, annual retainers, overhead and any fees you paid for claim administration.

Damages include:

1. damages 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. damages for care and loss of services; and
3. damages 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. damages 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.

Your bankruptcy, insolvency, or inability to pay will not relieve us from the indemnification of any claim covered by this policy. But under no circumstances will we be required to drop down and replace Your Retention or assume any of your obligations within the retention area. After Your Retention has been reached, indemnification due under this policy will be made by us as if you had not become bankrupt or insolvent but not in excess of Our Limit of Indemnity as stated in Item 4 of the Information Page. Such indemnification will be made to the Trustee in Bankruptcy or as a Court of competent jurisdiction may ultimately direct.

C. Exclusions

This insurance does not cover:

1. liability assumed under a contract;
2. punitive or exemplary damages;
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 similiar law;
5. bodily injury intentionally caused or aggravated by you;
6. bodily injury occurring outside the United States of America. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America who is temporarily outside the United States of America;
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 USC Sections 901-950), the Nonappropriated Fund Instrumentalities Act (5 USC Sections 8171-8173),

the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 901-942), 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 USC Sections 51-60), 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;
11. fines or penalties imposed for violation of federal or state law;
12. damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws;
13. damages arising out of operations for which you have violated or failed to comply with any Workers Compensation Law;
14. damages arising out of operations for which you have rejected any Workers Compensation Law.

D. Defense

We have no duty to investigate, handle, settle or defend any claim, suit or proceeding against you. However, we have the right and shall be given the opportunity by you to associate with you in the defense, investigation or settlement of any claim, suit, or proceeding which might involve a loss to us. In such an association, you shall promptly cooperate with us in all aspects of defense, investigation or settlement.

E. Other Insurance

If any other insurance exists protecting you against loss covered by this insurance, this insurance shall apply in excess of the other insurance. However, this provision shall not apply to other insurance which you have procured to apply in excess of the sum of Your Retention and Our Limit of Indemnity under this policy.

F. 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. Any recovered loss will be allocated as follows:

If there is insurance coverage in excess of Our Limit of Indemnity, that insurer's loss will be reimbursed first. The remaining recovered loss, after deducting our recovery expenses, will first be used to reduce our loss. Then we will pay the balance, if any, to you.

G. 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.

PART THREE

YOUR RETENTION AND OUR LIMIT OF INDEMNITY

A. Your Retention

You shall pay for your own account any loss up to the amount stated in Item 5 of the Information Page as Your Retention.

B. Our Limit of Indemnity

We will indemnify you for loss over the amount stated as Your Retention in Item 5 of the Information Page. Our Limit of Indemnity for Workers Compensation Insurance will not exceed the limits stated in Item 4 of the Information Page. Our Limit of Indemnity for Employers Liability Insurance will not exceed the limits stated in Item 4 of the Information Page.

C. How Your Retention and Our Limit of Indemnity Apply

Your Retention and Our Limit of Indemnity stated on the Information Page apply to each loss paid by you as a qualified self-insurer of Workers Compensation and Employers Liability as follows:

1. To one or more employees because of bodily injury or death in any one accident.

A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. To any one employee for bodily injury or death by disease.

Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

The inclusion of more than one legal entity as insured in Item 1 of the Information Page will not increase Your Retention or Our Limit of Indemnity.

PART FOUR

CLAIMS

A. Your Claims Reporting Duties

You must immediately notify us in writing of any claim, either paid or reserved, for 50% or more of Your Retention stated in Item 5 of the Information Page.

You must also give us immediate written notice of any injury involving the following types of accident:

1. a fatality;
2. an amputation of a major extremity;
3. any serious head injury (including skull fracture or loss of sight of either or both eyes);
4. any injury to the spinal cord;
5. any second or third degree burn of 25% or more of the body;
6. any accident which causes serious injury to two or more employees; or
7. any disability of more than one year or where it appears reasonably likely that there will be a disability of more than one year.

B. Your Claims Handling Duties

It is your responsibility to investigate, settle, defend and appeal any claim, suit or other proceeding made against you. However, you must not make any voluntary settlement involving loss to us without our written consent.

If you do not appeal an award or judgment which exceeds Your Retention, we have the right to take an appeal at our own cost and expense and shall be liable for costs, disbursements and interest related to the appeal. If we elect to appeal, our liability on such an award or judgment shall not exceed Our Limit of Indemnity as stated in Item 4 of the Information Page plus the cost and expense of such appeal.

C. Claim Audits

We have the right to examine and audit your claims handling and reserving procedures, practices and records while this policy is in force and for three years after the final settlement of all claims. Also you will provide us any claim information which we may request.

PART FIVE

PREMIUM

A. 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.

B. Deposit Premium

At the beginning of the policy period you must pay us the deposit premium shown on the Information Page. At the end of the policy period:

1. you will owe us the amount by which the final premium is greater than the deposit premium; or
2. we will owe you the amount by which the deposit premium is greater than the final premium;

but in any event, we shall retain the policy Minimum Premium shown on the Information Page.

C. Final Premium

The deposit premium shown on the Information Page is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis which 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.

If this policy is cancelled, final premium will be determined in the following way:

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 short rate share of the Minimum Premium.

D. 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.

E. 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.

PART SIX

CONDITIONS

A. Acceptance

By acceptance of this policy, you agree that the statements on the Information Page are your agreements and representations, that this policy is issued in reliance upon the truth of such representations, and that this policy embodies all agreements existing between you and us or any of our agents relating to this insurance.

B. 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. If we cancel because of non-payment of premium, we must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. If we cancel for any other reason, we must mail or deliver to you not less than sixty 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 that law.

C. 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 law, regulations, codes or standards.

D. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to give or receive notice of cancellation, accept indemnity, receive return premium or request change in this policy.

E. Transfer of Your Rights and Duties

Your rights and 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.

FORMS SCHEDULE

EFFECTIVE DATE: 01/01/2011

NAMED INSURED: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

POLICY NO: XWC 488-05-41

56292 (0393) BROAD FORM OTHER STATES ENDT
56293 (0393) CANCELLATION CONDITION AMENDED
56301 (0393) JONES ACT ENDORSEMENT
56309 (0393) WHO IS INSURED
56316 (0393) USL&HW COMP ACT ENDORSEMENT
61859 (0195) COMBINED RETENTION ENDT
62529 (0595) NJ AMENDATORY ENDORSEMENT
78052 (1209) PRIVACY POLICY
81066 (1002) AMENDATORY ENDORSEMENT
89644 (0705) AMENDATORY ENDT - COVERAGE TERR
61304 (1194) FOREIGN VOLUNTARY COMPENSATION INSURANCE ENDT
67218 (0397) COMMUNICABLE DISEASE ENDORSEMENT
MANUSCRIPT ENDT – PAYROLL AUDIT ENDT

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/2011 forms a part of

policy No. XWC 488-05-41 issued to MUNICIPAL EXCESS LIABILITY
JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

BROAD FORM OTHER STATES ENDORSEMENT

It is hereby agreed that this policy is amended to include loss under the Workers Compensation Law of a state not listed in Item 2 of the Information Page provided:

- A) The injured employee was working within the scope of his employment, at your direction;
- B) The injured employee was regularly employed in a state listed in Item 2 of the Information Page;
- C) The work in the other state was incidental to work in a state listed in Item 2 of the Information Page; and
- D) The work in the other state was temporary and transitory.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/2011 forms a part of

policy No. XWC 488-05-41 issued to MUNICIPAL EXCESS LIABILITY
JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

CANCELLATION CONDITION AMENDED

It is agreed that with respect to cancellation by us, 90 days notice of cancellation will be provided except with respect to non-payment of premium in which case ten (10) days notice will be provided.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/2011 forms a part of

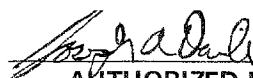
policy No. XWC 488-05-41 issued to MUNICIPAL EXCESS LIABILITY
JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

JONES ACT ENDORSEMENT

It is agreed that with respect to operations in the State(s) designated in Item 2 of the Information Page, the term "Workers Compensation Law" includes the Jones Act (46 USC Section 688) and any amendment to that act that is in effect during the policy period and paragraph C of the General Section is amended accordingly.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/2011 forms a part of

policy No. XWC 488-05-41 issued to MUNICIPAL EXCESS LIABILITY
JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

WHO IS INSURED

Paragraph B, Who Is Insured, of the General Section of this policy is hereby deleted and replaced by the following:

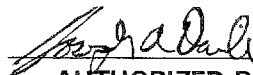
B. Who Is Insured:

You are insured if you are an employer named in Item 1 of the Information Page. You are also insured if you are a subsidiary, a division or an affiliated company now existing or as may hereafter be constituted provided a 51% majority interest is owned or controlled by an employer named in Item 1 of the Information Page. You are also insured if you are a business entity over which an employer named in Item 1 of the Information Page has day-to-day management control. If an employer named in Item 1 of the Information Page is a partnership or joint venture and if you are a partner in the partnership or a member of the joint venture, you are insured, but only in your capacity as an employer of employees of the partnership or joint venture.

In addition, the following entities are insured:

RESIDUAL CLAIM FUND

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/2011 forms a part of

policy No. XWC 488-05-41 issued to MUNICIPAL EXCESS LIABILITY
JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

EXCESS WORKERS COMPENSATION

Combined Retention Endorsement

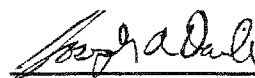
Item 5, Your Retention, of the Information Page is hereby deleted in its entirety and replaced by the following:

Item 5: Your Retention

Part One: Workers Compensation and Part Two: Employers Liability Combined.

\$	2,000,000	Each Accident
\$	2,000,000	Each Employee For Disease

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

EXCESS WORKERS COMPENSATION

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/2011 forms a part of

policy No. XWC 488-05-41 issued to MUNICIPAL EXCESS LIABILITY
JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

NEW JERSEY AMENDATORY ENDORSEMENT

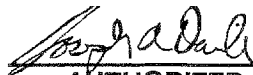
In Section B., We Will Indemnify, of Part One, Workers Compensation Insurance, and Part Two, Employers Liability Insurance, the following provision is added to the last paragraph:

It is further agreed that in the event of your bankruptcy or insolvency or the bankruptcy or insolvency of your estate, or in the event of any default by you, indemnification due under this policy shall be made directly to the Insurance Commissioner, State of New Jersey, for and in the behalf of the injured employee.

In Condition B., Cancellation, of Part Six, Conditions, paragraph 2. is hereby deleted in its entirety and replaced by the following:

2. We may cancel this policy. If we cancel because of non-payment of premium, we must mail or deliver to you and to the Commissioner of Insurance, State of New Jersey, not less than thirty days advance written notice stating when the cancellation is to take effect. If we cancel for any other reason, we must mail or deliver to you and to the Commissioner of Insurance, State of New Jersey, not less than sixty 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.

All other terms, conditions and exclusions shall remain the same.



AUTHORIZED REPRESENTATIVE

Chartis U.S.

Privacy and Data Security Notice

I. Your Privacy

In the course of conducting business, we collect information about you in order to properly service the products we sell to you. Accordingly, Chartis U.S. has established practices, procedures and system protections that are designed to help protect the privacy and security of your information.

About This Notice

The term "Personal Information," as used in this Privacy and Data Security Notice, means information that identifies you, our Customer, personally. Examples of Personal Information include a first and last name, a home or other physical address, an email address, a credit card number, a driver's license number, or information on your physical condition or health status.

This Privacy and Data Security Notice outlines how we collect, handle, and disclose Personal Information about you. It applies only to your Personal Information obtained by the Companies listed at the end of this Notice, in connection with products or services with which you received this Notice which are primarily for personal, family, or household purposes in the United States.

Information Collection

We may collect Personal Information about you from applications, enrollment forms, your other interactions with us, our Affiliates, and when we process claims or other transactions in connection with the underwriting process. We may also collect Personal Information about you from credit reporting agencies and other third parties in connection with the sale of our products to you.

We will collect Personal Information about you only in accordance with applicable laws or regulations or in response to your request for a product or service from us.

Information Sharing

We may share your Personal Information with Affiliates and Non-Affiliates as described below.

With our Affiliates: We may share customer information with our Affiliates. Our Affiliates may include other insurance companies, insurance holding companies, insurance agents and agencies, claims administrators, marketing companies, e-commerce service providers, and companies providing administrative services.

- We may share your Personal Information with our Affiliates that assist us in servicing your insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share your Personal Information with our Affiliates for the purpose of detecting and preventing fraud, as directed or authorized by you, or as otherwise permitted or required by law.
- We will not share your Personal Information that is of a financial nature with our Affiliates for marketing purposes without first providing you an opportunity to direct that such information not be shared.
- We will not share your Personal Information that is of a health nature with our Affiliates except as directed or authorized by you.

With Non-Affiliates: We may also share customer information with Non-Affiliated companies.

1. We may share your Personal Information with Non-Affiliates that assist us in servicing your insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share your Personal Information with Non-Affiliates for the purpose of detecting and preventing fraud, as directed or authorized by you, or as otherwise permitted or required by law.
2. We may enter into joint marketing agreements with Non-Affiliates to share your non-health Personal Information as permitted by law. These Non-Affiliates may include providers of financial products or services such as insurance companies, financial institutions, and securities firms.

Because we do not share customer information in any other way, there is no need for an opt-out process in our privacy procedures.

For California and Vermont Residents: If it becomes necessary to share your Personal Information with Non-Affiliates other than as specifically allowed by law, we will not do so without first obtaining your permission.

II. Information Protection

We maintain physical, electronic, and procedural safeguards designed to protect your Personal Information. Only authorized employees, insurance agents and administrators are permitted to have access to that information.

We expect any Non-Affiliates that serve our Customers on our behalf to adhere to our privacy policy. Those non-affiliates are legally bound to use your Personal Information received from us only for the purposes for which it was provided and to not disclose it or use it in any other way. These Non-Affiliates are also subject to and governed by federal and state privacy laws and regulations. We are not responsible for their misuse of information.

To help prevent unwarranted disclosure of your Personal Information and secure it from theft, we utilize secure computer networks. Access is restricted to those individuals who need to use your Personal Information to provide products or services to you.

III. Maintaining Information

We also maintain procedures to ensure that the information we collect is accurate, up-to-date, and as complete as possible. If you believe the information we have about you in our records or files is incomplete or inaccurate, you may request that we make additions or corrections, or if it is feasible, that we delete this information from our files. You may make this request in writing to (include your name, address and policy number):

Chief Privacy Officer
Chartis U.S.
175 Water Street, 17th Floor
New York, NY 10038
Fax: 212 458-7081
E-Mail: CIPrivacy@chartisinsurance.com

Special Notice: You can obtain access to any non-public Personal Information we have about you if you properly identify yourself and submit a written request to the address above describing the information you want to review. We will also tell you the identity, if recorded, of persons to whom we have disclosed your non-public Personal Information within the preceding two years.

You may request that we correct, amend or delete any information about you. If we do so, we will notify organizations that provided us with that information and, at your request, persons who received that information from us within the preceding two years. If we refuse to correct, amend or delete the information, you may give us a written statement of the reasons you disagree, which we will place in your file and give to the same parties who would have been notified of the requested change.

Our Customers Can Depend on Us

We are committed to maintaining our trusted relationship with our Customers. We consider it our privilege to serve our Customers' insurance and financial needs and we value the trust they have placed in us. Our Customers' privacy is a top priority with us and thus we will continue to monitor our privacy practices in order to protect and respect that privacy and will comply with state privacy laws that require more restrictive practices than those set out in this notice.

Important Information Concerning the Applicability and Future Changes to this Privacy and Data Security Notice

Although we may change this Privacy and Data Security Notice at any time, you will be notified of any changes as required by law.

American Home Assurance Company; Chartis Casualty Company; Chartis Property Casualty Company; Chartis Select Insurance Company; Chartis Specialty Insurance Company; Commerce and Industry Insurance Company; Granite State Insurance Company; Illinois National Insurance Co.; Landmark Insurance Company; Lexington Insurance Company; National Union Fire Insurance Company of Pittsburgh, Pa.; National Union Fire Insurance Company of Vermont; New Hampshire Insurance Company; The Insurance Company of the State of Pennsylvania; other member companies of Chartis U.S., and American International Life Assurance Company of New York and AIG Life Insurance Company.

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/2011 forms a part of

policy No. XWC 488-05-41 issued to MUNICIPAL EXCESS LIABILITY
JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT

This endorsement modifies Insurance provided under the following:

EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

It is hereby understood and agreed that **PART ONE, WORKERS COMPENSATION INSURANCE**, paragraph E. **Payments You Must Make**, is deleted and replaced with the following:

E. Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the Workers Compensation Law including but not limited to 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;
4. you discharge, coerce or otherwise discriminate against any employee in violation of the Workers Compensation Law;
5. you violate or fail to comply with any Workers Compensation law; or
6. of the unreasonable delay or refusal to make payments of compensation by you or on your behalf.

We will not make any payments on your behalf in excess of the benefits regularly provided by the workers compensation law, including, but not limited to, fines, penalties, assessments and punitive damages.

It is further understood and agreed that **PART TWO, EMPLOYERS LIABILITY INSURANCE**, paragraph C. **Exclusions**, number 2. is deleted and replaced with the following:

2. fines, penalties or punitive, exemplary and multiplied damages;

All other terms and conditions of the policy remain unchanged.



Authorized Representative or
Countersignature (in States Where
Applicable)

ENDORSEMENT

This endorsement, effective 12:01 A.M. 01/01/2011 forms a part of

policy No. XWC 488-05-41 issued to MUNICIPAL EXCESS LIABILITY
JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT - COVERAGE TERRITORY

This endorsement modifies insurance provided under the following:

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").



Authorized Representative or
Countersignature (in States Where
Applicable)

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/2011 forms a part of

policy No. XWC 488-05-41 issued to MUNICIPAL EXCESS LIABILITY
JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

FOREIGN VOLUNTARY COMPENSATION INSURANCE ENDORSEMENT
(UNITED STATES CITIZENS)

In consideration of the payment of the premium and subject to all of the provisions of the policy not expressly modified herein, we agree with you as follows:

SECTION 1 - EMPLOYEES COVERED

- A. It is agreed that the insurance provided by this endorsement applies only to your employees who are hired or assigned by you to work at locations outside of the United States of America.
- B. This insurance, with respect to any such employee, shall attach from the moment he is hired or assigned for such work and shall cease from the moment his employment or assignment for such work is terminated. If the employee has been hired in the United States of America, coverage continues after termination of employment until his return to the United States of America unless termination of employment is due to his resignation.
- C. This insurance shall only apply to United States Citizens employed by you and assigned to operations outside of the United States of America.

SECTION 2 - DESIGNATED WORKERS COMPENSATION LAW: NJ

SECTION 3 - VOLUNTARY COMPENSATION

It is agreed that in Part One, Workers Compensation Insurance, coverage is extended to employees as defined in Section 1 for the benefits specified in the Workers Compensation Law designated in Section 2 in the same manner as if such employees were covered under the provisions of such law or laws. However, with respect to such employees who are subject to a foreign workers compensation act or law and for which you have paid a premium to the proper fund, authority or insurance company, we agree to indemnify you in excess of Your Retention only for the difference between the benefits specified in the Workers Compensation Law designated in Section 2 and the benefits to which such employees are entitled under the foreign workers compensation law to which they are subject.

Before we indemnify you in excess of Your Retention for the benefits payable under this endorsement, the persons entitled to such benefits must:

- A. Release you and us, in writing, of all responsibility for the injury or death;
- B. Transfer to us their right of recovery from others who may be responsible for the injury or death; and
- C. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If such persons fail to do these things, our duty to indemnify you ends at once. If they claim damages from you or from us for the injury or death, our duty to indemnify you ends at once.

Before we indemnify you in excess of Your Retention for the benefits payable under this endorsement, the persons entitled to such benefits must:

- A. Release you and us, in writing, of all responsibility for the injury or death;
- B. Transfer to us their right of recovery from others who may be responsible for the injury or death; and
- C. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If such persons fail to do these things, our duty to indemnify you ends at once. If they claim damages from you or from us for the injury or death, our duty to indemnify you ends at once.

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the amount we indemnified you. We will pay the balance, if any, to you or other persons entitled to it. If you make a recovery from others, you must reimburse us the amount we indemnified you.

SECTION 4 - EMPLOYERS LIABILITY

It is agreed that in Part Two, Employers Liability Insurance, coverage is extended to employees as defined in Section 1 of this endorsement as respects loss arising out of and in the course of their employment in operations connected with their assignment outside the United States of America.

SECTION 5 - REPATRIATION EXPENSES

This section only applies if a Limit of Indemnity is set forth hereunder.

Under Part One, Workers Compensation Insurance, we agree to also cover such additional expenses as reasonably may be incurred over and above normal transportation costs for repatriation of injured, sick or deceased employees covered by the provisions of this endorsement from the location of operations to the destination in the United States of America, it being understood that such injuries must make such repatriation necessary in the opinion of competent medical authorities.

Our Limit of Indemnity under this Section 5 shall be \$ **25,000** with respect to any one employee.

All other terms, conditions and exclusions shall remain the same.


AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/2011 forms a part of

policy No. XWC 488-05-41 issued to MUNICIPAL EXCESS LIABILITY
JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

COMMUNICABLE DISEASE ENDORSEMENT
(Revised Application Of Your Retention)
(Version 2)

Solely as respects Bodily Injury by Disease caused by the same "communicable disease", it is agreed that in Part Three, Your Retention and Our Limit of Indemnity, paragraph C. is hereby deleted in its entirety and replaced by the following:

C. How Your Retention and Our Limit of Indemnity Apply.

Your Retention and Our Limit of Indemnity stated on the Information Page apply to each loss paid by you as a qualified self-insurer of Workers Compensation and Employers Liability as follows:

1. To one or more employees because of bodily injury or death in any one accident.
A disease is not a bodily injury by accident unless it results directly from a bodily injury by accident.
2. Your Retention applies to one or more employees for bodily injury or death by disease caused by the same "communicable disease". Our Limit of Indemnity applies to any one employee for bodily injury or death by disease caused by the same "communicable disease".

Bodily Injury by disease does not include disease that results directly from a bodily injury by accident.

The inclusion of more than one legal entity as Insured in Item 1 of the Information Page will not increase Your Retention or Our Limit of Indemnity.

For the purposes of this endorsement, the term "communicable disease" shall be defined as an infectious disease transmissible from person to person by direct or indirect contact with an infected person or that person's bodily fluids.

All other terms, conditions and exclusions shall remain the same.


AUTHORIZED REPRESENTATIVE

**EXCESS WORKERS COMPENSATION
ENDORSEMENT**

This endorsement, effective 12:01 A.M. 01/01/2011 forms a part of

policy No. XWC 488-05-41 issued to MUNICIPAL EXCESS LIABILITY
JOINT INSURANCE FUND

by NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

PAYROLL AUDIT ENDORSEMENT

This endorsement modifies insurance provided under the following:

EXCESS WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

It is hereby agreed that Part Five, Premium, C. Final Premium section,

"The deposit premium shown on the Information Page is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis which 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."

is deleted in its entirety from this policy and replaced by the following:

"The deposit premium shown on the Information Page is an estimate. The final premium will be determined after this policy ends by using the estimated payroll plus the payroll and all other remuneration paid or payable during the policy period by a new member which has been added during the policy for the services of:

1. all officers and employees of any such new member engaged in work covered by this policy; and



NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

NY/NJ Zone Service Center
101 Hudson Street, 19th FL
Jersey City, NJ 07302
(212) 458-3066

CHARTIS

MARCH 4, 2011

CONNER STRONG COMPANIES INC
9 CAMPUS DRIVE
PARSIPPANY, NJ 07054
ATTN: JOE HRUBASH

RE:	Named Insured:	MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
	Policy #:	XWC488-05-41
	Effective:	01/01/2011

Dear JOE,

Enclosed please find a copy of the policy issued to the insured referenced above.

Upon review of the policy, we believe it is complete and accurate based upon the requirements noted on the binder. If you discover anything in which you believe to be incomplete or inaccurate, please contact your underwriter so corrections can be made immediately.

We appreciate your business. **Your satisfaction is our #1 Priority!**

Sincerely,

Nicole Schneider
Service Specialist

POLICYHOLDER NOTICE

Thank you for purchasing insurance from the Chartis companies. Chartis insurance companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by Chartis insurance companies to brokers and independent agents in the United States by visiting our website at www.chartisinsurance.com/producercompensation or by calling 1-800-706-3102.

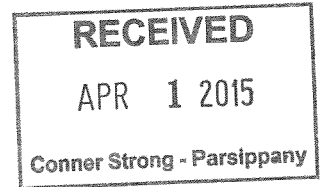


A member of the Tokio Marine Group

1832 Schuetz Road
St. Louis, MO 63146-3540
888.995.5300 • 314.995.5300

March 16, 2015

Mr. Joseph Hrubash
Conner Strong Companies Inc.
9 Campus Dr., Ste. 16
Parsippany, NJ 07054



**RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
SP 4045398
1/1/2014 – 1/1/2016**

Dear Joseph:

Please find enclosed the original and two copies of the above captioned policy, effective January 1, 2015, which we would appreciate you forwarding to the insured. Also enclosed are copies of the Certificate of Insurance that was mailed to the state and a Trust Certificate for your use in confirming member coverage.

In accordance with the Association Rules, members are listed as "On File with the Corporation". Please provide a member list on a quarterly basis, showing deletion dates of members who have left the fund and addition dates of new members. Please attach new member worksheets along with employee concentration with the quarterly list.

Please continue to submit detailed loss runs on a quarterly basis.

If you have any questions, please feel free to contact me at 314-692-1388. Thank you for placing this account with Safety National.

Sincerely,

Brad Ogle
Assistant Vice President Excess WC - Associations

BO:st
Enclosures

SAFETY NATIONAL CASUALTY CORPORATION

PRIVACY STATEMENT

Our Commitment To Our Customers

Safety National Casualty Corporation ("Safety National") is proud to have provided quality products and services to its customers for over 50 years. We greatly appreciate the trust that you and all of our customers place in us. We protect that trust by respecting the privacy of all of our customers, both present and past. The following will explain our privacy practices so that you will understand our commitment to your privacy.

We Respect Your Privacy

When you apply to Safety National for any type of insurance, you disclose information about you to us. The collection, use and disclosure of such information is regulated by law. Safety National and its affiliates maintain physical, electronic and procedural safeguards that comply with state and federal regulations to guard your personal information. Our employees are also advised of the importance of maintaining the confidentiality of your information.

Types Of Information We Collect

Safety National obtains most of our information directly from you, your agent or broker. The application you complete, as well as any additional information you provide, generally gives us most of the details we need to know. Depending on the nature of your insurance transaction, we may need further details about you.

We may obtain information from third parties, such as other insurance or reinsurance companies, medical providers, government agencies, information clearinghouses and other public records. We may also obtain information about you from your other transactions with us, our affiliates or others.

What We Do With Your Information

Information that has been collected about you will be retained in our files. We will review your information in evaluating your request for insurance coverage, determining your rates or underwriting risk, servicing your policy or adjusting claims. We may retain information about our former customers and would disclose that information only to affiliates and to non-affiliates as described in this notice or as otherwise permitted by law.

To Whom Do We Disclose Your Information

We will not disclose any non-public, personal information about our customers or former customers, except as permitted by law. That means we may disclose information we have collected about you to the following types of third parties:

- Our affiliated companies (Members and subsidiaries of the Tokio Marine Holdings, Inc. group of companies).
- Your agent or broker.
- Parties who perform a business or insurance function for Safety National, including reinsurance, underwriting, claims administration or adjusting, investigation, loss control and computer systems companies.
- Other insurance companies or agents as reasonably necessary concerning your application, policy or claim.
- Insurance regulatory or statistical reporting agencies.
- Law enforcement or governmental authorities in connection with suspected fraud or illegal activities.
- Authorized persons as ordered by subpoena, warrant or court order, or as required by law.

We do not disclose any non-public, personal information about you to non-affiliated companies for marketing purposes or for any other purpose except those specifically allowed by law and described above.

Independent Sales Agents or Brokers

Your policy may have been placed with us through an independent agent or broker ("Sales Agent"). Your Sales Agent may have gathered information about you. The use and protection of information obtained by your Sales Agent is their responsibility, not Safety National's. If you have questions about how your Sales Agent uses or discloses your information, please contact them directly.



- BENEFIT INFORMATION -

*Available Exclusively to Safety National's Excess and Large Deductible
Workers' Compensation Policyholders*

SAFETY NATIONAL CRISIS PROTECTION NOTIFICATION EMAIL ADDRESS:
crisisprotection@safetynational.com

SAFETY NATIONAL CRISIS PROTECTION 24-HOUR HOTLINE:
(855) 887-3254

DEFINITIONS

- A. Domestic Crisis Event** means a man-made emergency situation limited to an explosion, arson, bombing, workplace violence, structural fire or a vehicular accident occurring entirely in the United States and/or any territories or possessions of the same. Domestic Crisis Event also means a natural disaster at owned, leased or designated workplace locations limited to a tornado, explosion, wildfire, structural fire, earthquake and any resulting tsunami, hurricane or flood occurring entirely in the United States and/or any territories or possessions of the same. In order to qualify as a Domestic Crisis Event, an event must directly involve the death of two (2) or more of Your Employees. Safety National Casualty Corporation ("Safety National") shall solely determine what qualifies as a Domestic Crisis Event for purposes of this benefit.
- B. International Extraction Crisis Event** means an international crisis directly involving Your Employees and resulting in their immediate need of removal from a geographic location to avoid imminent serious injury or death as the result of an existing emergency situation. An International Extraction Crisis Event is limited to employee extraction from a man-made emergency situation only as the result of an explosion, arson, bombing, riot, or government collapse and political unrest. An International Extraction Crisis Event that necessitates employee extraction as the result of a natural disaster is limited to a tornado, explosion, wildfire, earthquake and any resulting tsunami, cyclone/typhoon/hurricane or flood. Safety National shall solely determine what qualifies as an International Extraction Crisis Event for purposes of this benefit.
- C. Your Employees** means any of Your full-time employees that are direct employees of Your company and directly involved in a qualifying event. It specifically excludes any contractors, temporary or part-time workers. Safety National specifically restricts Safety National Crisis Protection to, and will only provide benefits for, Your Employees who are directly covered by any excess or large deductible workers' compensation insurance policy issued to You by Safety National and who are currently employed at the time of the qualifying event.

* Safety National Crisis Protection is a complimentary benefit for Safety National's excess and large deductible workers' compensation customers only and is NOT an insurance coverage or policy of any type.

- D. **Immediate Family Member** means spouse, child or children and parents of Your Employee directly involved in a Domestic Crisis Event.
- E. **You, Your and Yours** shall refer to an excess or large deductible workers' compensation policyholder of Safety National who has an active and fully-paid policy at the time of the qualifying event.
- F. **Warning Country** shall refer to any country, territory, province or geographical location listed by the United States Department of State at <http://travel.state.gov/content/passports/english/alertswarnings.html> as a location for which a travel warning has been issued and is currently active. Safety National shall solely determine whether a certain country, territory, province or geographical location is considered a Warning Country at the time of the qualifying event.
- G. **Sanctioned Country** shall refer to any country, territory, province or geographical location listed by the United States Department of the Treasury at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx> as the subject of any current Office of Foreign Assets Control ("OFAC") sanctions program. Safety National shall solely determine whether a certain country, territory, province or geographical location is considered a Sanctioned Country at the time of the qualifying event.

YOUR BENEFITS UNDER SAFETY NATIONAL CRISIS PROTECTION*

As a valued policyholder, Safety National has developed the Safety National Crisis Protection program as a complimentary benefit available to You. If a qualifying Domestic Crisis Event occurs that directly involves You as a Safety National excess or large deductible workers' compensation policyholder, Safety National will pay to cover the cost of either a Safety National approved crisis management firm, crisis response firm, public relations firm and/or for emergency psychological services up to the annual, aggregate limit of the benefit. If You choose to use an unapproved vendor, reimbursement will be made directly to You for services that are approved by Safety National, up to the annual, aggregate limit of this benefit.

In the event that a qualifying International Extraction Crisis Event occurs that directly involves You as a Safety National excess or large deductible workers' compensation policyholder, Safety National will reimburse You to cover the cost of expenses approved by Safety National involving an employee extraction firm of Your choice. With respect to any International Extraction Crisis Event, Safety National will provide this benefit for qualifying events anywhere in the world outside the United States or United States possessions and territories, except for events that occur in any country, territory, province or geographical location listed as a Warning Country by the United States Department of State on the initial date that You report the International Extraction Crisis Event to Safety National. Safety National will also not provide this benefit for events that occur in any country, territory, province or geographical location listed by the United States Department of Treasury as the subject of any current Office of Foreign Assets Control ("OFAC") sanctions program on the initial date that You report the International Extraction Crisis Event to Safety National.

The total annual, aggregate limit for a Domestic Crisis Event, an International Extraction Crisis Event, or any combination of the two is \$50,000 for any active excess or large deductible workers' compensation policy year. In the case of a multi-year excess or large deductible workers' compensation policy, the \$50,000 annual, aggregate limit shall renew on the annual anniversary date of such multi-year policy. There is no sublimit for a Domestic Crisis Event or International Extraction Crisis Event but in no instance will Safety National pay an approved vendor and/or reimburse You more than \$50,000 in any one-year period. For the sake of clarity, Safety National will only pay up to

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the maximum of \$50,000 in any one year that coincides with your active and fully-paid excess or large deductible workers' compensation insurance policy with Safety National. The annual, aggregate benefit limit of \$50,000 shall apply regardless of the number of policies You have with Safety National.

SCOPE OF BENEFITS UNDER SAFETY NATIONAL CRISIS PROTECTION*

In order to take advantage of this benefit: (1) the Domestic Crisis Event or International Extraction Crisis Event must directly involve Your business and occur within the period of coverage provided by Safety National to You under an active and fully-paid excess or large deductible workers' compensation insurance policy; (2) the facts, circumstances, pre-existing condition(s) or situation(s) that lead up to the Domestic Crisis Event or International Extraction Crisis Event were not known to You in advance; and (3) the Domestic Crisis Event or International Extraction Crisis Event had not affected Your operation in any way before the current policy period began.

Since Safety National has approved vendors for Domestic Crisis Events, you can contact them via the following 24-hour hotline as soon as the event occurs:

(855) 887-3254. Black Swan Solutions is the Safety National approved vendor for Crisis Management and Counseling and takes all incoming calls regarding Domestic Crisis Events. In the event You need to get in contact with another approved vendor for a Crisis Communication/Public Relations situation, Black Swan Solutions will route Your call to the appropriate vendor. During Your initial call with Black Swan Solutions, You must provide: (1) Your active excess or large deductible workers' compensation account name, (2) Your policy number and (3) the effective date of that policy.

