

Policy Number: 2902137-00

Insured: Elizabeth Board of Education

SCHEDULE OF FORMS AND ENDORSEMENTS

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

TPRS Package

Form Name	Form Number
FORMS AND ENDORSEMENTS SCHEDULE	AG 605 01-10
Reporting Claims for Trident Public Entity SIR Program	TSIRCR-0520
SIGNATURE PAGE	SIGAIC 0416
PRIVACY NOTICE	PRIVACY NOTICE (04-15)
OFAC - U S TREASURY DEPARTMENT OFFICE OF FOREIGN ASSETS CONTROL	IL P 001 01 04
POLICYHOLDER DISCLOSURE - NOTICE OF TERRORISM INSURANCE COVERAGE	NOTICE TRIA AIC (01-15)
ADVISORY NOTICE TO POLICYHOLDERS EXCLUSION - CYBER INJURY, ELECTRONIC DATA, AND CONFIDENTIAL OR PERSONAL INFORMATION	CYBERNOTICE8-0220
COMMON POLICY DECLARATIONS RETAINED LIMITS POLICY	ILRLDEC 001 07-13
COMMON POLICY CONDITIONS – EDUCATIONAL INSTITUTIONS	ILRLED001-0419
LEAD EXCLUSION	AG-IL-RL E-003 (06-10)
ELECTROMAGNETIC RADIATION EXCLUSION	AG-IL-RL E-004 (06-10)
ASBESTOS EXCLUSION	AG-IL-RL E-006 (03-11)
SILICA OR SILICA-RELATED DUST EXCLUSION	AG-IL-RL E-007 (06-10)
NUCLEAR ENERGY LIABILITY EXCLUSION	AG-IL-RL E-010 (06-10)
FUNGI OR BACTERIA EXCLUSION	AG-IL-RL E-012 (06-10)
CONTAMINATION AND DISEASE EXCLUSION	AG-IL-RL E-016 (06-11)
PATHOGENIC OR POISONOUS BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION	AG-IL-RL E-017 (06-10)
NUCLEAR HAZARD EXCLUSION	AG-IL-RL E-018 (06-10)
TWO OR MORE COVERAGE PARTS OR COVERAGE FORMS	AG-IL-RL E-019 (06-10)
CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM	AG-IL-RL E-025 (01-15)
NEW JERSEY CHANGES - CANCELLATION AND NONRENEWAL	AG IL 0208 NJ 0610
NEW JERSEY CHANGES - CIVIL UNION	AG IL 0141 NJ 0610
SUPPLEMENTARY PAYMENTS	RLE128-0416
SUPPLEMENTARY PAYMENTS	RLE130-0416
OTHER INSURANCE	RLE133-0416
RETAINED LIMIT	RLE137-0416
RETAINED LIMIT	RLE139-0416
EXCLUSION – CYBER INJURY, ELECTRONIC DATA, AND CONFIDENTIAL OR PERSONAL INFORMATION	RLE146-0220
EDUCATOR'S LIABILITY RETAINED LIMIT POLICY DECLARATIONS	RLELIABDEC 001 04-19

TPRS General Liability

Form Name	Form Number
EDUCATOR'S GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM – LIMITED REPORTING - LOSS ADJUSTMENT EXPENSES INCLUDED WITHIN THE RETENTION AND INSIDE THE LIMITS OF INSURANCE	GLERLI 002 0413
EXCLUSION – UNMANNED AIRCRAFT	CG2109CW-0417
SEXUAL ABUSE AND/OR MOLESTATION LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM - LOSS ADJUSTMENT EXPENSES INCLUDED WITHIN THE RETENTION, INSIDE THE LIMIT OF INSURANCE	GLCMRLI 010 0713
EXCLUSION – SUBSIDENCE	GLSUB 0517
AMENDATORY ENDORSEMENT	M1777-0720
NEW JERSEY CHANGES - LOSS INFORMATION	AG CG 2620 NJ 0610
SUPPLEMENTARY PAYMENTS	RLE129-0416

Policy Number: 2902137-00

Insured: Elizabeth Board of Education

SCHEDULE OF FORMS AND ENDORSEMENTS

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

TPRS Educators Legal Liability

Form Name	Form Number
EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT - CLAIMS-MADE COVERAGE FORM - LIMITED REPORTING LOSS ADJUSTMENT EXPENSES INCLUDED WITHIN THE RETENTION AND INSIDE THE LIMIT OF INSURANCE	ELLCMRLI 002 0413

TPRS Law Enforcement Liability

Form Name	Form Number
LAW ENFORCEMENT LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM - LIMITED REPORTING - LOSS ADJUSTMENT EXPENSES INCLUDED WITHIN RETENTION, AND INSIDE THE LIMITS OF INSURANCE	LERLI 002 0413
EXCLUSION – UNMANNED AIRCRAFT	CG2109CWLEL-0417

TPRS Employment Practices Liability

Form Name	Form Number
EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM – EDUCATIONAL INSTITUTION – LIMITED REPORTING - LOSS ADJUSTMENT EXPENSES INCLUDED WITHIN THE RETENTION AND INSIDE THE LIMIT OF I	EPEDCMRLI 002 0413

TPRS Auto Liability

Form Name	Form Number
NOTICE TO INSURED OF AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE ENDORSEMENT PREMIUM DEVELOPMENT	AUTO FLEET NOTICE 0713
BUSINESS AUTO LIABILITY RETAINED LIMITS COVERAGE FORM DECLARATIONS SCHEDULE OF AUTOMOBILES	ALRLDEC 001 12-13 AG CA RL CERT-SCH (06-10)
BUSINESS AUTO LIABILITY RETAINED LIMIT COVERAGE FORM FOR EDUCATIONAL INSTITUTIONS - LIMITED REPORTING - LOSS ADJUSTMENT EXPENSE INCLUDED WITHIN THE RETENTION, AND INSIDE THE LIMITS OF INSURANCE	ALERLI 002 0413
SUPPLEMENTARY PAYMENTS	RLE132-0416
OTHER INSURANCE	RLE134-0416
RETAINED LIMIT	RLE141-0416
NEW JERSEY CHANGES	AG CA 0188 NJ 0610



TRIDENT

PUBLIC RISK SOLUTIONS
MEMBER OF PARAGON INSURANCE HOLDINGS, LLC

www.argolimited.com/trident/claims

Reporting Claims for Trident Public Entity SIR Program

TPA Quick Reference

The Claims Administrator (TPA) must immediately report the following types of claims:

- A claim where the combined loss and expenses is expected to be 50% or more of the SIR regardless of liability.
- Catastrophic Injuries such as:
 - ✓ Loss of sight, hearing or any other sensory loss.
 - ✓ Fatalities.
 - ✓ Head/brain injuries.
 - ✓ Spinal cord injuries.
 - ✓ Multiple fractures/amputations.
 - ✓ Serious burns.
 - ✓ Massive internal injuries.
 - ✓ Significant disfigurement/permanent injuries.
 - ✓ Environmental claims involving pollutants of any kind.
 - ✓ Sexual abuse and molestations.
 - ✓ Class actions.
 - ✓ Suits involving a bankrupt insured.
 - ✓ Civil rights claims.
 - ✓ Advertising or broadcast injury (i.e. unfair competition, copyright infringement).
 - ✓ Bad faith/unfair claims practice.
 - ✓ Extra contractual claims.
 - ✓ Property losses involving arson.
 - ✓ Any other claim the TPA would like to have reviewed.
- If the insured's policy is "full reporting," all claims, including the list above, are required to be reported to the company.

Report a Claim (24/7)

Phone (Toll free):

(833) 240-4128

Fax:

(303) 773-7373

Email:

CommercialNewClaims@argogroupus.com

Reporting Requirements

1. **Initial Notice of Claim** – May include TPA's own loss notice report, defense counsel's case evaluation or the Argo Group Formal Loss Notice.
2. **Formal Loss Notice Report** – Must be completed within 30 days of the Initial Notice of Claim. The attached Loss Notice Report form must be used unless the TPA can provide a report form that contains the required LNR categories.
3. **Status Reports/Formal Status Reports** – Required for any significant change in reserves or other significant substantive development. Formal Status Reports **must** be completed every 180 days from the date of completion of the Formal Loss Notice Report regardless of the progress in case and until final disposition of the claim.
4. **Closing Report** – Must be completed after the TPA closes its file.

SIGNATURE PAGE

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

Argonaut Insurance Company



President



Secretary

Privacy Policy

Argo Group US, Inc. (“Argo Group”) recognizes the importance of maintaining the privacy of our customers and the confidentiality of each individual’s nonpublic personal information, including Social Security numbers. We take seriously the responsibility that accompanies our collection of nonpublic personal information, including Social Security numbers. Accordingly, Argo’s corporate policy is to protect the privacy and confidentiality of our consumers and their nonpublic personal information as required by law.

Information Collection and Use

In order to conveniently and effectively provide and service the insurance products we sell, we may collect and use Social Security numbers and other nonpublic personal information. As such, this policy does not prohibit the collection or use of Social Security numbers and nonpublic personal information where legally authorized and/or required. This policy complies with the requirements of the Gramm-Leach-Bliley Act (GLBA) and applicable federal and state laws and regulations implementing the act. Such laws impose certain obligations upon third persons and organizations with which we share nonpublic personal information of our consumers, customers, former customers, or claimants. Accordingly, we prohibit the unauthorized disclosure of Social Security numbers and other protected nonpublic personal information, except as legally required or authorized.

Information Sharing and Disclosure

Argo Group does not rent, sell or share your personally identifiable information with nonaffiliated third parties. Argo Group may, however, share personally identifiable information with third-party contractors. These third-party contractors are prohibited from using the information for purposes other than performing services for Argo Group. Argo Group may disclose your information to third parties when obligated to do so by law and to investigate, prevent, or take action regarding suspected or actual prohibited activities, including but not limited to fraud and situations involving the security of our operations and employees.

Finally, Argo Group may transfer information, including any personally identifiable information, to a successor entity in connection with a corporate merger, consolidation, sale of all or a portion of its assets, bankruptcy, or other corporate change.

Security

In order to protect your nonpublic personal information, we limit access to nonpublic personal information by only allowing authorized personnel to have access to such information. Furthermore, we maintain physical, electronic and procedural security protections to safeguard the nonpublic personal information in our records. Documents that contain an individual’s protected information are destroyed before disposal; this destruction process includes the shredding of print and disposable media and deletion of electronic media. Argo Group has security measures in place to protect the loss, misuse and alteration of the information under our control. Our hardware infrastructure is housed in a controlled access facility that restricts access to authorized individuals. The network infrastructure is protected by a firewall and traffic is monitored and logged both on the firewall and servers. Sensitive administrative activities are carried out over secure, encrypted links between our offices and hosting facility. Administrative

access is limited not only to authorized employees but also to specific remote administration protocols and IP addresses. All employees with access to personally identifiable information have been advised of Argo Group's security policies and practices. Argo Group will continue to conduct internal audits of its security systems and make all necessary enhancements to ensure the safety of the website and its users. No method of transmission over the Internet or method of electronic storage is 100% secure; therefore, while Argo Group uses commercially acceptable means to protect your information, we cannot guarantee absolute security.

Any Argo Group employee who becomes aware of the inappropriate use or disclosure of Social Security numbers and other protected nonpublic personal information is expected to immediately report such behavior to the General Counsel for further action.