If an International Extraction Crisis Event occurs, since there are no approved vendors, You should contact the vendor of Your choice and Safety National will reimburse you for those approved costs up to the above listed annual, aggregate limit.

In addition to contacting a vendor, **You must notify Safety National within five (5) business days of any Domestic Crisis Event or International Extraction Crisis Event which may result in any benefits under Safety National Crisis Protection at the following email address: crisisprotection@safetynational.com.** Failure to do so may void this benefit and any payments or reimbursements by Safety National. This email address is also listed at the beginning of this benefit information packet. Further written notification regarding specifics of the qualifying event must be made as soon as possible after the initial email notification. The written notification must include when, where and how the Domestic Crisis Event or International Extraction Crisis Event occurred, and the nature of the injuries or damages You have experienced to date as well as those You expect to experience as a result of the Domestic Crisis Event or International Extraction Crisis Event. **Any notice You provide to Black Swan Solutions and/or Safety National under this Safety National Crisis Protection benefit program shall NOT be considered a notice of loss under any Safety National excess or large deductible workers' compensation insurance policy.**

All invoices and receipts relating to any request for direct vendor payment and/or reimbursement to You under this benefit must be submitted to Safety National for payment within sixty (60) days from the original date they were generated. Any older invoices or receipts will not be paid by Safety National.

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SAFETY NATIONAL CASUALTY CORPORATION
1832 SCHUETZ ROAD
ST. LOUIS, MO 63146

ANNIVERSARY DECLARATIONS – SPECIFIC EXCESS

SP 4050238

Item 1. Employer: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND INCLUDING ONLY THE INSURED MEMBERS OF THE FUND ON FILE WITH THE CORPORATION (PER ENDORSEMENT 0411)

Address: 9 CAMPUS DRIVE, SUITE 16, PARSIPPANY, NJ 07054

Item 2. This Agreement covers all business operations of the EMPLOYER as a Self-Insurer in the following State(s): NEW JERSEY

Item 3. Effective Date: 12:01 A.M. January 01, 2014

Item 4. Anniversary Date: 12:01 A.M. January 01, 2016

Item 5. The Service Company shall be QUAL-LYNX

Item 6.	CLASSIFICATIONS OF OPERATIONS	Code Number	Estimated Total Annual Remuneration/Manhours	Rate Per \$ 100 Remuneration/Manhours
	See Attached			

Total Estimated Manual Premium	N/A
SNCC Experience Modification Factor	N/A
Total Estimated Standard Premium	N/A

Item 7. Self-Insured Retention Per Occurrence \$ 2,000,000

Item 8. (a) Maximum Limit of Indemnity Per Occurrence Statutory
(b) Employers' Liability Maximum Limit of Indemnity Per Occurrence \$ 5,000,000

Item 9. Premium Rate See Endt 0342

Item 10. Minimum Premium for the Liability Period \$ 5,463,894

Item 11. Deposit Premium for the Payroll Reporting Period \$ 2,809,711

Item 12. Payroll Reporting Period Annually beginning January 01, 2015

Item 13. Endorsements See Endorsement Schedule

Signed at St. Louis, Missouri on March 10, 2015



Secretary

Countersigned this day of

By: N/A

DSP-0195A

ITEM 6

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

Declarations:

St	Classifications of Operations	Code No.	Estimated Total Annual Remuneration/ Manhours	Rate per \$100 Remuneration/ Manhours	Estimated Premium
NJ	Street Or Road Maintenance - Municipal - County Or State Departments & Drivers	5509	\$ 197,666,591	N/A	N/A
	Landfill	6217	\$ 2,390,691		
	Waterworks Operation & Drivers	7520	\$ 69,478,507		
	Electric Light Or Power Co NOC & Drivers	7539	\$ 10,054,095		
	Sewerage Disposal Plant Operation & Drivers	7580	\$ 87,303,934		
	Firemen - Paid & Drivers	7711	\$ 179,152,503		
	Firemen - Volunteer & Drivers	7711.B	\$ 20,959,425		
	First Aid Or Rescue Squad - Paid & Drivers	7715	\$ 23,379,856		
	First Aid Or Rescue Squad - Volunteer & Drivers	7715.B	\$ 8,737,922		
	Sheriff's Officers, Policemen Or Correctional Institution	7720	\$ 1,102,403,398		
	Salespersons-Outside	8742	\$ 1,421,864		
	Clerical Office Employees NOC	8810	\$ 419,019,798		
	Clerical Office Employees NOC (Police Dept)	8810.B	\$ 79,164,906		
	Clerical Office Employees NOC	88102	\$ 6,243,109		
	Clerical Office Employees NOC	88103	\$ 5,075,217		
	Library - Public - Professional Employees & Clerical	8838	\$ 77,772,847		
	Buildings NOC - Operation By Owner Or Lessee	9015	\$ 48,401,432		
	Housing Authority - Clerical, Salespersons, & Drivers	9033	\$ 89,644,936		
	Park NOC & Drivers	9102	\$ 88,324,283		
	Street Cleaning & Drivers	9402	\$ 13,492,517		
	Garbage Collection & Drivers	9403	\$ 77,500,469		
	Municipal, Township, County Or State Employee NOC	9410	\$ 220,138,689		
	Municipal, Township, County Or State Employee NOC	9410.B	\$ 13,234,155		
			\$ 2,840,961,144		
	Total Payroll		\$ 2,840,961,144		

1004 00 1101 (XWC)

Endorsement Schedule

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

Policy No: SP 4050238

Effective Date: 12:01 A.M. January 01, 2015

Number	Title
0411 00 0196 (XWC)	INSURED MEMBERS OF ASSOCIATION
0026 00 1291 (XWC)	NEW JERSEY AMENDMENT REGARDING INSOLVENCY AND CANCELLATION
0242 00 1291 (XWC)	LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT
0276 02 0408 (XWC)	BROAD FORM ALL STATES FOR EMPLOYEE TRAVEL
0277 00 1291 (XWC)	DEPOSIT PREMIUM PAYMENT
0322 01 1198 (XWC)	120-DAYS NOTICE OF CANCELLATION
0342 01 0892 (XWC)	PREMIUM RATES
0346 01 0908 (XWC)	LIMITED SAME COMMUNICABLE DISEASE-SPECIFIC EXCESS
0428 01 0307 (XWC)	FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE
0436 00 1096 (XWC)	UNINTENTIONAL ERROR AND OMISSIONS BY EMPLOYER
0451 08 0112 (XWC)	REVISED PREMIUM SECTION ENDORSEMENT
0454 00 0697 (XWC)	MARITIME COVERAGE ENDORSEMENT (LIMITED TO A STATE BENEFIT)
0817 01 0112 (XWC)	EMPLOYER DEFINITION
1061 11 0115 (XWC)	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
1180 02 0112 (XWC)	REVISED INSPECTION AND AUDIT SECTION ENDORSEMENT
2010 02 1208 (XWC)	REVISED INTENTIONAL TORT AND UNLAWFUL EMPLOYMENT PRACTICES EXCLUSION - SPECIFIC EXCESS AGREEMENTS

0277 00 1291 (XWC)

ENDORSEMENT

DEPOSIT PREMIUM PAYMENT

Effective 12:01 A.M., Local Time, January 01, 2015

It is hereby understood and agreed that the Deposit Premium of \$ 2,809,711, shall be payable as follows:

\$ 936,757.00 due January 01, 2015

\$ 936,477.00 due February 15, 2015

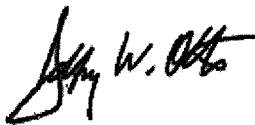
\$ 936,477.00 due April 01, 2015

All payments made by the EMPLOYER shall be credited against the Earned Premium as determined by audit performed following the expiration of the Liability Period of this Agreement.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary


President

ENDORSEMENT

FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE

Effective 12:01 A.M., Local Time, January 01, 2015

SECTION 1. SCOPE OF INSURANCE

- A The insurance afforded by this Agreement also applies to Employees, as defined in Section 2 of this Endorsement, who are employed to work at locations within the following country or countries:
- anywhere in the world outside the United States or United States possessions and territories, except: Afghanistan, Algeria, Belarus, Burma, Burundi, Central African Republic, Chad, Colombia, Cote d'Ivoire, Cuba, Democratic Republic of Congo, El Salvador, Eritrea, Guinea, Haiti, Honduras, Iran, Iraq, Israel, Kenya, Lebanon, Libya, Mali, Mauritania, Niger, Nigeria, North Korea, Pakistan, Philippines, Republic of South Sudan, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, Ukraine, Venezuela, West Bank and Gaza, Yemen, and Zimbabwe.*
- B Benefits payable under this Endorsement are the same as those that would be payable if the Employees in question were subject to the Worker's Compensation Law of the following State or States: NEW JERSEY
- C Benefits payable under this Endorsement shall include repatriation expense in an amount up to \$ 25,000 with respect to any one Employee and as otherwise subject to the CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability.
- D The CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability is limited to \$ 100,000 and applies in excess of the Self-Insured Retention Per Occurrence.

SECTION 2. EMPLOYEES COVERED

- A It is agreed that the insurance provided by this Agreement also applies to those Employees of the EMPLOYER who are hired or assigned by the EMPLOYER to work at locations within the country or countries not excluded in this Endorsement.
- B This insurance, with respect to any such Employee, shall attach from the moment such Employee is hired or assigned for such work and shall cease from the moment the employment or assignment for such work is terminated. If the Employee has been hired in the United States of America, coverage continues after termination of employment until the Employee returns to the United States of America or for a reasonable period of time for the opportunity to return to the United States of America, unless termination of employment is due to the Employee's resignation.
- C This insurance shall not apply to persons other than citizens or residents of the United States of America within the country or countries stated in this Endorsement except as stated herein: NONE
- D The benefits payable hereunder shall also be deemed payable to or for an Employee who contracts an endemic disease, providing that such disease shall have manifested itself within thirty (30) days from the moment such Employee's employment or assignment for such work is terminated.

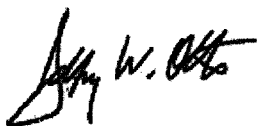
0428 01 0307 (XWC)

ENDORSEMENT (CONTINUED)

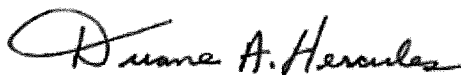
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary


President

ENDORSEMENT

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Effective 12:01 A.M., Local Time, January 01, 2015

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

Coverage for workers' compensation losses caused by certified acts of terrorism is included in this Agreement as set forth under the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015 (collectively, "the Act").

For purposes of this Endorsement, a "certified act of terrorism" is defined as any act:

- a. That is certified by the Secretary of the Treasury in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism within certification time frames prescribed in the Act; and,
- b. That is violent or dangerous to human life, property or infrastructure; and,
- c. That results 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,
- d. 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.

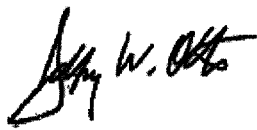
Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your Agreement, and any applicable federal and/or state laws, rules, or regulations. Under the Act, terrorism losses would be partially reimbursed by the U.S. Government under a formula established by the Act. Under this formula, the U.S. Government would generally reimburse between 80% to 85% of covered terrorism losses exceeding a deductible paid by the CORPORATION. The Act contains a \$100 million annual program trigger for 2015 and an increasing trigger amount each year of up to a \$200 million annual program trigger for 2020 and limits on the reimbursement from the U.S. Government as well as from all insurers. If aggregate insured losses for all insurers exceed program caps, the EMPLOYER's coverage may be reduced.

The portion of the EMPLOYER'S annual premium that is attributable to coverage for losses caused by a certified act of terrorism is: 0.5%.

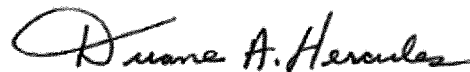
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SAFETY NATIONAL CASUALTY CORPORATION



Secretary



Duane A. Hercules
President



- BENEFIT INFORMATION -

Available Exclusively to Safety National's Excess and Large Deductible Workers' Compensation Policyholders

SAFETY NATIONAL CRISIS PROTECTION NOTIFICATION EMAIL ADDRESS:
crisisprotection@safetynational.com

SAFETY NATIONAL CRISIS PROTECTION 24-HOUR HOTLINE:
(855) 887-3254

DEFINITIONS

- A. **Domestic Crisis Event** means a man-made emergency situation limited to an explosion, arson, bombing, workplace violence, structural fire or a vehicular accident occurring entirely in the United States and/or any territories or possessions of the same. Domestic Crisis Event also means a natural disaster at owned, leased or designated workplace locations limited to a tornado, explosion, wildfire, structural fire, earthquake and any resulting tsunami, hurricane or flood occurring entirely in the United States and/or any territories or possessions of the same. In order to qualify as a Domestic Crisis Event, an event must directly involve the death of two (2) or more of Your Employees. Safety National Casualty Corporation ("Safety National") shall solely determine what qualifies as a Domestic Crisis Event for purposes of this benefit.
- B. **International Extraction Crisis Event** means an international crisis directly involving Your Employees and resulting in their immediate need of removal from a geographic location to avoid imminent serious injury or death as the result of an existing emergency situation. An International Extraction Crisis Event is limited to employee extraction from a man-made emergency situation only as the result of an explosion, arson, bombing, riot, or government collapse and political unrest. An International Extraction Crisis Event that necessitates employee extraction as the result of a natural disaster is limited to a tornado, explosion, wildfire, earthquake and any resulting tsunami, cyclone/typhoon/hurricane or flood. Safety National shall solely determine what qualifies as an International Extraction Crisis Event for purposes of this benefit.
- C. **Your Employees** means any of Your full-time employees that are direct employees of Your company and directly involved in a qualifying event. It specifically excludes any contractors, temporary or part-time workers. Safety National specifically restricts Safety National Crisis Protection to, and will only provide benefits for, Your Employees who are directly covered by any excess or large deductible workers' compensation insurance policy issued to You by Safety National and who are currently employed at the time of the qualifying event.

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- D. **Immediate Family Member** means spouse, child or children and parents of Your Employee directly involved in a Domestic Crisis Event.
- E. **You, Your and Yours** shall refer to an excess or large deductible workers' compensation policyholder of Safety National who has an active and fully-paid policy at the time of the qualifying event.
- F. **Warning Country** shall refer to any country, territory, province or geographical location listed by the United States Department of State at <http://travel.state.gov/content/passports/english/alertswarnings.html> as a location for which a travel warning has been issued and is currently active. Safety National shall solely determine whether a certain country, territory, province or geographical location is considered a Warning Country at the time of the qualifying event.
- G. **Sanctioned Country** shall refer to any country, territory, province or geographical location listed by the United States Department of the Treasury at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx> as the subject of any current Office of Foreign Assets Control ("OFAC") sanctions program. Safety National shall solely determine whether a certain country, territory, province or geographical location is considered a Sanctioned Country at the time of the qualifying event.

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As a valued policyholder, Safety National has developed the Safety National Crisis Protection program as a complimentary benefit available to You. If a qualifying Domestic Crisis Event occurs that directly involves You as a Safety National excess or large deductible workers' compensation policyholder, Safety National will pay to cover the cost of either a Safety National approved crisis management firm, crisis response firm, public relations firm and/or for emergency psychological services up to the annual, aggregate limit of the benefit. If You choose to use an unapproved vendor, reimbursement will be made directly to You for services that are approved by Safety National, up to the annual, aggregate limit of this benefit.

In the event that a qualifying International Extraction Crisis Event occurs that directly involves You as a Safety National excess or large deductible workers' compensation policyholder, Safety National will reimburse You to cover the cost of expenses approved by Safety National involving an employee extraction firm of Your choice. With respect to any International Extraction Crisis Event, Safety National will provide this benefit for qualifying events anywhere in the world outside the United States or United States possessions and territories, except for events that occur in any country, territory, province or geographical location listed as a Warning Country by the United States Department of State on the initial date that You report the International Extraction Crisis Event to Safety National. Safety National will also not provide this benefit for events that occur in any country, territory, province or geographical location listed by the United States Department of Treasury as the subject of any current Office of Foreign Assets Control ("OFAC") sanctions program on the initial date that You report the International Extraction Crisis Event to Safety National.

The total annual, aggregate limit for a Domestic Crisis Event, an International Extraction Crisis Event, or any combination of the two is \$50,000 for any active excess or large deductible workers' compensation policy year. In the case of a multi-year excess or large deductible workers' compensation policy, the \$50,000 annual, aggregate limit shall renew on the annual anniversary date of such multi-year policy. There is no sublimit for a Domestic Crisis Event or International Extraction Crisis Event but in no instance will Safety National pay an approved vendor and/or reimburse You more than \$50,000 in any one-year period. For the sake of clarity, Safety National will only pay up to

* Safety National Crisis Protection is a complimentary benefit for Safety National's excess and large deductible workers' compensation customers only and is NOT an insurance coverage or policy of any type.

the maximum of \$50,000 in any one year that coincides with your active and fully-paid excess or large deductible workers' compensation insurance policy with Safety National. The annual, aggregate benefit limit of \$50,000 shall apply regardless of the number of policies You have with Safety National.

SCOPE OF BENEFITS UNDER SAFETY NATIONAL CRISIS PROTECTION*

In order to take advantage of this benefit: (1) the Domestic Crisis Event or International Extraction Crisis Event must directly involve Your business and occur within the period of coverage provided by Safety National to You under an active and fully-paid excess or large deductible workers' compensation insurance policy; (2) the facts, circumstances, pre-existing condition(s) or situation(s) that lead up to the Domestic Crisis Event or International Extraction Crisis Event were not known to You in advance; and (3) the Domestic Crisis Event or International Extraction Crisis Event had not affected Your operation in any way before the current policy period began.

Since Safety National has approved vendors for Domestic Crisis Events, you can contact them via the following 24-hour hotline as soon as the event occurs:

(855) 887-3254. Black Swan Solutions is the Safety National approved vendor for Crisis Management and Counseling and takes all incoming calls regarding Domestic Crisis Events. In the event You need to get in contact with another approved vendor for a Crisis Communication/Public Relations situation, Black Swan Solutions will route Your call to the appropriate vendor. During Your initial call with Black Swan Solutions, You must provide: (1) Your active excess or large deductible workers' compensation account name, (2) Your policy number and (3) the effective date of that policy.

If an International Extraction Crisis Event occurs, since there are no approved vendors, You should contact the vendor of Your choice and Safety National will reimburse you for those approved costs up to the above listed annual, aggregate limit.

In addition to contacting a vendor, You must notify Safety National within five (5) business days of any Domestic Crisis Event or International Extraction Crisis Event which may result in any benefits under Safety National Crisis Protection at the following email address: crisisprotection@safetynational.com. Failure to do so may void this benefit and any payments or reimbursements by Safety National. This email address is also listed at the beginning of this benefit information packet. Further written notification regarding specifics of the qualifying event must be made as soon as possible after the initial email notification. The written notification must include when, where and how the Domestic Crisis Event or International Extraction Crisis Event occurred, and the nature of the injuries or damages You have experienced to date as well as those You expect to experience as a result of the Domestic Crisis Event or International Extraction Crisis Event. Any notice You provide to Black Swan Solutions and/or Safety National under this Safety National Crisis Protection benefit program shall NOT be considered a notice of loss under any Safety National excess or large deductible workers' compensation insurance policy.

All invoices and receipts relating to any request for direct vendor payment and/or reimbursement to You under this benefit must be submitted to Safety National for payment within sixty (60) days from the original date they were generated. Any older invoices or receipts will not be paid by Safety National.

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SAFETY NATIONAL CASUALTY CORPORATION
1832 SCHUETZ ROAD
ST. LOUIS, MO 63146

ANNIVERSARY DECLARATIONS – SPECIFIC EXCESS

SP 4050238

Item 1. Employer: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND INCLUDING ONLY THE INSURED MEMBERS OF THE FUND ON FILE WITH THE CORPORATION (PER ENDORSEMENT 0411)

Address: 9 CAMPUS DRIVE, SUITE 16, PARSIPPANY, NJ 07054

Item 2. This Agreement covers all business operations of the EMPLOYER as a Self-Insurer in the following State(s): NEW JERSEY

Item 3. Effective Date: 12:01 A.M. January 01, 2014

Item 4. Anniversary Date: 12:01 A.M. January 01, 2016

Item 5. The Service Company shall be QUAL-LYNX

Item 6. CLASSIFICATIONS OF OPERATIONS	Code Number	Estimated Total Annual Remuneration/Manhours	Rate Per \$ 100 Remuneration/Manhours
See Attached			

Total Estimated Manual Premium	N/A
SNCC Experience Modification Factor	N/A
Total Estimated Standard Premium	N/A

Item 7. Self-Insured Retention Per Occurrence \$ 2,000,000

Item 8. (a) Maximum Limit of Indemnity Per Occurrence Statutory
(b) Employers' Liability Maximum Limit of Indemnity Per Occurrence \$ 5,000,000

Item 9. Premium Rate See Endt 0342

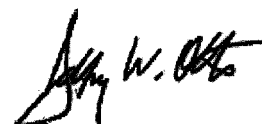
Item 10. Minimum Premium for the Liability Period \$ 5,463,894

Item 11. Deposit Premium for the Payroll Reporting Period \$ 2,809,711

Item 12. Payroll Reporting Period Annually beginning January 01, 2015

Item 13. Endorsements See Endorsement Schedule

Signed at St. Louis, Missouri on March 10, 2015



Secretary

Countersigned this day of

By: _____ N/A

DSP-0195A

1005 00 1101 (XWC)

ITEM 6

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

Policy No: SP 4050238

Effective Date: 12:01 A.M. January 01, 2015

Declarations:

Item 6.

St	Classifications of Operations	Code No.	Estimated Total Annual Remuneration/ Manhours	Rate per \$100 Remuneration/ Manhours	Estimated Premium
NJ	Street Or Road Maintenance - Municipal - County Or State Departments & Drivers	5509	\$ 197,666,591	N/A	N/A
	Landfill	6217	\$ 2,390,691		
	Waterworks Operation & Drivers	7520	\$ 69,478,507		
	Electric Light Or Power Co NOC & Drivers	7539	\$ 10,054,095		
	Sewerage Disposal Plant Operation & Drivers	7580	\$ 87,303,934		
	Firemen - Paid & Drivers	7711	\$ 179,152,503		
	Firemen - Volunteer & Drivers	7711.B	\$ 20,959,425		
	First Aid Or Rescue Squad - Paid & Drivers	7715	\$ 23,379,856		
	First Aid Or Rescue Squad - Volunteer & Drivers	7715.B	\$ 8,737,922		
	Sheriff's Officers, Policemen Or Correctional Institution	7720	\$ 1,102,403,398		
	Salespersons-Outside	8742	\$ 1,421,864		
	Clerical Office Employees NOC	8810	\$ 419,019,798		
	Clerical Office Employees NOC (Police Dept)	8810.B	\$ 79,164,906		
	Clerical Office Employees NOC	88102	\$ 6,243,109		
	Clerical Office Employees NOC	88103	\$ 5,075,217		
	Library - Public - Professional Employees & Clerical	8838	\$ 77,772,847		
	Buildings NOC - Operation By Owner Or Lessee	9015	\$ 48,401,432		
	Housing Authority - Clerical, Salespersons, & Drivers	9033	\$ 89,644,936		
	Park NOC & Drivers	9102	\$ 88,324,283		
	Street Cleaning & Drivers	9402	\$ 13,492,517		
	Garbage Collection & Drivers	9403	\$ 77,500,469		
	Municipal, Township, County Or State Employee NOC	9410	\$ 220,138,689		
	Municipal, Township, County Or State Employee NOC	9410.B	\$ 13,234,155		
			\$ 2,840,961,144		
	Total Payroll		\$ 2,840,961,144		

1004 00 1101 (XWC)

Endorsement Schedule

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

Policy No: SP 4050238

Effective Date: 12:01 A.M. January 01, 2015

Number	Title
0411 00 0196 (XWC)	INSURED MEMBERS OF ASSOCIATION
0026 00 1291 (XWC)	NEW JERSEY AMENDMENT REGARDING INSOLVENCY AND CANCELLATION
0242 00 1291 (XWC)	LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT
0276 02 0408 (XWC)	BROAD FORM ALL STATES FOR EMPLOYEE TRAVEL
0277 00 1291 (XWC)	DEPOSIT PREMIUM PAYMENT
0322 01 1198 (XWC)	120-DAYS NOTICE OF CANCELLATION
0342 01 0892 (XWC)	PREMIUM RATES
0346 01 0908 (XWC)	LIMITED SAME COMMUNICABLE DISEASE-SPECIFIC EXCESS
0428 01 0307 (XWC)	FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE
0436 00 1096 (XWC)	UNINTENTIONAL ERROR AND OMISSIONS BY EMPLOYER
0451 08 0112 (XWC)	REVISED PREMIUM SECTION ENDORSEMENT
0454 00 0697 (XWC)	MARITIME COVERAGE ENDORSEMENT (LIMITED TO A STATE BENEFIT)
0817 01 0112 (XWC)	EMPLOYER DEFINITION
1061 11 0115 (XWC)	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
1180 02 0112 (XWC)	REVISED INSPECTION AND AUDIT SECTION ENDORSEMENT
2010 02 1208 (XWC)	REVISED INTENTIONAL TORT AND UNLAWFUL EMPLOYMENT PRACTICES EXCLUSION - SPECIFIC EXCESS AGREEMENTS

0277 00 1291 (XWC)

ENDORSEMENT

DEPOSIT PREMIUM PAYMENT

Effective 12:01 A.M., Local Time, January 01, 2015

It is hereby understood and agreed that the Deposit Premium of \$ 2,809,711, shall be payable as follows:

\$ 936,757.00 due January 01, 2015

\$ 936,477.00 due February 15, 2015

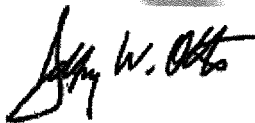
\$ 936,477.00 due April 01, 2015

All payments made by the EMPLOYER shall be credited against the Earned Premium as determined by audit performed following the expiration of the Liability Period of this Agreement.

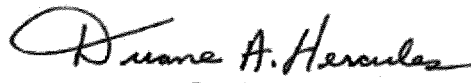
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary


President

ENDORSEMENT

FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE

Effective 12:01 A.M., Local Time, January 01, 2015

SECTION 1. SCOPE OF INSURANCE

- A The insurance afforded by this Agreement also applies to Employees, as defined in Section 2 of this Endorsement, who are employed to work at locations within the following country or countries:
- anywhere in the world outside the United States or United States possessions and territories, except: Afghanistan, Algeria, Belarus, Burma, Burundi, Central African Republic, Chad, Colombia, Cote d'Ivoire, Cuba, Democratic Republic of Congo, El Salvador, Eritrea, Guinea, Haiti, Honduras, Iran, Iraq, Israel, Kenya, Lebanon, Libya, Mali, Mauritania, Niger, Nigeria, North Korea, Pakistan, Philippines, Republic of South Sudan, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, Ukraine, Venezuela, West Bank and Gaza, Yemen, and Zimbabwe.*
- B Benefits payable under this Endorsement are the same as those that would be payable if the Employees in question were subject to the Worker's Compensation Law of the following State or States: NEW JERSEY
- C Benefits payable under this Endorsement shall include repatriation expense in an amount up to \$ 25,000 with respect to any one Employee and as otherwise subject to the CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability.
- D The CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability is limited to \$ 100,000 and applies in excess of the Self-Insured Retention Per Occurrence.

SECTION 2. EMPLOYEES COVERED

- A It is agreed that the insurance provided by this Agreement also applies to those Employees of the EMPLOYER who are hired or assigned by the EMPLOYER to work at locations within the country or countries not excluded in this Endorsement.
- B This insurance, with respect to any such Employee, shall attach from the moment such Employee is hired or assigned for such work and shall cease from the moment the employment or assignment for such work is terminated. If the Employee has been hired in the United States of America, coverage continues after termination of employment until the Employee returns to the United States of America or for a reasonable period of time for the opportunity to return to the United States of America, unless termination of employment is due to the Employee's resignation.
- C This insurance shall not apply to persons other than citizens or residents of the United States of America within the country or countries stated in this Endorsement except as stated herein: NONE
- D The benefits payable hereunder shall also be deemed payable to or for an Employee who contracts an endemic disease, providing that such disease shall have manifested itself within thirty (30) days from the moment such Employee's employment or assignment for such work is terminated.

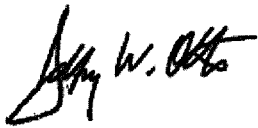
0428 01 0307 (XWC)

ENDORSEMENT (CONTINUED)

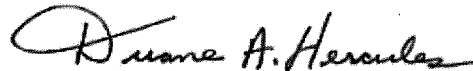
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary


President

COPY

ENDORSEMENT

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Effective 12:01 A.M., Local Time, January 01, 2015

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

Coverage for workers' compensation losses caused by certified acts of terrorism is included in this Agreement as set forth under the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015 (collectively, "the Act").

For purposes of this Endorsement, a "certified act of terrorism" is defined as any act:

- a. That is certified by the Secretary of the Treasury in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism within certification time frames prescribed in the Act; and,
- b. That is violent or dangerous to human life, property or infrastructure; and,
- c. That results 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,
- d. 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.

Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your Agreement, and any applicable federal and/or state laws, rules, or regulations. Under the Act, terrorism losses would be partially reimbursed by the U.S. Government under a formula established by the Act. Under this formula, the U.S. Government would generally reimburse between 80% to 85% of covered terrorism losses exceeding a deductible paid by the CORPORATION. The Act contains a \$100 million annual program trigger for 2015 and an increasing trigger amount each year of up to a \$200 million annual program trigger for 2020 and limits on the reimbursement from the U.S. Government as well as from all insurers. If aggregate insured losses for all insurers exceed program caps, the EMPLOYER's coverage may be reduced.

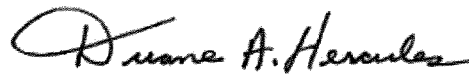
The portion of the EMPLOYER'S annual premium that is attributable to coverage for losses caused by a certified act of terrorism is: 0.5%.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION


Secretary


President

SAFETY NATIONAL CASUALTY CORPORATION

PRIVACY STATEMENT

Our Commitment To Our Customers

Safety National Casualty Corporation ("Safety National") is proud to have provided quality products and services to its customers for over 50 years. We greatly appreciate the trust that you and all of our customers place in us. We protect that trust by respecting the privacy of all of our customers, both present and past. The following will explain our privacy practices so that you will understand our commitment to your privacy.

We Respect Your Privacy

When you apply to Safety National for any type of insurance, you disclose information about you to us. The collection, use and disclosure of such information is regulated by law. Safety National and its affiliates maintain physical, electronic and procedural safeguards that comply with state and federal regulations to guard your personal information. Our employees are also advised of the importance of maintaining the confidentiality of your information.

Types Of Information We Collect

Safety National obtains most of our information directly from you, your agent or broker. The application you complete, as well as any additional information you provide, generally gives us most of the details we need to know. Depending on the nature of your insurance transaction, we may need further details about you.

We may obtain information from third parties, such as other insurance or reinsurance companies, medical providers, government agencies, information clearinghouses and other public records. We may also obtain information about you from your other transactions with us, our affiliates or others.

What We Do With Your Information

Information that has been collected about you will be retained in our files. We will review your information in evaluating your request for insurance coverage, determining your rates or underwriting risk, servicing your policy or adjusting claims. We may retain information about our former customers and would disclose that information only to affiliates and to non-affiliates as described in this notice or as otherwise permitted by law.

To Whom Do We Disclose Your Information

We will not disclose any non-public, personal information about our customers or former customers, except as permitted by law. That means we may disclose information we have collected about you to the following types of third parties:

- Our affiliated companies (Members and subsidiaries of the Tokio Marine Holdings, Inc. group of companies).
- Your agent or broker.
- Parties who perform a business or insurance function for Safety National, including reinsurance, underwriting, claims administration or adjusting, investigation, loss control and computer systems companies.
- Other insurance companies or agents as reasonably necessary concerning your application, policy or claim.
- Insurance regulatory or statistical reporting agencies.
- Law enforcement or governmental authorities in connection with suspected fraud or illegal activities.
- Authorized persons as ordered by subpoena, warrant or court order, or as required by law.

We do not disclose any non-public, personal information about you to non-affiliated companies for marketing purposes or for any other purpose except those specifically allowed by law and described above.

Independent Sales Agents or Brokers

Your policy may have been placed with us through an independent agent or broker ("Sales Agent"). Your Sales Agent may have gathered information about you. The use and protection of information obtained by your Sales Agent is their responsibility, not Safety National's. If you have questions about how your Sales Agent uses or discloses your information, please contact them directly.



- BENEFIT INFORMATION -

*Available Exclusively to Safety National's Excess and Large Deductible
Workers' Compensation Policyholders*

SAFETY NATIONAL CRISIS PROTECTION NOTIFICATION EMAIL ADDRESS:
crisisprotection@safetynational.com

SAFETY NATIONAL CRISIS PROTECTION 24-HOUR HOTLINE:
(855) 887-3254

DEFINITIONS

- A. **Domestic Crisis Event** means a man-made emergency situation limited to an explosion, arson, bombing, workplace violence, structural fire or a vehicular accident occurring entirely in the United States and/or any territories or possessions of the same. Domestic Crisis Event also means a natural disaster at owned, leased or designated workplace locations limited to a tornado, explosion, wildfire, structural fire, earthquake and any resulting tsunami, hurricane or flood occurring entirely in the United States and/or any territories or possessions of the same. In order to qualify as a Domestic Crisis Event, an event must directly involve the death of two (2) or more of Your Employees. Safety National Casualty Corporation ("Safety National") shall solely determine what qualifies as a Domestic Crisis Event for purposes of this benefit.
- B. **International Extraction Crisis Event** means an international crisis directly involving Your Employees and resulting in their immediate need of removal from a geographic location to avoid imminent serious injury or death as the result of an existing emergency situation. An International Extraction Crisis Event is limited to employee extraction from a man-made emergency situation only as the result of an explosion, arson, bombing, riot, or government collapse and political unrest. An International Extraction Crisis Event that necessitates employee extraction as the result of a natural disaster is limited to a tornado, explosion, wildfire, earthquake and any resulting tsunami, cyclone/typhoon/hurricane or flood. Safety National shall solely determine what qualifies as an International Extraction Crisis Event for purposes of this benefit.
- C. **Your Employees** means any of Your full-time employees that are direct employees of Your company and directly involved in a qualifying event. It specifically excludes any contractors, temporary or part-time workers. Safety National specifically restricts Safety National Crisis Protection to, and will only provide benefits for, Your Employees who are directly covered by any excess or large deductible workers' compensation insurance policy issued to You by Safety National and who are currently employed at the time of the qualifying event.

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- D. **Immediate Family Member** means spouse, child or children and parents of Your Employee directly involved in a Domestic Crisis Event.
- E. **You, Your and Yours** shall refer to an excess or large deductible workers' compensation policyholder of Safety National who has an active and fully-paid policy at the time of the qualifying event.
- F. **Warning Country** shall refer to any country, territory, province or geographical location listed by the United States Department of State at <http://travel.state.gov/content/passports/english/alertswarnings.html> as a location for which a travel warning has been issued and is currently active. Safety National shall solely determine whether a certain country, territory, province or geographical location is considered a Warning Country at the time of the qualifying event.
- G. **Sanctioned Country** shall refer to any country, territory, province or geographical location listed by the United States Department of the Treasury at <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx> as the subject of any current Office of Foreign Assets Control ("OFAC") sanctions program. Safety National shall solely determine whether a certain country, territory, province or geographical location is considered a Sanctioned Country at the time of the qualifying event.

YOUR BENEFITS UNDER SAFETY NATIONAL CRISIS PROTECTION*

As a valued policyholder, Safety National has developed the Safety National Crisis Protection program as a complimentary benefit available to You. If a qualifying Domestic Crisis Event occurs that directly involves You as a Safety National excess or large deductible workers' compensation policyholder, Safety National will pay to cover the cost of either a Safety National approved crisis management firm, crisis response firm, public relations firm and/or for emergency psychological services up to the annual, aggregate limit of the benefit. If You choose to use an unapproved vendor, reimbursement will be made directly to You for services that are approved by Safety National, up to the annual, aggregate limit of this benefit.

In the event that a qualifying International Extraction Crisis Event occurs that directly involves You as a Safety National excess or large deductible workers' compensation policyholder, Safety National will reimburse You to cover the cost of expenses approved by Safety National involving an employee extraction firm of Your choice. With respect to any International Extraction Crisis Event, Safety National will provide this benefit for qualifying events anywhere in the world outside the United States or United States possessions and territories, except for events that occur in any country, territory, province or geographical location listed as a Warning Country by the United States Department of State on the initial date that You report the International Extraction Crisis Event to Safety National. Safety National will also not provide this benefit for events that occur in any country, territory, province or geographical location listed by the United States Department of Treasury as the subject of any current Office of Foreign Assets Control ("OFAC") sanctions program on the initial date that You report the International Extraction Crisis Event to Safety National.

The total annual, aggregate limit for a Domestic Crisis Event, an International Extraction Crisis Event, or any combination of the two is \$50,000 for any active excess or large deductible workers' compensation policy year. In the case of a multi-year excess or large deductible workers' compensation policy, the \$50,000 annual, aggregate limit shall renew on the annual anniversary date of such multi-year policy. There is no sublimit for a Domestic Crisis Event or International Extraction Crisis Event but in no instance will Safety National pay an approved vendor and/or reimburse You more than \$50,000 in any one-year period. For the sake of clarity, Safety National will only pay up to

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the maximum of \$50,000 in any one year that coincides with your active and fully-paid excess or large deductible workers' compensation insurance policy with Safety National. The annual, aggregate benefit limit of \$50,000 shall apply regardless of the number of policies You have with Safety National.

SCOPE OF BENEFITS UNDER SAFETY NATIONAL CRISIS PROTECTION*

In order to take advantage of this benefit: (1) the Domestic Crisis Event or International Extraction Crisis Event must directly involve Your business and occur within the period of coverage provided by Safety National to You under an active and fully-paid excess or large deductible workers' compensation insurance policy; (2) the facts, circumstances, pre-existing condition(s) or situation(s) that lead up to the Domestic Crisis Event or International Extraction Crisis Event were not known to You in advance; and (3) the Domestic Crisis Event or International Extraction Crisis Event had not affected Your operation in any way before the current policy period began.

Since Safety National has approved vendors for Domestic Crisis Events, you can contact them via the following 24-hour hotline as soon as the event occurs:

(855) 887-3254. Black Swan Solutions is the Safety National approved vendor for Crisis Management and Counseling and takes all incoming calls regarding Domestic Crisis Events. In the event You need to get in contact with another approved vendor for a Crisis Communication/Public Relations situation, Black Swan Solutions will route Your call to the appropriate vendor. During Your initial call with Black Swan Solutions, You must provide: (1) Your active excess or large deductible workers' compensation account name, (2) Your policy number and (3) the effective date of that policy.

If an International Extraction Crisis Event occurs, since there are no approved vendors, You should contact the vendor of Your choice and Safety National will reimburse you for those approved costs up to the above listed annual, aggregate limit.

In addition to contacting a vendor, **You must notify Safety National within five (5) business days of any Domestic Crisis Event or International Extraction Crisis Event which may result in any benefits under Safety National Crisis Protection at the following email address: crisisprotection@safetynational.com.** Failure to do so may void this benefit and any payments or reimbursements by Safety National. This email address is also listed at the beginning of this benefit information packet. Further written notification regarding specifics of the qualifying event must be made as soon as possible after the initial email notification. The written notification must include when, where and how the Domestic Crisis Event or International Extraction Crisis Event occurred, and the nature of the injuries or damages You have experienced to date as well as those You expect to experience as a result of the Domestic Crisis Event or International Extraction Crisis Event. **Any notice You provide to Black Swan Solutions and/or Safety National under this Safety National Crisis Protection benefit program shall NOT be considered a notice of loss under any Safety National excess or large deductible workers' compensation insurance policy.**

All invoices and receipts relating to any request for direct vendor payment and/or reimbursement to You under this benefit must be submitted to Safety National for payment within sixty (60) days from the original date they were generated. Any older invoices or receipts will not be paid by Safety National.

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SAFETY NATIONAL CASUALTY CORPORATION
1832 SCHUETZ ROAD
ST. LOUIS, MO 63146

ANNIVERSARY DECLARATIONS – SPECIFIC EXCESS

SP 4050238

Item 1. **Employer:** MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND INCLUDING ONLY THE INSURED MEMBERS OF THE FUND ON FILE WITH THE CORPORATION (PER ENDORSEMENT 0411)

Address: 9 CAMPUS DRIVE, SUITE 16, PARSIPPANY, NJ 07054

Item 2. **This Agreement covers all business operations of the EMPLOYER as a Self-Insurer in the following State(s):** NEW JERSEY

Item 3. **Effective Date:** 12:01 A.M. January 01, 2014

Item 4. **Anniversary Date:** 12:01 A.M. January 01, 2016

Item 5. **The Service Company shall be** QUAL-LYNX

Item 6.	CLASSIFICATIONS OF OPERATIONS	Code Number	Estimated Total Annual Remuneration/Manhours	Rate Per \$ 100 Remuneration/Manhours
	See Attached			

Total Estimated Manual Premium	N/A
SNCC Experience Modification Factor	N/A
Total Estimated Standard Premium	N/A

Item 7. **Self-Insured Retention Per Occurrence** \$ 2,000,000

Item 8. (a) **Maximum Limit of Indemnity Per Occurrence** Statutory
(b) **Employers' Liability Maximum Limit of Indemnity Per Occurrence** \$ 5,000,000

Item 9. **Premium Rate** See Endt 0342

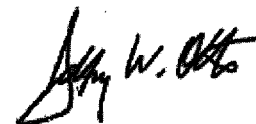
Item 10. **Minimum Premium for the Liability Period** \$ 5,463,894

Item 11. **Deposit Premium for the Payroll Reporting Period** \$ 2,809,711

Item 12. **Payroll Reporting Period** Annually beginning January 01, 2015

Item 13. **Endorsements** See Endorsement Schedule

Signed at St. Louis, Missouri on March 10, 2015



Secretary

Countersigned this day of

By: N/A

DSP-0195A

1005 00 1101 (XWC)

ITEM 6

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

Policy No: SP 4050238

Effective Date: 12:01 A.M. January 01, 2015

Declarations:

Item 6.

St	Classifications of Operations	Code No.	Estimated Total Annual Remuneration/ Manhours	Rate per \$100 Remuneration/ Manhours	Estimated Premium
NJ	Street Or Road Maintenance - Municipal - County Or State Departments & Drivers	5509	\$ 197,666,591	N/A	N/A
	Landfill	6217	\$ 2,390,691		
	Waterworks Operation & Drivers	7520	\$ 69,478,507		
	Electric Light Or Power Co NOC & Drivers	7539	\$ 10,054,095		
	Sewerage Disposal Plant Operation & Drivers	7580	\$ 87,303,934		
	Firemen - Paid & Drivers	7711	\$ 179,152,503		
	Firemen - Volunteer & Drivers	7711.B	\$ 20,959,425		
	First Aid Or Rescue Squad - Paid & Drivers	7715	\$ 23,379,856		
	First Aid Or Rescue Squad - Volunteer & Drivers	7715.B	\$ 8,737,922		
	Sheriff's Officers, Policemen Or Correctional Institution	7720	\$ 1,102,403,398		
	Salespersons-Outside	8742	\$ 1,421,864		
	Clerical Office Employees NOC	8810	\$ 419,019,798		
	Clerical Office Employees NOC (Police Dept)	8810.B	\$ 79,164,906		
	Clerical Office Employees NOC	88102	\$ 6,243,109		
	Clerical Office Employees NOC	88103	\$ 5,075,217		
	Library - Public - Professional Employees & Clerical	8838	\$ 77,772,847		
	Buildings NOC - Operation By Owner Or Lessee	9015	\$ 48,401,432		
	Housing Authority - Clerical, Salespersons, & Drivers	9033	\$ 89,644,936		
	Park NOC & Drivers	9102	\$ 88,324,283		
	Street Cleaning & Drivers	9402	\$ 13,492,517		
	Garbage Collection & Drivers	9403	\$ 77,500,469		
	Municipal, Township, County Or State Employee NOC	9410	\$ 220,138,689		
	Municipal, Township, County Or State Employee NOC	9410.B	\$ 13,234,155		
			\$ 2,840,961,144		
	Total Payroll		\$ 2,840,961,144		

1004 00 1101 (XWC)

Endorsement Schedule

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

Policy No: SP 4050238

Effective Date: 12:01 A.M. January 01, 2015

Number	Title
0411 00 0196 (XWC)	INSURED MEMBERS OF ASSOCIATION
0026 00 1291 (XWC)	NEW JERSEY AMENDMENT REGARDING INSOLVENCY AND CANCELLATION
0242 00 1291 (XWC)	LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT
0276 02 0408 (XWC)	BROAD FORM ALL STATES FOR EMPLOYEE TRAVEL
0277 00 1291 (XWC)	DEPOSIT PREMIUM PAYMENT
0322 01 1198 (XWC)	120-DAYS NOTICE OF CANCELLATION
0342 01 0892 (XWC)	PREMIUM RATES
0346 01 0908 (XWC)	LIMITED SAME COMMUNICABLE DISEASE-SPECIFIC EXCESS
0428 01 0307 (XWC)	FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE
0436 00 1096 (XWC)	UNINTENTIONAL ERROR AND OMISSIONS BY EMPLOYER
0451 08 0112 (XWC)	REVISED PREMIUM SECTION ENDORSEMENT
0454 00 0697 (XWC)	MARITIME COVERAGE ENDORSEMENT (LIMITED TO A STATE BENEFIT)
0817 01 0112 (XWC)	EMPLOYER DEFINITION
1061 11 0115 (XWC)	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
1180 02 0112 (XWC)	REVISED INSPECTION AND AUDIT SECTION ENDORSEMENT
2010 02 1208 (XWC)	REVISED INTENTIONAL TORT AND UNLAWFUL EMPLOYMENT PRACTICES EXCLUSION - SPECIFIC EXCESS AGREEMENTS

0277 00 1291 (XWC)

ENDORSEMENT

DEPOSIT PREMIUM PAYMENT

Effective 12:01 A.M., Local Time, January 01, 2015

It is hereby understood and agreed that the Deposit Premium of \$ 2,809,711, shall be payable as follows:

\$ 936,757.00 due January 01, 2015

\$ 936,477.00 due February 15, 2015

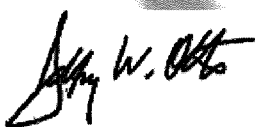
\$ 936,477.00 due April 01, 2015

All payments made by the EMPLOYER shall be credited against the Earned Premium as determined by audit performed following the expiration of the Liability Period of this Agreement.

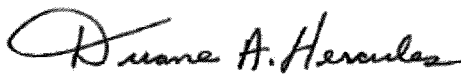
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, Issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE

Effective 12:01 A.M., Local Time, January 01, 2015

SECTION 1. SCOPE OF INSURANCE

- A The insurance afforded by this Agreement also applies to Employees, as defined in Section 2 of this Endorsement, who are employed to work at locations within the following country or countries:

anywhere in the world outside the United States or United States possessions and territories, except: Afghanistan, Algeria, Belarus, Burma, Burundi, Central African Republic, Chad, Colombia, Cote d'Ivoire, Cuba, Democratic Republic of Congo, El Salvador, Eritrea, Guinea, Haiti, Honduras, Iran, Iraq, Israel, Kenya, Lebanon, Libya, Mali, Mauritania, Niger, Nigeria, North Korea, Pakistan, Philippines, Republic of South Sudan, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, Ukraine, Venezuela, West Bank and Gaza, Yemen, and Zimbabwe.

- B Benefits payable under this Endorsement are the same as those that would be payable if the Employees in question were subject to the Worker's Compensation Law of the following State or States: NEW JERSEY
- C Benefits payable under this Endorsement shall include repatriation expense in an amount up to \$ 25,000 with respect to any one Employee and as otherwise subject to the CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability.
- D The CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability is limited to \$ 100,000 and applies in excess of the Self-Insured Retention Per Occurrence.

SECTION 2. EMPLOYEES COVERED

- A It is agreed that the insurance provided by this Agreement also applies to those Employees of the EMPLOYER who are hired or assigned by the EMPLOYER to work at locations within the country or countries not excluded in this Endorsement.
- B This insurance, with respect to any such Employee, shall attach from the moment such Employee is hired or assigned for such work and shall cease from the moment the employment or assignment for such work is terminated. If the Employee has been hired in the United States of America, coverage continues after termination of employment until the Employee returns to the United States of America or for a reasonable period of time for the opportunity to return to the United States of America, unless termination of employment is due to the Employee's resignation.
- C This insurance shall not apply to persons other than citizens or residents of the United States of America within the country or countries stated in this Endorsement except as stated herein: NONE
- D The benefits payable hereunder shall also be deemed payable to or for an Employee who contracts an endemic disease, providing that such disease shall have manifested itself within thirty (30) days from the moment such Employee's employment or assignment for such work is terminated.

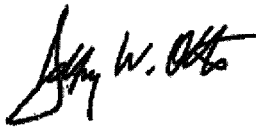
0428 01 0307 (XWC)

ENDORSEMENT (CONTINUED)

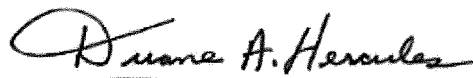
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary


President

Copy

ENDORSEMENT

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Effective 12:01 A.M., Local Time, January 01, 2015

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

Coverage for workers' compensation losses caused by certified acts of terrorism is included in this Agreement as set forth under the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015 (collectively, "the Act").

For purposes of this Endorsement, a "certified act of terrorism" is defined as any act:

- a. That is certified by the Secretary of the Treasury in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism within certification time frames prescribed in the Act; and,
- b. That is violent or dangerous to human life, property or infrastructure; and,
- c. That results 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,
- d. 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.

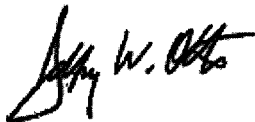
Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your Agreement, and any applicable federal and/or state laws, rules, or regulations. Under the Act, terrorism losses would be partially reimbursed by the U.S. Government under a formula established by the Act. Under this formula, the U.S. Government would generally reimburse between 80% to 85% of covered terrorism losses exceeding a deductible paid by the CORPORATION. The Act contains a \$100 million annual program trigger for 2015 and an increasing trigger amount each year of up to a \$200 million annual program trigger for 2020 and limits on the reimbursement from the U.S. Government as well as from all insurers. If aggregate insured losses for all insurers exceed program caps, the EMPLOYER's coverage may be reduced.

The portion of the EMPLOYER'S annual premium that is attributable to coverage for losses caused by a certified act of terrorism is: 0.5%.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4050238, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, dated January 01, 2014.

SAFETY NATIONAL CASUALTY CORPORATION


Secretary


President

SAFETY NATIONAL CASUALTY CORPORATION

PRIVACY STATEMENT

Our Commitment To Our Customers

Safety National Casualty Corporation ("Safety National") is proud to have provided quality products and services to its customers for over 50 years. We greatly appreciate the trust that you and all of our customers place in us. We protect that trust by respecting the privacy of all of our customers, both present and past. The following will explain our privacy practices so that you will understand our commitment to your privacy.

We Respect Your Privacy

When you apply to Safety National for any type of insurance, you disclose information about you to us. The collection, use and disclosure of such information is regulated by law. Safety National and its affiliates maintain physical, electronic and procedural safeguards that comply with state and federal regulations to guard your personal information. Our employees are also advised of the importance of maintaining the confidentiality of your information.

Types Of Information We Collect

Safety National obtains most of our information directly from you, your agent or broker. The application you complete, as well as any additional information you provide, generally gives us most of the details we need to know. Depending on the nature of your insurance transaction, we may need further details about you.

We may obtain information from third parties, such as other insurance or reinsurance companies, medical providers, government agencies, information clearinghouses and other public records. We may also obtain information about you from your other transactions with us, our affiliates or others.

What We Do With Your Information

Information that has been collected about you will be retained in our files. We will review your information in evaluating your request for insurance coverage, determining your rates or underwriting risk, servicing your policy or adjusting claims. We may retain information about our former customers and would disclose that information only to affiliates and to non-affiliates as described in this notice or as otherwise permitted by law.

To Whom Do We Disclose Your Information

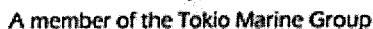
We will not disclose any non-public, personal information about our customers or former customers, except as permitted by law. That means we may disclose information we have collected about you to the following types of third parties:

- Our affiliated companies (Members and subsidiaries of the Tokio Marine Holdings, Inc. group of companies).
- Your agent or broker.
- Parties who perform a business or insurance function for Safety National, including reinsurance, underwriting, claims administration or adjusting, investigation, loss control and computer systems companies.
- Other insurance companies or agents as reasonably necessary concerning your application, policy or claim.
- Insurance regulatory or statistical reporting agencies.
- Law enforcement or governmental authorities in connection with suspected fraud or illegal activities.
- Authorized persons as ordered by subpoena, warrant or court order, or as required by law.

We do not disclose any non-public, personal information about you to non-affiliated companies for marketing purposes or for any other purpose except those specifically allowed by law and described above.

Independent Sales Agents or Brokers

Your policy may have been placed with us through an independent agent or broker ("Sales Agent"). Your Sales Agent may have gathered information about you. The use and protection of information obtained by your Sales Agent is their responsibility, not Safety National's. If you have questions about how your Sales Agent uses or discloses your information, please contact them directly.

**CERTIFICATE OF INSURANCE AND CERTIFICATE OF INSURED MEMBER**

A. THE CERTIFICATE HOLDER:

B. CERTIFICATE OF INSURANCE:

C. CERTIFICATE OF INSURED MEMBER:

By: **Seth A. Smith**
Senior Vice President Workers' Compensation Underwriting
 Date: **March 10, 2015**



A member of the Tokio Marine Group

1832 Schuetz Road
St Louis, MO 63146-3540
Telephone (888) 995-5300
(314) 995-5300
Fax (314) 995-3843

AMENDED
CERTIFICATE OF INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICY LISTED BELOW.

NAME AND ADDRESS OF CERTIFICATE HOLDER:

INSURANCE EXAMINER NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE
LISA FRAWLEY
PO BOX 325
TRENTON, NJ 08625-0325

This is to certify that the policy of insurance listed below has been issued to the insured named below and is in force at this time. Notwithstanding any requirement, term or condition of any contract or any other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions and conditions of such policy. Should any of the policy described herein be canceled before expiration date thereof the CORPORATION will endeavor to mail sixty (60) days written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the CORPORATION.

NAME INSURED EMPLOYER: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND (MEMBERS
ON FILE WITH THE CORPORATION)

ADDRESS: 9 CAMPUS DRIVE, SUITE 16, PARSIPPANY, NJ 07054

POLICY NUMBER: SP 4050238

TYPE OF INSURANCE: Specific Excess Workers' Compensation and Employers' Liability Insurance

LOCATION(S): NEW JERSEY

POLICY LIABILITY PERIOD: January 01, 2014 through January 01, 2016

POLICY PAYROLL

REPORTING PERIOD: January 01, 2015 through January 01, 2016

Self-Insured Retention Per Occurrence \$ 2,000,000

Maximum Limit of Indemnity Per Occurrence Statutory

Employers' Liability Maximum Limit of Indemnity Per Occurrence \$ 5,000,000

SAFETY NATIONAL CASUALTY CORPORATION

By: Seth A. Smith

Senior Vice President Workers' Compensation Underwriting

Date: March 10, 2015



A member of the Tokio Marine Group

1832 Schuetz Road
St Louis, MO 63146-3540
Telephone (888) 995-5300
(314) 995-5300
Fax (314) 995-3843

AMENDED
CERTIFICATE OF INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICY LISTED BELOW.

NAME AND ADDRESS OF CERTIFICATE HOLDER:

INSURANCE EXAMINER NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE
LISA FRAWLEY
PO BOX 325
TRENTON, NJ 08625-0325

This is to certify that the policy of insurance listed below has been issued to the insured named below and is in force at this time. Notwithstanding any requirement, term or condition of any contract or any other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions and conditions of such policy. Should any of the policy described herein be canceled before expiration date thereof the CORPORATION will endeavor to mail sixty (60) days written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the CORPORATION.

NAME INSURED EMPLOYER: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND (MEMBERS ON FILE WITH THE CORPORATION)

ADDRESS: 9 CAMPUS DRIVE, SUITE 16, PARSIPPANY, NJ 07054

POLICY NUMBER: SP 4050238

TYPE OF INSURANCE: Specific Excess Workers' Compensation and Employers' Liability Insurance

LOCATION(S): NEW JERSEY

POLICY LIABILITY PERIOD: January 01, 2014 through January 01, 2016

POLICY PAYROLL

REPORTING PERIOD: January 01, 2015 through January 01, 2016

Self-Insured Retention Per Occurrence \$ 2,000,000

Maximum Limit of Indemnity Per Occurrence Statutory

Employers' Liability Maximum Limit of Indemnity Per Occurrence \$ 5,000,000

SAFETY NATIONAL CASUALTY CORPORATION

By: Seth A. Smith

Senior Vice President Workers' Compensation Underwriting

Date: March 10, 2015



A member of the Tokio Marine Group

1832 Schuetz Road
St Louis, MO 63146-3540
Telephone (888) 995-5300
(314) 995-5300
Fax (314) 995-3843

AMENDED
CERTIFICATE OF INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICY LISTED BELOW.

NAME AND ADDRESS OF CERTIFICATE HOLDER:

INSURANCE EXAMINER NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE
LISA FRAWLEY
PO BOX 325
TRENTON, NJ 08625-0325

This is to certify that the policy of insurance listed below has been issued to the insured named below and is in force at this time. Notwithstanding any requirement, term or condition of any contract or any other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions and conditions of such policy. Should any of the policy described herein be canceled before expiration date thereof the CORPORATION will endeavor to mail sixty (60) days written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the CORPORATION.

NAME INSURED EMPLOYER: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND (MEMBERS
ON FILE WITH THE CORPORATION)
ADDRESS: 9 CAMPUS DRIVE, SUITE 16, PARSIPPANY, NJ 07054
POLICY NUMBER: SP 4050238
TYPE OF INSURANCE: Specific Excess Workers' Compensation and Employers' Liability Insurance
LOCATION(S): NEW JERSEY
POLICY LIABILITY PERIOD: January 01, 2014 through January 01, 2016
POLICY PAYROLL
REPORTING PERIOD: January 01, 2015 through January 01, 2016

Self-Insured Retention Per Occurrence	\$ 2,000,000
Maximum Limit of Indemnity Per Occurrence	Statutory
Employers' Liability Maximum Limit of Indemnity Per Occurrence	\$ 5,000,000

SAFETY NATIONAL CASUALTY CORPORATION

By: Seth A. Smith
Senior Vice President Workers' Compensation Underwriting
Date: March 10, 2015

SAFETY NATIONAL CASUALTY CORPORATION

1832 SCHUETZ ROAD

ST. LOUIS, MO 63146

ANNIVERSARY DECLARATIONS – SPECIFIC EXCESS

SP 4045398

- Item 1. Employer:** MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND INCLUDING ONLY THE INSURED MEMBERS OF THE FUND ON FILE WITH THE CORPORATION (PER ENDORSEMENT 0217)

Address: 9 CAMPUS DRIVE, SUITE 16, PARSIPPANY, NJ 07054

- Item 2. This Agreement covers all business operations of the EMPLOYER as a Self-Insurer in the following State(s): NEW JERSEY**

- Item 3. Effective Date: 12:01 A.M. January 01, 2012**

- Item 4. Anniversary Date: 12:01 A.M. January 01, 2014**

- Item 5. The Service Company shall be QUAL-LYNX**

Item 6.	CLASSIFICATIONS OF OPERATIONS	Code Number	Estimated Total Annual Remuneration/Manhours	Rate Per \$ 100 Remuneration/Manhours
	See Attached			

See Attached

Total Estimated Manual Premium

N/A

SNCC Experience Modification Factor

N/A

Total Estimated Standard Premium

N/A

Item 7. Self-Insured Retention Per Occurrence	\$ 2,000,000

Item 8.	(a) Maximum Limit of Indemnity Per Occurrence	Statutory
	(b) Employers' Liability Maximum Limit of Indemnity Per Occurrence	\$ 5,000,000

- Item 9. Premium Rate** \$ 0.0941 per \$100 of Payroll

Item 10. Minimum Premium for the Liability Period	\$ 5,176,186

Item 11. Deposit Premium for the Payroll Reporting Period	\$ 2,616,237

- Item 12. Payroll Reporting Period** Annually beginning January 01, 2013

- Item 13. Endorsements** See Endorsement Schedule

Signed at St. Louis, Missouri on February 27, 2013

Secretary

Countersigned this day of

By: N/A

DSP-0195A

1005,00 1101 (XWC)

ITEM 6

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL

Policy No: SP 4045398

Effective Date: 12:01 A.M. January 01, 2013

Declarations:

Item 6.

St	Classifications of Operations	Code No.	Estimated Total Annual Remuneration/ Manhours	Rate per \$100 Remuneration/ Manhours	Estimated Premium
NJ	Street Or Road Maintenance - Municipal - County Or State Departments & Drivers	5509	\$ 203,902,614	N/A	N/A
	Contractor - Executive Supervisor	5606	If Any		
	Excavation NOC & Drivers	6217	\$ 2,304,644		
	Sewer Construction & Drivers	6306	If Any		
	Waterworks Operation & Drivers	7520	\$ 69,706,244		
	Electric Light Or Power Co NOC & Drivers	7539	\$ 3,864,254		
	Sewerage Disposal Plant Operation & Drivers	7580	\$ 87,578,664		
	Firemen - Volunteer & Drivers	7711	\$ 171,996,888		
	Firemen - Volunteer & Drivers	7711B	\$ 20,838,749		
	First Aid Or Rescue Squad - Volunteer & Drivers	7715	\$ 21,058,385		
	First Aid Or Rescue Squad - Volunteer & Drivers	7715B	\$ 9,004,436		
	Sheriff's Officers, Policemen Or Correctional Institution	7720	\$ 1,073,255,380		
	Salespersons-Outside	8742	\$ 1,357,566		
	Clerical Office Employees NOC	8810	\$ 407,506,703		
	Clerical Office Employees NOC	88102	\$ 6,466,592		
	Clerical Office Employees NOC	88103	\$ 5,172,015		
	Clerical Office Employees NOC	8810B	\$ 75,683,650		
	Library - Public - Professional Employees & Clerical	8838	\$ 76,645,794		
	Buildings NOC - Operation By Owner Or Lessee	9015	\$ 47,193,847		
	Housing Authority - Clerical, Salespersons, & Drivers	9033	\$ 91,262,808		
	Park NOC & Drivers	9102	\$ 88,561,408		
	Street Cleaning & Drivers	9402	\$ 12,978,223		
	Garbage Collection & Drivers	9403	\$ 76,600,714		
	Municipal, Township, County Or State Employee NOC	9410	\$ 214,182,884		
	Municipal, Township, County Or State Employee NOC	9410B	\$ 13,150,750		
			\$ 2,780,273,212		
	Total Payroll		\$ 2,780,273,212		

1004,00 1101 (XWC)

Endorsement Schedule

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL

Policy No: SP 4045398

Effective Date: 12:01 A.M. January 01, 2013

Number	Title
0411 00 0196 (XWC)	INSURED MEMBERS OF ASSOCIATION
0026 00 1291 (XWC)	NEW JERSEY AMENDMENT REGARDING INSOLVENCY AND CANCELLATION
0242 00 1291 (XWC)	LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT
0276 02 0408 (XWC)	BROAD FORM ALL STATES FOR EMPLOYEE TRAVEL
0277 00 1291 (XWC)	DEPOSIT PREMIUM PAYMENT
0322 01 1198 (XWC)	120-DAYS NOTICE OF CANCELLATION
0346 01 0908 (XWC)	LIMITED SAME COMMUNICABLE DISEASE-SPECIFIC EXCESS
0428 01 0307 (XWC)	FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE
0436 00 1096 (XWC)	UNINTENTIONAL ERROR AND OMISSIONS BY EMPLOYER
0451 08 0112 (XWC)	REVISED PREMIUM SECTION ENDORSEMENT
0454 00 0697 (XWC)	MARITIME COVERAGE ENDORSEMENT (LIMITED TO A STATE BENEFIT)
0817 01 0112 (XWC)	EMPLOYER DEFINITION
1061 10 1207 (XWC)	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
1180 02 0112 (XWC)	REVISED INSPECTION AND AUDIT SECTION ENDORSEMENT
2010 02 1208 (XWC)	REVISED INTENTIONAL TORT AND UNLAWFUL EMPLOYMENT PRACTICES EXCLUSION - SPECIFIC EXCESS AGREEMENTS

0277 00 1291 (XWC)

ENDORSEMENT

DEPOSIT PREMIUM PAYMENT

Effective 12:01 A.M., Local Time, January 01, 2013

It is hereby understood and agreed that the Deposit Premium of \$ 2,616,237, shall be payable as follows:

\$ 872,253.00 due January 01, 2013

\$ 871,992.00 due February 15, 2013

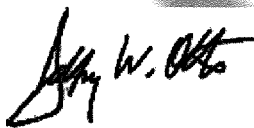
\$ 871,992.00 due April 01, 2013

All payments made by the EMPLOYER shall be credited against the Earned Premium as determined by audit performed following the expiration of the Liability Period of this Agreement.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

A handwritten signature in black ink, appearing to read "J. W. [unclear]", positioned above the title "Secretary".

Secretary

A handwritten signature in black ink, appearing to read "Dennis R. Scott", positioned above the title "President".

President

ENDORSEMENT

FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE

Effective 12:01 A.M., Local Time, January 01, 2013

SECTION 1. SCOPE OF INSURANCE

- A The insurance afforded by this Agreement also applies to Employees, as defined in Section 2 of this Endorsement, who are employed to work at locations within the following country or countries:
- anywhere in the world outside the United States or United States possessions and territories, except: Afghanistan, Algeria, Belarus, Burma, Burundi, Central African Republic, Chad, Colombia, Cote d'Ivoire, Cuba, Democratic Republic of Congo, Eritrea, Guinea, Haiti, Iran, Iraq, Israel, Kenya, Lebanon, Libya, Mali, Mauritania, Niger, Nigeria, North Korea, Pakistan, Philippines, Republic of South Sudan, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, West Bank and Gaza, Yemen, and Zimbabwe.*
- B Benefits payable under this Endorsement are the same as those that would be payable if the Employees in question were subject to the Worker's Compensation Law of the following State or States: NEW JERSEY
- C Benefits payable under this Endorsement shall include repatriation expense in an amount up to \$ 25,000 with respect to any one Employee and as otherwise subject to the CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability.
- D The CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability is limited to \$ 100,000 and applies in excess of the Self-Insured Retention Per Occurrence.

SECTION 2. EMPLOYEES COVERED

- A It is agreed that the insurance provided by this Agreement also applies to those Employees of the EMPLOYER who are hired or assigned by the EMPLOYER to work at locations within the country or countries not excluded in this Endorsement.
- B This insurance, with respect to any such Employee, shall attach from the moment such Employee is hired or assigned for such work and shall cease from the moment the employment or assignment for such work is terminated. If the Employee has been hired in the United States of America, coverage continues after termination of employment until the Employee returns to the United States of America or for a reasonable period of time for the opportunity to return to the United States of America, unless termination of employment is due to the Employee's resignation.
- C This insurance shall not apply to persons other than citizens or residents of the United States of America within the country or countries stated in this Endorsement except as stated herein: NONE
- D The benefits payable hereunder shall also be deemed payable to or for an Employee who contracts an endemic disease, providing that such disease shall have manifested itself within thirty (30) days from the moment such Employee's employment or assignment for such work is terminated.

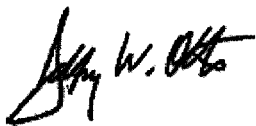
0428 01 0307 (XWC)

ENDORSEMENT (CONTINUED)

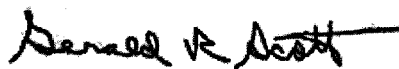
All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

COPY

SAFETY NATIONAL CASUALTY CORPORATION

PRIVACY STATEMENT

Our Commitment To Our Customers

Safety National Casualty Corporation ("Safety National") is proud to have provided quality products and services to its customers for over 50 years. We greatly appreciate the trust that you and all of our customers place in us. We protect that trust by respecting the privacy of all of our customers, both present and past. The following will explain our privacy practices so that you will understand our commitment to your privacy.

We Respect Your Privacy

When you apply to Safety National for any type of insurance, you disclose information about you to us. The collection, use and disclosure of such information is regulated by law. Safety National and its affiliates maintain physical, electronic and procedural safeguards that comply with state and federal regulations to guard your personal information. Our employees are also advised of the importance of maintaining the confidentiality of your information.

Types Of Information We Collect

Safety National obtains most of our information directly from you, your agent or broker. The application you complete, as well as any additional information you provide, generally gives us most of the details we need to know. Depending on the nature of your insurance transaction, we may need further details about you.

We may obtain information from third parties, such as other insurance or reinsurance companies, medical providers, government agencies, information clearinghouses and other public records. We may also obtain information about you from your other transactions with us, our affiliates or others.