Corrected/Updated Information

This policy applies to certain insureds of Argo Group, including but not limited to worker's compensation claimants. If you have any questions about this Privacy Policy, please contact:

General Counsel
Argo Group US, Inc.
P.O. Box 469011
San Antonio, Texas 78246
(210) 321-8400

*Note: Argo Group is the parent of Argonaut Insurance Company; Argonaut-Southwest Insurance Company; Argonaut-Midwest Insurance Company; Argonaut Great Central Insurance Company; Argonaut Limited Risk Insurance Company; ARIS Title Insurance Corporation; Select Markets Insurance Company; Colony Insurance Company; Colony Specialty Insurance Company; Peleus Insurance Company (fka Colony National Insurance Company); Rockwood Casualty Insurance Company; Somerset Casualty Insurance Company; Grocers Insurance Agency, Inc.; Central Insurance Management, Inc.; Alteris Insurance Services, Inc.; Trident Insurance Services, LLC; Commercial Deposit Insurance Agency, Inc.; Sonoma Risk Management, LLC; John Sutak Insurance Brokers, Inc.; Colony Management Services, Inc.; Argonaut Management Services, Inc.; and Argonaut Claims Management, LLC. This Privacy Policy applies to all companies and business produced or underwritten within Argo Group.

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

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

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

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

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

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

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

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*: The term “act of terrorism” means any act or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - --to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURER’S LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

☒	I hereby elect to purchase terrorism coverage for a prospective premium of \$ 5,223
☐	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

	Argonaut Insurance Company
Policyholder/Applicant’s Signature	Insurance Company
	2902137-00
Print Name	Policy Number
Date	

EXCLUSION - CYBER INJURY, ELECTRONIC DATA, AND CONFIDENTIAL OR PERSONAL INFORMATION

ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form part of your policy. No coverage is provided by this Notice nor can it be construed to replace any provision of your policy. You should read your policy for complete information on the coverages you are provided. If there is any conflict between the Policy and this Notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

Carefully read your policy, including the endorsements attached to your policy.

This Notice provides information concerning the following new endorsements, which apply to your renewal policy being issued by us:

EXCLUSION – CYBER INJURY, ELECTRONIC DATA, AND CONFIDENTIAL OR PERSONAL INFORMATION – WITH LIMITED BODILY INJURY EXCEPTION (RLE145)

When this endorsement is attached to your policy:

- Coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information, or out of “cyber injury,” as defined in the endorsement. This is a reinforcement of coverage.
- If your policy covers “personal and advertising injury” liability, to the extent that any “cyber injury” results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

EXCLUSION – CYBER INJURY, ELECTRONIC DATA, AND CONFIDENTIAL OR PERSONAL INFORMATION (RLE146)

When this endorsement is attached to your policy:

- Coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information, or out of “cyber injury,” as defined in the endorsement. With regards to access to or disclosure of confidential or personal information, this is a reinforcement of coverage. With regards to “cyber injury,” the attachment of this endorsement will result in a reduction of coverage due to the deletion of an exception with respect to damages because of bodily injury arising out of “cyber injury.”
- If your policy covers “personal and advertising injury” liability, to the extent that any “cyber injury” results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

EXCLUSION – CYBER INJURY, ELECTRONIC DATA, AND CONFIDENTIAL OR PERSONAL INFORMATION – PERSONAL AND ADVERTISING INJURY (RLE147)

When this endorsement is attached to your policy, coverage is excluded for “personal and advertising injury” arising out of any access to or disclosure of confidential or personal information, or out of any “cyber injury.” To the extent that any “cyber injury” results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

COMMON POLICY DECLARATIONS RETAINED LIMIT POLICY

Policy No. 2902137-00

Renewal of New

1. NAMED INSURED AND MAILING ADDRESS

Elizabeth Board of Education

500 North Broad St

Elizabeth, NJ 07208

2. POLICY PERIOD

From 7/1/2020 To 7/1/2021

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

3. BUSINESS DESCRIPTION

SCHOOL

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

Coverage Parts		Premium
COMMERCIAL GENERAL LIABILITY	\$	<u>Included</u>
COMMERCIAL AUTO LIABILITY / APD	\$	<u>Included</u>
LAW ENFORCEMENT LIABILITY	\$	<u>Included</u>
EMPLOYMENT PRACTICES LIABILITY	\$	<u>Included</u>
PUBLIC OFFICIALS LIABILITY	\$	<u>Included</u>
COMMERCIAL EXCESS LIABILITY	\$	<u>Included</u>
	\$	<u>2,260.35 (NJ PLIGA Fee)</u>
TERRORISM	\$	<u>INCLUDED</u>
Total Policy Premium	\$	<u>\$376,725</u>
Premium is payable:	At Inception	\$ <u>378,985.35</u>

5. FORMS AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS: SEE POLICY FORMS LIST..

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMON POLICY CONDITIONS – EDUCATIONAL INSTITUTIONS

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

1. Bankruptcy or Insolvency

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

2. Cancellation or Non-Renewal

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

3. Changes

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

4. Conflicting Statutes

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

5. Examination Of Your Books And Records

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

6. Inspections And Surveys

We have the right but are not obligated to:

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

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

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

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

7. Legal Action Against Us

No person or organization has a right under this policy:

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

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

8. Liberalization

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

8. Premiums

- a.** The first Named Insured:
 - (1)** is responsible for payment of all premiums when due; and

(2) will be the payee for any return premiums we pay.

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

10. Educator's Authorization Clause

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

11. Representations

By accepting this policy, you agree that:

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

Coverage will continue to apply if you:

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

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

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

12. Separation Of Insureds

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

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

13. Sovereign Immunity and Damages Caps

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

14. Transfer of Rights of Recovery Against Others to Us

If any Insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. In the

event of recovery, the proceeds will be divided in the following priority, including those expenses incurred in pursuing such recovery:

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

15. When We Do Not Renew

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

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

LEAD EXCLUSION

This endorsement modifies insurance provided under the following:

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

The following **Exclusion** is added:

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

Exception to Exclusion:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ELECTROMAGNETIC RADIATION EXCLUSION

This endorsement modifies insurance provided under the following:

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

The following **Exclusion** is added:

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

This endorsement modifies insurance provided by:

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

The following **Exclusion** is added:

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

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

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

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

Exception to Exclusion:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA-RELATED DUST EXCLUSION

This endorsement modifies insurance provided by:

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

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

This insurance does not apply to any:

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

The following **Definitions** are added:

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

NUCLEAR ENERGY LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

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

The following **Exclusion** is added:

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

Nuclear Energy Exclusion

- a. Any "bodily injury", "property damage", "personal and advertising injury", "wrongful act(s)" or any other injury, "loss", cost or damage:
 - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
 - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by or with any person or organization.
- b. Any "bodily injury", "property damage", "personal injury", "law enforcement wrongful act(s)" or any other injury, "loss", cost or damage resulting from the "hazardous properties" of "nuclear material," if:
 - (1) The "nuclear material":
 - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
 - (b) Has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

As used in this exclusion:

“Hazardous properties” includes radioactive, toxic or explosive properties.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

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

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

FUNGI OR BACTERIA

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

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTAMINATION AND DISEASE EXCLUSION

This endorsement modifies insurance provided under the following:

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

The following **Exclusion** is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PATHOGENIC OR POISONOUS BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION

This endorsement modifies insurance provided by:

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

A. The following Exclusion is added:

This insurance does not apply to:

PATHOGENIC OR POISONOUS BIOLOGICAL OR CHEMICAL MATERIALS

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR HAZARD EXCLUSION

This endorsement modifies insurance provided under the following:

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

The following **Exclusion** is added:

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

Nuclear Hazard

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TWO OR MORE COVERAGE PARTS OR COVERAGE FORMS

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE PART
GENERAL LIABILITY COVERAGE PART
EDUCATOR'S COVERAGE PART
LAW ENFORCEMENT LIABILITY COVERAGE PART
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART
EDUCATOR'S GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM
AUTO LIABILITY RETAINED LIMIT COVERAGE FORM
EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT COVERAGE FORM
LAW ENFORCEMENT LIABILITY RETAINED LIMIT COVERAGE FORM
EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT COVERAGE FORM

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

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

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

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

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

CAP ON CERTIFIED TERRORISM LOSSES

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

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

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

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

APPLICATION OF OTHER EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part..

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW JERSEY CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE PART
COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL EXCESS LIABILITY COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
GOVERNMENT CRIME COVERAGE PART
EDUCATOR'S GENERAL LIABILITY COVERAGE PART
EDUCATOR'S LEGAL LIABILITY COVERAGE PART
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
LAW ENFORCEMENT LIABILITY COVERAGE PART
PUBLIC OFFICIALS LIABILITY COVERAGE PART

- A.** Pursuant to New Jersey law, this policy cannot be cancelled or nonrenewed for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the insured. The underwriting reasons or guidelines that an insurer can use to cancel or nonrenew this policy are maintained by the insurer in writing and will be furnished to the insured and/or the insured's lawful representative upon written request.

This provision shall not apply to any policy which has been in effect for less than 60 days at the time notice of cancellation is mailed or delivered, unless the policy is a renewal policy.

- B.** Paragraph **2.b.** of the **Cancellation** Common Policy Condition is replaced by the following:

- 2.b.** If this policy has been in effect for less than 60 days, we may cancel this policy for any reason subject to the following:

- a.** We may cancel this policy by mailing or delivering to the first Named Insured and any person entitled to notice under this policy written notice, of cancellation, at least:

- (1)** 10 days before the effective date of cancellation if we cancel for:

- (a)** Nonpayment of premium; or

- (b)** Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f) as follows:

- (i)** "The risk, danger or probability that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction may be considered a 'moral hazard'; and

- (ii)** "The substantial risk, danger or probability that the character, circumstances or personal habits of the insured may increase the possibility of loss or liability for which an insurer will be held responsible. Any change in the character or circumstances of an individual, corporate, partnership or other insured that will increase the probability of such a loss or liability may be considered a 'moral hazard'".

- (2)** 90 days before the effective date of cancellation if we cancel for any other reason.

- b. In the notice of cancellation which is sent to the first Named Insured, we will state the reason for cancellation.

C. The following is added to the **Cancellation** Common Policy Condition:

h. Cancellation Of Policies In Effect For 60 Days Or More

If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- (1) Nonpayment of premium;
 - (2) Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f);
 - (3) Material misrepresentation or nondisclosure to us of a material fact at the time of acceptance of the risk;
 - (4) Increased hazard or material change in the risk assumed which we could not have reasonably contemplated at the time of assumption of the risk;
 - (5) Substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;
 - (6) Lack of cooperation from the insured on loss control matters materially affecting insurability of the risk;
 - (7) Fraudulent acts against us by the insured or its representative that materially affect the nature of the risk insured;
 - (8) Loss of or reduction in available insurance capacity;
 - (9) Material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the insurance contract or any subsequent renewal;
 - (10) Loss of or substantial changes in applicable reinsurance;
 - (11) Failure by the insured to comply with any Federal, State or local fire, health, safety or building or construction regulation, law or ordinance with respect to an insured risk which substantially increases any hazard insured against within 60 days of written notification of a violation of any such law, regulation or ordinance;
 - (12) Failure by the insured to provide reasonable and necessary underwriting information to us upon written request therefore and a reasonable opportunity to respond.
 - (13) Agency termination, provided:
 - (a) We document that replacement coverage at comparable rates and terms has been provided to the first Named Insured, and we have informed the first Named Insured, in writing, of the right to continue coverage with us; or
 - (b) We have informed the first Named Insured, in writing, of the right to continue coverage with us and the first Named Insured has agreed, in writing, to the cancellation or nonrenewal based on the termination of the first Named Insured's appointed agent.
 - (14) Any other reasons in accordance with our underwriting guidelines for cancellation of commercial lines coverage.
- b. If we cancel this policy based on Paragraph 2.h.(1) or (2) above, we will mail or deliver a written notice, to the first Named Insured and any person entitled to notice under this policy, at least 10 days before the effective date of cancellation. If we cancel this policy for any other reason listed above, we will mail or deliver a written notice to the first Named Insured and any person entitled to notice under this policy, not more than 120 days nor less than 90 days before the effective date of such cancellation.
 - c. In the notice of cancellation which is sent to the first Named Insured, we will state the reason for cancellation. For cancellation due to the nonpayment of premium, the notice will state the effect of nonpayment by the due date. Cancellation for nonpayment of premium will not be effective if payment of the amount due is made before the effective date set forth in the notice.

- d. Notice will be sent to the last mailing addresses known to us, by:
 - (1) Certified mail; or
 - (2) First class mail, if we have obtained from the post office a date stamped proof of mailing showing names and addresses.
 - e. We need not send notice of cancellation if you have:
 - (1) Replaced coverage elsewhere; or
 - (2) Specifically requested termination.
- D. The following replaces the Common Policy Condition **15. When We Do Not Renew** and supersedes any other provision to the contrary:
- NONRENEWAL**
- 1. We may elect not to renew this policy for any reason permitted to cancel it. If we elect not to renew this policy, we will mail a notice of nonrenewal, stating the reasons for nonrenewal, to the first Named Insured at least 90 days but not more than 120 days before the expiration date of this policy. If this policy does not have a fixed expiration date, it shall be deemed to expire annually on the anniversary of its inception.
 - 2. This notice will be sent to the first Named Insured at the last mailing address known to us by:
 - a. Certified mail; or
 - b. First class mail, if we have obtained from the post office a date stamped proof of mailing showing the first Named Insured's name and address.
 - 3. We need not mail or deliver this notice if you have:
 - a. Replaced coverage elsewhere; or
 - b. Specifically requested termination.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW JERSEY CHANGES – CIVIL UNION

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL EXCESS LIABILITY COVERAGE PART
EDUCATOR'S GENERAL LIABILITY COVERAGE PART
EDUCATOR'S LEGAL LIABILITY COVERAGE PART
EMPLOYMENT PRACTICES LIABILITY COVERAGE PART
LAW ENFORCEMENT LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PROFESSIONAL LIABILITY COVERAGE PART
PUBLIC OFFICIALS LIABILITY COVERAGE PART

A. The term "spouse" is replaced by the following:

Spouse or party to a civil union recognized under New Jersey law.

B. Under the Commercial Auto Coverage Part, the term "family member" is replaced by the following:

"Family member" means a person related to the:

1. Individual Named Insured by blood, adoption, marriage or civil union recognized under New Jersey law, who is a resident of such Named Insured's household, including a ward or foster child; or
2. Individual named in the Schedule by blood, adoption, marriage or civil union recognized under New Jersey law, who is a resident of the individual's household, including a ward or foster child, if the Drive Other Car Coverage – Broadened Coverage For Named Individual Endorsement is attached.

C. With respect to coverage for the ownership, maintenance, or use of "covered autos" provided under the Commercial Excess Liability Coverage Part, the term "family member" is replaced by the following:

"Family member" means a person related to you by blood, adoption, marriage or civil union recognized under New Jersey law, who is a resident of your household, including a ward or foster child.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUPPLEMENTARY PAYMENTS

This endorsement modifies insurance provided under the following:

EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM – LIMITED REPORTING

EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – LIMITED REPORTING

EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – LIMITED REPORTING

EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – EDUCATIONAL INSTITUTION – LIMITED REPORTING

LAW ENFORCEMENT LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – LIMITED REPORTING

PUBLIC OFFICIALS LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – LIMITED REPORTING

SECTION I – COVERAGES, B. DEFENSE AND SUPPLEMENTARY PAYMENTS, 1. is deleted and replaced by the following:

1. The insured will have the obligation to provide an adequate defense and to investigate any “claim” or “suit” covered by this policy. The insured shall pay all “loss adjustment expense” that relates to the defense of “claims” or “suits” within the “retained limit”.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUPPLEMENTARY PAYMENTS

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM – LIMITED REPORTING

EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – LIMITED REPORTING

EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM – EDUCATIONAL INSTITUTION – LIMITED REPORTING

EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM – LIMITED REPORTING

PUBLIC OFFICIALS LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM – LIMITED REPORTING

SECTION I – COVERAGES, B. DEFENSE AND SUPPLEMENTARY PAYMENTS, 1. is deleted and replaced by the following:

1. The insured will have the obligation to provide an adequate defense and to investigate any “claim” or “suit” covered by this policy.
 - a. The insured shall pay all “loss adjustment expense” that relates to the defense of “claims” or “suits” within the “retained limit”;
 - b. Should the Insured or the Claims Administrator fail to pay amounts for “loss”, or to provide such defense, that would otherwise be required by the coverage, terms and conditions of this policy, we may elect to pay these “losses”, or to provide such defense as is necessary to meet such coverage, terms and conditions of the policy. If we elect to make such payment or provide such defense for amounts that are within the “retained limit”, you will promptly reimburse us for the amounts we elect to pay as “loss”, and the sum of all such “loss adjustment expenses” we incur to provide defense that would have otherwise been included within the “retained limit”.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OTHER INSURANCE

This endorsement modifies insurance provided under the following:

LAW ENFORCEMENT LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – LIMITED REPORTING

PUBLIC OFFICIALS LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – LIMITED REPORTING

PUBLIC OFFICIALS LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM – LIMITED REPORTING

PUBLIC RISK GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM – LIMITED REPORTING

EDUCATOR'S GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM – LIMITED REPORTING

EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – LIMITED REPORTING

EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM – LIMITED REPORTING

EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – LIMITED REPORTING

EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM – LIMITED REPORTING

EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – EDUCATIONAL INSTITUTION – LIMITED REPORTING

EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM – EDUCATION INSTITUTION – LIMITED REPORTING

The **Other Insurance** Condition is deleted and replaced by the following:

Other Insurance

If other valid and collectible insurance applies to a “claim” or “suit” covered by this policy, and subject to the **LIMITS OF INSURANCE** section of this policy, this policy will apply excess of the other insurance, whether this insurance is primary, excess, contingent, or issued on any other basis.

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

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RETAINED LIMIT

This endorsement modifies insurance provided under the following:

LAW ENFORCEMENT LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – LIMITED REPORTING

PUBLIC OFFICIALS LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – LIMITED REPORTING

PUBLIC RISK GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM – LIMITED REPORTING

EDUCATOR'S GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM – LIMITED REPORTING

EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – LIMITED REPORTING

EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – LIMITED REPORTING

EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM – EDUCATIONAL INSTITUTION – LIMITED REPORTING

Section **LIMITS OF INSURANCE, A. RETAINED LIMIT, 4.** is deleted.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RETAINED LIMIT

This endorsement modifies insurance provided under the following:

PUBLIC OFFICIALS LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM – LIMITED REPORTING

EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM – LIMITED REPORTING

EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM – LIMITED REPORTING

EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM – EDUCATION INSTITUTION – LIMITED REPORTING

Section **LIMITS OF INSURANCE, A. RETAINED LIMIT, 5.** is deleted.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – CYBER INJURY, ELECTRONIC DATA, AND CONFIDENTIAL OR PERSONAL INFORMATION

This endorsement modifies insurance provided under the following:

EDUCATORS GENERAL LIABILITY RETAINED LIMIT COVERAGE PART
EDUCATORS LEGAL LIABILITY RETAINED LIMIT COVERAGE PART
EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT COVERAGE PART
LAW ENFORCEMENT LIABILITY RETAINED LIMIT COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PUBLIC OFFICIALS LIABILITY RETAINED LIMIT COVERAGE PART
PUBLIC RISK GENERAL LIABILITY RETAINED LIMIT COVERAGE PART

- A. The exclusion below is added for all coverages and replaces any existing exclusions related to electronic data, electronic vandalism, and/or confidential or personal information.

This insurance does not apply to:

Cyber Injury, Electronic Data, And Confidential Or Personal Information

Damages, loss, costs and expenses, including all fines and penalties, arising out of:

- (1) "Cyber injury";
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data";
- (3) Any access to, or loss, destruction, disclosure, disruption, inspection, modification, recording, release, review, use, collection, processing, or storage of, any person's or organization's confidential or "personal information", including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, biometric or health information or any other type of nonpublic information; or
- (4) Any "claim", "suit", or other legal proceeding, administrative action or hearing arising out of Paragraphs (1) through (3) above, including but not limited to those initiated prior to, or pending as of, the inception date of this policy.

- B. The following definitions are added with respect to the provisions of this endorsement:

"Cyber injury" means any actual, alleged or suspected, intentional or unintentional, breach of or unauthorized access to any data, software, hardware, or computer system, wherever located, that results in:

- a. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- b. Inability to access any website or any computer system;
- c. Release, introduction, transmission or facilitation of any "malicious code";
- d. Forensic or investigative expenses;
- e. Extortion or terrorism acts or threats;
- f. Monitoring or notification costs or expenses;
- g. Crisis management or public relations expenses;
- h. Data or system recovery, repair, replacement or restoration expenses;
- i. Business interruption-related losses or expenses; or

- j. Losses arising out of fraudulent instructions transmitted by electronic means, including through social engineering.

“Electronic data” means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

“Malicious code” means, but is not limited to, any virus, Trojan horse, worm, spyware, logic bomb, adware, malware or other similar software program.

“Personal information” means any personally identifying information or data about an individual, as defined by foreign, federal, state or local laws, statutes or regulations.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

EDUCATOR'S LIABILITY RETAINED LIMIT POLICY DECLARATIONS

COMPANY: Argonaut Insurance Company P.O. Box 469011 San Antonio TX 78246 POLICY NUMBER: 2902137-00	PRODUCER: Paragon Insurance Holdings, LLC DBA Trident Public Risk Solutions 45 Nod Road Avon, CT 06001			
NAMED INSURED: Elizabeth Board of Education MAILING ADDRESS: 500 North Broad St Elizabeth NJ 07208				
THIS POLICY MAY CONTAIN OCCURRENCE COVERAGES, CLAIMS-MADE COVERAGES OR A COMBINATION OF OCCURRENCE AND CLAIMS-MADE COVERAGES. PLEASE READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS AND DUTIES AND WHAT IS AND IS NOT COVERED.				
OCCURRENCE COVERAGES <table style="width: 100%;"> <tr> <td style="width: 20%;">Policy Period</td> <td style="width: 40%;">From: 7/1/2020</td> <td style="width: 40%;">To: 7/1/2021 at 12:01 A.M. Standard Time at your mailing address shown above.*</td> </tr> </table> *Information may be omitted if shown elsewhere in the policy		Policy Period	From: 7/1/2020	To: 7/1/2021 at 12:01 A.M. Standard Time at your mailing address shown above.*
Policy Period	From: 7/1/2020	To: 7/1/2021 at 12:01 A.M. Standard Time at your mailing address shown above.*		
CLAIMS-MADE "WRONGFUL ACT" COVERAGES <table style="width: 100%;"> <tr> <td style="width: 20%;">Policy Period</td> <td style="width: 40%;">From: 7/1/2020</td> <td style="width: 40%;">To: 7/1/2021 at 12:01 A.M. Standard Time at your mailing address shown above.*</td> </tr> </table> This Insurance does not apply to claims which arose from a "wrongful act" commencing before the Retroactive Date shown below. Enter 'NONE' if no Retroactive Date applies to this Coverage Part. RETROACTIVE DATE: 7-1-2010 COVERAGE PART: ELL & EPL RETROACTIVE DATE: 7-1-2020 COVERAGE PART: SEXUAL ABUSE AND MOLESTATION *Information may be omitted if shown elsewhere in the policy		Policy Period	From: 7/1/2020	To: 7/1/2021 at 12:01 A.M. Standard Time at your mailing address shown above.*
Policy Period	From: 7/1/2020	To: 7/1/2021 at 12:01 A.M. Standard Time at your mailing address shown above.*		
DESCRIPTION OF OPERATIONS: SCHOOL				
FORMS AND ENDORSEMENTS CONTAINED IN THIS POLICY AT INCEPTION:				
PREMIUM: \$ <u>Included</u>				
IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.				