What We Do With Your Information

Information that has been collected about you will be retained in our files. We will review your information in evaluating your request for insurance coverage, determining your rates or underwriting risk, servicing your policy or adjusting claims. We may retain information about our former customers and would disclose that information only to affiliates and to non-affiliates as described in this notice or as otherwise permitted by law.

To Whom Do We Disclose Your Information

We will not disclose any non-public, personal information about our customers or former customers, except as permitted by law. That means we may disclose information we have collected about you to the following types of third parties:

- Our affiliated companies (members of the Delphi Financial group of companies).
- Your agent or broker.
- Parties who perform a business or insurance function for Safety National, including reinsurance, underwriting, claims administration or adjusting, investigation, loss control and computer systems companies.
- Other insurance companies or agents as reasonably necessary concerning your application, policy or claim.
- Insurance regulatory or statistical reporting agencies.
- Law enforcement or governmental authorities in connection with suspected fraud or illegal activities.
- Authorized persons as ordered by subpoena, warrant or court order, or as required by law.

We do not disclose any non-public, personal information about you to non-affiliated companies for marketing purposes or for any other purpose except those specifically allowed by law and described above.

Independent Sales Agents or Brokers

Your policy may have been placed with us through an independent agent or broker ("Sales Agent"). Your Sales Agent may have gathered information about you. The use and protection of information obtained by your Sales Agent is their responsibility, not Safety National's. If you have questions about how your Sales Agent uses or discloses your information, please contact them directly.



A member of the Tokio Marine Group

1832 Schuetz Road
St Louis, MO 63146-3540
Telephone (888) 995-5300
(314) 995-5300
Fax (314) 995-3843

AMENDED
CERTIFICATE OF INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICY LISTED BELOW.

NAME AND ADDRESS OF CERTIFICATE HOLDER:

Insurance Examiner
New Jersey Dept. of Banking & Insurance
P.O. Box 325
Trenton, New Jersey 08625-0325
Attn: Mr. Kwame Asare

This is to certify that the policy of insurance listed below has been issued to the insured named below and is in force at this time. Notwithstanding any requirement, term or condition of any contract or any other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions and conditions of such policy. Should any of the policy described herein be canceled before expiration date thereof the CORPORATION will endeavor to mail sixty (60) days written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the CORPORATION.

NAME INSURED EMPLOYER: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
(Members on File With the Corporation)
ADDRESS: 9 CAMPUS DRIVE, SUITE 16, PARSIPPANY, NJ 07054
POLICY NUMBER: SP 4045398
TYPE OF INSURANCE: Specific Excess Workers' Compensation and Employers' Liability Insurance
LOCATION(S): NEW JERSEY
POLICY LIABILITY PERIOD: January 01, 2012 through January 01, 2014
POLICY PAYROLL
REPORTING PERIOD: January 01, 2013 through January 01, 2014

Self-Insured Retention Per Occurrence	\$ 2,000,000
Maximum Limit of Indemnity Per Occurrence	Statutory
Employers' Liability Maximum Limit of Indemnity Per Occurrence	\$ 5,000,000

SAFETY NATIONAL CASUALTY CORPORATION

By: Gene R. Maier
Senior Vice President of Workers' Compensation Underwriting
Date: February 27, 2013

0277 00 1291 (XWC)

ENDORSEMENT

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Effective 12:01 A.M., Local Time, January 01, 2013

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\$ 872,253.00 due January 01, 2013

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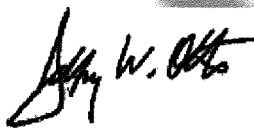
\$ 871,992.00 due April 01, 2013

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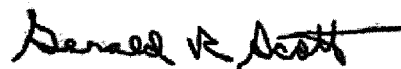
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SAFETY NATIONAL CASUALTY CORPORATION



Secretary



President

ENDORSEMENT

FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE

Effective 12:01 A.M., Local Time, January 01, 2013

SECTION 1. SCOPE OF INSURANCE

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- B Benefits payable under this Endorsement are the same as those that would be payable if the Employees in question were subject to the Worker's Compensation Law of the following State or States: NEW JERSEY
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- D The benefits payable hereunder shall also be deemed payable to or for an Employee who contracts an endemic disease, providing that such disease shall have manifested itself within thirty (30) days from the moment such Employee's employment or assignment for such work is terminated.

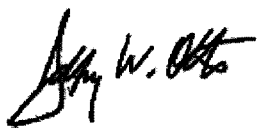
0428 01 0307 (XWC)

ENDORSEMENT (CONTINUED)

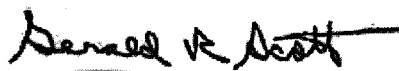
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SAFETY NATIONAL CASUALTY CORPORATION



Secretary


President

COPY

SAFETY NATIONAL CASUALTY CORPORATION

PRIVACY STATEMENT

Our Commitment To Our Customers

Safety National Casualty Corporation ("Safety National") is proud to have provided quality products and services to its customers for over 50 years. We greatly appreciate the trust that you and all of our customers place in us. We protect that trust by respecting the privacy of all of our customers, both present and past. The following will explain our privacy practices so that you will understand our commitment to your privacy.

We Respect Your Privacy

When you apply to Safety National for any type of insurance, you disclose information about you to us. The collection, use and disclosure of such information is regulated by law. Safety National and its affiliates maintain physical, electronic and procedural safeguards that comply with state and federal regulations to guard your personal information. Our employees are also advised of the importance of maintaining the confidentiality of your information.

Types Of Information We Collect

Safety National obtains most of our information directly from you, your agent or broker. The application you complete, as well as any additional information you provide, generally gives us most of the details we need to know. Depending on the nature of your insurance transaction, we may need further details about you.

We may obtain information from third parties, such as other insurance or reinsurance companies, medical providers, government agencies, information clearinghouses and other public records. We may also obtain information about you from your other transactions with us, our affiliates or others.

What We Do With Your Information

Information that has been collected about you will be retained in our files. We will review your information in evaluating your request for insurance coverage, determining your rates or underwriting risk, servicing your policy or adjusting claims. We may retain information about our former customers and would disclose that information only to affiliates and to non-affiliates as described in this notice or as otherwise permitted by law.

To Whom Do We Disclose Your Information

We will not disclose any non-public, personal information about our customers or former customers, except as permitted by law. That means we may disclose information we have collected about you to the following types of third parties:

- Our affiliated companies (members of the Delphi Financial group of companies).
- Your agent or broker.
- Parties who perform a business or insurance function for Safety National, including reinsurance, underwriting, claims administration or adjusting, investigation, loss control and computer systems companies.
- Other insurance companies or agents as reasonably necessary concerning your application, policy or claim.
- Insurance regulatory or statistical reporting agencies.
- Law enforcement or governmental authorities in connection with suspected fraud or illegal activities.
- Authorized persons as ordered by subpoena, warrant or court order, or as required by law.

We do not disclose any non-public, personal information about you to non-affiliated companies for marketing purposes or for any other purpose except those specifically allowed by law and described above.

Independent Sales Agents or Brokers

Your policy may have been placed with us through an independent agent or broker ("Sales Agent"). Your Sales Agent may have gathered information about you. The use and protection of information obtained by your Sales Agent is their responsibility, not Safety National's. If you have questions about how your Sales Agent uses or discloses your information, please contact them directly.

1004.00 1101 (XWC)

Endorsement Schedule

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL

Policy No: SP 4045398

Effective Date: 12:01 A.M. January 01, 2013

Number	Title
0411 00 0196 (XWC)	INSURED MEMBERS OF ASSOCIATION
0026 00 1291 (XWC)	NEW JERSEY AMENDMENT REGARDING INSOLVENCY AND CANCELLATION
0242 00 1291 (XWC)	LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT
0276 02 0408 (XWC)	BROAD FORM ALL STATES FOR EMPLOYEE TRAVEL
0277 00 1291 (XWC)	DEPOSIT PREMIUM PAYMENT
0322 01 1198 (XWC)	120-DAYS NOTICE OF CANCELLATION
0346 01 0908 (XWC)	LIMITED SAME COMMUNICABLE DISEASE-SPECIFIC EXCESS
0428 01 0307 (XWC)	FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE
0436 00 1096 (XWC)	UNINTENTIONAL ERROR AND OMISSIONS BY EMPLOYER
0451 08 0112 (XWC)	REVISED PREMIUM SECTION ENDORSEMENT
0454 00 0697 (XWC)	MARITIME COVERAGE ENDORSEMENT (LIMITED TO A STATE BENEFIT)
0817 01 0112 (XWC)	EMPLOYER DEFINITION
1061 10 1207 (XWC)	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
1180 02 0112 (XWC)	REVISED INSPECTION AND AUDIT SECTION ENDORSEMENT
2010 02 1208 (XWC)	REVISED INTENTIONAL TORT AND UNLAWFUL EMPLOYMENT PRACTICES EXCLUSION - SPECIFIC EXCESS AGREEMENTS

1005.00 1101 (XWC)

ITEM 6

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL

Policy No: SP 4045398

Effective Date: 12:01 A.M. January 01, 2013

Declarations:

Item 6.

St	Classifications of Operations	Code No.	Estimated Total Annual Remuneration/ Manhours	Rate per \$100 Remuneration/ Manhours	Estimated Premium
NJ	Street Or Road Maintenance - Municipal - County Or State Departments & Drivers	5509	\$ 203,902,614	N/A	N/A
	Contractor - Executive Supervisor	5606	If Any		
	Excavation NOC & Drivers	6217	\$ 2,304,644		
	Sewer Construction & Drivers	6306	If Any		
	Waterworks Operation & Drivers	7520	\$ 69,706,244		
	Electric Light Or Power Co NOC & Drivers	7539	\$ 3,864,254		
	Sewerage Disposal Plant Operation & Drivers	7580	\$ 87,578,664		
	Firemen - Volunteer & Drivers	7711	\$ 171,996,888		
	Firemen - Volunteer & Drivers	7711B	\$ 20,838,749		
	First Aid Or Rescue Squad - Volunteer & Drivers	7715	\$ 21,058,385		
	First Aid Or Rescue Squad - Volunteer & Drivers	7715B	\$ 9,004,436		
	Sheriff's Officers, Policemen Or Correctional Institution	7720	\$ 1,073,255,380		
	Salespersons-Outside	8742	\$ 1,357,566		
	Clerical Office Employees NOC	8810	\$ 407,506,703		
	Clerical Office Employees NOC	88102	\$ 6,466,592		
	Clerical Office Employees NOC	88103	\$ 5,172,015		
	Clerical Office Employees NOC	8810B	\$ 75,683,650		
	Library - Public - Professional Employees & Clerical	8838	\$ 76,645,794		
	Buildings NOC - Operation By Owner Or Lessee	9015	\$ 47,193,847		
	Housing Authority - Clerical, Salespersons, & Drivers	9033	\$ 91,262,808		
	Park NOC & Drivers	9102	\$ 88,561,408		
	Street Cleaning & Drivers	9402	\$ 12,978,223		
	Garbage Collection & Drivers	9403	\$ 76,600,714		
	Municipal, Township, County Or State Employee NOC	9410	\$ 214,182,884		
	Municipal, Township, County Or State Employee NOC	9410B	\$ 13,150,750		
			\$ 2,780,273,212		
	Total Payroll		\$ 2,780,273,212		

SAFETY NATIONAL CASUALTY CORPORATION
1832 SCHUETZ ROAD
ST. LOUIS, MO 63146

DECLARATIONS – SPECIFIC EXCESS

SP 4045398

Item 1. Employer: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND INCLUDING ONLY THE INSURED MEMBERS OF THE FUND ON FILE WITH THE CORPORATION (PER ENDORSEMENT 0411)

Address: PARK 80 WEST, PLAZA ONE, SADDLE BROOK, NJ 07663

Item 2. This Agreement covers all business operations of the EMPLOYER as a Self-Insurer in the following State(s): NEW JERSEY

Item 3. Effective Date: 12:01 A.M. January 01, 2012

Item 4. Anniversary Date: 12:01 A.M. January 01, 2014

Item 5. The Service Company shall be SCIBAL ASSOCIATES

Item 6. CLASSIFICATIONS OF OPERATIONS	Code Number	Estimated Total Annual Remuneration/Manhours	Rate Per \$ 100 Remuneration/Manhours
See Attached			
	Total Estimated Manual Premium		N/A
	SNCC Experience Modification Factor		N/A
	Total Estimated Standard Premium		N/A

Item 7. Self-Insured Retention Per Occurrence \$ 2,000,000

Item 8. (a) Maximum Limit of Indemnity Per Occurrence Statutory
(b) Employers' Liability Maximum Limit of Indemnity Per Occurrence \$ 5,000,000

Item 9. Premium Rate See Endt 0342

Item 10. Minimum Premium for the Liability Period \$ 5,176,186

Item 11. Deposit Premium for the Payroll Reporting Period \$ 2,588,093

Item 12. Payroll Reporting Period Annually as of January 01

Item 13. Endorsements See Endorsement Schedule

Signed at St. Louis, Missouri on March 05, 2012

Secretary

Countersigned this day of

By: _____ N/A

1005 00 1101 (XWC)

ITEM 6

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL

Policy No: SP 4045398

Effective Date: 12:01 A.M. January 01, 2012

Declarations:

Item 6.

St	Classifications of Operations	Code No.	Estimated Total Annual Remuneration/ Manhours	Rate per \$100 Remuneration/ Manhours	Estimated Premium
NJ	Street Or Road Maintenance - Municipal - County Or State Departments & Drivers	5509	\$ 176,395,326	N/A	N/A
	Contractor - Executive Supervisor	5606	If Any		
	Excavation NOC & Drivers	6217	\$ 2,390,181		
	Sewer Construction & Drivers	6306	If Any		
	Waterworks Operation & Drivers	7520	\$ 66,899,591		
	Electric Light Or Power Co NOC & Drivers	7539	\$ 3,710,228		
	Sewerage Disposal Plant Operation & Drivers	7580	\$ 86,427,542		
	Firemen - Volunteer & Drivers	7711	\$ 17,847,999		
	Firemen - Volunteer & Drivers	7711	\$ 112,711,426		
	First Aid Or Rescue Squad - Volunteer & Drivers	7715	\$ 8,298,100		
	First Aid Or Rescue Squad - Volunteer & Drivers	7715	\$ 18,293,795		
	Sheriff's Officers, Policemen Or Correctional Institution	7720	\$ 945,174,881		
	Salespersons-Outside	8742	\$ 1,336,206		
	Clerical Office Employees NOC	8810	\$ 3,114,052		
	Clerical Office Employees NOC	8810	\$ 66,244,505		
	Clerical Office Employees NOC	8810	\$ 2,583,197		
	Clerical Office Employees NOC	8810	\$ 368,726,164		
	Library - Public - Professional Employees & Clerical	8838	\$ 70,432,354		
	Buildings NOC - Operation By Owner Or Lessee	9015	\$ 38,161,586		
	Housing Authority - Clerical, Salespersons, & Drivers	9033	\$ 97,489,572		
	Park NOC & Drivers	9102	\$ 80,970,831		
	Street Cleaning & Drivers	9402	\$ 11,089,918		
	Garbage Collection & Drivers	9403	\$ 71,427,478		
	Municipal, Township, County Or State Employee NOC	9410	\$ 12,357,376		
	Municipal, Township, County Or State Employee NOC	9410	\$ 541,950,777		
			\$ 2,804,033,085		
	Total Payroll		\$ 2,804,033,085		

1004 00 1101 (XWC)

Endorsement Schedule

RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL

Policy No: SP 4045398

Effective Date: 12:01 A.M. January 01, 2012

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0322 01 1198 (XWC)	120-DAYS NOTICE OF CANCELLATION
0342 01 0892 (XWC)	PREMIUM RATES
0346 01 0908 (XWC)	LIMITED SAME COMMUNICABLE DISEASE-SPECIFIC EXCESS
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2010 02 1208 (XWC)	REVISED INTENTIONAL TORT AND UNLAWFUL EMPLOYMENT PRACTICES EXCLUSION - SPECIFIC EXCESS AGREEMENTS

SPECIFIC EXCESS
WORKERS' COMPENSATION AND
EMPLOYERS' LIABILITY INSURANCE AGREEMENT

SAFETY NATIONAL CASUALTY CORPORATION
ST. LOUIS, MISSOURI

(Hereinafter called the CORPORATION)

In consideration of the payment of premium and subject to all the terms of this Agreement, hereby agrees with the EMPLOYER named in the Declarations (hereinafter called the EMPLOYER), as follows:

A. Coverage of Agreement

This Agreement applies only to Loss sustained by the EMPLOYER because of liability imposed upon the EMPLOYER by the Workers' Compensation or Employers' Liability Laws of:

- (1) the State(s) designated in the Declarations, or
- (2) other State(s), provided that the Loss shall not be greater than it would have been had liability been imposed by the State(s) specified in the Declarations,

on account of bodily injury by accident or bodily injury by occupational disease due to Occurrences taking place within the Liability Period to Employees of the EMPLOYER engaged in the business operations specified in the Declarations and all other operations necessary, incidental, or appurtenant thereto. Bodily injury includes resulting death.

The inclusion of more than one EMPLOYER in the Declarations shall not increase the EMPLOYER's Self-Insured Retention nor the CORPORATION's Maximum Limit of Indemnity.

The insurance afforded by this Agreement applies to operations in the State(s) specified in the Declarations, including, however, incidental operations conducted by Employees who are regularly engaged in operations in the specified State(s), but who may be temporarily outside the specified State(s).

B. Insurance Under This Agreement

(1) Specific Excess Insurance

With respect to each Occurrence taking place within a Liability Period, the EMPLOYER shall retain as its own Loss, as defined below, the amount specified in Item 7 of the Declarations, and the CORPORATION agrees to reimburse the EMPLOYER only for such Loss in excess of such Self-Insured Retention, subject to the Maximum Limit of Indemnity Per Occurrence, or the Employers' Liability Maximum Limit of Indemnity Per Occurrence, whichever is applicable, as specified in Item 8 of the Declarations. The separate Employers' Liability Maximum Limit of Indemnity Per Occurrence shall not operate, in any case, to increase the total amount the CORPORATION agrees to reimburse the EMPLOYER for Loss per any one Occurrence as per Item 8(a) of the Declarations.

C. Definitions

- (1) "Loss" – shall mean actual payments, less recoveries, legally made by the EMPLOYER to Employees and their dependents in satisfaction of: (a) statutory benefits, (b) settlements of suits and claims, and (c) awards and judgments. Loss shall also include Claim Expenses, paid by the EMPLOYER, as defined in Paragraph (2) of this Section. The term Loss shall not include the items specifically excluded by Paragraph (3) of this Section.
- (2) "Claim Expenses" – shall mean court costs, interest upon awards and judgments and the reasonable allocated costs of investigation, adjustment, defense, and appeal, including pension or appeal bond costs (provided that the prosecution of such appeal and/or the posting of such pension or appeal bond is approved by the CORPORATION) of claims, suits or proceedings brought against the EMPLOYER under the Workers' Compensation or Employers' Liability Laws of the State(s) designated in the Declarations, or other State(s), as provided in Section A, even though such claims, suits, proceedings or demands are wholly groundless, false or fraudulent. Claim Expenses shall not include fees to the EMPLOYER's Service Company.
- (3) "Exclusions from Loss" – shall refer to the following amounts paid by the EMPLOYER, and specifically excluded from the term Loss:
 - (a) Salaries, wages, and remuneration provided to Employees;
 - (b) Fees to the EMPLOYER's Service Company and/or costs of self-administration of claims;
 - (c) Punitive or exemplary damages as they relate to claims made under the Employers' Liability coverage provided by this Agreement;
 - (d) Fines or penalties assessed against the EMPLOYER for any violation by the EMPLOYER, or its representative(s), of any statute or regulation, unless the fines or penalties result from a reasonable dispute as to Workers' Compensation benefits owed by the EMPLOYER;
 - (e) Assessments and taxes made upon the EMPLOYER as self-insurer whether imposed by statute, regulation, or otherwise;

(f) Any amounts required to be paid by the EMPLOYER because of:

- 1) Serious and willful misconduct of the EMPLOYER, including intentional torts and intentional acts or omissions resulting in injury, acts or omissions taken with reckless disregard of the possible occurrence of an injury or acts or omissions taken that are substantially certain to result in injury, regardless of whether or not said actions may be classified in the State(s) as intentional torts,
 - 2) Coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any Employee and/or related personnel practices, policies, acts or omissions by the EMPLOYER,
 - 3) Knowingly employing an Employee in violation of law,
 - 4) Rejection by the EMPLOYER of any Workers' Compensation Law,
 - 5) Failure to comply with any health, safety, or notification law or regulation,
 - (g) Loss voluntarily assumed by the EMPLOYER under any contract or agreement, whether express or implied;
 - (h) Loss for which the EMPLOYER carries a full coverage Workers' Compensation and Employers' Liability policy; and
 - (i) Any amount owed by the EMPLOYER pursuant to provision of any law that provides non-occupational disability benefits.
- (4) "Occurrence" – shall mean accident. In addition, bodily injury by occupational disease must be caused or aggravated by the conditions of employment and shall be deemed to have occurred on the last day of the last exposure to those conditions of employment causing or aggravating such injury by occupational disease, or such dates as is otherwise established by the Workers' Compensation and Employers' Liability Laws of the appropriate State(s). Bodily injury by occupational disease sustained by each Employee shall be deemed to be a separate Occurrence unless such disease results directly from an accident.
- (5) "Employee" – as respects liability imposed upon the EMPLOYER by the Workers' Compensation Law of any State, the word Employee shall mean any person performing work which renders the EMPLOYER liable under the Workers' Compensation Law of a State named in Item 2 of the Declarations, which is the State of the injured Employee's normal employment, for bodily injuries or occupational disease sustained by such person.
- (6) "State" – shall mean any state, territory, or possession of the United States of America and the District of Columbia.

D. Reimbursement

If the EMPLOYER pays any Loss incurred in any Liability Period in excess of the Self-Insured Retention Per Occurrence, the CORPORATION shall reimburse the EMPLOYER upon receipt of a formal proof of loss and other evidence acceptable to the CORPORATION of such payment. Within a reasonable

period of time, reimbursement payments shall be made by the CORPORATION.

The CORPORATION shall have, and may exercise at any time, and from time to time, the right to offset any balance or balances, whether on account of premiums, Losses or otherwise, due from the EMPLOYER to the CORPORATION against any balance or balances due from the CORPORATION to the EMPLOYER under this Agreement.

E. Liability Period

The liability of the CORPORATION for Loss hereunder shall be determined separately for each Liability Period. The initial Liability Period shall commence at 12:01 A.M. on the Effective Date and end at 12:01 A.M. on the Anniversary Date, designated in Items 3 and 4 respectively, of the Declarations. Each succeeding Liability Period shall begin concurrently with the end of the previous Liability Period and continue for the same number of consecutive months as the initial Liability Period. All time is stated in local time for the State(s) designated in the Declarations.

In the event the EMPLOYER fails to give express written intent to continue coverage at the end of a given Liability Period, the Agreement shall be deemed terminated, and the Anniversary Date shall serve as the termination date of the Agreement.

F. Premium

Upon acceptance of the Agreement and at the beginning of each Payroll Reporting Period, as specified in Item 12 of the Declarations, the EMPLOYER shall pay to the CORPORATION the amount of the Deposit Premium specified in Item 11 of the Declarations. The EMPLOYER shall pay premiums when due. The Deposit Premium shall be held by the CORPORATION until the expiration of the Payroll Reporting Period. Within thirty (30) days after the close of each Payroll Reporting Period, the EMPLOYER shall render to the CORPORATION a report, upon a form satisfactory to the CORPORATION, exhibiting, by classification, the amount of such remuneration earned by Employees during such reporting period, and the EMPLOYER shall therewith pay to the CORPORATION the excess of the Earned Premium over the Deposit Premium previously paid. In case the Deposit Premium paid exceeds the Earned Premium, the CORPORATION shall return to the EMPLOYER the amount of such excess or give appropriate credit, subject to the proportion of Minimum Premium for the Liability Period in the case of multi-year Liability Periods.

Upon expiration of a Liability Period, a summary of voluntary payroll reports for such Liability Period shall be made to determine the Earned Premium under this Agreement. In no event, however, shall the Earned Premium in respect of any Liability Period be less than the Minimum Premium specified in the Declarations.

For each Payroll Reporting Period, the CORPORATION shall compute the Earned Premium as follows:

- (1) Remuneration – The remuneration earned, or man-hours accumulated, during such period by all Employees, including volunteers engaged in each classification covered

by this Agreement shall be computed in accordance with the rules set forth in the appropriate Manual of Workers' Compensation and Employers' Liability Insurance.

- (2) Manual and Standard Premium – The remuneration, or man-hours, so computed for Employees engaged in each such classification shall be multiplied by the Manual Rate per \$100 of remuneration/man-hour, in effect at the inception of each Payroll Reporting Period, and the products so obtained shall be added together to determine the Manual Premium. An Experience Modification Factor may be applied to the Manual Premium to determine a Standard Premium. Such Experience Modification Factor shall be determined at the inception of this Agreement and is subject to annual review and possible revision. A Standard Premium takes precedence over any Manual Premium.
- (3) Earned Premium – Against the Manual or Standard Premium shall be applied the Premium Rate, as specified in Item 9 of the Declarations, to determine the appropriate Earned Premium.

This Agreement is issued by the CORPORATION and accepted by the EMPLOYER subject to the agreement that, in the event of any change in the Rates per \$100 remuneration/man-hour, as stated in Item 6 of the Declarations, because of any general rate increase or any legislative amendment affecting the benefits under the Workers' Compensation Law of any State(s) named in Item 2 of the Declarations, such change, upon the effective date thereof, shall be, without endorsement, made a part of this Agreement.

G. Self-Insurer

The EMPLOYER, by acceptance of this Agreement, warrants that it is a duly qualified Self-Insurer in the State(s) designated in the Declarations, and will continue to maintain such qualifications during the currency of this Agreement. In the event the EMPLOYER should at any time while this Agreement is in force terminate such qualifications or if they should be cancelled or revoked, such loss of qualifications shall operate as notice of cancellation of this Agreement by the EMPLOYER, subject to the additional terms of the Cancellation Section of this Agreement.

H. Service and Administration

This Agreement contemplates the concurrent and continued existence of a separate service agreement between the EMPLOYER and the Service Company, its designated representative, named in Item 5 of the Declarations, providing services approved by the CORPORATION. The EMPLOYER agrees that its Service Company shall furnish the CORPORATION with quarterly loss runs concurrent with each Liability Period of this Agreement. The provision of loss runs alone does not relieve the EMPLOYER of its reporting obligations as set forth in Section I of this Agreement. In addition, the electronic transfer of loss information by a Service Company of the EMPLOYER shall not constitute notice of a claim.

Cancellation of the service agreement between the Service

Company and the EMPLOYER shall operate as a notice of cancellation of this Agreement by the EMPLOYER, subject to the additional terms of the Cancellation Section of this Agreement. Any change in service companies must be immediately communicated to and approved by the CORPORATION, and this obligation shall survive the termination or non-renewal of this Agreement.

I. Prompt Reporting of Claims

As soon as the EMPLOYER becomes aware, the EMPLOYER must provide prompt notice to the CORPORATION of: (a) any claim or action commenced against the EMPLOYER which exceeds, or is likely to exceed, fifty percent (50%) of the Self-Insured Retention Per Occurrence specified in Item 7 of the Declarations and (b) the reopening of any claim in which a further award might involve liability of the CORPORATION under this Agreement.

In addition, the following categories of claims shall be reported to the CORPORATION immediately, regardless of any question of potential involvement of the CORPORATION:

1. Fatalities;
2. Paraplegics and quadriplegics;
3. Serious burns, defined as 2nd or 3rd degree burns involving 25% or more of the body;
4. Brain injury;
5. Spinal cord injury;
6. Amputation of a major extremity; and
7. Any Occurrence which results in a serious injury to two or more Employees.

If the CORPORATION is prejudiced by the EMPLOYER's failure to provide prompt notice of a claim in accordance with the requirements set forth above and/or as otherwise provided by the Law of any State(s), the CORPORATION may elect to deny coverage for Loss arising from such claim. To constitute prompt, sufficient notice, the EMPLOYER must provide complete information as to the details of the injury, disease, or death.

J. Defense of Claims

The EMPLOYER shall investigate and settle or defend all claims and shall conduct the defense and appeal of all actions, suits, and proceedings commenced against it. The EMPLOYER shall forward promptly to the CORPORATION copies of any pleadings or reports as may be requested. The CORPORATION shall not be obliged to assume charge of the investigation, defense, appeal or settlement of any claim, suit, or proceeding brought against the EMPLOYER, but the CORPORATION shall be given the opportunity to investigate, defend, or participate with the EMPLOYER in the investigation and defense of any claim, if, in the opinion of the CORPORATION, its liability under this Agreement might be involved.

K. Good Faith Claims Administration

The EMPLOYER shall use diligence, prudence, and good faith in the investigation, defense, pursuit of recovery from others and settlement of all claims. The EMPLOYER shall not

unreasonably refuse to settle any claim which, in the exercise of sound judgment with respect to the entire claim, should be settled, provided, however, that the EMPLOYER shall not make any payment or agree to any settlement for any sum which would involve the limits of the CORPORATION's liability hereunder without the approval of the CORPORATION.

If the CORPORATION is prejudiced by the EMPLOYER's failure to exercise diligence, prudence, and good faith, the CORPORATION may elect to disclaim coverage for Loss from such claim.

L. Inspection and Audit

The CORPORATION shall have the right, but not the obligation, to inspect the premises and equipment and/or to audit the books and records of the EMPLOYER and of its agents and representatives, including all records relating to payroll and claims matters, at any reasonable time during the period of this Agreement and within three (3) years after final settlement of all claims due to Occurrences happening during the term of this Agreement. An audit to determine Manual or Standard Premium shall supersede any and all prior voluntary payroll reports by the EMPLOYER, and will be used to determine the final adjustment of premiums due to the CORPORATION. Should a determination be made that additional audit premium is due to the CORPORATION, the due date for payment of such audit premium shall be thirty (30) days after the date of billing.

M. Other Insurance

If the EMPLOYER carries other valid and collectible insurance, reinsurance, or indemnity with any other insurer or reinsurer covering a Loss also covered by this Agreement (other than insurance or reinsurance that is purchased to apply in excess of the sum of the Self-Insured Retention and the Maximum Limits of Indemnity hereunder), the insurance afforded by this Agreement shall apply in excess of and shall not contribute with such other insurance or reinsurance.

N. Recovery from Others

The EMPLOYER agrees to prosecute any and all valid claims the EMPLOYER may have against any other party or source that may mitigate any Loss under this Agreement and return to the CORPORATION any amount so recovered, less the reasonable expense of collecting such amounts.

The CORPORATION shall have the EMPLOYER's rights to prosecute any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. The EMPLOYER agrees that it will assist the CORPORATION in any prosecution of any and all valid claims against any other party or source that may mitigate any Loss under this Agreement. Any amounts recovered by the EMPLOYER or the CORPORATION from any party or source that may mitigate any Loss under this Agreement shall first be used to pay the expenses of collection and to reimburse the CORPORATION for any amount it may have paid the EMPLOYER for the Liability Period concerned, and all

remaining amounts collected shall be paid to the EMPLOYER.

O. Change in Agreement

No condition, provision, or declaration of this Agreement shall be waived or altered at any time, except as specified in Section F, except by endorsement signed by the President or a Senior Vice President and the Secretary or an Assistant Secretary of the CORPORATION.

This Agreement hereby terminates, supersedes, and replaces all previously issued Workers' Compensation Insurance or Reinsurance Agreements, as amended, between the EMPLOYER and the CORPORATION.

If terms of this Agreement are in conflict with any law applicable to this Agreement, this statement amends this Agreement to conform to such law. In addition, in the event any terms are in conflict with applicable laws, the remaining terms of the Agreement shall be enforceable.

P. Cancellation

This Agreement may be cancelled by either party giving the other party written notice not less than sixty (60) days prior to the date of cancellation, except, that if the CORPORATION cancels for non-payment of any premium, the cancellation shall become effective ten (10) days after dispatch of notice by the CORPORATION. The date of cancellation then becomes the termination date of the final Liability Period. This Agreement does not apply to Loss as a result of Occurrences taking place after the effective date of such cancellation.

If cancellation is effected by the EMPLOYER, the Manual or Standard Premium shall be determined by the short rate tables used for casualty insurance, and the Earned Premium shall be the product of the Premium Rate (Item 9) times the Manual or Standard Premium (or the Total Annual Remuneration) so arrived at, but not less than the Minimum Premium specified in the Declarations.

If cancellation is effected by the CORPORATION for non-payment of premium, the EMPLOYER shall pay the CORPORATION Earned Premium for the period up to the date of cancellation.

If the CORPORATION cancels for any other reason, the Manual or Standard Premium (or the Total Annual Remuneration) shall be determined upon a pro rata basis and the Earned Premium adjusted in accordance therewith.

Q. Assignment

An assignment of interest under this Agreement will not bind the CORPORATION unless an endorsement signed by the President or a Senior Vice President and the Secretary or an Assistant Secretary of the CORPORATION assigning interest under this Agreement is issued by the CORPORATION.

R. Bankruptcy or Insolvency of Employer

The bankruptcy or insolvency of the EMPLOYER will not relieve the CORPORATION or the EMPLOYER of its duties and liabilities under this Agreement. After payments have

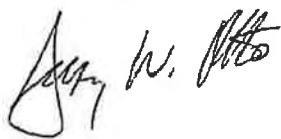
been made by or on behalf of the EMPLOYER, reimbursements due under this Agreement will be made by the CORPORATION as if the EMPLOYER had not become bankrupt or insolvent, but not in excess of the CORPORATION's limit of indemnity.

S. Sole Representative

If more than one EMPLOYER is named in Item 1 of the Declarations, or an endorsement related thereto, the EMPLOYER first named in Item 1, or a related endorsement, will act on behalf of all EMPLOYERS to give or receive notice of cancellation, to receive return premium or reimbursement, or to request changes in this Agreement.

T. Acceptance

By acceptance of this Agreement, the EMPLOYER agrees



Secretary

that the statements in this Agreement, in the Declarations, and in the application are the EMPLOYER's representations; that this Agreement is issued in reliance upon such representations; that this Agreement embodies all agreements existing between the EMPLOYER and the CORPORATION, or any of its agents, relating to this excess insurance, and that full compliance by the EMPLOYER with all terms of this Agreement is a condition precedent to the CORPORATION's liability hereunder.

IN WITNESS WHEREOF, SAFETY NATIONAL CASUALTY CORPORATION has caused this Agreement to be executed by printing below the facsimile signatures of its President and Secretary and by the actual signature of its Secretary on the Declarations.



President

0411 00 0196 (XWC)

ENDORSEMENT

INSURED MEMBERS OF ASSOCIATION

Effective 12:01 A.M., Local Time, January 01, 2012

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that Item 1 of the Declarations, EMPLOYER, shall include only the Insured Members on file with the CORPORATION.

"Insured Members on file with the CORPORATION" shall be defined as those members of the association/EMPLOYER listed as members on the official "Member List - MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND (NJ)" (hereinafter "Member List") which shall be furnished to the CORPORATION on a quarterly basis. It is further understood that the effective date for inclusion of a particular Insured Member of the association/EMPLOYER, as well as the cancellation date indicating when an Insured Member ceases to be a member of the association/EMPLOYER, shall hereby correspond with the respective effective date and cancellation date reflected on such official Member List.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary

0026 00 1291 (XWC)

ENDORSEMENT

NEW JERSEY AMENDMENT REGARDING INSOLVENCY AND CANCELLATION

Effective 12:01 A.M., Local Time, January 01, 2012

In consideration of the terms and conditions under which this Agreement is written, it is hereby understood and agreed that the following language regarding Insolvency and Cancellation be added to this Agreement:

INSOLVENCY - It is understood and agreed that bankruptcy or insolvency of the Insured or of the Insured's estate, or any default of the Insured, shall not relieve the CORPORATION of any of its obligations to pay promptly and when due all compensation and other benefits required of the Insured by the Workers' Compensation Law. It is further agreed that in the event of bankruptcy or insolvency of the Insured or of the Insured's estate, or in the event of any default of the Insured, payment shall be made directly to the Insurance Commissioner, State of New Jersey, for and in the behalf of the account of the injured Employee.

CANCELLATION Notice of Cancellation will be sent to the Commissioner of Insurance, State of New Jersey, Trenton, New Jersey, in writing stating when, not less than thirty (30) days thereafter, such cancellation shall be effective.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary

0242 00 1291 (XWC)

ENDORSEMENT

LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT

Effective 12:01 A.M., Local Time, January 01, 2012

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

The term, "Workers' Compensation Law," includes the Longshoremen's and Harbor Workers' Compensation Act (USL&H) (33 USC Sections 901-950), and any amendment to that Act that is in effect during the Liability Period. This endorsement does not apply to work subject to the Defense Base Act, the Outer Continental Shelf Lands Act, or the Nonappropriated Fund Instrumentalities Act.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary

ENDORSEMENT

BROAD FORM ALL STATES FOR EMPLOYEE TRAVEL

Effective 12:01 A.M., Local Time, January 01, 2012

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that this Agreement shall include the following:

1. If the EMPLOYER undertakes operations in or, at the request of the EMPLOYER, an Employee travels to or is temporarily assigned to, any State not designated in Item 2 of the Declarations, this Agreement applies to such operations, travel or temporary assignment. Should EMPLOYER undertake operations in a state not designated in Item 2 of the Declarations, the EMPLOYER shall give notice to the CORPORATION before or within a reasonable time after the commencement of such operations. The EMPLOYER shall take whatever action is necessary to come within the Workers' Compensation and occupational disease laws of such State.
2. Should an Employee, at the direction of the EMPLOYER, travel to or be temporarily assigned to any State or States not designated in Item 2 of the Declarations, this Agreement shall provide coverage for Loss sustained by the EMPLOYER because of liability imposed upon the EMPLOYER by the Workers' Compensation or Employers' Liability Laws of such non-designated State.
3. This Agreement also applies to Loss sustained by the EMPLOYER because of liability imposed upon the EMPLOYER by the Workers' Compensation and Employers' Liability Laws of such non-designated State.
4. Any Loss covered by this Endorsement shall be subject to all the limitations of this Agreement including but not limited to the Self-Insured Retention Per Occurrence or the Limitation Per Occurrence and the Maximum Limit(s) of Indemnity of the CORPORATION for the Liability Period.
5. The word "State" as used in this Endorsement shall mean any State of the United States of America and the District of Columbia.
6. The insurance afforded by this Endorsement does not cover fines or penalties imposed on the EMPLOYER for failure to comply with the requirements of any Workers' Compensation Law.
7. All of the provisions of this Agreement, insofar as such provisions are not inconsistent herewith, are applicable to the insurance afforded by the Agreement by virtue of this Endorsement.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary

0277 00 1291 (XWC)

ENDORSEMENT

DEPOSIT PREMIUM PAYMENT

Effective 12:01 A.M., Local Time, January 01, 2012

It is hereby understood and agreed that the Deposit Premium of \$ 2,588,093, shall be payable as follows:

\$ 862,871.00 due January 01, 2012

\$ 862,611.00 due February 15, 2012

\$ 862,611.00 due April 01, 2012

All payments made by the EMPLOYER shall be credited against the Earned Premium as determined by audit performed following the expiration of the Liability Period of this Agreement.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary

0322 01 1198 (XWC)

ENDORSEMENT

120-DAYS NOTICE OF CANCELLATION

Effective 12:01 A.M., Local Time, January 01, 2012

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

The portion of the first paragraph of the Section entitled Cancellation, which reads, "... not less than sixty (60) days prior to the date of cancellation..." is amended to read, "...not less than one hundred twenty (120) days prior to the date of cancellation...".

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary

0342 01 0892 (XWC)

ENDORSEMENT

PREMIUM RATES

Effective 12:01 A.M., Local Time, January 01, 2012

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

DECLARATIONS:

Item 9. (a) Premium Rate for the period, January 01, 2012 through January 01, 2013: \$ 0.0923

(b) Premium Rate for the period, January 01, 2013 through January 01, 2014: \$ 0.0941

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary

0346 01 0908 (XWC)

ENDORSEMENT

LIMITED SAME COMMUNICABLE DISEASE-SPECIFIC EXCESS

Effective 12:01 A.M., Local Time, January 01, 2012

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that the Section titled Definitions, shall be revised as follows:

1. Paragraph (4) shall be revised to include the following:

With respect to bodily injury caused by the Same Communicable Disease, occurrence shall mean accident or a series of related events having a detectable common source of causation at the workplace, that results in bodily injury to two or more Employees who are infected with the Same Communicable Disease, which infection is manifested during the Liability Period of this Agreement.

2. Paragraph (7) shall be added and shall read as follows:

- (7) "Same Communicable Disease" - shall mean specifically diagnosed infectious disease caused by an infectious organism which is transmitted from one source to another, directly or indirectly, which is the same proximate cause of bodily injury to each infected Employee. It is understood and agreed, however, that tuberculosis is excluded from the definition of "Same Communicable Disease." Accordingly, this Agreement shall not apply to, and therefore shall provide no coverage for any Occurrence involving tuberculosis as respects Same Communicable Disease.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary

ENDORSEMENT

FOREIGN VOLUNTARY WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY - INCLUDING ENDEMIC DISEASE

Effective 12:01 A.M., Local Time, January 01, 2012

SECTION 1. SCOPE OF INSURANCE

- A The insurance afforded by this Agreement also applies to Employees, as defined in Section 2 of this Endorsement, who are employed to work at locations within the following country or countries:
- anywhere in the world outside the United States or United States possessions and territories, except: Afghanistan, Algeria, Belarus, Bosnia, Burma, Burundi, Central African Republic, Chad, Colombia, Cote d'Ivoire, Cuba, Dem. Rep. of Congo, Egypt, Eritrea, Guinea, Haiti, Herzegovina, Iran, Iraq, Israel, Kenya, Kosovo, Lebanon, Libya, Macedonia, Mali, Mauritania, Nepal, Niger, Nigeria, North Korea, Pakistan, Philippines, Saudi Arabia, Somalia, Sudan, Syria, Uzbekistan, Yemen, and Zimbabwe.*
- B Benefits payable under this Endorsement are the same as those that would be payable if the Employees in question were subject to the Worker's Compensation Law of the following State or States: NEW JERSEY
- C Benefits payable under this Endorsement shall include repatriation expense in an amount up to \$ 25,000 with respect to any one Employee and as otherwise subject to the CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability.
- D The CORPORATION'S Foreign Voluntary Endorsement Limit of Liability for Coverage B – Employer's Liability is limited to \$ 100,000 and applies in excess of the Self-Insured Retention Per Occurrence.

SECTION 2. EMPLOYEES COVERED

- A It is agreed that the insurance provided by this Agreement also applies to those Employees of the EMPLOYER who are hired or assigned by the EMPLOYER to work at locations within the country or countries not excluded in this Endorsement.
- B This insurance, with respect to any such Employee, shall attach from the moment such Employee is hired or assigned for such work and shall cease from the moment the employment or assignment for such work is terminated. If the Employee has been hired in the United States of America, coverage continues after termination of employment until the Employee returns to the United States of America or for a reasonable period of time for the opportunity to return to the United States of America, unless termination of employment is due to the Employee's resignation.
- C This insurance shall not apply to persons other than citizens or residents of the United States of America within the country or countries stated in this Endorsement except as stated herein: NONE
- D The benefits payable hereunder shall also be deemed payable to or for an Employee who contracts an endemic disease, providing that such disease shall have manifested itself within thirty (30) days from the moment such Employee's employment or assignment for such work is terminated.

0428 01 0307 (XWC)

ENDORSEMENT (CONTINUED)

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary

0436 00 1096 (XWC)

ENDORSEMENT

UNINTENTIONAL ERROR AND OMISSIONS BY EMPLOYER

Effective 12:01 A.M., Local Time, January 01, 2012

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

Any unintentional errors or omissions by the EMPLOYER which relate to this Agreement, shall not constitute grounds for a declination of coverage by the CORPORATION.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary

0451 08 0112 (XWC)

ENDORSEMENT

REVISED PREMIUM SECTION ENDORSEMENT

Effective 12:01 A.M., Local Time, January 01, 2012

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that Section **F. Premium** is deleted in its entirety and replaced by the following:

F. Premium

Upon acceptance of the Agreement and at the beginning of each Payroll Reporting Period, as specified in Item 12 of the Declarations, the EMPLOYER shall pay to the CORPORATION the amount of the Deposit Premium specified in Item 11 of the Declarations. The Deposit Premium shown in the Declarations as applicable to each Payroll Reporting Period is an estimate based on the Estimated Total Annual Remuneration/Man-Hours stated in Item 6 of the Declarations. During the Liability Period, the EMPLOYER shall report to the CORPORATION, on no less frequently than a quarterly basis, any and all new Insured Members added during such period. The EMPLOYER shall be billed by the CORPORATION for additional premium based on the annual remuneration applicable to such new Insured Member. The EMPLOYER shall pay premiums within thirty (30) days after the date of billing.

Remuneration earned, or man-hours accumulated, during the Liability Period by all Employees, including volunteers, engaged in each classification covered by this Agreement, shall be computed in accordance with the rules set forth in the appropriate Manual of Workers' Compensation and Employers' Liability Insurance.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary

0454 00 0697 (XWC)

ENDORSEMENT

MARITIME COVERAGE ENDORSEMENT (LIMITED TO A STATE BENEFIT)

Effective 12:01 A.M., Local Time, January 01, 2012

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

The coverage afforded by Employers' Liability Laws, as specified in this Agreement, shall include Loss on account of bodily injury to a master or member of the crew of a vessel. However, it is also understood that this Agreement shall apply to such Loss, but only to the extent that such Loss does not exceed the benefits payable under the NEW JERSEY Worker's Compensation Law. In addition, such coverage shall be subject to the following additional provisions:

This coverage does not include Loss on account of:

1. bodily injury covered by a Protection and Indemnity Policy or similar policy issued to the EMPLOYER or for the EMPLOYER'S benefit. This exclusion applies even if the other policy does not apply because of an other insurance clause, deductible or limitation of liability clause, or any similar clause.
2. the EMPLOYER'S duty to provide transportation, wages, maintenance and cure.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary

0817 01 0112 (XWC)

ENDORSEMENT

EMPLOYER DEFINITION

Effective 12:01 A.M., Local Time, January 01, 2012

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

For purposes of this Agreement, "EMPLOYER" shall include:

- (1) An EMPLOYER named in Item 1 of the Declarations. If an EMPLOYER named in Item 1 of the Declarations is a partnership or joint venture, then a partner in the partnership or individual member of the joint venture is covered as an EMPLOYER, but only in their capacity as an employer of employees of the partnership or joint venture.
- (2) An EMPLOYER'S subsidiary, division or affiliated company now existing or as may hereafter be constituted, provided a 51% majority interest is owned or controlled by an EMPLOYER named in Item 1 of the Declarations.
- (3) A business entity over which an EMPLOYER named in Item 1 of the Declarations has day-to-day management control.
- (4) Municipal Excess Liability Residual Claim Fund.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary

ENDORSEMENT

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Effective 12:01 A.M., Local Time, January 01, 2012

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

Coverage for workers' compensation losses caused by certified acts of terrorism is included in this Agreement as set forth under the Terrorism Risk Insurance Act of 2002 as amended ("the Act").

For purposes of this Endorsement, a "certified act of terrorism" is defined as any act:

- a. That is certified by the Secretary of the Treasury in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism; and,
- b. That is violent or dangerous to human life, property or infrastructure; and,
- c. That results 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,
- d. 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.

Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your Agreement, and any applicable federal and/or state laws, rules, or regulations. Under the Act, terrorism losses would be partially reimbursed by the U.S. Government under a formula established by the Act. Under this formula, the U.S. Government would generally reimburse 85% of covered terrorism losses exceeding a deductible paid by the CORPORATION. The Act contains a \$100 billion cap that limits the reimbursement from the U.S. Government as well as from all insurers. If aggregate insured losses for all insurers exceed \$100 billion, the EMPLOYER's coverage may be reduced.

The portion of the EMPLOYER'S annual premium that is attributable to coverage for losses caused by a certified act of terrorism is: 0.5%.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary

1180 02 0112 (XWC)

ENDORSEMENT

REVISED INSPECTION AND AUDIT SECTION ENDORSEMENT

Effective 12:01 A.M., Local Time, January 01, 2012

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that Section **L. Inspection and Audit**, is deleted in its entirety and replaced by the following:

L. Inspection and Audit

The CORPORATION shall have the right, but not the obligation, to inspect the premises and equipment and/or to audit the books and records of the EMPLOYER and of its agents and representatives, to the extent such books and records relate to claims matters, at any reasonable time during the period of this Agreement and within three (3) years after final settlement of all claims due to Occurrences happening during the term of this Agreement.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary

ENDORSEMENT

REVISED INTENTIONAL TORT AND UNLAWFUL EMPLOYMENT PRACTICES EXCLUSION - SPECIFIC
EXCESS AGREEMENTS

Effective 12:01 A.M., Local Time, January 01, 2012

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed that subparagraph (f) of paragraph (3), "Exclusions from Loss" of the Definitions section of this Agreement shall be deleted and replaced as follows:

- (f) Any amounts required to be paid by the EMPLOYER because of:
 - 1) Loss under the Workers' Compensation coverage of this Agreement resulting from:
 - (i) The EMPLOYER's serious and willful misconduct;
 - (ii) The EMPLOYER's failure to comply with any health, safety or notification laws or regulations; and/or
 - (iii) The EMPLOYER's discharge, coercion or discrimination against any Employee in violation of the Workers' Compensation Law.
 - 2) Loss under the Employers' Liability coverage of this Agreement resulting from:
 - (i) Bodily injury intentionally caused or aggravated by the EMPLOYER; and/or
 - (ii) The EMPLOYER's coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any Employee, or any personnel practices, policies, acts or omissions.
 - 3) Loss under the Workers' Compensation and/or Employers' Liability coverage of this Agreement resulting from:
 - (i) The EMPLOYER knowingly employing an Employee in violation of the law; and/or
 - (ii) The rejection by the EMPLOYER of any Workers' Compensation Law.

In addition, the following shall be added as paragraph (7) of the Definitions section of this Agreement:

- (7) "Employers' Liability" or "Employers' Liability Laws" – shall mean liability imposed upon the EMPLOYER on account of bodily injury by accident or bodily injury by occupational disease arising out of and in the course of the injured Employee's employment and not otherwise covered under the applicable Workers' Compensation Law of the State(s).

ENDORSEMENT (CONTINUED)

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary

Copy

SAFETY NATIONAL CASUALTY CORPORATION

PRIVACY STATEMENT

Our Commitment To Our Customers

Safety National Casualty Corporation ("Safety National") is proud to have provided quality products and services to its customers for over 50 years. We greatly appreciate the trust that you and all of our customers place in us. We protect that trust by respecting the privacy of all of our customers, both present and past. The following will explain our privacy practices so that you will understand our commitment to your privacy.

We Respect Your Privacy

When you apply to Safety National for any type of insurance, you disclose information about you to us. The collection, use and disclosure of such information is regulated by law. Safety National and its affiliates maintain physical, electronic and procedural safeguards that comply with state and federal regulations to guard your personal information. Our employees are also advised of the importance of maintaining the confidentiality of your information.

Types Of Information We Collect

Safety National obtains most of our information directly from you, your agent or broker. The application you complete, as well as any additional information you provide, generally gives us most of the details we need to know. Depending on the nature of your insurance transaction, we may need further details about you.

We may obtain information from third parties, such as other insurance or reinsurance companies, medical providers, government agencies, information clearinghouses and other public records. We may also obtain information about you from your other transactions with us, our affiliates or others.

What We Do With Your Information

Information that has been collected about you will be retained in our files. We will review your information in evaluating your request for insurance coverage, determining your rates or underwriting risk, servicing your policy or adjusting claims. We may retain information about our former customers and would disclose that information only to affiliates and to nonaffiliates as described in this notice or as otherwise permitted by law.

To Whom Do We Disclose Your Information

We will not disclose any non-public, personal information about our customers or former customers, except as permitted by law. That means we may disclose information we have collected about you to the following types of third parties:

- Our affiliated companies (members of the Delphi Financial group of companies).
- Your agent or broker.
- Parties who perform a business or insurance function for Safety National, including reinsurance, underwriting, claims administration or adjusting, investigation, loss control and computer systems companies.
- Other insurance companies or agents as reasonably necessary concerning your application, policy or claim.
- Insurance regulatory or statistical reporting agencies.
- Law enforcement or governmental authorities in connection with suspected fraud or illegal activities.
- Authorized persons as ordered by subpoena, warrant or court order, or as required by law.

We do not disclose any non-public, personal information about you to non-affiliated companies for marketing purposes or for any other purpose except those specifically allowed by law and described above.

Independent Sales Agents or Brokers

Your policy may have been placed with us through an independent agent or broker ("Sales Agent"). Your Sales Agent may have gathered information about you. The use and protection of information obtained by your Sales Agent is their responsibility, not Safety National's. If you have questions about how your Sales Agent uses or discloses your information, please contact them directly.

1015 00 1209 (XWC)

ENDORSEMENT # 001

GENERAL CHANGE ENDORSEMENT - SPECIFIC EXCESS

Effective 12:01 A.M., Local Time, April 20, 2012

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

☒ Item 1 – Employer Address	☐ Item 8(a) – Maximum Limit of Indemnity Per Occurrence
☐ Item 2 – States	☐ Item 8(b) – E.L. Maximum Limit of Indemnity Per Occurrence
☐ Item 3 – Effective Date	☐ Item 9 – Premium Rate
☐ Item 4 – Anniversary Date	☐ Item 10 – Minimum Premium for the Liability Period
☐ Item 5 – Service Company	☐ Item 11 – Deposit Premium for the Payroll Reporting Period
☐ Item 6 – Manual Premium/Exp. Mod/Standard Premium	☐ Item 12 – Payroll Reporting Period
☐ Item 7 – Self-Insured Retention Per Occurrence	☐ Item 13 – Endorsements

Is amended to read:

Address: 9 CAMPUS DRIVE, SUITE 16, PARSIPPANY, NJ 07054

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. SP 4045398, issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND, ET AL, dated January 01, 2012.

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary

Countersigned this day of

By: N/A

SAFETY NATIONAL

Casualty Corporation

a **DELPHI** company

AMENDED CERTIFICATE OF INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICY LISTED BELOW.

NAME AND ADDRESS OF CERTIFICATE HOLDER:

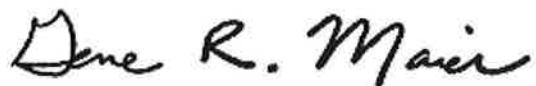
Insurance Examiner
New Jersey Dept. of Banking & Insurance
P.O. Box 325
Trenton, New Jersey 08625-0325
Attn: Mr. Kwame Asare

This is to certify that the policy of insurance listed below has been issued to the insured named below and is in force at this time. Notwithstanding any requirement, term or condition of any contract or any other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions and conditions of such policy. Should any of the policy described herein be canceled before expiration date thereof the CORPORATION will endeavor to mail sixty (60) days written notice to the above named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the CORPORATION.

NAME INSURED EMPLOYER: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
ADDRESS: 9 CAMPUS DRIVE, SUITE 16, PARSIPPANY, NJ 07054
POLICY NUMBER: SP 4045398
TYPE OF INSURANCE: Specific Excess Workers' Compensation and Employers' Liability Insurance
LOCATION(S): NEW JERSEY
POLICY LIABILITY PERIOD: January 01, 2012 through January 01, 2014
POLICY PAYROLL REPORTING PERIOD: January 01, 2012 through January 01, 2013

Self-Insured Retention Per Occurrence	\$ 2,000,000
Maximum Limit of Indemnity Per Occurrence	Statutory
Employers' Liability Maximum Limit of Indemnity Per Occurrence	\$ 5,000,000

SAFETY NATIONAL CASUALTY CORPORATION



By: Gene R. Maier,
Senior Vice President of Workers' Compensation Underwriting
Date: March 29, 2012



1832 Schuetz Road
St. Louis, MO 63146-3540
Telephone (314) 995-5300
Fax (314) 995-3843

April 24, 2012

Mr. Joseph Hrubash
Conner Strong Companies Inc.
9 Campus Drive
Parsippany, NJ 07054

**RE: MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
SP 4045398
1/1/2012 – 1/1/2014**

Dear Joseph:

I've reviewed our file and offer the following in response to your email dated April 9, 2012, 10:59 am:

Regarding Section C, Definitions (3) Exclusions from Loss, item g: We discussed that Safety National felt this applied to loss agreements only. Example was a claim where the insured agreed to settlement that reaches our layer without our knowledge or agreement. We felt the shared services, mutual aid, and interlocal agreements fell into the second item below that we addressed with the 0817 Employer Definition. You also sent me sample agreements that we are maintaining as examples of covered entities in the member list in our file.

Refer to my attached email from January 17 with attached 0817 endorsement where I indicated that we would pick up the shared services and BID exposures. This endorsement is similar to the AIG endorsement that was used before. If you report the entities quarterly along with the other insured members, it would also be picked up as an insured member that way. As I mentioned multiple times, we intend to cover the exposures that your members are covering. I don't see a change from the prior form that they had or where we are providing less coverage.

Sincerely,

Brad Ogle
Director Excess Workers Compensation – Associations

BO/bp

Attachment

Brad Ogle

From: Brad Ogle
Sent: Wednesday, April 11, 2012 4:03 PM
To: 'Joseph P Hrubash'
Cc: Sharon Herschlag
Subject: RE: MEL JIF
Attachments: MEL JIF.rtf

Joe,
 I've reviewed our file and offer the following:

Regarding Section C. Definitions (3) Exclusions from Loss, item g, we discussed that Safety National felt this applied to loss agreements only. Example was a claim where the insured agreed to a settlement that reaches our layer without our knowledge or agreement. We felt the shared services, mutual aid, and interlocal agreements fell into the second item below that we addressed with the 0817 Employer Definition. You also sent me sample agreements that we are maintaining as examples of covered entities in the member list in our file.

Refer to my attached email from January 17 with attached 0817 endorsement where I indicated that we would pick up the shared services and BID exposures. This endorsement is similar to the AIG endorsement that was used before. If you report the entities quarterly along with the other insured members it would also be picked up as an insured member that way. As I mentioned multiple times, we intend to cover the exposures that your members are covering. I don't see a change from the prior form that they had or where we are providing less coverage.

Sincerely,
 Brad

From: Joseph P Hrubash [mailto:jhrubash@connerstrong.com]
Sent: Monday, April 09, 2012 10:59 AM
To: Brad Ogle
Cc: Sharon Herschlag
Subject: RE: MEL JIF

Brad I reviewed the policy. You did a nice job capturing the changes we discussed throughout the renewal process. However, there are two items we need to discuss. One, I do not see any amendment to the contractual exclusion C. Definitions (3) (g). If you recall this was a major item that needed to be addressed since our members are involved with mutual aid, shared services and interlocal agreements. If I have missed it please point me in the right place in the policy. If not, we need to correct this.

The second is the additional insureds such as BID/SIDs, non profit 1st aid, etc. If the Employer Definition Endorsement is the attempt to address this item I believe it falls short as item (2) requires 51% ownership which is not applicable in our situation and (3) requires day to day management control which is not the case. The town creates this entity by resolution and may be represented on the board of directors but will in most cases not be involved in day to day management.

Please call me upon receipt and review

Thanks

Joe

From: Brad Ogle [mailto:Brad.Ogle@safetynational.com]
Sent: Thursday, March 08, 2012 5:40 PM
To: Joseph P Hrubash
Subject: MEL JIF

Joe,
 The policy is going out in overnight mail. I'm off tomorrow but back in the office Monday. Let me know if you have any questions.
 Thanks,
 Brad

This e-mail message is intended only for the use of the individual or entity identified in the alias address of this message and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution of this e-mail message is strictly prohibited. If you have received this e-mail message in error, please notify the sender immediately by reply e-mail and delete this message from your system. Thank you.

This message and any attachments may contain confidential and/or privileged information. Please remember requests to bind or change coverage cannot be considered bound.

4/24/2012

Brad Ogle

From: Brad Ogle
Sent: Tuesday, January 17, 2012 4:01 PM
To: 'Joseph P Hrubash'
Cc: Sharon Herschlag
Subject: MEL JIF

Attachments: Service.pdf

Joe,
Here is the endorsement I mentioned earlier today. This would be similar to the AIG endorsement that Sharon used to pick up the Shared Service and BID operations. We may add the RCF to this endorsement. I'm still working with legal on that and the audit waiver endorsement.
Let me know if you have any questions.
Thanks,
Brad



Service.pdf (36
KB)

0817 00 1000 (XWC)

ENDORSEMENT

EMPLOYER DEFINITION

Effective 12:01 A.M., Local Time, ,

In consideration of the payment of premium and adherence by both parties to the terms of this Agreement, it is hereby understood and agreed as follows:

For purposes of this Agreement, "EMPLOYER" shall include:

- (1) An EMPLOYER named in Item 1 of the Declarations. If an EMPLOYER named in Item 1 of the Declarations is a partnership or joint venture, then a partner in the partnership or individual member of the joint venture is covered as an EMPLOYER, but only in their capacity as an employer of employees of the partnership or joint venture.
- (2) An EMPLOYER'S subsidiary, division or affiliated company now existing or as may hereafter be constituted, provided a 51% majority interest is owned or controlled by an EMPLOYER named in Item 1 of the Declarations.
- (3) A business entity over which an EMPLOYER named in Item 1 of the Declarations has day-to-day management control.

All other terms, conditions, agreements and stipulations remain unchanged.

Attached to and forming a part of Excess Workers' Compensation and Employers' Liability Insurance Agreement No. , issued by SAFETY NATIONAL CASUALTY CORPORATION of St. Louis, Missouri to DEFAULT, ET AL, dated , .

SAFETY NATIONAL CASUALTY CORPORATION

President

Secretary



XL Group
Insurance
Reinsurance

Indian Harbor Insurance Company

PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE (CLAIMS MADE BASIS)

Policy No.: PJL9519065-02

Renewal of: PJL9519065-01

DECLARATIONS

Item 1. **Insured Public Entity:**

Toms River Municipal Utilities
Authority
340 West Water Street
Toms River, NJ 08753

Lead Agent:

New Jersey Utility Authorities Joint Insurance Fund
Attn: Cate Kiernan
PERMA Risk Management Services
9 Campus Drive, Suite 16
Parsippany, NJ 07054-4412

Item 2. **Limits of Liability:**

- (A) \$2,000,000 Standard: Combined Single Limit per Claim and Annual Aggregate.
(B) \$25,000 for defense only of Claims based on civil union and or marriage.

Note that the **Limits of Liability** and Retention are reduced or exhausted by **Defense Costs**.

Item 3. **Coinsurance Contribution Percentage and Loss Amount:**

The Coinsurance Percentages apply to the Loss Amounts below.

	Insured Percentage	Company Percentage	Loss Amount
(A) Public Officials Liability	20%	80%	\$100,000
(B) Employment Liability	20%	80%	\$100,000

Item 4. **Retention Amount:**

- \$7,500 Under INSURING AGREEMENT 1.a. PUBLIC OFFICIALS LIABILITY.
\$7,500 Under INSURING AGREEMENT 1.b. EMPLOYMENT LIABILITY.

Item 5. **Coverage Period:**

Effective Date: January 1, 2013
Expiration Date: January 1, 2014

each at 12:01 a.m. Standard Time at the address of the **Public Entity** as stated herein.

Item 6. **Extended Reporting Period:**

- (A) Additional Assessment: 200% of Annual Assessment
(B) Additional Period: 12 Months
(C) Insured Notification Period: 30 Days

Item 7. **Public Officials Liability Retroactive Date:**

1. Provide "full prior acts" coverage to members with five continuous years of membership.
2. Provide "full prior acts" coverage to new members who have full prior acts coverage in force at time of membership.
3. Provide prior acts to the existing retroactive date (defined as the retroactive date identified in their expiring or prior policy) for new members that do not have full prior acts coverage or a one year retroactive date, whichever is greater.

Item 8. Employment Liability Retroactive Date:

1. Members as of 1/1/1997 will have a uniform retroactive date of 10/1/1993. The members' respective retention and coinsurance contribution in effect at the time the claim is made will apply. This is based on whether or not the member has an approved loss control/risk management plan in place.
2. Members with effective dates after 1/1/1997 with prior Employment Liability coverage will have a retroactive date of 10/1/1993. All new members with prior coverage will have a six (6) month grace period for approval of a loss control/risk management plan in order to maintain the lower retention and the lower coinsurance contribution.
3. Members with effective dates after 1/1/1997 with no prior Employment Liability coverage will have a retroactive date that is the same as the date of membership. All new members with no prior coverage will have the higher retention and higher coinsurance percentage until their loss control/risk management program is submitted and approved.

Item 9. Notice of Claim to be given to:

Summit Risk Services
Attn: Alice Ivers
2 Walnut Grove Drive, Suite 210
Horsham, PA 19044
Email: newfundclaim@summitrisk.com
Phone: 215-443-3598 Fax: 215-773-7725

Item 10. Endorsements: Forms and Endorsements attached at issuance:

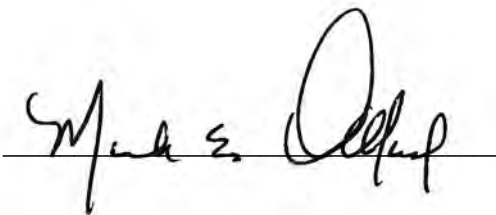
IL MP 9104 0211 IHIC – Indian Harbor “In Witness” Form
NJJ-POL-PF (01/13) – Public Officials and Employment Liability Coverage Form

Item 11. Warranty: It is represented and warranted that with regard to INSURING AGREEMENT 1.b. EMPLOYMENT LIABILITY, the statements contained in the written application regarding employment liability, a copy of which is on file at the offices of Indian Harbor Insurance Company, hereinafter referred to as the **Company**, and the Declarations, are reaffirmed as of the Effective Date of this policy, and are the basis of employment coverage under the policy and are considered as incorporated in and constituting part of this policy.

Item 12. Annual Premium: **\$8,746**

This Declarations Page is issued with, and forms a part of, the PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE POLICY.

Authorized Signature



IN WITNESS

INDIAN HARBOR INSURANCE COMPANY

REGULATORY OFFICE
505 EAGLEVIEW BOULEVARD, SUITE 100
DEPARTMENT: REGULATORY
EXTON, PA 19341-0636
PHONE: 800-688-1840

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.



Seraina Maag
President



Toni Ann Perkins
Secretary

POLICY PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE POLICY CAREFULLY.

Words and phrases that appear in **bold** have special meanings. Refer to the Declarations Page and/or the Definitions section of this policy for these special meanings.

Read the entire policy carefully to determine your rights, duties and what is and is not covered.

In consideration of payment of the **Assessment** and subject to the Declarations, **terms**, **conditions**, the limitations, and **exclusions** of this policy, the **Company** agrees as follows:

Throughout this policy the words **you** and **your** refer to the Insured shown in the Declarations. The words **we**, **us** and **our** refer to the **Company**.

The word "Insured" means any person or organization qualifying as such under SECTION II - WHO IS AN INSURED.

SECTION I - COVERAGES

1. INSURING AGREEMENTS:

- a. PUBLIC OFFICIALS LIABILITY: We shall pay on behalf of the Insured all **Loss** for which the Insured becomes legally obligated to pay as damages **arising out of Claims** first made against the Insured during the **Coverage Period**, or if exercised, during the **Extended Reporting Period**, to which this insurance applies, against the Insured by reason of **Wrongful Act(s)** rendered in discharging duties on behalf of the Insured named in the Declarations, except **Claims** covered by INSURING AGREEMENT 1.b.
- b. EMPLOYMENT LIABILITY: We shall pay on behalf of the Insured all **Loss** for which the Insured becomes legally obligated to pay as damages **arising out of Employment Claims** first made against the Insured during the **Coverage Period**, or, if exercised, during the **Extended Reporting Period** to which this insurance applies by reason of **Wrongful Act(s)** rendered in discharging duties on behalf of the Insured named in the Declarations.

2. RETROACTIVE DATE:

This insurance applies only if a covered **Claim** is first made against any Insured during the policy period.

- a. A **Claim** will be deemed to have been made when notice of such claim is received and recorded by any Insured or by the **Company**, whichever comes first.
- b. All **Claims** for damages causing **Loss** to the same person or organization as a result of a **Wrongful Act(s)** will be deemed to have been made at the time the first of those **Claims** is made against any Insured.

This insurance does not apply to **Wrongful Act(s)** which occurred before the **Retroactive Date**, if any, shown in the Declarations or which occur after the policy period. No other obligation or liability is covered.

3. DEFENSE, INVESTIGATION AND SETTLEMENT OF CLAIMS:

We shall have the right and duty to select counsel and to defend any **Claims**, even if any of the allegations are groundless, false or fraudulent. But:

- a. The amount we will pay for damages is limited as described in SECTION III - LIMITS OF INSURANCE.