LIMITS OF INSURANCE		
EDUCATOR'S GENERAL LIABILITY	LIMIT OF INSURANCE	
EACH OCCURRENCE LIMIT	\$ 5,000,000	
DAMAGE TO PREMISES RENTED TO YOU LIMIT	\$	Any One Premises
MEDICAL EXPENSE LIMIT	\$	Any One Person
PERSONAL & ADVERTISING INJURY LIMIT	\$ 5,000,000	Any One Person or Entity
FAILURE TO SUPPLY LIMIT	\$	Any One Premises
GENERAL AGGREGATE LIMIT	\$ 5,000,000	
PRODUCTS/COMPLETED OPERATIONS LIMIT	\$ 5,000,000	
“RETAINED LIMIT”	\$ 5,250,000	
“WRONGFUL ACT” COVERAGE		
A “Wrongful Act” means any of the coverages for which a Limit of Insurance is shown that provides coverage on the basis of Each Wrongful Act, including Educator’s Legal Wrongful Act or Employment Practices Wrongful Act Coverages.		
The following “Retained Limit” applies to each “wrongful act” under the Coverage Form for which a Limit of Insurance is shown below:		
RETAINED LIMIT – EACH “WRONGFUL ACT”	\$ 5,250,000 - LAW	
RETAINED LIMIT – EACH “WRONGFUL ACT”	\$ 5,500,000 – ELL, EPL AND SEXUAL ABUSE MOLESTATION	
“WRONGFUL ACT” CLAIMS-MADE COVERAGE		
IMPORTANT NOTICE: THIS COVERAGE PART PROVIDES CLAIMS-MADE COVERAGE. PLEASE READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS AND DUTIES AND WHAT IS AND IS NOT COVERED.		
EDUCATOR’S LEGAL LIABILITY	LIMIT OF INSURANCE	
RETAINED LIMIT COVERAGE FORM		
EACH “EDUCATOR’S LEGAL WRONGFUL ACT” LIMIT	\$ 5,000,000	
ANNUAL AGGREGATE LIMIT	\$ 5,000,000	
EMPLOYMENT PRACTICES LIABILITY	LIMIT OF INSURANCE	
RETAINED LIMIT COVERAGE FORM		
EACH “EMPLOYMENT PRACTICES WRONGFUL ACT” LIMIT	\$ 5,000,000	
ANNUAL AGGREGATE LIMIT	\$ 5,000,000	
SEXUAL ABUSE AND/OR MOLESTATION LIABILITY	LIMIT OF INSURANCE	
RETAINED LIMIT COVERAGE FORM		

EACH "SEXUAL ABUSE AND/OR MOLESTATION WRONGFUL ACT" LIMIT		\$5,000,000
ANNUAL AGGREGATE LIMIT		\$5,000,000

"WRONGFUL ACT" OCCURRENCE COVERAGE

EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM	LIMIT OF INSURANCE
EACH "EDUCATOR'S LEGAL WRONGFUL ACT" LIMIT	\$ NOT APPLICABLE
ANNUAL AGGREGATE LIMIT	\$ NOT APPLICABLE
EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM	LIMIT OF INSURANCE
EACH "EMPLOYMENT PRACTICES WRONGFUL ACT" LIMIT	\$ NOT APPLICABLE
ANNUAL AGGREGATE LIMIT	\$ NOT APPLICABLE
 EACH "LAW ENFORCEMENT WRONGFUL ACT" LIMIT	 \$ 5,000,000
ANNUAL AGGREGATE LIMIT	\$ 5,000,000
EMPLOYEE BENEFITS LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM	LIMIT OF INSURANCE
EACH "EMPLOYEE BENEFITS WRONGFUL ACT" LIMIT	INCLUDED IN GL LIMIT
ANNUAL AGGREGATE LIMIT	INCLUDED IN GL LIMIT

EDUCATOR'S GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM – LIMITED REPORTING

LOSS ADJUSTMENT EXPENSES INCLUDED WITHIN THE RETENTION AND INSIDE THE LIMITS OF INSURANCE

Throughout this policy, the words “you”, “your”, and “Educational Entity” refer to the entity identified as the “Named Insured” in the Declarations. The words “we”, “us”, “our” and “Company” refer to the Company stated in the Declarations as providing this insurance.

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

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

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

SECTION I – COVERAGES

INSURING AGREEMENTS:

1. “Bodily Injury” and “Property Damage” Liability

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

2. “Personal and Advertising Injury” Liability

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

3. Employee Benefits Liability

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

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

The amount we will pay for “loss” and “loss adjustment expenses” in excess of the “retained limit” under **Bodily Injury and Property Damage Liability, Personal and Advertising Injury Liability and Employee Benefits Liability** is limited as described in **SECTION IV - LIMITS OF INSURANCE**.

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

INSURING AGREEMENTS CONTINUUM:

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

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

SUPPLEMENTARY PAYMENTS

- A. The insured will have the obligation to provide an adequate defense, to investigate any “claim” or “suit”, and to accept any offer of settlement within the “retained limit” that is deemed reasonable by us, with regard to any “bodily injury”, “property damage”, “personal and advertising injury” or “employee benefits wrongful act” covered by this policy:
 1. The insured shall pay all “loss adjustment expense” that relates to the defense of “claims” or “suits” within the “retained limit”;

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

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

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

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

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

We are not responsible to pay any “loss adjustment expenses” for any settlement or judgment amounts within the “retained limit”.

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

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

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

SECTION II – EXCLUSIONS

This insurance does not apply to,:

1. Aircraft, Auto or Watercraft

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

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

Exception to Exclusion:

This exclusion does not apply to:

a. An aircraft that is:

(1) Chartered with a pilot to an insured;

(2) Not owned by an insured; and

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

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

c. A watercraft you do not own that is:

(1) Less than 51’ in length; and

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

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

d. A watercraft you own that is:

(1) Less than 51 feet in length; and

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

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

2. Airport Liability

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

3. Contractual Liability

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

Exception to Exclusion:

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

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

4. Damage to Impaired Property or Property Not Physically Injured

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

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

Exception to Exclusion:

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

5. Damage to Property

"Property damage" to:

- a. Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- b. Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- c. Property loaned to you;
- d. Personal property in the care, custody or control of the insured; except:
 - (1) Damage sustained to property held or in bailment at any Insured "parking lot" or "parking garage" operations. For "claims" described in this exception, the Each Occurrence Limit and the Aggregate Limit for this Coverage Form as stated in the Declarations do not apply. Instead, a separate Limit of Insurance of \$500,000 Each Occurrence and \$500,000 Aggregate Limit will apply per "policy period", in excess of the "retained limit" in the Declarations for this policy.
 - (2) Paragraph d. (1) does not apply to:
 - (a) Any liability resulting from any contractual obligation by which an Insured accepts responsibility for loss; or
 - (b) Loss due to theft or conversion caused in any way by any Insured or the Insured's "employees", or by anyone acting for or on behalf of the Insured.
- e. That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- f. That particular part of any property that must be restored repaired or replaced because "your work" was incorrectly performed on it.

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

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

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

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

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

6. Damage to "Your Product"

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

7. Damage to "Your Work"

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

Exception to Exclusion:

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

8. Distribution of Material In Violation Of Statutes

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

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

9. Dumps, Landfills and Hazardous Waste Premises

- a. Bodily injury", "property damage" or "personal and advertising injury" resulting from or arising out of any premises, location or site that is or has ever been a dump (operating or non-operating), sanitary landfill, chemical landfill, hazardous waste site, or any premises, location or site that is or has been designated as a Superfund site; including:

- (1) Operations on those premises or elsewhere which are necessary or incidental to the ownership, maintenance or use of such premises; or
- (2) Goods or products manufactured at, or distributed from, such premises.

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

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

10. Electronic Data

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

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

11. Electronic Vandalism

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

- (1) Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems.
- (2) Unauthorized computer code or programming that:

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

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

12. Eminent Domain or Inverse Condemnation

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

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

13. Employee Benefits Liability

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

- a. “Bodily injury”, “property damage” or “personal and advertising injury”;
- b. “Claims” for injury or damage arising out of:
 - (1) A dishonest, fraudulent, criminal or malicious act, error or omission committed by or at the direction of any insured, including the willful or reckless violation of any statute;
 - (2) The failure of performance of contract by any Insurer;
 - (3) Failure of any plan included in the “employee benefits program” to meet its obligations due to insufficient funds;
 - (4) Failure of any investment to perform or errors in providing information on past performance of investment vehicles;
 - (5) Counsel or advice given to any person with respect to that person’s decision to participate or not participate in any plan included in the “employee benefits program”;
 - (6) Your failure to comply with the mandatory provisions of any workers’ compensation, unemployment insurance, social security law, disability benefits law, the Fair Labor Standards Act of 1938 and its amendments, or any similar laws;
 - (7) Liability imposed on you as a Fiduciary by:
 - (a) The EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA) or the CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT of 1986 (COBRA), as now or hereafter amended;
 - (b) The INTERNAL REVENUE CODE OF 1986 (including the INTERNAL REVENUE CODE OF 1954) and its amendments;
 - (c) Any taxes, fines, or penalties, including those imposed under (a) or (b); or

(d) Any similar Federal, state or local laws, permits or ordinances;

(8) The act of terminating or altering any insured's "employee benefits program".

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

14. Employee Compensation

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

15. Employer's Liability

"Bodily injury" to:

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

This exclusion applies:

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

Exception to Exclusion:

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

16. "Employment Practices Wrongful Act"

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

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

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

This "Employment Practices Wrongful Act" exclusion applies:

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

17. Engineers, Architects or Surveyors Professional

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

- a. Arising out of the rendering or failure to render any "professional services" by any engineer, architect or surveyor who is either employed by you or performing work on your behalf in their capacity as an engineer, architect or surveyor. For purpose of this exclusion, "professional services" include, but are not limited to:
 - (1) The preparing, approving or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
 - (2) Supervisory, inspection, architectural or engineering activities.

Exception to Exclusion:

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

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

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

19. Expected or Intended Injury

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

Exception to Exclusion:

This exclusion does not apply to:

- a. Any corporal punishment administered to your students by or at the direction of your teachers, student teachers or school administrators. This coverage does not apply to:
 - (1) The malicious infliction of corporal punishment; or
 - (2) Corporal punishment administered in violation of any law, or the policy or regulations of the Insured and its governing body, where applicable.
- b. "Bodily injury" or "property damage" resulting from the use of reasonable force, if used within the Insured's legal authority, to protect persons or property.

20. Failure to Supply

"Bodily injury" or "property damage" arising out of the failure of any insured to adequately supply gas, oil, water, electricity or steam.

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

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

22. Health Care Services

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

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

Exceptions to Exclusion:

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

- (1) Has not in the past, and does not currently hold, a medical professional license;
- (2) Is your licensed school nurse, school psychologist, physical therapist, hearing, language or speech therapist, emergency medical technician, paramedic, first aid attendant, or athletic

trainer, but then only for services that are within the responsibility, course and scope of their respective employed position for you or on your behalf in conducting your operations;

- (3) A person while acting as a moderator for support groups in connection with your operations but is not a licensed or certified psychologist or psychiatrist.

Excluded:

- (1) The Health Care Services **Exceptions to Exclusion** do not apply if the Insured is in the business or occupation of providing Health Care Services of any type.
- (2) The Health Care Services **Exceptions to Exclusion** do not apply if such injury or damage takes place after the person's license or right to practice health care services has been revoked, suspended or surrendered at the request of any regulatory authority or institution; or while that person is acting outside the actual or apparent authority, responsibility, course and scope of the duties that are normal and customary to conducting your operations.
- (3) The Health Care Services **Exceptions to Exclusion** do not apply to an "employee", "executive officer", teacher, "volunteer worker", school nurse, nurse in practicum, school counselor, psychologist, therapist, emergency medical technician, paramedic, first aid attendant or athletic trainer, while such person is acting in the following areas, even if these areas are within the actual or apparent authority, responsibility, course and scope of the position; or whether acting solely or as an assist in such areas or activities; and regardless of the number, type or characteristics of any group(s) or person(s) being serviced:
- (a) Psychiatric, behavioral health, or any mental health facilities or services;
 - (b) Jails, detention centers, holding cells (student, juvenile and/or adult) facilities or services;
 - (c) Nursing or convalescent homes, or any facility operations for the aged, the developmentally challenged or disabled;
 - (d) Hospitals, alcohol and/or drug treatment facilities, except activities at such alcohol and/or drug treatment facility that is operated by a school insured under this policy, and exception has been granted providing coverage for that facility's operations by scheduled endorsement;
 - (e) Surgical operations or surgical assist services to anyone, wherever performed;
 - (f) Supervisory or oversight duties to anyone who is not your "employee"; or where such supervisory or oversight duties are not the duty of the insured's employed school nurse, school psychologist, physical therapist, hearing and speech therapist, emergency medical technician, paramedic, first aid attendant or athletic trainer.

23. "Law Enforcement Activities"

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

24. Legal Services

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

25. Liquor Liability

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

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

Exception to Exclusion:

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

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

26. Medical and Related Facilities Activities

“Bodily injury”, “property damage” or “personal and advertising injury” arising out any operations or activities at or from any medical or health facility owned, operated, used, inspected, maintained, or licensed by any insured, or located on any property owned, leased, rented or subleased by any insured. For purpose of this exclusion, medical or health facility includes but is not limited to the following:

- a. Medical centers or medical universities or any similar facilities;
- b. Hospitals or clinics, including group medical facilities, trauma centers, or similar facilities; or
- c. Nursing or convalescent homes, institutions or similar facilities for the aged, developmentally disabled, mentally or physically challenged; or
- d. Homes or sanitariums for the mentally ill, depression centers, or similar facilities; or
- e. Drug, alcohol or substance abuse treatment facilities or similar health care or treatment centers, unless such facility is operated by a school insured under this policy, and exception has been granted providing coverage for that facility by scheduled endorsement;
- f. Pharmacy or other prescription drug or medical equipment dispensing facilities unless such facility is operated by a school insured under this policy, and exception has been granted providing coverage for that facility by scheduled endorsement; or
- g. Infirmaries or similar facilities, unless such facility is operated by a school insured under this policy, and exception has been granted providing coverage for that facility by scheduled endorsement.

27. Mobile Equipment

“Bodily injury” or “property damage” arising out of:

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

28. Nuclear Hazard

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

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

29. “Personal and Advertising Injury”

a. “Bodily injury”

To “bodily injury” arising out of “personal and advertising injury”;

b. Knowledge of Violation of Another’s Rights

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

c. Violation of Published Material

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

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

d. Criminal Acts and Violation of Statute or Ordinance

(1) Arising out of a criminal act committed by or at the direction of the insured; or

(2) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured;

e. Assumed Liability and Breach of Contract

(1) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for “loss” that the insured would have in the absence of the contract or agreement; or

(2) Breach of contract, other than misappropriation of advertising ideas under an implied contract;

f. Violations of Goods, Products or Services

(1) Arising out of the failure of goods, products or services to conform with advertised quality or performance; or

(2) The wrong description of the price of goods, products or services;

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

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

h. Advertising, Broadcasting, Publishing, Telecasting and Internet Businesses or Activities

(1) Arising out of an “offense” committed by an insured whose business is advertising, broadcasting, publishing or telecasting;

(2) Arising out of an “offense” committed by an insured whose business is designing or determining the content of websites for others; or

(3) Arising out of an “offense” committed by an insured whose business is an Internet search, access, content or service provider.

(4) Arising out of an electronic chat room or bulletin board the insured hosts, owns or over which the insured exercises control;

(5) Arising out of the unauthorized use of another’s name or product in your email address, domain name or metatag, or any other similar tactics to mislead another’s potential customers.

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

Exception to Exclusion:

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

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

30. Pollution

- a. To “bodily injury”, “property damage”, “personal and advertising injury”, or any other injury, damage, “loss”, cost, expense, liability or legal obligation arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or potential presence in or introduction into the environment of any substance if such substance has, or is alleged to have, the effect of making the environment impure, harmful or dangerous; or any other such substances that are considered a “pollutant”. Environment includes any air, land, structure (or the air within), watercourse or other body of water, including underground water; or
- b. To any “loss”, cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the affects of, “pollutants”; or
 - (2) Any “claim” or “suit” by or on behalf of a government authority for “loss” or damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the affects of, “pollutants”.

Exceptions to Exclusion:

The entireties of the Pollution *Exceptions* only apply if:

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

Sudden and Accidental Discharge

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

The discharge:

- (a) Commences abruptly during the “policy period”; and
- (b) Is accidental, unintended and stopped as soon as possible; and
- (c) Ends within seven (7) consecutive days of the date of its abrupt commencement; and

- (d) Becomes known to an Insured listed under paragraph 1. of **Section III – WHO IS AN INSURED**, or to an “employee” authorized by you to give or receive notice of a “claim” or “occurrence”; and
- (e) Is reported to us within thirty (30) days of the date of its abrupt commencement.

Exceptions (1) through (9):

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

(1) Heating, Air Conditioning, Ventilation Systems

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

(2) “Hostile Fire”

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

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

(3) Cleaning Of Vehicles

To “bodily injury” or “property damage” which occurs or takes place as a result of an Insured’s operations, provided the “bodily injury” or “property damage” is not otherwise excluded in whole or in part and the “bodily injury” or “property damage” arises out of water runoff from the cleaning of vehicles or equipment used in the Insured’s operation, but only for such water runoff that occurs at an insured premises.

(4) “Mobile Equipment”

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

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

(5) Road Treatment Chemicals

To "bodily injury" or "property damage" arising out of the application or use of sodium chloride, chloride calcium or other chemical products designed for the treatment of roads and other paved surfaces for weather conditions, but only for such application or use at a premises owned or occupied by an Insured.

(6) Swimming Pools

To "bodily injury" or "property damage" arising out of the application or use of chlorine or other chemical products designed for the treatment of swimming pools, but only for such application or use at a premises owned or occupied by an Insured.

(7) "Pesticides or Herbicides"

To "bodily injury" or "property damage" arising out of the application or use of "pesticides or herbicides", but only for such application or use at a premises owned or occupied by an Insured.

(8) Water Treatment

To "bodily injury" or "property damage" arising out of the usage, handling or storage of any chemical designed for use in the treatment of water or wastewater, but only at a premises owned or occupied by an Insured.

(9) Above Ground Tanks

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

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

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

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

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

31. Recall of Products, Work or Impaired Property

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

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

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

32. Underground Storage Tanks

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

33. War and Military Action

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

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

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

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

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

34. Workers Compensation and Similar Laws

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

SECTION III – WHO IS AN INSURED

A. INSURED:

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

1. **You:** The Named Insured stated in the Declarations. The Named Insured is herein referred to as the "Educational Entity" stated as a Named Insured in the Declarations;

2. **Board of Education, Superintendents, Principals and Administrators:** All persons who were, now are, or shall be elected during the “policy period” or appointed or employed members of the Board of Education, Trustees, Directors, Superintendents, Assistant Superintendents, Administrators, Assistant Administrators, Principals, Vice Principals, or any equivalent administrative position of the Named Insured or “Educational Entity”, while acting within the course and scope of conduct and within the authority granted by reason of their position in performing their duties for the “Educational Entity”;
3. **Schools:** Schools under the jurisdiction of any “Educational Entity” listed as a Named Insured;
4. **School Board and Commission Members:** Members of school commissions, boards or other units operated by and under the jurisdiction of the “Educational Entity”, while acting within the course and scope of conduct and within the authority granted by reason of their position in performing their duties for the “Educational Entity”;
Not Insured: However, no member of a school commission, board, administrative department or other unit that is an autonomous entity; or that is wholly subject to independent or outside oversight, control or direction; or whose liability is not the result of the oversight, control or direction of the “Educational Entity”, will be an insured under this Policy;
5. **Employees and Volunteer Workers:** All “employees” and all persons who perform “volunteer worker” service for the “Educational Entity”, but only while acting within the scope and authority of their duties for and as authorized by such “Educational Entity”, for duties that are otherwise covered by this Policy;
6. **Student and Substitute Teachers:** Student teachers and substitute teachers, but only while acting within the scope and authority of their duties for and as authorized by the “Educational Entity”, for duties that are otherwise covered by this Policy;
7. **Estates, Heirs, Legal Representatives:** The estates, heirs, legal representative or assigns of deceased persons who were insureds at the time of a covered “loss”, but only to the extent that they would otherwise be provided coverage under this Policy;
8. **Your Legal Representatives or Assigns:** The legal representatives or assigns of the Insured(s), but only in the event of their incompetency, insolvency or bankruptcy, during the “policy period”, but only to the extent that such Insured(s) would have otherwise been afforded coverage under this Policy.

Not Insureds:

The following are Not Insureds under this Policy:

- a. Any Insured, including the “Educational Entity”, with respect to the operation of boards, commissions or other units, the members of which are not afforded coverage under 2. above; and
- b. Any independent contractor, person(s) or entities who are on retainer, are a consultant or are under contract for services, for any Insured, except those independent contractors who are performing services as a teacher or administrator if such independent contractor(s) has a written contract with the “Educational Entity” and any schools under the jurisdiction of such “Educational Entity”, but only for acts under the direction, and within the scope and authority granted by that “Educational Entity” in the performance of educational activities for that Insured.

B. OTHER INSURED:

In addition to those Insureds described in A. above, each of the following is an Insured, except if otherwise excluded herein or by endorsement:

1. **Mutual Aid Agreements:** Any person or organization providing service to an Insured under a mutual aid contract or similar agreement that is otherwise covered by this policy, but only to the extent of their liability under that contract or agreement, for acts that are within the course and scope of that mutual aid contract or similar agreement for the Insured;
2. **Real Estate and Insurance Managers:** Any person or organization while acting as a real estate manager or an insurance manager for the “Educational Entity”, but only within the course and scope of their duties as the “Educational Entity’s” real estate manager or insurance manager.

- 3. Newly Acquired Organizations:** Any organization the "Educational Entity" newly acquires or forms, other than a partnership, joint venture, limited liability company or for-profit corporation, and over which that insured "Educational Entity" maintains ownership or a majority interest, will qualify as an Insured under this Policy, if there is no other similar insurance available to that organization.

However:

- a. Coverage under this provision is afforded only until the 120th day after the "Educational Entity" acquires or forms the organization, or the end of the "policy period", whichever is earlier;
- b. Coverage does not apply to "bodily injury", "property damage", or any other injury, damage, "loss", cost, expense, liability or legal obligation occurring before the "Educational Entity" legally acquired or formed the organization;
- c. Coverage does not apply to "personal and advertising injury" arising out of an "offense" committed before the "Educational Entity" acquired or formed the organization; and
- d. Coverage does not apply to any "employee benefits wrongful act" committed in the "administration" of the "employee benefits program" before the "Educational Entity" acquired or formed the organization.