- b. We may make any investigation we deem necessary. We may, with the consent of the Insured, settle any **Claim**. If the Insured withholds consent to such settlement, the **Company's** liability for all **Loss** on account of such **Claim** shall not exceed the amount for which the **Company** could have settled such **Claim** plus costs, charges and expenses accrued as of the date such settlement was proposed in writing by the **Company** to the Insured.
- c. Our right and duty to defend ends when we have used up the applicable **Limits of Liability** in the payment of judgments or settlements, when exhausted by payment of **Defense Costs**, or by deposit or tender of the **Limits of Liability** into a court.
- d. Included in the applicable **Limits of Liability**, we will pay, with respect to any **Claim** we defend:
 - (1) All expenses we incur.
 - (2) The cost of bonds to release attachments and appeal bonds required, but only for bond amounts within the applicable **Limits of Liability**. We do not have 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**. Such expenses do not include salaries of any Insured in connection with the investigation and/or defense of the **Claim**.
 - (4) All costs taxed against the Insured.
 - (5) Prejudgment interest awarded against the Insured on that part of the judgment we pay. If we make an offer to pay the applicable **Limits of Liability**, we will not pay any prejudgment interest based on that period of time after the offer.
 - (6) 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 **Limits of Liability**.

4. EXCLUSIONS:

This insurance does not apply to any **Claim** made against the Insured:

- a. **Arising out of** liability of others assumed by the Insured under any contract or agreement, either oral or written, except to the extent that the Insured would have been liable in the absence of the contract or agreement. This exclusion shall not apply to any municipal mutual assistance agreements for fire protection, first aid or other emergency services.
- b. **Arising out of** the Insured gaining any profit, advantage or remuneration to which the Insured is not entitled.
- c. **Arising out of** fraud, dishonesty, malicious, criminal and/or knowingly **Wrongful Act** or omission, if an investigation, judgment or other final adjudication establishes such a fraudulent, dishonest, malicious, criminal, and/or knowingly **Wrongful Act** or omission on the part of the Insured.
- d. **Arising out of** the willful violation of any federal, state, or local statute, ordinance, rule, regulation, agreement or judicial or regulatory order, committed by or with the knowledge and consent of any Insured. However, notwithstanding the foregoing, a defense shall be afforded under the terms of this policy up to, but not after, any judgment or other final adjudication adverse to the Insured related to any such **Claims**. A defense and indemnification shall be afforded to each Insured against whom no such final judgment or final adjudication is obtained.

- e. **Arising out of** strikes, picket lines, riots, war, insurrection, rebellion, revolution, terrorism, civil commotion, replacement or other similar actions.
 - f. **Arising out of** liability or cost incurred by any Insured to modify any building or property in order to make such acceptable or accommodating to any disabled person whether or not pursuant to any law, or judgment.
 - g. For which the Insured is entitled to indemnity or payment by reason of having given notice of any circumstances which might give rise to a **Claim** under any policies the term of which has expired prior to the inception date of this policy.
 - h. **Arising out of** any failure or omission of the Insured to purchase or maintain insurance of any kind.
 - i. **Arising out of** any Insured's:
 - (1) obligations under the Employee Retirement Income Security Act of 1974 (ERISA), including amendments, or any similar federal, state or local law or regulation; the Worker Adjustment and Retraining Notification act (WARN); the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA); the Occupational Safety and Health Act (OSHA); Public Employee Occupational Safety and Health Act (POSHA); rules or regulations promulgated thereunder and amendments thereto or similar provisions of any federal, state or local statutory law or common law; or
 - (2) administration or activities in connection with any employee benefit plan or self-insurance fund; but this section does not apply with respect to Joint Insurance Funds established pursuant to N.J.S.A. 40:A 10-36, et seq.
 - j. Seeking relief, or redress, in any form other than monetary damages, including but not limited to requests for injunctive and/or declaratory relief, nor shall we have any obligation to indemnify the Insured for any costs, fees including attorney's fees, or expenses which the Insured shall become obligated to pay as a result of an adverse judgment for injunctive and/or declaratory relief. However, as respects any **Claim** seeking non-monetary relief by reason of a **Wrongful Act** and which are otherwise covered by this policy, the **Company** shall have the right, at its option and expense, to investigate, take over the defense, or associate in the defense of any such **Claim**. The limit of the **Company's** liability for such **defense costs** shall not exceed \$10,000 per claim and \$50,000 in the aggregate for the **Coverage Period**. Such **defense costs** shall reduce the Limits of Liability available for the **Coverage Period**. Once the limit of the **Company's** liability under this provision has been met, the **Company** has the sole right to withdraw from such defense, with the **Company** having no further liability for such **Claim** whatsoever.
- In the event the **Company** defends or associates in the defense of any **Claim** which seeks monetary damages in addition to injunctive and/or declaratory relief, and the Insured at any time refuses to grant injunctive and/or declaratory relief, the **Company's** liability for monetary damages, including claimant's attorney's fees, and **defense costs** shall be limited to \$100,000. Once the Company's limit under this provision is exhausted, the Company may withdraw from their defense and bears no further liability for such **Claim** whatsoever. Costs incurred by the Company under this provision shall reduce the Limits of Liability available during the **Coverage Period**.
- k. **Arising out of** the operation of the principles of eminent domain, adverse possession, dedication by adverse use, temporary or permanent taking, inverse condemnation or condemnation proceedings, by whatever name used.

- l. **Arising out of** the acts of any state or federal official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official who takes control of, supervises, manages or liquidates the Insured.
 - m. Seeking punitive or exemplary damages, multiplied damages, fines, or penalties.
 - n. **Arising out of** any **Loss**, cost, or expense arising, in whole or part, out of any of the following: (1) the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time; or (2) any request, demand, order, or any voluntary decision 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 (3) any claim 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**.
 - o. **Arising out of** electromagnetic fields, other electrical or magnetic waves or radiation.
 - p. **Arising out of** the use, handling, sale, distribution, transport, shipment, planning, maintenance, operation, use, construction, dispersal, storage or disposal of any nuclear, radioactive or fissionable material, or any alleged violation of any environmental statute, regulation, or ordinance with respect to such material, including any site, facility, reactor, or any act, omission, or condition incidental thereto.
 - q. **Arising out of** asbestos or any asbestos-related **Wrongful Act**, including its use, exposure, presence, existence, detection, removal, elimination or avoidance.
 - r. **Arising out of** any non-emergency activities of the volunteer emergency services organizations or to any **claim** which is covered by the Municipal Excess Liability Joint Insurance Fund Volunteer Emergency Services Directors and Officers Liability Policy (Claims Made Basis).
 - s. **Claims** by reason of a **Wrongful Act(s) arising out of** any loss, cost, or expense pertaining to, in whole or part, the performance, failure to perform or the refusal to perform a marriage or civil union. Civil union is defined in New Jersey Statutes, C.37:1-28 et seq. Defense of **claims** is provided but the limit of the **Company's** liability for such **defense costs** shall not exceed **\$25,000** inclusive of the applicable **Retention Amount** and co-insurance contribution for such **Claim** and in the aggregate for the **Coverage Period** and shall reduce the **Limits of Liability** available for the **Coverage Period**.
5. ADDITIONAL EXCLUSIONS for INSURING AGREEMENT: 1. a. PUBLIC OFFICIALS:
- This insurance under INSURING AGREEMENT: 1. a. PUBLIC OFFICIALS, does not apply to any **Claim** made against the Insured:
- a. **Arising out of** the activities of any law enforcement agency or law enforcement personnel, including the operation of adult and juvenile detention facilities.
 - b. **Arising out of** liability of the Insured or any carrier, as the insurer of the Insured, under any workers' compensation act, unemployment compensation act, disability benefits law, or under any similar law, or under employers liability as respects any occupational disease.
 - c. **Arising out of** the breach of any contract whether written, oral or implied.
 - d. **Arising out of** bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property including diminution of value, disappearance, or loss of use.

- e. **Arising out of a wrongful act** of any attorney, architect, licensed physician, engineer, independent auditor or independent accountant while acting in the scope of his professional duties on behalf of the **Public Entity**. However, this exclusion shall not apply to **Claims arising out of the wrongful act(s)** of accountants, engineers, or attorneys employed full-time by the **Public Entity** while acting on behalf of the **Public Entity**. As respects employed attorneys, an "Application for Member Entity Full Time Employed Attorney Professional Liability Coverage" must have been completed, reviewed, and approved by an authorized representative of the **Company**, and their name added by endorsement to this policy for coverage to apply. This exclusion shall not apply to an interim administrator while acting in the scope of their duties on behalf of the named insured.
 - f. Brought by an insured, against another insured.
 - g. **Arising out of any Claim** arising from any debt financing, including but not limited to bonds, notes, debentures, and guarantees of debt.
6. **ADDITIONAL EXCLUSIONS for INSURING AGREEMENT: 1. b. EMPLOYMENT LIABILITY:**
- This insurance under INSURING AGREEMENT: 1. b. EMPLOYMENT LIABILITY, does not apply to any **Claim** made against the Insured:
- a. **Arising out of** any actual or alleged obligation of any Insured pursuant to any workers' compensation, unemployment insurance, social security, disability benefits or similar law; provided, however, this exclusion shall not apply to any **Claim** based upon, arising from, or in consequence of any actual or alleged retaliatory treatment by the Insured on account of the exercise of rights pursuant to any such law.
 - b. **Arising out of** bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property including diminution of value, disappearance, or loss of use thereof. However, this exclusion shall not apply to claims covered under INSURING AGREEMENT 1.b. alleging emotional distress, mental anguish or humiliation.
 - c. For back wages, overtime or similar **Claims**, even if designated as liquidated damages, under any federal, state or local statutes, rules, ordinances or regulations, or **Claims** arising from collective bargaining agreements. We have no duty to defend **claims** seeking back wages, overtime or similar **claims** and/or benefits, even if designated as liquidated damages, unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, we have no duty to defend any **claims** seeking wages and/or other benefits.
 - d. For front pay, future damages or other future economic relief or the equivalent thereof. We have no duty to defend **claims** seeking front pay, future damages or other future economic relief or the equivalent thereof, wages and/or benefits unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, we have no duty to defend any **claims** seeking wages and/or other benefits.
 - e. For any amounts which constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits. We have no duty to defend **claims** seeking amounts which constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits, unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, we have no duty to defend any **claims** seeking amounts which

constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits.

SECTION II - WHO IS AN INSURED

Each of the following is an Insured whether in the singular or plural, while acting solely within the course and scope of his or her duties and responsibilities on behalf of the **Public Entity**:

1. The **Public Entity** named in the Declarations, Item 1, which is legally constituted and incorporated as of the effective date of this policy, including its government body, departments and units.
2. Your lawfully elected, appointed or employed **Public Officials** or members, past, present and future.
3. Unless specifically endorsed herein, Insured does not mean, and coverage does not apply to, any one of the following boards, commissions or units: boards of education, hospitals, or nursing homes.
4. Your employees.
5. With regard to coverage afforded under INSURING AGREEMENT 1. b. EMPLOYMENT LIABILITY, any person providing volunteer services for you at your request and operating under your direction and control; with regard to coverage afforded under INSURING AGREEMENT 1. a. PUBLIC OFFICIALS LIABILITY, any person providing volunteer services authorized under Title 34 N.J.S.A., subsections 34:15-74, at your request and operating under your direction and control.
6. Any person providing services for you under municipal mutual assistance agreements.
7. The estates, heirs, legal representatives or assigns of the Insured who are deceased at the time of the **Wrongful Act(s)** upon which a covered claim is based.
8. The legal representatives or assigns of the Insureds who are incompetent, insolvent or bankrupt.
9. Persons designated by the Insured to serve on a designated outside entity, provided that the activities are in the course and scope of serving on the designated outside entity, the outside entity is tax exempt, the appointment is based solely on the person's being a **Public Official** of the **Public Entity**, and the person is directed by the **Public Entity** to serve on the outside entity.
10. Any Business or Special Improvement District affiliated with the **named insured** for which the **named insured** has submitted a request to, and received written confirmation from, the **Lead Agent**.

SECTION III - LIMITS OF INSURANCE

1. The **Limits of Liability** shown in the Declarations, Item 2, and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. **Claims** made; or
 - c. Persons or organizations making **Claims**.
2. The **Limits of Liability** shown in the Declarations, Item 2, is the most we will pay under this policy.

For the purpose of determining the annual aggregate **Limits of Liability** of the **Company** for the **Extended Reporting Period** provided for under this policy, we shall combine the total of monies paid by the **Company** on behalf of the Insured during the immediately preceding **Coverage Period** plus the total of monies paid by the **Company** on behalf of the Insured during the **Extended Reporting Period**, with said combined total not to exceed the **Limits of Liability** set forth in Item 2 of the Declarations for this policy.

The **Company's** liability under this policy shall apply only to that part of each **Loss** which is in excess of the **Retention Amount** set forth in Item 4 of the Declarations for this policy and such **Retention Amount** shall be borne by the Insured.

3. Subject to 2. above, the Combined Single Limit per **Claim** is the most we will pay for all **Loss arising out of** any one **Wrongful Act** covered by this policy. **Claims** based on and **arising out of** the same act or interrelated acts of one or more Insureds shall be considered to be a single **Claim**, and such **Claim** shall be deemed to have originated in the earliest **Coverage Period** in which a **Claim** is first made against any Insured.
4. If **Claim(s)** are made which fall under INSURING AGREEMENTS 1. a. PUBLIC OFFICIALS LIABILITY and 1. b. EMPLOYMENT LIABILITY, the **Coinsurance Percent** specified in Item 3 of the Declarations and the highest **Retention Amount** specified in Item 4 of the Declarations shall apply.

SECTION IV - CONDITIONS

1. TERRITORY:

Coverage shall extend anywhere in the United States or its territories.

2. BANKRUPTCY:

Bankruptcy or insolvency of the Insured or of the Insured's successor will not relieve us of our obligations under this policy.

3. DUTIES IN THE EVENT OF POTENTIAL OR ACTUAL CLAIM:

- a. You must give prompt written notice no later than ninety (90) days after a **Wrongful Act** that you reasonably expect to give rise to a **Claim** or **Employment Claim**. To the extent possible, notice should include:
 - (1) A description of the situation or circumstances, including how, when and where it occurred;
 - (2) The names and addresses of any involved persons and witnesses; and
 - (3) The nature and extent of any damage arising or likely to arise out of the situation or circumstances.

Notice of a situation or circumstances which may result in a **Claim** is not notice of a **Claim**.

- b. If a **Claim** is received by any Insured you must:

- (1) Immediately record the specifics of the **Claim** and the date received; and
- (2) Notify us in writing within fourteen (14) days.

- 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**;
- (2) Authorize us to obtain records and other information;

- (3) Cooperate with us in the investigation, settlement or defense of the covered **Claim**, and not do anything that may prejudice the **Company** or its potential or actual rights of recovery;
 - (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;
 - (5) In the event of any payment under this policy, the **Company** shall be subrogated to the extent of such payment to all the Insured's rights of recovery, and the Insured shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the **Company** effectively to bring suit in the name of the Insured; and
 - (6) If any Insured has a right to recover all or part of any **Loss** the **Company** has paid under this policy, those rights are transferred to the **Company**. Any Insured must do nothing after **Loss** to impair such rights. At the request of the **Company**, any Insured will bring suit or transfer those rights to the **Company** and help the **Company** enforce them.
- d. You agree not to settle any **Claim**, incur any **Defense Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the **Company's** written consent. The **Company** shall not be liable for any settlement, **Defense Costs**, assumed obligation or admission to which it has not consented.
 - e. You agree **Defense Costs** incurred by the **Company**, or by the Insured with the written consent of the **Company**, are part of and not in addition to the **Company's** applicable **Limits of Liability** set forth in Item 2 of the Declarations for this policy, and the payment by the **Company** of **Defense Costs** reduces such applicable **Limits of Liability**.
 - f. Your failure to comply with reporting requirements may result in denial of coverage.
4. **LEGAL ACTION AGAINST US:**
- No person or organization has a right under this policy:
- a. To join us as a party or otherwise bring us into a suit asking for damages from an Insured; or
 - b. To sue us under this policy unless all of its terms have been fully complied with.
5. **AUTHORIZATION CLAUSE:**
- By acceptance of this policy, the Insured Public Entity agrees to act on behalf of all Insureds with respect to the giving and receiving of notice of Claim or termination, the payment of Assessments and the receiving of any return Assessments that may become due under this policy, the negotiation, agreement to and acceptance of Endorsements, and the giving or receiving of any notice provided for in this policy (except the giving of notice to apply for the Extended Reporting Period), and the Insureds agree that the Insured Public Entity shall act on their behalf.
6. **CHANGES:**
- Notice to any agent or knowledge possessed by any agent or any other person shall not effect a waiver or a change in any part of this policy or stop the **Company** from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued by the **Company** to form a part of this policy.

7. ASSIGNMENT:

Assignment of interest under this policy shall not bind the **Company** until its consent is endorsed hereon.

8. TERMS OF COVERAGE CONFORMED TO STATUTE:

Terms of this policy which are in conflict with the law or statutes of the State of New Jersey or United States of America are hereby amended to conform to such statutes.

9. OTHER INSURANCE:

If all or any part of **Loss** under this policy is also insured:

- (a) under any other insurance, other than a policy issued by the **Company**, then this policy shall, subject to its limitations, conditions, provisions and other terms, only apply in excess of the limit of such other policy, whether such other policy is stated to be primary, contributory, excess, contingent or otherwise, unless such other policy is written only as specific excess insurance over the **Limits of Liability** provided in this policy;
- (b) under any other policy issued by the **Company**, whether prior, contemporaneous or subsequent to the term of this policy, no coverage shall apply to such **Loss** under this policy;
- (c) under any other policy issued by a Joint Insurance Fund under Title 40:A N.J.S.A., no such coverage shall apply to such **Loss** under this policy; or
- (d) under any other policy issued by the **Company**, no coverage shall apply to such **Loss** under this policy.

Other Insurance includes, but is not limited to, coverage or benefits provided by self-insurance arrangements, pools, self-insurance trusts, captive insurance companies, retention groups, reciprocal exchanges or any other plan or agreement of risk transfer or assumption.

10. REPRESENTATIONS:

In granting coverage to any Insured, the **Company** has relied upon the Declarations and statements in the written application for this policy or prior **Company** policies. All such Declarations and statements are the basis of such coverage and shall be considered as incorporated in and constituting part of this policy.

With respect to the Declarations and statements contained in such written application for this policy or prior **Company** policies, no statement in the application or knowledge possessed by any Insured shall be imputed to any other Insured for the purpose of determining if coverage is available.

11. SEPARATION OF INSURED:

Except with respect to the **Limits of Liability**, and any rights or duties specifically assigned to the 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.

12. COINSURANCE:

The Insured and the **Company** shall participate with regard to a **Loss** subject to the percentages and Loss Amounts reflected in Item 3 of the **DECLARATIONS**.

The participation of the Insured and the **Company** on the coinsurance contribution percentage as set forth above is part of the **Limits of Liability** and is not in addition to the **Limits of Liability** as set forth in Item 2(a) of the **DECLARATIONS**.

The coinsurance contribution percentage does not apply to the **Limits of Liability** as set forth in Item 2(b) of the **DECLARATIONS**.

Your Coinsurance Percentages and Loss Amount contemplate your compliance or non-compliance with an **Approved Risk Management/Loss Control Plan**.

13. **WHEN WE DO NOT RENEW:**

If **we** decide not to renew this policy, **we** will mail or deliver to the first named Insured shown in the Declarations written notice of the nonrenewal not less than 60 days before the expiration date.

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

14. **CANCELLATION:**

Any cancellation of this policy is expressly subject to the requirements of the laws of the State of New Jersey, including those regulations currently codified in N.J.A.C. 11:15-2 adopted by the New Jersey Commissioner of Insurance pursuant to the authority of N.J.S.A. 17:1-8.1, N.J.S.A. 17:1C-6(e) and N.J.S.A. 40A:10-36 et seq. and as hereafter amended. This policy may be canceled by the Insured by surrender thereof to the **Company** or any of its authorized agents and only in accordance with the requirements for withdrawal from the **Company** as set forth in the aforesaid statutes, rules and regulations and the **Company's** bylaws adopted thereunder. If the Insured cancels, its liability for any further **Assessments** shall be computed in accordance with the aforesaid rules and regulations.

If the **Company** cancels, it shall mail to the Insured, at the last **Mailing Address** known by the **Company**, written notice stating when not less than 30 days thereafter such cancellation shall be effective. Subject to the aforesaid rules and regulations, this policy may also be canceled by not less than 10 days' notice when the cancellation is being effected by reason of the Insured's nonpayment of **Assessment**. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Coverage Period**. If the **Company** cancels, earned **Assessment** shall be computed as provided in the aforesaid rules and regulations. **Assessment** adjustment may be made either at the time cancellation is effected or as soon as practicable, but payment or tender of unearned **Assessment** is not a condition of cancellation.

15. **ELIGIBILITY:**

It is expressly recognized and agreed that the Insured named in the Declarations, Item 1, is required to be a member of the **Company** as a condition of eligibility for this policy and that, in the event that the Insured named in the Declarations, Item 1, withdraws from or is terminated or expelled from the **Company**, then this policy shall be canceled and terminated as of the effective date of the withdrawal, termination or expulsion. Any such withdrawal, termination or expulsion from the **Company** shall be effectuated only in accordance with the **Company's** bylaws and risk management plan as approved pursuant to the aforementioned authorizing statutes and regulations.

16. **ARBITRATION:**

Any dispute, including but not limited to claims sounding in contract or tort, between the Insured and the **Company** arising in connection with or relating to this policy shall be submitted to binding arbitration.

The rules of the American Arbitration Association shall apply except with respect to the selection of the arbitration panel. The panel shall consist of one arbitrator selected by the Insured, one arbitrator selected by the **Company**, and a third independent arbitrator selected by the first two arbitrators.

If both **Loss** covered by this policy and **Loss** not covered by this policy are incurred, either because a **Claim** against the Insured includes both covered and uncovered matters or because a

Claim is made against both an Insured and others, the Insured and the **Company** shall use their best efforts to agree upon a fair and proper allocation of such amount between covered **Loss** and uncovered **Loss**.

SECTION V - EXTENDED REPORTING PERIODS

If the **Company** terminates or refuses to renew this policy other than for nonpayment of **Assessment**, the Insured shall have the right, upon payment of the **Additional Assessment** set forth in Item 6(A) of the Declarations for this policy, to an extension of the coverage granted by this policy for the period set forth in Item 6(B) of the Declarations for this policy (**Extended Reporting Period**) following the effective date of termination or non-renewal, but only for any **Wrongful Act** committed, attempted, or allegedly committed or attempted, prior to the effective date of termination or non-renewal.

If the Insured terminates or declines to accept renewal, the **Company** may, if requested, at its sole option, grant an **Extended Reporting Period**. The offer of renewal terms and conditions or **Assessments** different from those in effect prior to renewal shall not constitute refusal to renew.

This right of extension shall lapse unless written notice of such election, together with payment of the **Additional Assessment** due, is received by the **Company** as set forth in Item 6(C) within 30 days following the effective date of termination or non-renewal. Any **Claim** made during the **Extended Reporting Period** shall be deemed to have been made during the immediately preceding **Coverage Period**.

For the limit of aggregate liability under this policy during the **Extended Reporting Period**, see Clause 2, SECTION III - LIMITS OF INSURANCE.

SECTION VI - DEFINITIONS

When used in this Policy:

1. **Approved Risk Management/Loss Control Plan** means
 - (a) the Insured **Public Entity** has developed, and is following a program for risk management of employment liability **Claims** that has been approved and accepted by the **Municipal Excess Liability Joint Insurance Fund**,
 - (b) the Insured **Public Entity** is updating its **Approved Risk Management/Loss Control Plan** on an annual basis, and has received an Attorney's Certification for its Employment Practices Loss Control Plan which has been signed by the **Public Entity's** attorney on an annual basis and in accordance with current **Municipal Excess Liability Joint Insurance Fund** requirements, and
 - (c) the Insured **Public Entity** has completed **Employment Practices Training**.
2. **Arising out of** means connected with, incidental to, or growing out of.
3. **Claim** means:
 - (a) a written demand for monetary damages; or
 - (b) a civil proceeding commenced by the service of a summons, complaint, or similar pleading, including any appeal therefrom.
 - (c) a complaint or charge filed with the Equal Employment Opportunity Commission (EEOC), New Jersey Division of Civil Rights (DCR), or similar federal, state, or local government agency.

One or more claims **arising out of** the same or similar incident(s) or circumstance(s) or series of the same or similar incident(s) or circumstance(s) shall constitute one **Claim**, shall be deemed to

be made at the time of the earliest such **Claim** is made, and shall be subject to a single **Limits of Liability** as set forth in Item 2 of the Declarations.

4. **Company** means the insurance company named on the Declarations Page.
5. **Coverage Period** shall mean the period of one year following the Effective Date and hour of this policy or any anniversary thereof, or if the time between the Effective Date or any anniversary and the termination of the policy is less than one year, such lesser period.

Coverage begins on the Effective Date shown in the Declarations at 12:01 A.M. standard time at the **Mailing Address** of the Insured shown in the Declarations. Coverage ends on the Expiration Date shown in the Declarations or, if earlier, the cancellation date at 12:01 A.M. standard time at the **Mailing Address** of the Insured shown in the Declarations.
6. **Defense Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the Insureds) incurred, with the consent of **Company**, in defending or investigating **Claims** and the cost for appeal, attachment or similar bonds.
7. **Employment Claim** means:
 - (a) a written demand for monetary damages; or
 - (b) a civil proceeding commenced by the service of a summons, complaint, or similar pleading, including any appeal therefrom;
 - (c) any appeal from the final decision of the **Public Entity arising out of** the internal civil service or administrative procedures of the **Public Entity**;

arising out of wrongful termination, breach of employment contract, employment-related misrepresentation, discrimination, harassment, failure to employ, failure to promote, wrongful discipline, wrongful deprivation of career opportunity, failure to grant tenure, negligent evaluation, invasion of privacy, employment-related defamation, wrongful infliction of emotional distress, retaliatory treatment, and/or violation of civil or constitutional right of any employee that creates a cause of action for damages.
8. **Employment-related harassment** means unwelcome or offensive verbal or physical conduct, including sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature that creates a cause of action for damages.
9. **Employment Practices Training** means the Insured Public Entity has made personnel practices training mandatory for supervisory and managerial personnel and has also made it available to all employees.
10. **Lead Agent** shall mean the Joint Insurance Fund named on the Declarations Page as organized and created pursuant to the provisions of L. 1983 c.372 (N.J.S.A. 40A:10-36) et seq.
11. **Loss** means the total amount which any Insured becomes legally obligated to pay on account of each and all **Claims** reported in each **Coverage Period** and the **Extended Reporting Period**, if exercised, made against them for **Wrongful Acts** for which coverage applies, including, but not limited to, damages, judgments, settlements, costs and **Defense Costs**. **Loss** does not include (i) any amount not indemnified by the Insured for which the Insured is absolved from payment by reason of any covenant, agreement or court order; (ii) matters uninsurable under the law pursuant to which this policy is construed; or (iii) the employment reinstatement of the claimant by the Insured or the continued employment of the claimant; or (iv) harm or damages caused intentionally by an Insured.
12. **Pollutants** means any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or a state, county, municipality or locality counterpart thereof. Such substances shall

include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, electromagnetic radiation, or waste materials, which includes materials to be recycled, reconditioned or reclaimed. **Pollutants** shall also mean any other air emission, odor, wastewater, oil or oil products, infectious or medical waste, asbestos or asbestos products, and any noise.

13. **Public Entity** shall mean only that Municipality, Governmental Body, Department, or Unit, which is named in the Declarations and is legally constituted at the Effective Date of this policy.
14. **Public Official** shall mean all persons who were, now are or shall be lawfully appointed or elected officials of the Insured while acting within the scope of their official duties. The term **Public Official** shall include members of such commissions, boards or other units operating by and under the jurisdiction of such governing body and within an apportionment of the total operating budget of the Insured, while acting within the scope of their official duties. The term **Public Official** shall also include employees and **Volunteers** as may be responsible to the governing body or to its commissions, boards or other units. **Public Official** does not mean and does not apply to any officials, members or employees of any, hospital, boards of education or colleges, or any person working on a retainer or any independent or professional services contractors. **Public Official** shall also mean an interim administrator while acting in the scope of their duties on behalf of the named insured.

Public Official shall also mean members of the Board of Directors of non-for profit corporations where the not-for profit corporation has been approved for coverage with the Lead Agent.
15. **Retention Amount** means the initial amount, as stated in Item 4 of the Declarations, payable by the Insured for each **Loss**.
16. **Retroactive Date** means the dates shown in Items 7 and 8 of the Declaration Page. No coverage will be afforded for acts prior to this date.
17. **Volunteer** means any person whose services are uncompensated and whose activities are authorized, directed and supervised by, and for the benefit of, the **Public Entity**. Volunteer does not include any person performing services which are covered by, connected with, or supervised by any court, penal or law official or institution.
18. **Wrongful Act** means any alleged or actual act, error, omission or breach of duty of an Insured.

SECTION VII – ACCEPTANCE

By acceptance of this policy the Insured and its **Public Officials** agree that this policy embodies all agreements existing between themselves and the **Company** or any of its agents relating to this policy.



XL Group
Insurance
Reinsurance

Indian Harbor Insurance Company

PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE (CLAIMS MADE BASIS)

Policy No.: PJJ9519065-03

Renewal of: PJJ9519065-02

DECLARATIONS

Item 1. Insured Public Entity:

Toms River Municipal
Utilities Authority
340 West Water Street
Toms River, NJ 08753

Lead Agent:

New Jersey Utility Authorities
Joint Insurance Fund
Attn: Cate Kiernan
PERMA Risk Management Services
9 Campus Drive, Suite 16
Parsippany, NJ 07054-4412

Item 2. Limits of Liability:

(A) \$2,000,000 Standard: Combined Single Limit per Claim and Annual Aggregate.

(B) \$25,000 for defense only of Claims based on civil union and or marriage.

Note that the **Limits of Liability** and Retention are reduced or exhausted by **Defense Costs**.

Item 3. Coinsurance Contribution Percentage and Loss Amount:

The Coinsurance Percentages apply to the Loss Amounts below.

	Insured Percentage	Company Percentage	Loss Amount
(A) Public Officials Liability	20%	80%	\$100,000
(B) Employment Liability	20%	80%	\$100,000

Item 4. Retention Amount:

\$7,500 Under INSURING AGREEMENT 1.a. PUBLIC OFFICIALS LIABILITY.

\$7,500 Under INSURING AGREEMENT 1.b. EMPLOYMENT LIABILITY.

Item 5. Coverage Period:

Effective Date: January 1, 2014

Expiration Date: January 1, 2015

each at 12:01 a.m. Standard Time at the address of the **Public Entity** as stated herein.

Item 6. Extended Reporting Period:

(A) Additional Assessment: 200% of Annual Assessment

(B) Additional Period: 12 Months

(C) Insured Notification Period: 30 Days

Item 7. Public Officials Liability Retroactive Date:

1. Provide "full prior acts" coverage to members with five continuous years of membership.
2. Provide "full prior acts" coverage to new members who have full prior acts coverage in force at time of membership.
3. Provide prior acts to the existing retroactive date (defined as the retroactive date identified in their expiring or prior policy) for new members that do not have full prior acts coverage or a one year retroactive date, whichever is greater.

Item 8. Employment Liability Retroactive Date:

1. Members as of 1/1/1997 will have a uniform retroactive date of 10/1/1993. The members' respective retention and coinsurance contribution in effect at the time the claim is made will apply. This is based on whether or not the member has an approved loss control/risk management plan in place.
2. Members with effective dates after 1/1/1997 with prior Employment Liability coverage will have a retroactive date of 10/1/1993. All new members with prior coverage will have a six (6) month grace period for approval of a loss control/risk management plan in order to maintain the lower retention and the lower coinsurance contribution.
3. Members with effective dates after 1/1/1997 with no prior Employment Liability coverage will have a retroactive date that is the same as the date of membership. All new members with no prior coverage will have the higher retention and higher coinsurance percentage until their loss control/risk management program is submitted and approved.

Item 9. Notice of Claim to be given to:

Summit Risk Services
Attn: Alice Ivers
2 Walnut Grove Drive, Suite 210
Horsham, PA 19044
Email: newfundclaim@summitrisk.com
Phone: 215-443-3598 Fax: 215-773-7725

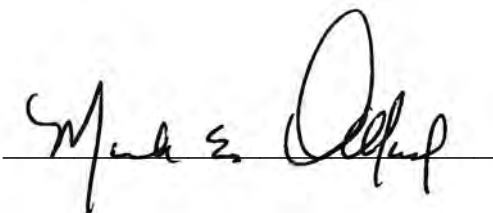
Item 10. Endorsements: Forms and Endorsements attached at issuance:

IL MP 9104 0211 IHIC – Indian Harbor “In Witness” Form
NJJ-POL-PF (01/13) – Public Officials and Employment Liability Coverage Form
XL-NJSOP (12/08) – Service of Process

Item 11. Warranty: It is represented and warranted that with regard to INSURING AGREEMENT 1.b. EMPLOYMENT LIABILITY, the statements contained in the written application regarding employment liability, a copy of which is on file at the offices of Indian Harbor Insurance Company, hereinafter referred to as the **Company**, and the Declarations, are reaffirmed as of the Effective Date of this policy, and are the basis of employment coverage under the policy and are considered as incorporated in and constituting part of this policy.

Item 12. Annual Premium: **\$8,333**

This Declarations Page is issued with, and forms a part of, the PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE POLICY.

Authorized Signature 

IN WITNESS

INDIAN HARBOR INSURANCE COMPANY

REGULATORY OFFICE
505 EAGLEVIEW BOULEVARD, SUITE 100
DEPARTMENT: REGULATORY
EXTON, PA 19341-0636
PHONE: 800-688-1840

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.



Seraina Maag
President



Toni Ann Perkins
Secretary

POLICY PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE POLICY CAREFULLY.

Words and phrases that appear in **bold** have special meanings. Refer to the Declarations Page and/or the Definitions section of this policy for these special meanings.

Read the entire policy carefully to determine your rights, duties and what is and is not covered.

In consideration of payment of the **Assessment** and subject to the Declarations, **terms**, **conditions**, the limitations, and **exclusions** of this policy, the **Company** agrees as follows:

Throughout this policy the words **you** and **your** refer to the Insured shown in the Declarations. The words **we**, **us** and **our** refer to the **Company**.

The word "Insured" means any person or organization qualifying as such under SECTION II - WHO IS AN INSURED.