Not Insured:

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

We reserve the right within the 120 day coverage period outlined in **3.a.** above to endorse this policy to exclude coverage for the new organization; however, should we exercise this right we will provide a thirty-day (30) notice of such new organization being excluded.

4. Mobile or Leased Equipment Contracts:

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

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

C. ADDITIONAL INSURED:

The following are Additional Insured(s) under this policy, except if otherwise excluded, but only to the extent coverage would otherwise be afforded to the Insured under this policy.

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

2. **“Educational Entity” Organizations:** Such organizations affiliated with and supporting the “Educational Entity”, such as Parent Teacher Organizations, Booster Clubs, Student Body Organizations, including the members of these clubs or organizations, are additional insureds while under the authorization and jurisdiction of the “Educational Entity’s” governing board.
3. **Students in Practicum:** Any student while participating in activities required to complete any nurse training and similar allied health courses, but only while completing course work required by you;
4. **Safety Patrol:** Students and their respective parent(s) or legal guardian(s) who serve as members of an Insured “Educational Entity’s” Safety Patrol, by whatever name used, are included as an additional insured, but only to the extent such student, parent or legal guardian is held liable for “bodily injury”, “property damage” or “personal and advertising injury” caused by your Insured Safety Patrol Operations that are not otherwise excluded under this policy.
5. **Not-For-Profit Members:** Any person who is a member of a not-for-profit organization, including clubs or churches, who receives no financial or other compensation, but only for acts under the direction, and within the scope and authority granted by their membership of that not-for-profit, in the performance of activities for the Insured.
6. **Golf or Tennis Pros:** If an Insured operates a “Golf Facility” or Tennis Facility, any golf or tennis pros are additional insured(s) under this Coverage Form, with respect to their liability for that Insured’s activities, or for activities they perform on behalf of that Insured, or for their liability arising out of or resulting from the maintenance, use or operation of golf or tennis pro shop premises they lease from the Insured.

A “Golf Facility” means a golf course, golf club, driving range or miniature golf course.
7. **Users of Golfmobiles:** Any person(s) using or legally responsible for the use of golfmobiles in your operations, or loaned or rented to others by you or your concessionaires, but only with respect to their liability caused by the use of such golfmobiles.

SECTION IV – LIMITS OF INSURANCE

The Limits of Insurance of this Coverage Form apply only in excess of the “Retained Limit”.

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

A. RETAINED LIMIT

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

we will be liable only to the extent that we would have otherwise been liable had you complied with this provision.

B. LIMITS OF INSURANCE

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

dependents and beneficiaries, as the result of "employee benefits wrongful act(s)" caused in the "administration" of your "employee benefits program".

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

8. In determining the Limits of Insurance that apply:

- a. Each and every "occurrence" arising out of any continuous, repeated and/or related "occurrence" shall be treated as a single "occurrence" and the Limits of Insurance in effect at the first such "occurrence" shall apply;
- b. All "loss" resulting out of continuous, repeated or related "offenses" shall be treated as a single "offense" and the Limits of Insurance in effect at the time of the first "offense" shall apply.
- c. All "personal and advertising injury" arising out of the repeated publication of the same or similar material, regardless of the mode in which such material is communicated, shall be considered as arising solely out of one "offense".
- d. All "employee benefits wrongful acts" arising out of continuous, repeated or related acts, errors or omissions in the "administration" of your "employee benefits program" shall be treated as a single "employee benefits wrongful act" and the Limits of Insurance in effect at the time of the first "employee benefits wrongful act" shall apply; and
- e. All such acts, errors or omissions committed by one or more insureds that are substantially the same or are in any way directly or indirectly related -- either logically, causally or temporally -- shall be deemed to constitute one "Employee Benefits Wrongful Act", regardless of the number of "claims" or claimants. The entire "Employee Benefits Wrongful Act" will be deemed to have occurred on the date of the first act, error or omission.
- f. Incurred "loss adjustment expense(s)" reduces the Limits of Insurance provided by this insurance.

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

SECTION V – CONDITIONS

The following **Educator's General Liability Conditions** add to or replace the **Common Policy Conditions**, which also apply to this policy:

1. Assignment

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

2. Claims Administrator

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

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

3. Duties in the Event of “Loss”, “Occurrence”, “Offense”, “Wrongful Act”, “Claim” or “Suit”

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

- (11) Nerve damage causing paralysis and loss of sensation in arm and hand (brachial plexus nerve damage);
- (12) Massive internal injuries affecting any body organ(s);
- (13) Fatalities;
- (14) Any other serious injury which, in your judgment, might involve us.

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

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

4. Educational Entity Authorization Clause

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

5. Other Insurance

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

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

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

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

- a. We retain the right, at our discretion, to settle, approve or disapprove the settlement of any "claim"; and to appeal any judgment, award or ruling, at our expense.
- b. You and any other involved insured must comply with the Duties In Event of a "Loss", "Occurrence", "Offense", "Claim" or "Suit" Condition of this policy, as well as all other provisions of this policy; and

- c. You must direct defense counsel of the insured to furnish us with the information we request to evaluate those "suits" for coverage under this policy; and cooperate with any counsel we may select to monitor or associate in the defense of those "suits".
- d. If we defend you under a reservation of rights, both your and our counsel will be required to maintain records pertinent to your "loss adjustment expenses". These records will be used to determine the allocation of any "loss adjustment expenses" for which you may be solely responsible, including defense of an allegation not covered by this insurance.

SECTION VI – DEFINITIONS

1. ADMINISTRATION

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

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

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

2. ADVERTISEMENT

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

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

3. AUTO

"Auto" means:

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

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

4. BODILY INJURY

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

"Bodily injury" also means "bodily injury" arising out of the rendering or failure to render medical or paramedical services to persons by any licensed school nurse, school psychologist, physical therapist, hearing therapist, language or speech therapist, emergency medical technician, paramedic, first aid

attendant or athletic trainer who is employed by the Insured to provide these services, while acting for or on behalf of the Insured, if such services provided are incidental to the Insured's operations.

5. CAFETERIA PLANS

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

6. CLAIM

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

7. COVERAGE TERRITORY

"Coverage Territory" means:

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

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

8. DISCRIMINATION

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

9. EDUCATIONAL ENTITY

"Educational Entity" means the educational institution named in the Declarations as legally constituted at the inception date of this Policy.

10. EMPLOYEE

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

11. EMPLOYEE BENEFITS PROGRAM

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

- a.** Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;

- b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
- c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
- d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies;
- e. Any benefits not otherwise identified within this definition that are offered by the Insured that are deemed by us to be part of the benefits package on the basis of those benefits being within the Insured's control and administered by the Insured; and
- f. Any other similar benefits designated in the Schedule or added thereto by endorsement.

12. EMPLOYEE BENEFITS WRONGFUL ACT

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

13. EXECUTIVE OFFICER

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

14. HOSTILE FIRE

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

15. IMPAIRED PROPERTY

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

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

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

16. INSURED CONTRACT

"Insured Contract" means:

- a. A contract for a lease of premises; however, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. An easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your operations (including an indemnification of a municipality in connection with work performed for a municipality) under which

you assume the tort liability of another party to pay for “bodily injury”, “property damage”, “personal and advertising injury” or “employee benefits wrongful act” to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

g. Paragraph **f.** does not include that part of any contract or agreement:

- (1)** That indemnifies a railroad for “bodily injury” or “property damage” arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2)** That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a)** Preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b)** Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3)** Under which the insured, if an architect, engineer or surveyor, assumes liability for any injury or damage arising out of the insured’s rendering or failure to render “professional services”, including those listed in **(2)** above and supervisory, inspection architectural or engineering activities.

17. LAW ENFORCEMENT ACTIVITIES

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

18. LEASED WORKER

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

19. LOADING OR UNLOADING

“Loading or Unloading” means the handling of property:

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

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

20. LOSS OR LOSSES

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

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

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

21. LOSS ADJUSTMENT EXPENSE

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

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

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

22. MOBILE EQUIPMENT

"Mobile Equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b.** Vehicles maintained for use solely on or next to premises you own or rent. However, any land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus that is attached) owned or leased by you shall be deemed an "auto" and not "mobile equipment" if the only reason for considering it "mobile equipment" is that it is maintained for use exclusively on streets or highways owned by you;
- c.** Vehicles that travel on crawler treads;
- d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1)** Power cranes, shovels, loaders, diggers or drills; or
 - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e.** Vehicles not described in **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2)** Cherry pickers and similar devices used to raise or lower workers.
- f.** Vehicles not described in **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

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

- (1)** Equipment designed primarily for:
 - (a)** Snow removal;
 - (b)** Road maintenance but not construction or resurfacing; or
 - (c)** Street cleaning;
- (2)** Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

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

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

23. OCCURRENCE

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

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

24. OFFENSE

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

25. PARKING LOT / PARKING GARAGE

Parking Lot” and/or “Parking Garage”, singular or plural, means:

- a. Those areas owned and operated by you that are used by the general public, including insured “employees”, teachers, administrators, or students, to park “autos” or “mobile equipment”, whether or not a fee is charged; and
- b. Those areas where you, or an insured on your behalf, exercises physical control over such “autos” or “mobile equipment”; or otherwise where your legal liability has been established.

26. PERSONAL AND ADVERTISING INJURY

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

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

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

27. PERSONAL WATERCRAFT

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

28. PESTICIDES OR HERBICIDES

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

29. POLICY PERIOD

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

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

30. POLLUTANT(S)

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

31. PRODUCTS-COMPLETED OPERATIONS HAZARD

“Products-Completed Operations Hazard”:

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

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

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

- b. Does not include “bodily injury” or “property damage” arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the “loading or unloading” of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

32. PROFESSIONAL SERVICES

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

33. PROPERTY DAMAGE

“Property Damage” means:

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

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

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

34. RETAINED LIMIT

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

35. SERVICE CONTRACTOR

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

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

36. SUIT

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

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

“Suit” does not mean an administrative hearing or proceeding.

37. TEMPORARY WORKER

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

38. VOLUNTEER WORKER

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

39. YOUR PRODUCT

“Your Product” means:

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

“Your product” includes:

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

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

40. YOUR WORK

“Your Work” means:

- a.** Work or operations performed by you or on your behalf; and
- b.** Materials, parts or equipment furnished in connection with such work or operations.

“Your work” includes:

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

EXCLUSION – UNMANNED AIRCRAFT

This endorsement modifies insurance provided under the following:

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

A. **SECTION II – EXCLUSIONS, 1. Aircraft, Auto or Watercraft**, is deleted and replaced with the following:

This insurance does not apply to:

1. Aircraft, Unmanned Aircraft, Auto or Watercraft

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

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

Exception to Exclusion:

This exclusion does not apply to:

a. An aircraft that is:

- (1) Chartered with a pilot to an insured;
- (2) Not owned by an insured; and
- (3) Not being used to carry any person or property for a charge;

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

c. A watercraft you do not own that is:

- (1) Less than 51' in length; and
- (2) Not being used to carry persons or property for a charge; and
- (3) Not being used in any racing or stunting activity;

d. A watercraft you own that is:

- (1) Less than 51 feet in length; and
- (2) Not powered by a motor; or
- (3) Powered by a motor or combination of motors of 100 horsepower or less; or
- (4) "Personal watercraft" powered by a motor or combination of motors of 300 horsepower or less;

- e. Parking an “auto” on, or on the ways next to, premises you own or rent, provided the “auto” is not owned by or rented or loaned to any insured;
- f. “Bodily injury” or “property damage” arising out of the operation of any of the equipment listed in paragraphs **f. (2)** or **f. (3)** of the definition of “mobile equipment”;

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

B. The following is added to the **DEFINITIONS** Section:

UNMANNED AIRCRAFT

“Unmanned aircraft” means an aircraft that is not:

- a. Designed;
- b. Manufactured; or
- c. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

SEXUAL ABUSE AND/OR MOLESTATION LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM

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

CLAIMS-MADE DISCLOSURE:

The coverage provided under this Sexual Abuse and/or Molestation Liability Retained Limit Coverage Form is **CLAIMS-MADE**. Coverage is limited generally to liability for claims first made against you while the coverage is in force. Please review the policy carefully and discuss policy coverages with your insurance agent or broker.

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

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

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

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

SECTION I — COVERAGES

A. INSURING AGREEMENT

1. We will pay on behalf of the insured those sums in excess of the “retained limit” that the insured becomes legally obligated to pay as “loss” resulting from a “sexual abuse and/or molestation wrongful act” to which this insurance applies. However, we will have no duty to defend the insured against any “suit” seeking “loss” because of an incident of “sexual abuse and/or molestation wrongful act” to which this insurance does not apply. We may, at our discretion, investigate any incident that may result from a “sexual abuse and/or molestation wrongful act”. Our obligation under this insuring agreement only applies if:
 - a. The “sexual abuse and/or molestation” wrongful act” did not commence before the earlier of the “policy period” or the Retroactive Date, if any, shown in the Declarations, or after the end of the “policy period”; and
 - b. The “sexual abuse and/or molestation wrongful act” takes place within the “coverage territory”; and
 - c. The “claim” because of “sexual abuse and/or molestation wrongful act” is first made against the insured during the “policy period”, or if provided, in accordance with the Extended Reporting Period; and in accordance with paragraph **d.** below.
 - d. Prior to the “policy period”, or if purchased, the Extended Reporting Period, no insured knew or had reason to know that the “sexual abuse and/or molestation wrongful act” had commenced. If any insured knew or had reason to know, prior to the “policy period” that a “sexual abuse and/or molestation wrongful act” had commenced, then any continuation, change or resumption of such “sexual abuse and/or molestation wrongful act” will be deemed to have been known prior to the “policy period”, or if purchased, prior to the Extended Reporting Period;

- e. A “sexual abuse and/or molestation wrongful act” will be deemed to have been known to have commenced at the earliest time when any Insured:
 - (1) Reports all, or any part, of the “sexual abuse and/or molestation wrongful act” to us or to any other insurer;
 - (2) Receives written or verbal demand or “claim” for “loss” because of a “sexual abuse and/or molestation wrongful act”; or
 - (3) Becomes aware by any other means that a “sexual abuse and/or molestation wrongful act” has commenced.
- f. The entire “sexual abuse and/or molestation wrongful act” will be deemed to have been committed on the date of the first act, error or omission;
- g. All “claims” arising out of a “sexual abuse and/or molestation wrongful act” will be deemed to have been made at the time the first of such “claims” is made, regardless of the number of “claims” subsequently made.
- h. The amount we will pay for “loss” and “loss adjustment expense” in excess of the “retained limit” is as described in **Section V – Limits of Insurance**.

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

B. DEFENSE AND SUPPLEMENTARY PAYMENTS

- 1. The insured will have the obligation to provide an adequate defense, to investigate any “sexual abuse and/or molestation wrongful act”, “claim” or “suit”, and to accept any offer of settlement within the “retained limit” that is deemed reasonable by us, with regard to any “claim” or “suit” against an insured seeking “loss” to which this insurance applies, even if any of the allegations of the “suit” are groundless, false or fraudulent.
 - a. The insured shall pay all “loss adjustment expense” that relates to the defense of “claims” or “suits” within the “retained limit”;
 - b. We will not pay any “loss adjustment expense” above what we would have otherwise paid had the “loss” been settled for any reasonable amount within the “retained limit”;
- 2. Should the Insured or the Claims Administrator fail to pay amounts for “loss”, or to provide such defense, that would otherwise be required by the coverage, terms and conditions of this policy, we may elect to pay these “losses”, or to provide such defense as is necessary to meet such coverage, terms and conditions of the policy. If we elect to make such payment or provide such defense for amounts that are within the “retained limit”, you will promptly reimburse us for the amounts we elect to pay as “loss”, and the sum of all such “loss adjustment expense(s)” we incur to provide defense, that would have otherwise been included within the “retained limit”;
- 2. We will have the right, but not the obligation, to assume charge of the defense of any “claim” or “suit” at our expense.
- 3. We have the right, but neither the duty nor obligation, to associate with the insured at our expense in the defense, investigation or settlement of any “sexual abuse and/or molestation wrongful act”, “claim” or “suit” seeking “loss” to which this insurance may apply if the “losses” sought are in excess of the “retained limit” or which, in our opinion and based on the terms and conditions of the policy, may create liability for us under this policy. In such event, the insured will cooperate fully.
 - a. No “loss adjustment expense” shall be incurred on behalf of the Company without our written consent;
 - b. The insured will not enter into any settlement that may impact this policy, agree to a judgment or consent against it or assign rights under this policy to anyone unless we first consent in writing; and
 - c. Upon our written request, the insured will tender such portion of the “retained limit” as we may deem necessary to complete the settlement of such “claim” or “suit”.

- C. We have the right and duty to defend the insured against any “claim” or “suit” seeking “loss” for a “sexual abuse and/or molestation wrongful act” to which this insurance applies only when the “retained limit” has been exhausted because of judgments, settlements and “loss adjustment expenses” under **Coverages A or B**.
1. The amount we will pay in excess of the “retained limit” is fixed as described in **SECTION V - LIMITS OF INSURANCE**; and our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements and “loss adjustment expenses”.
 2. All “loss adjustment expense(s)” we incur in the defense of any “claim” or “suit” are included within and erode the Limits of Insurance, except for the salaries of our “employees”, or our office expenses.
 3. When the duty to defend exists, we will pay, the following “loss adjustment expenses”:
 - a. All expenses incurred by us and all interest on the entire amount of any judgment which does not exceed the limit of our liability. Expenses, as used here, do not include any salaries of your officers or “employees”, regardless of insured status; and
 - b. Premium on appeal bonds required in any “suit” defended by us and the cost of attachment or similar bonds.
- We are not responsible to pay any “loss adjustment expenses” under **3.a.** or **3.b.** for any settlement or judgment amounts within the “retained limit”.
- D. We will have no duty to defend the insured against any “suit” seeking “loss” for a “sexual abuse and/or molestation wrongful act” to which this insurance does not apply.
- E. We have the right, but no duty, to appeal any judgment.
- F. We will have no duty to defend any “claim” or “suit” that any other insurer has a duty to defend. If no other insurer defends, we may do so, but we will be entitled to the insured’s rights against all those other insurers.

SECTION II — EXCLUSIONS

A. This insurance does not apply to:

1. **Adverse Profit or Remuneration**

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

2. **Advertising, Broadcasting, Telecasting**

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

3. **Assault and Battery**

“Loss” arising out of assault and battery, unless resulting from “sexual abused and/or molestation”.

4. **Auto, Watercraft, Aircraft**

Any “sexual abuse and/or molestation wrongful act” arising out of the ownership, licensure, permit, maintenance, use or entrustment to others of any aircraft, “auto” or watercraft owned or operated by, or rented or loaned to any insured. Use includes operation and “loading or unloading”.

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

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

Any "loss" or damage arising from "bodily injury", "property damage", "personal and advertising injury" or "employee benefits injury", unless resulting from "sexual abuse and/or molestation".

6. Contractual Liability

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

7. Electronic Data

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

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

8. Electronic Vandalism

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

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

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

9. Eminent Domain or Inverse Condemnation

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

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

10. Employee Compensation

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

11. Employer's Liability

Any "claim" or "loss" arising out of employer's liability.

12. Employment Practices Wrongful Act

Any "loss", injury or damage arising out of an "Employment Practices Wrongful Act"; or for any coverage that is provided by or would reasonably be expected to be provided under an Employment Practices or Employment-Related Practices Liability policy.

13. Fiduciary

Any "loss" based upon or arising out of any activity for which the insured is acting in a Fiduciary capacity;

14. Fraudulent or Dishonest Acts

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

Exception to Exclusion:

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

15. Handling Of "Loss", "Sexual Abuse and/or Molestation Wrongful Act", "Claim" or "Suit" Within The "Retained Limit"

Any "loss", injury, damages or "sexual abuse and/or molestation wrongful act" arising out of the handling of "claims" or "suits" within the "retained limit", including the investigation, defense or settlement of "claims" or "suits".

16. Judicial Penalties

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

17. Labor Disputes

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

18. Law Enforcement

Any "loss" arising out of any aspect of law enforcement.

19. Legal Services

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

20. Maintain Insurance

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

21. Medical Services

Any "loss" or injury arising out of the rendering or failure to render any health or medical service by anyone who is not an insured under this policy.

22. Named Insured

Any “claim” or “suit” by the Named Insured or on its behalf.

23. Non-Monetary

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

Exception to Exclusion:

This exclusion does not apply to defense costs where non-monetary relief is sought for an alleged “sexual abuse and/or molestation wrongful act” act that would otherwise be covered under this policy.

24. Nuclear Hazard

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

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

25. Pollution

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

- a. Actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants” at any time;
- b. Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the affects of “pollutants”; or
- c. “Suit” by or on behalf of a government authority for “loss” or damages because of or related to testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to, or assessing the affects of, any “pollutant”.

26. Professional Services

“Loss” arising out of providing, or failing to provide, “professional services” including medical, legal, architectural, accounting, engineering, to any person or organization.

27. Prior Acts

- a. Any “sexual abuse and/or molestation wrongful act” of which any insured who is an elected or appointed official, principal, partner, officer, director, trustee, employed or retained counsel, or “employee(s)” with personnel or risk management responsibility was aware, through actual knowledge, of the facts or circumstances of such “sexual abuse and/or molestation wrongful act” prior to the Effective Date shown in the Declarations of this policy;
- b. Any “loss” or “claim” based upon or arising out of:
 - (1) A “sexual abuse and/or molestation wrongful act” which was known to an insured prior to the inception date of this policy and for which a “claim” was reasonably foreseeable; or
 - (2) Any “loss” for which an insured has reported, or should have reported, a “sexual abuse and/or molestation wrongful act” soliciting coverage under any policy of insurance prior to the inception date of this policy.

28. Prior or Pending Notice or Legal Action

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

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

29. Public Officials Wrongful Act

Any “loss”, injury or damage arising out of a “Public Officials Wrongful Act”.

30. Violation Of Laws

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

Exception to Exclusion:

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

31. War and Military Action

Any “sexual abuse and/or molestation wrongful act”, or any “loss”, injury or damages, however caused, arising directly or indirectly out of:

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

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

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

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

- (d) Comes within the terms of the Terrorism Exclusion, this War and Military Action Exclusion supersedes the Terrorism Exclusion.

32. Workers Compensation and Similar Laws

“Loss” arising out of any obligation under any workers’ compensation, disability benefits, social security or unemployment compensation law, or any similar law.

SECTION III - WHO IS AN INSURED

A. INSURED:

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

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

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

- (1) Airports;
- (2) Transit Authorities;
- (3) Hospitals;
- (4) Gas Companies;
- (5) Housing Authorities;
- (6) Port Authorities.