SECTION I - COVERAGES

1. INSURING AGREEMENTS:

- a. PUBLIC OFFICIALS LIABILITY: We shall pay on behalf of the Insured all **Loss** for which the Insured becomes legally obligated to pay as damages **arising out of Claims** first made against the Insured during the **Coverage Period**, or if exercised, during the **Extended Reporting Period**, to which this insurance applies, against the Insured by reason of **Wrongful Act(s)** rendered in discharging duties on behalf of the Insured named in the Declarations, except **Claims** covered by INSURING AGREEMENT 1.b.
- b. EMPLOYMENT LIABILITY: We shall pay on behalf of the Insured all **Loss** for which the Insured becomes legally obligated to pay as damages **arising out of Employment Claims** first made against the Insured during the **Coverage Period**, or, if exercised, during the **Extended Reporting Period** to which this insurance applies by reason of **Wrongful Act(s)** rendered in discharging duties on behalf of the Insured named in the Declarations.

2. RETROACTIVE DATE:

This insurance applies only if a covered **Claim** is first made against any Insured during the policy period.

- a. A **Claim** will be deemed to have been made when notice of such claim is received and recorded by any Insured or by the **Company**, whichever comes first.
- b. All **Claims** for damages causing **Loss** to the same person or organization as a result of a **Wrongful Act(s)** will be deemed to have been made at the time the first of those **Claims** is made against any Insured.

This insurance does not apply to **Wrongful Act(s)** which occurred before the **Retroactive Date**, if any, shown in the Declarations or which occur after the policy period. No other obligation or liability is covered.

3. DEFENSE, INVESTIGATION AND SETTLEMENT OF CLAIMS:

We shall have the right and duty to select counsel and to defend any **Claims**, even if any of the allegations are groundless, false or fraudulent. But:

- a. The amount we will pay for damages is limited as described in SECTION III - LIMITS OF INSURANCE.

- b. We may make any investigation we deem necessary. We may, with the consent of the Insured, settle any **Claim**. If the Insured withholds consent to such settlement, the **Company's** liability for all **Loss** on account of such **Claim** shall not exceed the amount for which the **Company** could have settled such **Claim** plus costs, charges and expenses accrued as of the date such settlement was proposed in writing by the **Company** to the Insured.
- c. Our right and duty to defend ends when we have used up the applicable **Limits of Liability** in the payment of judgments or settlements, when exhausted by payment of **Defense Costs**, or by deposit or tender of the **Limits of Liability** into a court.
- d. Included in the applicable **Limits of Liability**, we will pay, with respect to any **Claim** we defend:
 - (1) All expenses we incur.
 - (2) The cost of bonds to release attachments and appeal bonds required, but only for bond amounts within the applicable **Limits of Liability**. We do not have 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**. Such expenses do not include salaries of any Insured in connection with the investigation and/or defense of the **Claim**.
 - (4) All costs taxed against the Insured.
 - (5) Prejudgment interest awarded against the Insured on that part of the judgment we pay. If we make an offer to pay the applicable **Limits of Liability**, we will not pay any prejudgment interest based on that period of time after the offer.
 - (6) 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 **Limits of Liability**.

4. EXCLUSIONS:

This insurance does not apply to any **Claim** made against the Insured:

- a. **Arising out of** liability of others assumed by the Insured under any contract or agreement, either oral or written, except to the extent that the Insured would have been liable in the absence of the contract or agreement. This exclusion shall not apply to any municipal mutual assistance agreements for fire protection, first aid or other emergency services.
- b. **Arising out of** the Insured gaining any profit, advantage or remuneration to which the Insured is not entitled.
- c. **Arising out of** fraud, dishonesty, malicious, criminal and/or knowingly **Wrongful Act** or omission, if an investigation, judgment or other final adjudication establishes such a fraudulent, dishonest, malicious, criminal, and/or knowingly **Wrongful Act** or omission on the part of the Insured.
- d. **Arising out of** the willful violation of any federal, state, or local statute, ordinance, rule, regulation, agreement or judicial or regulatory order, committed by or with the knowledge and consent of any Insured. However, notwithstanding the foregoing, a defense shall be afforded under the terms of this policy up to, but not after, any judgment or other final adjudication adverse to the Insured related to any such **Claims**. A defense and indemnification shall be afforded to each Insured against whom no such final judgment or final adjudication is obtained.

- e. **Arising out of** strikes, picket lines, riots, war, insurrection, rebellion, revolution, terrorism, civil commotion, replacement or other similar actions.
 - f. **Arising out of** liability or cost incurred by any Insured to modify any building or property in order to make such acceptable or accommodating to any disabled person whether or not pursuant to any law, or judgment.
 - g. For which the Insured is entitled to indemnity or payment by reason of having given notice of any circumstances which might give rise to a **Claim** under any policies the term of which has expired prior to the inception date of this policy.
 - h. **Arising out of** any failure or omission of the Insured to purchase or maintain insurance of any kind.
 - i. **Arising out of** any Insured's:
 - (1) obligations under the Employee Retirement Income Security Act of 1974 (ERISA), including amendments, or any similar federal, state or local law or regulation; the Worker Adjustment and Retraining Notification act (WARN); the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA); the Occupational Safety and Health Act (OSHA); Public Employee Occupational Safety and Health Act (POSHA); rules or regulations promulgated thereunder and amendments thereto or similar provisions of any federal, state or local statutory law or common law; or
 - (2) administration or activities in connection with any employee benefit plan or self-insurance fund; but this section does not apply with respect to Joint Insurance Funds established pursuant to N.J.S.A. 40:A 10-36, et seq.
 - j. Seeking relief, or redress, in any form other than monetary damages, including but not limited to requests for injunctive and/or declaratory relief, nor shall we have any obligation to indemnify the Insured for any costs, fees including attorney's fees, or expenses which the Insured shall become obligated to pay as a result of an adverse judgment for injunctive and/or declaratory relief. However, as respects any **Claim** seeking non-monetary relief by reason of a **Wrongful Act** and which are otherwise covered by this policy, the **Company** shall have the right, at its option and expense, to investigate, take over the defense, or associate in the defense of any such **Claim**. The limit of the **Company's** liability for such **defense costs** shall not exceed \$10,000 per claim and \$50,000 in the aggregate for the **Coverage Period**. Such **defense costs** shall reduce the Limits of Liability available for the **Coverage Period**. Once the limit of the **Company's** liability under this provision has been met, the **Company** has the sole right to withdraw from such defense, with the **Company** having no further liability for such **Claim** whatsoever.
- In the event the **Company** defends or associates in the defense of any **Claim** which seeks monetary damages in addition to injunctive and/or declaratory relief, and the Insured at any time refuses to grant injunctive and/or declaratory relief, the **Company's** liability for monetary damages, including claimant's attorney's fees, and **defense costs** shall be limited to \$100,000. Once the Company's limit under this provision is exhausted, the Company may withdraw from their defense and bears no further liability for such **Claim** whatsoever. Costs incurred by the Company under this provision shall reduce the Limits of Liability available during the **Coverage Period**.
- k. **Arising out of** the operation of the principles of eminent domain, adverse possession, dedication by adverse use, temporary or permanent taking, inverse condemnation or condemnation proceedings, by whatever name used.

- l. **Arising out of** the acts of any state or federal official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official who takes control of, supervises, manages or liquidates the Insured.
 - m. Seeking punitive or exemplary damages, multiplied damages, fines, or penalties.
 - n. **Arising out of** any **Loss**, cost, or expense arising, in whole or part, out of any of the following: (1) the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time; or (2) any request, demand, order, or any voluntary decision 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 (3) any claim 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**.
 - o. **Arising out of** electromagnetic fields, other electrical or magnetic waves or radiation.
 - p. **Arising out of** the use, handling, sale, distribution, transport, shipment, planning, maintenance, operation, use, construction, dispersal, storage or disposal of any nuclear, radioactive or fissionable material, or any alleged violation of any environmental statute, regulation, or ordinance with respect to such material, including any site, facility, reactor, or any act, omission, or condition incidental thereto.
 - q. **Arising out of** asbestos or any asbestos-related **Wrongful Act**, including its use, exposure, presence, existence, detection, removal, elimination or avoidance.
 - r. **Arising out of** any non-emergency activities of the volunteer emergency services organizations or to any **claim** which is covered by the Municipal Excess Liability Joint Insurance Fund Volunteer Emergency Services Directors and Officers Liability Policy (Claims Made Basis).
 - s. **Claims** by reason of a **Wrongful Act(s) arising out of** any loss, cost, or expense pertaining to, in whole or part, the performance, failure to perform or the refusal to perform a marriage or civil union. Civil union is defined in New Jersey Statutes, C.37:1-28 et seq. Defense of **claims** is provided but the limit of the **Company's** liability for such **defense costs** shall not exceed **\$25,000** inclusive of the applicable **Retention Amount** and co-insurance contribution for such **Claim** and in the aggregate for the **Coverage Period** and shall reduce the **Limits of Liability** available for the **Coverage Period**.
5. ADDITIONAL EXCLUSIONS for INSURING AGREEMENT: 1. a. PUBLIC OFFICIALS:
- This insurance under INSURING AGREEMENT: 1. a. PUBLIC OFFICIALS, does not apply to any **Claim** made against the Insured:
- a. **Arising out of** the activities of any law enforcement agency or law enforcement personnel, including the operation of adult and juvenile detention facilities.
 - b. **Arising out of** liability of the Insured or any carrier, as the insurer of the Insured, under any workers' compensation act, unemployment compensation act, disability benefits law, or under any similar law, or under employers liability as respects any occupational disease.
 - c. **Arising out of** the breach of any contract whether written, oral or implied.
 - d. **Arising out of** bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property including diminution of value, disappearance, or loss of use.

- e. **Arising out of a wrongful act** of any attorney, architect, licensed physician, engineer, independent auditor or independent accountant while acting in the scope of his professional duties on behalf of the **Public Entity**. However, this exclusion shall not apply to **Claims arising out of the wrongful act(s)** of accountants, engineers, or attorneys employed full-time by the **Public Entity** while acting on behalf of the **Public Entity**. As respects employed attorneys, an "Application for Member Entity Full Time Employed Attorney Professional Liability Coverage" must have been completed, reviewed, and approved by an authorized representative of the **Company**, and their name added by endorsement to this policy for coverage to apply. This exclusion shall not apply to an interim administrator while acting in the scope of their duties on behalf of the named insured.
 - f. Brought by an insured, against another insured.
 - g. **Arising out of any Claim** arising from any debt financing, including but not limited to bonds, notes, debentures, and guarantees of debt.
6. **ADDITIONAL EXCLUSIONS for INSURING AGREEMENT: 1. b. EMPLOYMENT LIABILITY:**
- This insurance under INSURING AGREEMENT: 1. b. EMPLOYMENT LIABILITY, does not apply to any **Claim** made against the Insured:
- a. **Arising out of** any actual or alleged obligation of any Insured pursuant to any workers' compensation, unemployment insurance, social security, disability benefits or similar law; provided, however, this exclusion shall not apply to any **Claim** based upon, arising from, or in consequence of any actual or alleged retaliatory treatment by the Insured on account of the exercise of rights pursuant to any such law.
 - b. **Arising out of** bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property including diminution of value, disappearance, or loss of use thereof. However, this exclusion shall not apply to claims covered under INSURING AGREEMENT 1.b. alleging emotional distress, mental anguish or humiliation.
 - c. For back wages, overtime or similar **Claims**, even if designated as liquidated damages, under any federal, state or local statutes, rules, ordinances or regulations, or **Claims** arising from collective bargaining agreements. We have no duty to defend **claims** seeking back wages, overtime or similar **claims** and/or benefits, even if designated as liquidated damages, unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, we have no duty to defend any **claims** seeking wages and/or other benefits.
 - d. For front pay, future damages or other future economic relief or the equivalent thereof. We have no duty to defend **claims** seeking front pay, future damages or other future economic relief or the equivalent thereof, wages and/or benefits unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, we have no duty to defend any **claims** seeking wages and/or other benefits.
 - e. For any amounts which constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits. We have no duty to defend **claims** seeking amounts which constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits, unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, we have no duty to defend any **claims** seeking amounts which

constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits.

SECTION II - WHO IS AN INSURED

Each of the following is an Insured whether in the singular or plural, while acting solely within the course and scope of his or her duties and responsibilities on behalf of the **Public Entity**:

1. The **Public Entity** named in the Declarations, Item 1, which is legally constituted and incorporated as of the effective date of this policy, including its government body, departments and units.
2. Your lawfully elected, appointed or employed **Public Officials** or members, past, present and future.
3. Unless specifically endorsed herein, Insured does not mean, and coverage does not apply to, any one of the following boards, commissions or units: boards of education, hospitals, or nursing homes.
4. Your employees.
5. With regard to coverage afforded under INSURING AGREEMENT 1. b. EMPLOYMENT LIABILITY, any person providing volunteer services for you at your request and operating under your direction and control; with regard to coverage afforded under INSURING AGREEMENT 1. a. PUBLIC OFFICIALS LIABILITY, any person providing volunteer services authorized under Title 34 N.J.S.A., subsections 34:15-74, at your request and operating under your direction and control.
6. Any person providing services for you under municipal mutual assistance agreements.
7. The estates, heirs, legal representatives or assigns of the Insured who are deceased at the time of the **Wrongful Act(s)** upon which a covered claim is based.
8. The legal representatives or assigns of the Insureds who are incompetent, insolvent or bankrupt.
9. Persons designated by the Insured to serve on a designated outside entity, provided that the activities are in the course and scope of serving on the designated outside entity, the outside entity is tax exempt, the appointment is based solely on the person's being a **Public Official** of the **Public Entity**, and the person is directed by the **Public Entity** to serve on the outside entity.
10. Any Business or Special Improvement District affiliated with the **named insured** for which the **named insured** has submitted a request to, and received written confirmation from, the **Lead Agent**.

SECTION III - LIMITS OF INSURANCE

1. The **Limits of Liability** shown in the Declarations, Item 2, and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. **Claims** made; or
 - c. Persons or organizations making **Claims**.
2. The **Limits of Liability** shown in the Declarations, Item 2, is the most we will pay under this policy.

For the purpose of determining the annual aggregate **Limits of Liability** of the **Company** for the **Extended Reporting Period** provided for under this policy, we shall combine the total of monies paid by the **Company** on behalf of the Insured during the immediately preceding **Coverage Period** plus the total of monies paid by the **Company** on behalf of the Insured during the **Extended Reporting Period**, with said combined total not to exceed the **Limits of Liability** set forth in Item 2 of the Declarations for this policy.

The **Company's** liability under this policy shall apply only to that part of each **Loss** which is in excess of the **Retention Amount** set forth in Item 4 of the Declarations for this policy and such **Retention Amount** shall be borne by the Insured.

3. Subject to 2. above, the Combined Single Limit per **Claim** is the most we will pay for all **Loss arising out of** any one **Wrongful Act** covered by this policy. **Claims** based on and **arising out of** the same act or interrelated acts of one or more Insureds shall be considered to be a single **Claim**, and such **Claim** shall be deemed to have originated in the earliest **Coverage Period** in which a **Claim** is first made against any Insured.
4. If **Claim(s)** are made which fall under INSURING AGREEMENTS 1. a. PUBLIC OFFICIALS LIABILITY and 1. b. EMPLOYMENT LIABILITY, the **Coinsurance Percent** specified in Item 3 of the Declarations and the highest **Retention Amount** specified in Item 4 of the Declarations shall apply.

SECTION IV - CONDITIONS

1. TERRITORY:

Coverage shall extend anywhere in the United States or its territories.

2. BANKRUPTCY:

Bankruptcy or insolvency of the Insured or of the Insured's successor will not relieve us of our obligations under this policy.

3. DUTIES IN THE EVENT OF POTENTIAL OR ACTUAL CLAIM:

- a. You must give prompt written notice no later than ninety (90) days after a **Wrongful Act** that you reasonably expect to give rise to a **Claim** or **Employment Claim**. To the extent possible, notice should include:
 - (1) A description of the situation or circumstances, including how, when and where it occurred;
 - (2) The names and addresses of any involved persons and witnesses; and
 - (3) The nature and extent of any damage arising or likely to arise out of the situation or circumstances.

Notice of a situation or circumstances which may result in a **Claim** is not notice of a **Claim**.

- b. If a **Claim** is received by any Insured you must:

- (1) Immediately record the specifics of the **Claim** and the date received; and
- (2) Notify us in writing within fourteen (14) days.

- 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**;
- (2) Authorize us to obtain records and other information;

- (3) Cooperate with us in the investigation, settlement or defense of the covered **Claim**, and not do anything that may prejudice the **Company** or its potential or actual rights of recovery;
 - (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;
 - (5) In the event of any payment under this policy, the **Company** shall be subrogated to the extent of such payment to all the Insured's rights of recovery, and the Insured shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the **Company** effectively to bring suit in the name of the Insured; and
 - (6) If any Insured has a right to recover all or part of any **Loss** the **Company** has paid under this policy, those rights are transferred to the **Company**. Any Insured must do nothing after **Loss** to impair such rights. At the request of the **Company**, any Insured will bring suit or transfer those rights to the **Company** and help the **Company** enforce them.
- d. You agree not to settle any **Claim**, incur any **Defense Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the **Company's** written consent. The **Company** shall not be liable for any settlement, **Defense Costs**, assumed obligation or admission to which it has not consented.
 - e. You agree **Defense Costs** incurred by the **Company**, or by the Insured with the written consent of the **Company**, are part of and not in addition to the **Company's** applicable **Limits of Liability** set forth in Item 2 of the Declarations for this policy, and the payment by the **Company** of **Defense Costs** reduces such applicable **Limits of Liability**.
 - f. Your failure to comply with reporting requirements may result in denial of coverage.
4. **LEGAL ACTION AGAINST US:**
- No person or organization has a right under this policy:
- a. To join us as a party or otherwise bring us into a suit asking for damages from an Insured; or
 - b. To sue us under this policy unless all of its terms have been fully complied with.
5. **AUTHORIZATION CLAUSE:**
- By acceptance of this policy, the Insured Public Entity agrees to act on behalf of all Insureds with respect to the giving and receiving of notice of Claim or termination, the payment of Assessments and the receiving of any return Assessments that may become due under this policy, the negotiation, agreement to and acceptance of Endorsements, and the giving or receiving of any notice provided for in this policy (except the giving of notice to apply for the Extended Reporting Period), and the Insureds agree that the Insured Public Entity shall act on their behalf.
6. **CHANGES:**
- Notice to any agent or knowledge possessed by any agent or any other person shall not effect a waiver or a change in any part of this policy or stop the **Company** from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued by the **Company** to form a part of this policy.

7. ASSIGNMENT:

Assignment of interest under this policy shall not bind the **Company** until its consent is endorsed hereon.

8. TERMS OF COVERAGE CONFORMED TO STATUTE:

Terms of this policy which are in conflict with the law or statutes of the State of New Jersey or United States of America are hereby amended to conform to such statutes.

9. OTHER INSURANCE:

If all or any part of **Loss** under this policy is also insured:

- (a) under any other insurance, other than a policy issued by the **Company**, then this policy shall, subject to its limitations, conditions, provisions and other terms, only apply in excess of the limit of such other policy, whether such other policy is stated to be primary, contributory, excess, contingent or otherwise, unless such other policy is written only as specific excess insurance over the **Limits of Liability** provided in this policy;
- (b) under any other policy issued by the **Company**, whether prior, contemporaneous or subsequent to the term of this policy, no coverage shall apply to such **Loss** under this policy;
- (c) under any other policy issued by a Joint Insurance Fund under Title 40:A N.J.S.A., no such coverage shall apply to such **Loss** under this policy; or
- (d) under any other policy issued by the **Company**, no coverage shall apply to such **Loss** under this policy.

Other Insurance includes, but is not limited to, coverage or benefits provided by self-insurance arrangements, pools, self-insurance trusts, captive insurance companies, retention groups, reciprocal exchanges or any other plan or agreement of risk transfer or assumption.

10. REPRESENTATIONS:

In granting coverage to any Insured, the **Company** has relied upon the Declarations and statements in the written application for this policy or prior **Company** policies. All such Declarations and statements are the basis of such coverage and shall be considered as incorporated in and constituting part of this policy.

With respect to the Declarations and statements contained in such written application for this policy or prior **Company** policies, no statement in the application or knowledge possessed by any Insured shall be imputed to any other Insured for the purpose of determining if coverage is available.

11. SEPARATION OF INSURED:

Except with respect to the **Limits of Liability**, and any rights or duties specifically assigned to the 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.

12. COINSURANCE:

The Insured and the **Company** shall participate with regard to a **Loss** subject to the percentages and Loss Amounts reflected in Item 3 of the **DECLARATIONS**.

The participation of the Insured and the **Company** on the coinsurance contribution percentage as set forth above is part of the **Limits of Liability** and is not in addition to the **Limits of Liability** as set forth in Item 2(a) of the **DECLARATIONS**.

The coinsurance contribution percentage does not apply to the **Limits of Liability** as set forth in Item 2(b) of the **DECLARATIONS**.

Your Coinsurance Percentages and Loss Amount contemplate your compliance or non-compliance with an **Approved Risk Management/Loss Control Plan**.

13. **WHEN WE DO NOT RENEW:**

If **we** decide not to renew this policy, **we** will mail or deliver to the first named Insured shown in the Declarations written notice of the nonrenewal not less than 60 days before the expiration date.

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

14. **CANCELLATION:**

Any cancellation of this policy is expressly subject to the requirements of the laws of the State of New Jersey, including those regulations currently codified in N.J.A.C. 11:15-2 adopted by the New Jersey Commissioner of Insurance pursuant to the authority of N.J.S.A. 17:1-8.1, N.J.S.A. 17:1C-6(e) and N.J.S.A. 40A:10-36 et seq. and as hereafter amended. This policy may be canceled by the Insured by surrender thereof to the **Company** or any of its authorized agents and only in accordance with the requirements for withdrawal from the **Company** as set forth in the aforesaid statutes, rules and regulations and the **Company's** bylaws adopted thereunder. If the Insured cancels, its liability for any further **Assessments** shall be computed in accordance with the aforesaid rules and regulations.

If the **Company** cancels, it shall mail to the Insured, at the last **Mailing Address** known by the **Company**, written notice stating when not less than 30 days thereafter such cancellation shall be effective. Subject to the aforesaid rules and regulations, this policy may also be canceled by not less than 10 days' notice when the cancellation is being effected by reason of the Insured's nonpayment of **Assessment**. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Coverage Period**. If the **Company** cancels, earned **Assessment** shall be computed as provided in the aforesaid rules and regulations. **Assessment** adjustment may be made either at the time cancellation is effected or as soon as practicable, but payment or tender of unearned **Assessment** is not a condition of cancellation.

15. **ELIGIBILITY:**

It is expressly recognized and agreed that the Insured named in the Declarations, Item 1, is required to be a member of the **Company** as a condition of eligibility for this policy and that, in the event that the Insured named in the Declarations, Item 1, withdraws from or is terminated or expelled from the **Company**, then this policy shall be canceled and terminated as of the effective date of the withdrawal, termination or expulsion. Any such withdrawal, termination or expulsion from the **Company** shall be effectuated only in accordance with the **Company's** bylaws and risk management plan as approved pursuant to the aforementioned authorizing statutes and regulations.

16. **ARBITRATION:**

Any dispute, including but not limited to claims sounding in contract or tort, between the Insured and the **Company** arising in connection with or relating to this policy shall be submitted to binding arbitration.

The rules of the American Arbitration Association shall apply except with respect to the selection of the arbitration panel. The panel shall consist of one arbitrator selected by the Insured, one arbitrator selected by the **Company**, and a third independent arbitrator selected by the first two arbitrators.

If both **Loss** covered by this policy and **Loss** not covered by this policy are incurred, either because a **Claim** against the Insured includes both covered and uncovered matters or because a

Claim is made against both an Insured and others, the Insured and the **Company** shall use their best efforts to agree upon a fair and proper allocation of such amount between covered **Loss** and uncovered **Loss**.

SECTION V - EXTENDED REPORTING PERIODS

If the **Company** terminates or refuses to renew this policy other than for nonpayment of **Assessment**, the Insured shall have the right, upon payment of the **Additional Assessment** set forth in Item 6(A) of the Declarations for this policy, to an extension of the coverage granted by this policy for the period set forth in Item 6(B) of the Declarations for this policy (**Extended Reporting Period**) following the effective date of termination or non-renewal, but only for any **Wrongful Act** committed, attempted, or allegedly committed or attempted, prior to the effective date of termination or non-renewal.

If the Insured terminates or declines to accept renewal, the **Company** may, if requested, at its sole option, grant an **Extended Reporting Period**. The offer of renewal terms and conditions or **Assessments** different from those in effect prior to renewal shall not constitute refusal to renew.

This right of extension shall lapse unless written notice of such election, together with payment of the **Additional Assessment** due, is received by the **Company** as set forth in Item 6(C) within 30 days following the effective date of termination or non-renewal. Any **Claim** made during the **Extended Reporting Period** shall be deemed to have been made during the immediately preceding **Coverage Period**.

For the limit of aggregate liability under this policy during the **Extended Reporting Period**, see Clause 2, SECTION III - LIMITS OF INSURANCE.

SECTION VI - DEFINITIONS

When used in this Policy:

1. **Approved Risk Management/Loss Control Plan** means
 - (a) the Insured **Public Entity** has developed, and is following a program for risk management of employment liability **Claims** that has been approved and accepted by the **Municipal Excess Liability Joint Insurance Fund**,
 - (b) the Insured **Public Entity** is updating its **Approved Risk Management/Loss Control Plan** on an annual basis, and has received an Attorney's Certification for its Employment Practices Loss Control Plan which has been signed by the **Public Entity's** attorney on an annual basis and in accordance with current **Municipal Excess Liability Joint Insurance Fund** requirements, and
 - (c) the Insured **Public Entity** has completed **Employment Practices Training**.
2. **Arising out of** means connected with, incidental to, or growing out of.
3. **Claim** means:
 - (a) a written demand for monetary damages; or
 - (b) a civil proceeding commenced by the service of a summons, complaint, or similar pleading, including any appeal therefrom.
 - (c) a complaint or charge filed with the Equal Employment Opportunity Commission (EEOC), New Jersey Division of Civil Rights (DCR), or similar federal, state, or local government agency.

One or more claims **arising out of** the same or similar incident(s) or circumstance(s) or series of the same or similar incident(s) or circumstance(s) shall constitute one **Claim**, shall be deemed to

be made at the time of the earliest such **Claim** is made, and shall be subject to a single **Limits of Liability** as set forth in Item 2 of the Declarations.

4. **Company** means the insurance company named on the Declarations Page.
5. **Coverage Period** shall mean the period of one year following the Effective Date and hour of this policy or any anniversary thereof, or if the time between the Effective Date or any anniversary and the termination of the policy is less than one year, such lesser period.

Coverage begins on the Effective Date shown in the Declarations at 12:01 A.M. standard time at the **Mailing Address** of the Insured shown in the Declarations. Coverage ends on the Expiration Date shown in the Declarations or, if earlier, the cancellation date at 12:01 A.M. standard time at the **Mailing Address** of the Insured shown in the Declarations.
6. **Defense Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the Insureds) incurred, with the consent of **Company**, in defending or investigating **Claims** and the cost for appeal, attachment or similar bonds.
7. **Employment Claim** means:
 - (a) a written demand for monetary damages; or
 - (b) a civil proceeding commenced by the service of a summons, complaint, or similar pleading, including any appeal therefrom;
 - (c) any appeal from the final decision of the **Public Entity arising out of** the internal civil service or administrative procedures of the **Public Entity**;

arising out of wrongful termination, breach of employment contract, employment-related misrepresentation, discrimination, harassment, failure to employ, failure to promote, wrongful discipline, wrongful deprivation of career opportunity, failure to grant tenure, negligent evaluation, invasion of privacy, employment-related defamation, wrongful infliction of emotional distress, retaliatory treatment, and/or violation of civil or constitutional right of any employee that creates a cause of action for damages.
8. **Employment-related harassment** means unwelcome or offensive verbal or physical conduct, including sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature that creates a cause of action for damages.
9. **Employment Practices Training** means the Insured Public Entity has made personnel practices training mandatory for supervisory and managerial personnel and has also made it available to all employees.
10. **Lead Agent** shall mean the Joint Insurance Fund named on the Declarations Page as organized and created pursuant to the provisions of L. 1983 c.372 (N.J.S.A. 40A:10-36) et seq.
11. **Loss** means the total amount which any Insured becomes legally obligated to pay on account of each and all **Claims** reported in each **Coverage Period** and the **Extended Reporting Period**, if exercised, made against them for **Wrongful Acts** for which coverage applies, including, but not limited to, damages, judgments, settlements, costs and **Defense Costs**. **Loss** does not include (i) any amount not indemnified by the Insured for which the Insured is absolved from payment by reason of any covenant, agreement or court order; (ii) matters uninsurable under the law pursuant to which this policy is construed; or (iii) the employment reinstatement of the claimant by the Insured or the continued employment of the claimant; or (iv) harm or damages caused intentionally by an Insured.
12. **Pollutants** means any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or a state, county, municipality or locality counterpart thereof. Such substances shall

include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, electromagnetic radiation, or waste materials, which includes materials to be recycled, reconditioned or reclaimed. **Pollutants** shall also mean any other air emission, odor, wastewater, oil or oil products, infectious or medical waste, asbestos or asbestos products, and any noise.

13. **Public Entity** shall mean only that Municipality, Governmental Body, Department, or Unit, which is named in the Declarations and is legally constituted at the Effective Date of this policy.
14. **Public Official** shall mean all persons who were, now are or shall be lawfully appointed or elected officials of the Insured while acting within the scope of their official duties. The term **Public Official** shall include members of such commissions, boards or other units operating by and under the jurisdiction of such governing body and within an apportionment of the total operating budget of the Insured, while acting within the scope of their official duties. The term **Public Official** shall also include employees and **Volunteers** as may be responsible to the governing body or to its commissions, boards or other units. **Public Official** does not mean and does not apply to any officials, members or employees of any, hospital, boards of education or colleges, or any person working on a retainer or any independent or professional services contractors. **Public Official** shall also mean an interim administrator while acting in the scope of their duties on behalf of the named insured.

Public Official shall also mean members of the Board of Directors of non-for profit corporations where the not-for profit corporation has been approved for coverage with the Lead Agent.
15. **Retention Amount** means the initial amount, as stated in Item 4 of the Declarations, payable by the Insured for each **Loss**.
16. **Retroactive Date** means the dates shown in Items 7 and 8 of the Declaration Page. No coverage will be afforded for acts prior to this date.
17. **Volunteer** means any person whose services are uncompensated and whose activities are authorized, directed and supervised by, and for the benefit of, the **Public Entity**. Volunteer does not include any person performing services which are covered by, connected with, or supervised by any court, penal or law official or institution.
18. **Wrongful Act** means any alleged or actual act, error, omission or breach of duty of an Insured.

SECTION VII – ACCEPTANCE

By acceptance of this policy the Insured and its **Public Officials** agree that this policy embodies all agreements existing between themselves and the **Company** or any of its agents relating to this policy.

SERVICE OF PROCESS

The Commissioner of Insurance of the State of New Jersey is hereby designated the true and lawful attorney of the Company upon whom may be served all lawful process in any action, suit or proceeding arising out of this policy. The Company further designates:

Toni Ann Perkins
Secretary
Seaview House
70 Seaview Avenue
Stamford, CT 06902-6040

as its agent in New Jersey to whom such process shall be forwarded by the Commissioner of Insurance.

For Illinois exposures, the Insurer further designates the Director of the Illinois Division of Insurance and his successors in office, as its 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 an Illinois exposure and this contract of insurance.

All other terms and conditions of this policy remain unchanged.



XL Group
Insurance
Reinsurance

Indian Harbor Insurance Company

PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE (CLAIMS MADE BASIS)

Policy No.: PJJ9519065-04

Renewal of: PJJ9519065-03

DECLARATIONS

Item 1. **Insured Public Entity:**

Toms River Municipal
Utilities Authority
340 West Water Street
Toms River, NJ 08753

Lead Agent:

New Jersey Utility Authorities
Joint Insurance Fund
Attn: Cate Kiernan
PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, NJ 07054-4412

Item 2. **Limits of Liability:**

- (A) \$2,000,000 Standard: Combined Single Limit per Claim and Annual Aggregate.
- (B) \$25,000 for defense only of Claims based on civil union and or marriage.
- (C) \$100,000 Combined covered Monetary and Injunctive Relief Claims – See Section I. 4. (j).

Note that the **Limits of Liability** and Retention are reduced or exhausted by **Defense Costs**.

Item 3. **Coinsurance Contribution Percentage and Loss Amount:**

The Coinsurance Percentages apply to the Loss Amounts below.

	Insured Percentage	Company Percentage	Loss Amount
(A) Public Officials Liability	20%	80%	\$100,000
(B) Employment Liability	20%	80%	\$100,000

Item 4. **Retention Amount:**

- \$7,500 Under INSURING AGREEMENT 1.a. PUBLIC OFFICIALS LIABILITY.
- \$7,500 Under INSURING AGREEMENT 1.b. EMPLOYMENT LIABILITY.

Item 5. **Coverage Period:**

Effective Date: January 1, 2015

Expiration Date: January 1, 2016

each at 12:01 a.m. Standard Time at the address of the **Public Entity** as stated herein.

Item 6. **Extended Reporting Period:**

- (A) Additional Assessment: 200% of Annual Assessment
- (B) Additional Period: 12 Months
- (C) Insured Notification Period: 30 Days

Item 7. **Public Officials Liability Retroactive Date:**

1. Provide “full prior acts” coverage to members with five continuous years of membership.
2. Provide “full prior acts” coverage to new members who have full prior acts coverage in force at time of membership.
3. Provide prior acts to the existing retroactive date (defined as the retroactive date identified in their expiring or prior policy) for new members that do not have full prior acts coverage or a one year retroactive date, whichever is greater.

Item 8. **Employment Liability Retroactive Date:**

1. Members as of 1/1/1997 will have a uniform retroactive date of 10/1/1993. The members' respective retention and coinsurance contribution in effect at the time the claim is made will apply. This is based on whether or not the member has an approved loss control/risk management plan in place.
2. Members with effective dates after 1/1/1997 with prior Employment Liability coverage will have a retroactive date of 10/1/1993. All new members with prior coverage will have a six (6) month grace period for approval of a loss control/risk management plan in order to maintain the lower retention and the lower coinsurance contribution.
3. Members with effective dates after 1/1/1997 with no prior Employment Liability coverage will have a retroactive date that is the same as the date of membership. All new members with no prior coverage will have the higher retention and higher coinsurance percentage until their loss control/risk management program is submitted and approved.

Item 9. **Notice of Claim to be given to:**

Summit Risk Services
Attn: Alice Ivers
220 Gibraltar Road, Suite 100
Horsham, PA 19044
Email: newfundclaim@summitrisk.com
Phone: 215-443-3598 Fax: 215-773-7725

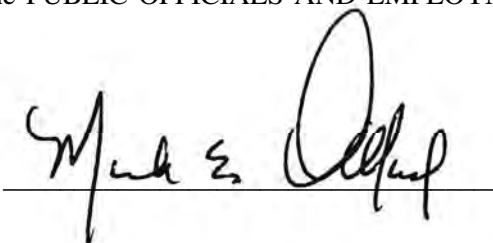
Item 10. **Endorsements:** Forms and Endorsements attached at issuance:

IL MP 9104 0314 IHIC – Indian Harbor “In Witness” Form
NJJ-POL-PF (01/15) – Public Officials and Employment Liability Coverage Form
XL-NJSOP (12/08) – Service of Process

Item 11. **Warranty:** It is represented and warranted that with regard to INSURING AGREEMENT 1.b. EMPLOYMENT LIABILITY, the statements contained in the written application regarding employment liability, a copy of which is on file at the offices of Indian Harbor Insurance Company, hereinafter referred to as the **Company**, and the Declarations, are reaffirmed as of the Effective Date of this policy, and are the basis of employment coverage under the policy and are considered as incorporated in and constituting part of this policy.

Item 12. **Annual Premium:** \$9,058

This Declarations Page is issued with, and forms a part of, the PUBLIC OFFICIALS AND EMPLOYMENT LIABILITY COVERAGE POLICY.

Authorized Signature 

IN WITNESS

INDIAN HARBOR INSURANCE COMPANY

REGULATORY OFFICE
505 EAGLEVIEW BOULEVARD, SUITE 100
DEPARTMENT: REGULATORY
EXTON, PA 19341-0636
PHONE: 800-688-1840

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.



Joseph Tocco
President



Toni Ann Perkins
Secretary

POLICY PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE POLICY CAREFULLY.

Words and phrases that appear in **bold** have special meanings. Refer to the Declarations Page and/or the Definitions section of this policy for these special meanings.

Read the entire policy carefully to determine your rights, duties and what is and is not covered.

In consideration of payment of the **Assessment** and subject to the Declarations, **terms, conditions**, the limitations, and **exclusions** of this policy, the **Company** agrees as follows:

Throughout this policy the words **you** and **your** refer to the Insured shown in the Declarations. The words **we, us** and **our** refer to the **Company**.

The word "Insured" means any person or organization qualifying as such under SECTION II - WHO IS AN INSURED.

SECTION I - COVERAGES

1. **INSURING AGREEMENTS:**

- a. **PUBLIC OFFICIALS LIABILITY:** We shall pay on behalf of the Insured all **Loss** for which the Insured becomes legally obligated to pay as damages **arising out of Claims** first made against the Insured during the **Coverage Period**, or if exercised, during the **Extended Reporting Period**, to which this insurance applies, against the Insured by reason of **Wrongful Act(s)** rendered in discharging duties on behalf of the Insured named in the Declarations, except **Claims** covered by INSURING AGREEMENT 1.b.
- b. **EMPLOYMENT LIABILITY:** We shall pay on behalf of the Insured all **Loss** for which the Insured becomes legally obligated to pay as damages **arising out of Employment Claims** first made against the Insured during the **Coverage Period**, or, if exercised, during the **Extended Reporting Period** to which this insurance applies by reason of **Wrongful Act(s)** rendered in discharging duties on behalf of the Insured named in the Declarations.

2. **RETROACTIVE DATE:**

This insurance applies only if a covered **Claim** is first made against any Insured during the policy period.

- a. A **Claim** will be deemed to have been made when notice of such claim is received and recorded by any Insured or by the **Company**, whichever comes first.
- b. All **Claims** for damages causing **Loss** to the same person or organization as a result of a **Wrongful Act(s)** will be deemed to have been made at the time the first of those **Claims** is made against any Insured.

This insurance does not apply to **Wrongful Act(s)** which occurred before the **Retroactive Date**, if any, shown in the Declarations or which occur after the policy period. No other obligation or liability is covered.

3. **DEFENSE, INVESTIGATION AND SETTLEMENT OF CLAIMS:**

We shall have the right and duty to select counsel and to defend any **Claims**, even if any of the allegations are groundless, false or fraudulent. But:

- a. The amount we will pay for damages is limited as described in SECTION III - LIMITS OF INSURANCE.

- b. We may make any investigation we deem necessary. We may, with the consent of the Insured, settle any **Claim**. If the Insured withholds consent to such settlement, the **Company's** liability for all **Loss** on account of such **Claim** shall not exceed the amount for which the **Company** could have settled such **Claim** plus costs, charges and expenses accrued as of the date such settlement was proposed in writing by the **Company** to the Insured.

In the event that the **Loss** for which the **Company** seeks Consent to Settle consists of uncovered **Claims**, causes of action or damages, then the **Company's** liability is further limited to that portion of the **Loss** attributable to covered damages. The **Loss** attributable to the **Company** and the insured for covered and uncovered damages shall be determined through apportioning the proposed settlement in the same proportion as covered damages and uncovered damages apply to the entire loss. In the event that a dispute arises regarding the allocation of the amount attributable to uncovered claims, damages or causes of action, then the Insured and the **Company** will submit the dispute to arbitration consistent with Section IV 16. of the policy.

- c. Our right and duty to defend ends when we have used up the applicable **Limits of Liability** in the payment of judgments or settlements, when exhausted by payment of **Defense Costs**, or by deposit or tender of the **Limits of Liability** into a court.
- d. Included in the applicable **Limits of Liability**, we will pay, with respect to any **Claim** we defend:
- (1) All expenses we incur.
 - (2) The cost of bonds to release attachments and appeal bonds required, but only for bond amounts within the applicable **Limits of Liability**. We do not have 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**. Such expenses do not include salaries of any Insured in connection with the investigation and/or defense of the **Claim**.
 - (4) All costs taxed against the Insured.
 - (5) Prejudgment interest awarded against the Insured on that part of the judgment we pay. If we make an offer to pay the applicable **Limits of Liability**, we will not pay any prejudgment interest based on that period of time after the offer.
 - (6) 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 **Limits of Liability**.

4. EXCLUSIONS:

This insurance does not apply to any **Claim** made against the Insured:

- a. **Arising out of** liability of others assumed by the Insured under any contract or agreement, either oral or written, except to the extent that the Insured would have been liable in the absence of the contract or agreement. This exclusion shall not apply to any municipal mutual assistance agreements for fire protection, first aid or other emergency services.
- b. **Arising out of** the Insured gaining any profit, advantage or remuneration to which the Insured is not entitled.
- c. **Arising out of** fraud, dishonesty, malicious, criminal and/or knowingly **Wrongful Act** or omission, if an investigation, judgment or other final adjudication establishes such a

fraudulent, dishonest, malicious, criminal, and/or knowingly **Wrongful Act** or omission on the part of the Insured.

- d. **Arising out of** the willful violation of any federal, state, or local statute, ordinance, rule, regulation, agreement or judicial or regulatory order, committed by or with the knowledge and consent of any Insured. However, notwithstanding the foregoing, a defense shall be afforded under the terms of this policy up to, but not after, any judgment or other final adjudication adverse to the Insured related to any such **Claims**. A defense and indemnification shall be afforded to each Insured against whom no such final judgment or final adjudication is obtained.
- e. **Arising out of** strikes, picket lines, riots, war, insurrection, rebellion, revolution, terrorism, civil commotion, replacement or other similar actions.
- f. **Arising out of** liability or cost incurred by any Insured to modify any building or property in order to make such acceptable or accommodating to any disabled person whether or not pursuant to any law, or judgment.
- g. For which the Insured is entitled to indemnity or payment by reason of having given notice of any circumstances which might give rise to a **Claim** under any policies the term of which has expired prior to the inception date of this policy.
- h. **Arising out of** any failure or omission of the Insured to purchase or maintain insurance of any kind.
- i. **Arising out of** any Insured's:
 - (1) obligations under the Employee Retirement Income Security Act of 1974 (ERISA), including amendments, or any similar federal, state or local law or regulation; the Worker Adjustment and Retraining Notification act (WARN); the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA); the Occupational Safety and Health Act (OSHA); Public Employee Occupational Safety and Health Act (POSHA); rules or regulations promulgated thereunder and amendments thereto or similar provisions of any federal, state or local statutory law or common law; or
 - (2) administration or activities in connection with any employee benefit plan or self-insurance fund; but this section does not apply with respect to Joint Insurance Funds established pursuant to N.J.S.A. 40:A 10-36, et seq.
- j. Seeking relief or redress in any form other than monetary damages, including but not limited to requests for injunctive and/or declaratory relief; nor shall we have any obligation to indemnify the Insured for any costs, fees (including attorney's fees), or expenses which the Insured shall become obligated to pay as a result of an adverse judgment solely for injunctive and/or declaratory relief.

In the event a **Claim** seeks both injunctive and/or declaratory relief and monetary damages, and said **Claim** for monetary damages would otherwise be covered by this policy, the **Company** shall defend or associate in the defense of any such **Claim**, subject to the following limitation: in the event the **Claim** seeks both injunctive and/or declaratory relief and monetary damages, and the **Claim** for monetary damages would otherwise be covered by this policy, and the Insured during the course of litigation refuses to grant the requested injunctive and/or declaratory relief, the **Company's** liability will not exceed a combined total of \$100,000 total per claim for all monetary damages, claimant's attorney's fees and **defense costs**. Once the **Company's** \$100,000 limit under this provision is exhausted, the **Company** shall withdraw from the defense and bears no further liability for such **Claim** whatsoever. Costs incurred by the

Company under this provision shall reduce the Limits of Liability available during the **Coverage Period**.

- k. **Arising out of** the operation of the principles of eminent domain, adverse possession, dedication by adverse use, temporary or permanent taking, inverse condemnation or condemnation proceedings, by whatever name used.
 - l. **Arising out of** the acts of any state or federal official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official who takes control of, supervises, manages or liquidates the Insured.
 - m. Seeking punitive or exemplary damages, multiplied damages, fines, or penalties.
 - n. **Arising out of** any **Loss**, cost, or expense arising, in whole or part, out of any of the following: (1) the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time; or (2) any request, demand, order, or any voluntary decision 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 (3) any claim 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**.
 - o. **Arising out of** electromagnetic fields, other electrical or magnetic waves or radiation.
 - p. **Arising out of** the use, handling, sale, distribution, transport, shipment, planning, maintenance, operation, use, construction, dispersal, storage or disposal of any nuclear, radioactive or fissionable material, or any alleged violation of any environmental statute, regulation, or ordinance with respect to such material, including any site, facility, reactor, or any act, omission, or condition incidental thereto.
 - q. **Arising out of** asbestos or any asbestos-related **Wrongful Act**, including its use, exposure, presence, existence, detection, removal, elimination or avoidance.
 - r. **Arising out of** any non-emergency activities of the volunteer emergency services organizations or to any **claim** which is covered by the Municipal Excess Liability Joint Insurance Fund Volunteer Emergency Services Directors and Officers Liability Policy (Claims Made Basis).
 - s. **Claims** by reason of a **Wrongful Act(s) arising out of** any loss, cost, or expense pertaining to, in whole or part, the performance, failure to perform or the refusal to perform a marriage or civil union. Civil union is defined in New Jersey Statutes, C.37:1-28 et seq. Defense of **claims** is provided but the limit of the **Company's** liability for such **defense costs** shall not exceed **\$25,000** inclusive of the applicable **Retention Amount** and co-insurance contribution for such **Claim** and in the aggregate for the **Coverage Period** and shall reduce the **Limits of Liability** available for the **Coverage Period**.
5. ADDITIONAL EXCLUSIONS for INSURING AGREEMENT: 1. a. PUBLIC OFFICIALS:
- This insurance under INSURING AGREEMENT: 1. a. PUBLIC OFFICIALS, does not apply to any **Claim** made against the Insured:
- a. **Arising out of** the activities of any law enforcement agency or law enforcement personnel, including the operation of adult and juvenile detention facilities.
 - b. **Arising out of** liability of the Insured or any carrier, as the insurer of the Insured, under any workers' compensation act, unemployment compensation act, disability benefits law, or under any similar law, or under employers liability as respects any occupational disease.

- c. **Arising out of** the breach of any contract whether written, oral or implied.
 - d. **Arising out of** bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property, including diminution of value, disappearance, or loss of use of that property; or arising out of the loss of use of property that is not physically damaged or destroyed.
 - e. **Arising out of a wrongful act** of any attorney, architect, licensed physician, engineer, independent auditor or independent accountant while acting in the scope of his professional duties on behalf of the **Public Entity**. However, this exclusion shall not apply to **Claims arising out of the wrongful act(s)** of accountants, engineers, or attorneys employed full-time by the **Public Entity** while acting on behalf of the **Public Entity**. As respects employed attorneys, an "Application for Member Entity Full Time Employed Attorney Professional Liability Coverage" must have been completed, reviewed, and approved by an authorized representative of the **Company**, and their name added by endorsement to this policy for coverage to apply. This exclusion shall not apply to an interim administrator while acting in the scope of their duties on behalf of the named insured.
 - f. Brought by an insured, against another insured.
 - g. **Arising out of** any **Claim** arising from any debt financing, including but not limited to bonds, notes, debentures, and guarantees of debt.
 - h. Arising out of one or more of the following offenses:
 - (1) False arrest, detention or imprisonment;
 - (2) Malicious prosecution;
 - (3) 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;
 - (4) 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;
 - (5) Oral or written publication of material that violates a person's right of privacy
 - (6) The use of another's advertising idea in your advertisement; or
 - (7) Infringing upon another's copyright, trade dress or slogan in your advertisement.
6. **ADDITIONAL EXCLUSIONS for INSURING AGREEMENT: 1. b. EMPLOYMENT LIABILITY:**
- This insurance under INSURING AGREEMENT: 1. b. EMPLOYMENT LIABILITY, does not apply to any **Claim** made against the Insured:
- a. **Arising out of** any actual or alleged obligation of any Insured pursuant to any workers' compensation, unemployment insurance, social security, disability benefits or similar law; provided, however, this exclusion shall not apply to any **Claim** based upon, arising from, or in consequence of any actual or alleged retaliatory treatment by the Insured on account of the exercise of rights pursuant to any such law.
 - b. **Arising out of** bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property including diminution of value, disappearance, or loss of use thereof. However, this exclusion shall not apply to claims covered under INSURING AGREEMENT 1.b. alleging emotional distress, mental anguish or humiliation.

- c. For back wages, overtime or similar **Claims**, even if designated as liquidated damages, under any federal, state or local statutes, rules, ordinances or regulations, or **Claims** arising from collective bargaining agreements. We have no duty to defend **claims** seeking back wages, overtime or similar **claims** and/or benefits, even if designated as liquidated damages, unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, we have no duty to defend any **claims** seeking wages and/or other benefits.
- d. For front pay, future damages or other future economic relief or the equivalent thereof. We have no duty to defend **claims** seeking front pay, future damages or other future economic relief or the equivalent thereof, wages and/or benefits unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, we have no duty to defend any **claims** seeking wages and/or other benefits.
- e. For any amounts which constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits. We have no duty to defend **claims** seeking amounts which constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits, unless there are **employment claims** covered by the policy. Once there are no longer any covered **employment claims**, we have no duty to defend any **claims** seeking amounts which constitute benefits, prerequisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, or the equivalent value of such benefits.

SECTION II - WHO IS AN INSURED

Each of the following is an Insured whether in the singular or plural, while acting solely within the course and scope of his or her duties and responsibilities on behalf of the **Public Entity**:

- 1. The **Public Entity** named in the Declarations, Item 1, which is legally constituted and incorporated as of the effective date of this policy, including its government body, departments and units.
- 2. Your lawfully elected, appointed or employed **Public Officials** or members, past, present and future.
- 3. Unless specifically endorsed herein, Insured does not mean, and coverage does not apply to, any one of the following boards, commissions or units: boards of education, hospitals, or nursing homes.
- 4. Your employees.
- 5. With regard to coverage afforded under INSURING AGREEMENT 1. b. EMPLOYMENT LIABILITY, any person providing volunteer services for you at your request and operating under your direction and control; with regard to coverage afforded under INSURING AGREEMENT 1. a. PUBLIC OFFICIALS LIABILITY, any person providing volunteer services authorized under Title 34 N.J.S.A., subsections 34:15-74, at your request and operating under your direction and control.
- 6. Any person providing services for you under municipal mutual assistance agreements.
- 7. The estates, heirs, legal representatives or assigns of the Insured who are deceased at the time of the **Wrongful Act(s)** upon which a covered claim is based.
- 8. The legal representatives or assigns of the Insureds who are incompetent, insolvent or bankrupt.

9. Persons designated by the Insured to serve on a designated outside entity, provided that the activities are in the course and scope of serving on the designated outside entity, the outside entity is tax exempt, the appointment is based solely on the person's being a **Public Official** of the **Public Entity**, and the person is directed by the **Public Entity** to serve on the outside entity.
10. Any Business or Special Improvement District affiliated with the **named insured** for which the **named insured** has submitted a request to, and received written confirmation from, the **Lead Agent**.

SECTION III - LIMITS OF INSURANCE

1. The **Limits of Liability** shown in the Declarations, Item 2, and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. **Claims** made; or
 - c. Persons or organizations making **Claims**.
2. The **Limits of Liability** shown in the Declarations, Item 2, is the most we will pay under this policy.

For the purpose of determining the annual aggregate **Limits of Liability** of the **Company** for the **Extended Reporting Period** provided for under this policy, we shall combine the total of monies paid by the **Company** on behalf of the Insured during the immediately preceding **Coverage Period** plus the total of monies paid by the **Company** on behalf of the Insured during the **Extended Reporting Period**, with said combined total not to exceed the **Limits of Liability** set forth in Item 2 of the Declarations for this policy.

The **Company's** liability under this policy shall apply only to that part of each **Loss** which is in excess of the **Retention Amount** set forth in Item 4 of the Declarations for this policy and such **Retention Amount** shall be borne by the Insured.
3. Subject to 2. above, the Combined Single Limit per **Claim** is the most we will pay for all **Loss arising out of** any one **Wrongful Act** covered by this policy. **Claims** based on and **arising out of** the same act or interrelated acts of one or more Insureds shall be considered to be a single **Claim**, and such **Claim** shall be deemed to have originated in the earliest **Coverage Period** in which a **Claim** is first made against any Insured.
4. If **Claim(s)** are made which fall under INSURING AGREEMENTS 1. a. PUBLIC OFFICIALS LIABILITY and 1. b. EMPLOYMENT LIABILITY, the **Coinsurance Percent** specified in Item 3 of the Declarations and the highest **Retention Amount** specified in Item 4 of the Declarations shall apply.

SECTION IV - CONDITIONS

1. **TERRITORY:**

Coverage shall extend anywhere in the United States or its territories.
2. **BANKRUPTCY:**

Bankruptcy or insolvency of the Insured or of the Insured's successor will not relieve us of our obligations under this policy.

3. DUTIES IN THE EVENT OF POTENTIAL OR ACTUAL CLAIM:

- a. You must give prompt written notice no later than ninety (90) days after a **Wrongful Act** that you reasonably expect to give rise to a **Claim** or **Employment Claim**. To the extent possible, notice should include:
 - (1) A description of the situation or circumstances, including how, when and where it occurred;
 - (2) The names and addresses of any involved persons and witnesses; and
 - (3) The nature and extent of any damage arising or likely to arise out of the situation or circumstances.

Notice of a situation or circumstances which may result in a **Claim** is not notice of a **Claim**.
- b. If a **Claim** is received by any Insured you must:
 - (1) Immediately record the specifics of the **Claim** and the date received; and
 - (2) Notify us in writing within fourteen (14) days.
- 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**;
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation, settlement or defense of the covered **Claim**, and not do anything that may prejudice the **Company** or its potential or actual rights of recovery;
 - (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;
 - (5) In the event of any payment under this policy, the **Company** shall be subrogated to the extent of such payment to all the Insured's rights of recovery, and the Insured shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the **Company** effectively to bring suit in the name of the Insured; and
 - (6) If any Insured has a right to recover all or part of any **Loss** the **Company** has paid under this policy, those rights are transferred to the **Company**. Any Insured must do nothing after **Loss** to impair such rights. At the request of the **Company**, any Insured will bring suit or transfer those rights to the **Company** and help the **Company** enforce them.
- d. You agree not to settle any **Claim**, incur any **Defense Costs** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the **Company's** written consent. The **Company** shall not be liable for any settlement, **Defense Costs**, assumed obligation or admission to which it has not consented.
- e. You agree **Defense Costs** incurred by the **Company**, or by the Insured with the written consent of the **Company**, are part of and not in addition to the **Company's** applicable **Limits of Liability** set forth in Item 2 of the Declarations for this policy, and the payment by the **Company** of **Defense Costs** reduces such applicable **Limits of Liability**.
- f. Your failure to comply with reporting requirements may result in denial of coverage.

4. LEGAL ACTION AGAINST US:

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a suit asking for damages from an Insured; or
- b. To sue us under this policy unless all of its terms have been fully complied with.

5. AUTHORIZATION CLAUSE:

By acceptance of this policy, the Insured Public Entity agrees to act on behalf of all Insureds with respect to the giving and receiving of notice of Claim or termination, the payment of Assessments and the receiving of any return Assessments that may become due under this policy, the negotiation, agreement to and acceptance of Endorsements, and the giving or receiving of any notice provided for in this policy (except the giving of notice to apply for the Extended Reporting Period), and the Insureds agree that the Insured Public Entity shall act on their behalf.

6. CHANGES:

Notice to any agent or knowledge possessed by any agent or any other person shall not effect a waiver or a change in any part of this policy or stop the **Company** from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued by the **Company** to form a part of this policy.

7. ASSIGNMENT:

Assignment of interest under this policy shall not bind the **Company** until its consent is endorsed hereon.

8. TERMS OF COVERAGE CONFORMED TO STATUTE:

Terms of this policy which are in conflict with the law or statutes of the State of New Jersey or United States of America are hereby amended to conform to such statutes.

9. OTHER INSURANCE:

If all or any part of **Loss** under this policy is also insured:

- (a) under any other insurance, other than a policy issued by the **Company**, then this policy shall, subject to its limitations, conditions, provisions and other terms, only apply in excess of the limit of such other policy, whether such other policy is stated to be primary, contributory, excess, contingent or otherwise, unless such other policy is written only as specific excess insurance over the **Limits of Liability** provided in this policy;
- (b) under any other policy issued by the **Company**, whether prior, contemporaneous or subsequent to the term of this policy, no coverage shall apply to such **Loss** under this policy;
- (c) under any other policy issued by a Joint Insurance Fund under Title 40:A N.J.S.A., no such coverage shall apply to such **Loss** under this policy; or
- (d) under any other policy issued by the **Company**, no coverage shall apply to such **Loss** under this policy.

Other Insurance includes, but is not limited to, coverage or benefits provided by self-insurance arrangements, pools, self-insurance trusts, captive insurance companies, retention groups, reciprocal exchanges or any other plan or agreement of risk transfer or assumption.

10. REPRESENTATIONS:

In granting coverage to any Insured, the **Company** has relied upon the Declarations and statements in the written application for this policy or prior **Company** policies. All such

Declarations and statements are the basis of such coverage and shall be considered as incorporated in and constituting part of this policy.

With respect to the Declarations and statements contained in such written application for this policy or prior **Company** policies, no statement in the application or knowledge possessed by any Insured shall be imputed to any other Insured for the purpose of determining if coverage is available.

11. SEPARATION OF INSURED:

Except with respect to the **Limits of Liability**, and any rights or duties specifically assigned to the 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.

12. COINSURANCE:

The Insured and the **Company** shall participate with regard to a **Loss** subject to the percentages and Loss Amounts reflected in Item 3 of the **DECLARATIONS**.

The participation of the Insured and the **Company** on the coinsurance contribution percentage as set forth above is part of the **Limits of Liability** and is not in addition to the **Limits of Liability** as set forth in Item 2(a) of the **DECLARATIONS**.

The coinsurance contribution percentage does not apply to the **Limits of Liability** as set forth in Item 2(b) of the **DECLARATIONS**.

Your Coinsurance Percentages and Loss Amount contemplate your compliance or non-compliance with an **Approved Risk Management/Loss Control Plan**.

13. WHEN WE DO NOT RENEW:

If **we** decide not to renew this policy, **we** will mail or deliver to the first named Insured shown in the Declarations written notice of the nonrenewal not less than 60 days before the expiration date.

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

14. CANCELLATION:

Any cancellation of this policy is expressly subject to the requirements of the laws of the State of New Jersey, including those regulations currently codified in N.J.A.C. 11:15-2 adopted by the New Jersey Commissioner of Insurance pursuant to the authority of N.J.S.A. 17:1-8.1, N.J.S.A. 17:1C-6(e) and N.J.S.A. 40A:10-36 et seq. and as hereafter amended. This policy may be canceled by the Insured by surrender thereof to the **Company** or any of its authorized agents and only in accordance with the requirements for withdrawal from the **Company** as set forth in the aforesaid statutes, rules and regulations and the **Company's** bylaws adopted thereunder. If the Insured cancels, its liability for any further **Assessments** shall be computed in accordance with the aforesaid rules and regulations.

If the **Company** cancels, it shall mail to the Insured, at the last **Mailing Address** known by the **Company**, written notice stating when not less than 30 days thereafter such cancellation shall be effective. Subject to the aforesaid rules and regulations, this policy may also be canceled by not less than 10 days' notice when the cancellation is being effected by reason of the Insured's nonpayment of **Assessment**. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Coverage Period**. If the **Company** cancels, earned **Assessment** shall be computed as provided in the aforesaid rules and regulations. **Assessment** adjustment may be made either at the time cancellation is effected or as soon as practicable, but payment or tender of unearned **Assessment** is not a condition of cancellation.

15. ELIGIBILITY:

It is expressly recognized and agreed that the Insured named in the Declarations, Item 1, is required to be a member of the **Company** as a condition of eligibility for this policy and that, in the event that the Insured named in the Declarations, Item 1, withdraws from or is terminated or expelled from the **Company**, then this policy shall be canceled and terminated as of the effective date of the withdrawal, termination or expulsion. Any such withdrawal, termination or expulsion from the **Company** shall be effectuated only in accordance with the **Company's** bylaws and risk management plan as approved pursuant to the aforementioned authorizing statutes and regulations.

16. ARBITRATION:

Any dispute, including but not limited to claims sounding in contract or tort, between the Insured and the **Company** arising in connection with or relating to this policy shall be submitted to binding arbitration.

The rules of the American Arbitration Association shall apply except with respect to the selection of the arbitration panel. The panel shall consist of one arbitrator selected by the Insured, one arbitrator selected by the **Company**, and a third independent arbitrator selected by the first two arbitrators.

If both **Loss** covered by this policy and **Loss** not covered by this policy are incurred, either because a **Claim** against the Insured includes both covered and uncovered matters or because a **Claim** is made against both an Insured and others, the Insured and the **Company** shall use their best efforts to agree upon a fair and proper allocation of such amount between covered **Loss** and uncovered **Loss**.

SECTION V - EXTENDED REPORTING PERIODS

If the **Company** terminates or refuses to renew this policy other than for nonpayment of **Assessment**, the Insured shall have the right, upon payment of the **Additional Assessment** set forth in Item 6(A) of the Declarations for this policy, to an extension of the coverage granted by this policy for the period set forth in Item 6(B) of the Declarations for this policy (**Extended Reporting Period**) following the effective date of termination or non-renewal, but only for any **Wrongful Act** committed, attempted, or allegedly committed or attempted, prior to the effective date of termination or non-renewal.

If the Insured terminates or declines to accept renewal, the **Company** may, if requested, at its sole option, grant an **Extended Reporting Period**. The offer of renewal terms and conditions or **Assessments** different from those in effect prior to renewal shall not constitute refusal to renew.

This right of extension shall lapse unless written notice of such election, together with payment of the **Additional Assessment** due, is received by the **Company** as set forth in Item 6(C) within 30 days following the effective date of termination or non-renewal. Any **Claim** made during the **Extended Reporting Period** shall be deemed to have been made during the immediately preceding **Coverage Period**.

For the limit of aggregate liability under this policy during the **Extended Reporting Period**, see Clause 2, SECTION III - LIMITS OF INSURANCE.

SECTION VI - DEFINITIONS

When used in this Policy:

1. **Approved Risk Management/Loss Control Plan** means
 - (a) the Insured **Public Entity** has developed, and is following a program for risk management of employment liability **Claims** that has been approved and accepted by the **Municipal Excess Liability Joint Insurance Fund**,
 - (b) the Insured **Public Entity** is updating its **Approved Risk Management/Loss Control Plan** on an annual basis, and has received an Attorney's Certification for its Employment Practices Loss Control Plan which has been signed by the **Public Entity's** attorney on an annual basis and in accordance with current **Municipal Excess Liability Joint Insurance Fund** requirements, and
 - (c) the Insured **Public Entity** has completed **Employment Practices Training**.
2. **Arising out of** means connected with, incidental to, or growing out of.
3. **Claim** means:
 - (a) a written demand for monetary damages; or
 - (b) a civil proceeding commenced by the service of a summons, complaint, or similar pleading, including any appeal therefrom.
 - (c) a complaint or charge filed with the Equal Employment Opportunity Commission (EEOC), New Jersey Division of Civil Rights (DCR), or similar federal, state, or local government agency.

One or more claims **arising out of** the same or similar incident(s) or circumstance(s) or series of the same or similar incident(s) or circumstance(s) shall constitute one **Claim**, shall be deemed to be made at the time of the earliest such **Claim** is made, and shall be subject to a single **Limits of Liability** as set forth in Item 2 of the Declarations.
4. **Company** means the insurance company named on the Declarations Page.
5. **Coverage Period** shall mean the period of one year following the Effective Date and hour of this policy or any anniversary thereof, or if the time between the Effective Date or any anniversary and the termination of the policy is less than one year, such lesser period.

Coverage begins on the Effective Date shown in the Declarations at 12:01 A.M. standard time at the **Mailing Address** of the Insured shown in the Declarations. Coverage ends on the Expiration Date shown in the Declarations or, if earlier, the cancellation date at 12:01 A.M. standard time at the **Mailing Address** of the Insured shown in the Declarations.
6. **Defense Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the Insureds) incurred, with the consent of **Company**, in defending or investigating **Claims** and the cost for appeal, attachment or similar bonds.
7. **Employment Claim** means:
 - (a) a written demand for monetary damages; or
 - (b) a civil proceeding commenced by the service of a summons, complaint, or similar pleading, including any appeal therefrom;
 - (c) any appeal from the final decision of the **Public Entity arising out of** the internal civil service or administrative procedures of the **Public Entity**;

arising out of wrongful termination, breach of employment contract, employment-related misrepresentation, discrimination, harassment, failure to employ, failure to promote, wrongful discipline, wrongful deprivation of career opportunity, failure to grant tenure, negligent evaluation, invasion of privacy, employment-related defamation, wrongful infliction of emotional distress, retaliatory treatment, and/or violation of civil or constitutional right of any employee that creates a cause of action for damages.

8. **Employment-related harassment** means unwelcome or offensive verbal or physical conduct, including sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature that creates a cause of action for damages.
9. **Employment Practices Training** means the Insured Public Entity has made personnel practices training mandatory for supervisory and managerial personnel and has also made it available to all employees.
10. **Lead Agent** shall mean the Joint Insurance Fund named on the Declarations Page as organized and created pursuant to the provisions of L. 1983 c.372 (N.J.S.A. 40A:10-36) et seq.
11. **Loss** means the total amount which any Insured becomes legally obligated to pay on account of each and all **Claims** reported in each **Coverage Period** and the **Extended Reporting Period**, if exercised, made against them for **Wrongful Acts** for which coverage applies, including, but not limited to, damages, judgments, settlements, costs and **Defense Costs**. **Loss** does not include (i) any amount not indemnified by the Insured for which the Insured is absolved from payment by reason of any covenant, agreement or court order; (ii) matters uninsurable under the law pursuant to which this policy is construed; or (iii) the employment reinstatement of the claimant by the Insured or the continued employment of the claimant; or (iv) harm or damages caused intentionally by an Insured.
12. **Pollutants** means any substance exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or a state, county, municipality or locality counterpart thereof. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, electromagnetic radiation, or waste materials, which includes materials to be recycled, reconditioned or reclaimed. **Pollutants** shall also mean any other air emission, odor, wastewater, oil or oil products, infectious or medical waste, asbestos or asbestos products, and any noise.
13. **Public Entity** shall mean only that Municipality, Governmental Body, Department, or Unit, which is named in the Declarations and is legally constituted at the Effective Date of this policy.
14. **Public Official** shall mean all persons who were, now are or shall be lawfully appointed or elected officials of the Insured while acting within the scope of their official duties. The term **Public Official** shall include members of such commissions, boards or other units operating by and under the jurisdiction of such governing body and within an apportionment of the total operating budget of the Insured, while acting within the scope of their official duties. The term **Public Official** shall also include employees and **Volunteers** as may be responsible to the governing body or to its commissions, boards or other units. **Public Official** does not mean and does not apply to any officials, members or employees of any, hospital, boards of education or colleges, or any person working on a retainer or any independent or professional services contractors. **Public Official** shall also mean an interim administrator while acting in the scope of their duties on behalf of the named insured.

Public Official shall also mean members of the Board of Directors of non-for profit corporations where the not-for profit corporation has been approved for coverage with the Lead Agent.
15. **Retention Amount** means the initial amount, as stated in Item 4 of the Declarations, payable by the Insured for each **Loss**.

16. **Retroactive Date** means the dates shown in Items 7 and 8 of the Declaration Page. No coverage will be afforded for acts prior to this date.
17. **Volunteer** means any person whose services are uncompensated and whose activities are authorized, directed and supervised by, and for the benefit of, the **Public Entity**. Volunteer does not include any person performing services which are covered by, connected with, or supervised by any court, penal or law official or institution.
18. **Wrongful Act** means any alleged or actual act, error, omission or breach of duty of an Insured.

SECTION VII – ACCEPTANCE

By acceptance of this policy the Insured and its **Public Officials** agree that this policy embodies all agreements existing between themselves and the **Company** or any of its agents relating to this policy.

SERVICE OF PROCESS

The Commissioner of Insurance of the State of New Jersey is hereby designated the true and lawful attorney of the Company upon whom may be served all lawful process in any action, suit or proceeding arising out of this policy. The Company further designates:

Toni Ann Perkins
Secretary
Seaview House
70 Seaview Avenue
Stamford, CT 06902-6040

as its agent in New Jersey to whom such process shall be forwarded by the Commissioner of Insurance.

For Illinois exposures, the Insurer further designates the Director of the Illinois Division of Insurance and his successors in office, as its 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 an Illinois exposure and this contract of insurance.

All other terms and conditions of this policy remain unchanged.