3. **Directors and Officers:** Any individual appointed by you as a director or “executive officer”, but only with respect to their respective duties and while acting within the course and scope of authority allocated by their position as your director or “executive officer”;
4. **Employees and Volunteers:** Any “employee”, “volunteer worker”, seasonal or “temporary worker” while under your direction and control, but only for acts while within the course and scope of their employment, or within the scope of service or volunteer, seasonal or temporary work as authorized by you, for functions or activities that are otherwise covered under this policy;
5. **Former Employees:** Your former “employee”, unless otherwise excluded, but only with respect to an “sexual abuse and/or molestation wrongful act” that occurred while in your employ;
6. **Trustees:** Your trustee, but only as respects their duties as such;
7. **Legal Heirs, Representatives or Assigns:** The estates, heirs, legal representatives or assigns of deceased persons who were insureds at the time of a covered incident or act of “sexual abuse and/or molestation wrongful act”, but only to the extent that they would otherwise be provided coverage under this policy.
8. **Newly Acquired Organizations:** Any organization you newly acquire or form, other than a partnership, joint venture, limited liability company or for-profit corporation, and over which you maintain ownership or a majority interest, will qualify as an Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 120th day after you acquire or form the organization or the end of the "policy period", whichever is earlier; and
- b. Coverage does not apply to any "sexual abuse and/or molestation wrongful act" that commenced before you acquired or formed the organization;

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

B. NOT INSURED:

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

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

SECTION IV — COVERAGE EXTENSIONS

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

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

1. Individual and Image Counseling

We will reimburse you for expenses incurred for individual counseling required to restore an Insured "employee's" confidence and their public image following an acquittal of an alleged "sexual abuse and/or molestation wrongful act", or related sexual misconduct act, as named in a formal allegation to which a "suit" or other legal proceeding has been brought against that "employee". For this coverage to apply, there must have been a legal process or "suit" wherein the insured "employee" was individually or collectively named in a written allegation, and such allegation resulted in that insured "employee" being accused of criminal conduct.

The following reimbursement expenses will not be provided unless and until said insured "employee" is found to be not guilty of any criminal conduct, and can provide documented proof of an acquittal of all charges brought against them in the "suit" or other legal proceeding. We will reimburse you for the following costs related to the insured "employee":

- a. The reasonable documented costs charged by an individual professional counselor or professional counseling organization; and
- b. The reasonable documented costs charged by a recruiter, or those costs expended on direct advertising for replacement of that "employee's" position for the Insured; and
- c. Such costs that are directly related to restoring the insured's reputation and public confidence through image counseling and can be documented as such.

These costs will not be reimbursed if the above services are provided by any other "employee" or any other Insured under this policy.

The most we will reimburse you for the sum of all costs provided by this endorsement is \$25,000 in any one "policy period", including the Extended Reporting Period, regardless of the number of "claims", "suits", legal proceedings, "employees" or insureds to which this coverage applies.

This is additional insurance and is not subject to the "retained limit"

SECTION V — LIMITS OF INSURANCE

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

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

A. RETAINED LIMIT

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

B. LIMITS OF INSURANCE

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

1. The Limits of Insurance shown in the Declarations and the rules below fix the most the Company will pay in excess of the insured's “retained limit”, regardless of the number of:
 - a. Insureds;
 - b. “Losses”, “claims” made or “suits” brought;
 - c. Persons, organizations or governmental agencies making “claims” or bringing “suits”;
 - d. “Sexual Abuse and/or Molestation Wrongful Act(s)”.
2. We will pay for “loss” covered under this policy only after the “retained limit” has been exhausted because of judgments, settlements and “loss adjustment expenses” of “claims” or “suits”. The “retained limit” stated in the Declarations applies:
 - a. Only to “loss” for “claims” of “sexual abuse and/or molestation wrongful act(s)” covered under this policy; and
 - b. Separately to each “claim” of “sexual abuse and/or molestation wrongful act(s)”;
 - c. To “loss adjustment expenses” associated with “claims” or “suits” of “sexual abuse and/or molestation wrongful act(s)”.
3. The Annual Aggregate is the most we will pay in excess of the “retained limit” for each “policy period” for the sum of all “loss” and “loss adjustment expense” because of “sexual abuse and/or molestation wrongful act(s)” to which this insurance applies. In no event will our total Limit of Insurance be increased for any Extended Reporting Period.

4. The Each "Sexual Abuse/Molestation Wrongful Act" Limit is the most we will pay in excess of the "retained limit" for the sum of all "loss" and "loss adjustment expense" because of all "sexual abuse and/or molestation wrongful act(s)" arising out of any one "claim".
5. In determining the Limit of Insurance that applies, all such acts, errors or omissions committed by one or more insureds that are substantially the same or are in any way directly or indirectly related -- either logically, causally or temporally -- shall be deemed to constitute one "sexual abuse and/or molestation wrongful act", regardless of the number of "claims" or claimants. The entire "sexual abuse and/or molestation wrongful act" will be deemed to have been committed on the date of the first act, error or omission.
6. Incurred "loss adjustment expense(s)" reduces the Limits of Insurance provided by this insurance.

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

SECTION VI — CONDITIONS

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

1. Assignment

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

2. Claims Administrator

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

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

3. Insured's Duties In The Event Of A "Loss", "Sexual Abuse and/or Molestation Wrongful Act", "Claim" Or "Suit"

- a. You must see to it that your Claims Administrator is notified as soon as practicable of any "loss" or "sexual abuse and/or molestation wrongful act(s)" which may result in a "claim" or "suit". Written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses must be reported to the Claims Administrator; and in turn, the Claims Administrator will forward same to us.
- b. If a "claim" is made or a "suit" is brought against any insured, the insured must immediately forward to the appointed Claims Administrator every demand, notice, summons or other processes received by the insured or its representative; and in turn, the Claims Administrator will forward same to us.
- c. The insured will cooperate with us and at our request, consent to being examined and questioned by a representative of ours, under oath if necessary, attend hearings, depositions and trials and will assist in effecting settlement, securing and giving evidence and obtaining the attendance of witnesses in the conduct of "suits"; as well as in the giving of a written statement or statements to our representatives and defense.
- d. The insured will give us or our duly authorized representative such information and assistance as we may require and assist in the defense of any "claim" or "suit", subject to **Supplementary Payments** under **SECTION I – COVERAGES**.

- e. You must provide us with up-to-date quarterly reports, to be received by us within 20 days of the end of each calendar quarter, listing all “claims” or incidents and their associated “loss” and “loss adjustment expenses” occurring within the “retained limit”, including an identification of those claims in litigation. The report shall be submitted in an electronic spreadsheet and shall include for each claim or incident the date of loss, reported date, claim number and type, open/closed/reserved status, detailed claim description including the event or incident, name(s) of injured, the loss or damages, and any other pertinent claim data; and for each claim the specific amounts for loss paid, loss reserve, expense paid, expense reserve with totals for each claim by line of business, by year. You must also include updates in this quarterly reporting of any subsequent changes in amounts and/or claim disposition of any prior reported claims or incidents.
- f. You must report to us as soon as practicable each “claim” or “loss” for which your estimated amount of loss or damages, including “loss adjustment expense(s)”, is 50% or more of the amount of the “retained limit”. You must also immediately report:
- (1) Any “suit” naming the Company providing this insurance;
 - (2) Any claim involving terrorism or suspected terrorism;
 - (3) Any proposed or certified class action lawsuit;
 - (4) All claims involving or which could reasonably be expected to involve litigation;
 - (5) Any incident alleging sexual misconduct of any type, including rape, abuse, assault, molestation, harassment;
 - (6) Environmental and/or catastrophic potential claims, including those involving contamination, pollution, toxic chemicals, nuclear, radiation, lead, fungus, mold and/or asbestos;
 - (7) All cases of death or serious injury, including but not limited to the following:
 - (a) Cord Injury, including paraplegia, quadriplegia or paralysis;
 - (b) Injury to nerves at the base of the spinal canal (Cauda Equina), or any other back injury symptomized with resulting incontinence of bowel and/or bladder;
 - (c) Amputations requiring a prosthesis, or any loss of a major body member;
 - (d) Claims involving substantial body disfigurement or serious permanency;
 - (e) Brain damage affecting mentality or the central nervous system, such as permanent disorientation, behavior disorder, personality change, seizures, motor deficit, inability to speak (aphasia), hemiplegia or unconsciousness (comatose);
 - (f) Blindness of any type or duration, temporary or permanent;
 - (g) Hearing impairment of any type or duration, temporary or permanent;
 - (h) Burns – those involving over 10% of the body with third degree, or 30% of the body with second degree;
 - (i) Multiple fractures; involving more than one member or non-union;
 - (j) Fracture of both heel bones (fractured bilateral os calcis);
 - (k) Nerve damage causing paralysis and loss of sensation in arm and hand (brachial plexus nerve damage);
 - (l) Massive internal injuries affecting any body organ(s);
 - (m) Fatalities;
 - (n) Any other serious injury which, in your judgment, might involve us.

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

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

4. Other Insurance

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

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

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

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

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

SECTION VII — DEFINITIONS

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

1. ADVERTISEMENT

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

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

2. AUTO

"Auto" means:

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

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

3. BODILY INJURY

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

4. CLAIM

"Claim" means a written notice from any party that it is their intention to hold the insured responsible for "loss" resulting from a "sexual abuse and/or molestation wrongful act" covered by this policy.

5. COVERAGE TERRITORY

"Coverage Territory" means:

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

6. DISCRIMINATION

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

7. EMPLOYEE

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

8. EMPLOYEE BENEFITS INJURY

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

9. EMPLOYEE BENEFITS PROGRAM(S)

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

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

10. EMPLOYMENT PRACTICES WRONGFUL ACT

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

a. Person, or any class of person, arising out of any:

- (1) Employment-related practices, policies, procedures, acts, errors or omissions, including but not limited to, coercion, demotion, evaluation, reassignment, discipline, libel, slander, defamation, harassment, humiliation, or "discrimination" involving or directed at any person or class of person;
- (2) Verbal, physical, mental or emotional abuse, "offense", injury or "loss" resulting from or arising out of employment practices, policies, procedures, acts, errors or omissions involving, connected with, or in any way related to interviews, hiring, supervision, probation, termination, or any other act or determination of employment or non-employment of any person or class of person;
- (3) False arrest, false imprisonment, libel, slander, defamation, harassment, humiliation, "discrimination", invasion of privacy, wrongful eviction, malicious prosecution, abuse of process, or arising out of any aspect of "law enforcement activities" affecting employment or non-employment of any person or class of person;
- (4) Verbal, physical, mental or emotional abuse, "offense", injury, damage or "loss" resulting from or arising out of such employment-related practices, policies, acts, errors or omissions including but not limited to those described in (1) through (4) above;
- (5) Failure to adopt or comply with adequate workplace or employment policies or procedures;
- (6) Failure or refusal to grant tenure;
- (7) Failure or refusal to employ, train, or promote a person;
- (8) Denial of training, deprivation of career opportunity, or breach of employment contract;
- (9) Evaluation, assignment, reassignment or discipline of any person or class of person;
- (10) Dismissal, discharge or termination of employment or membership, whether actual or constructive, of any person or class of person;
- (11) Retaliatory action against any person for the exercise of, or not exercising, any legally protected right, or for engaging in any legally protected activity, including but not limited to, actions of:
 - (a) Performing or declining to perform an unethical or illegal act;

- (b) Filing a complaint or bringing "suit";
- (c) Testifying against an insured at a legal proceeding;
- (d) Notifying a proper authority of any aspect of your operation that is illegal;
- (12) Violation of the Family Medical Leave Act (FMLA), or similar state or local law;
- (13) Violation of any Federal, state or local law (common law or statutory) concerning employment or any "employment practices wrongful act" described in (1) through (12) above; or if insurance is prohibited by law;
- b. Spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any "employment practices wrongful act" described in paragraphs (1) through (12) above is directed;
- c. Person or any class of person arising out of any "discrimination" or harassment directly or indirectly related to the past employment, employment or prospective employment by any insured.

This "Employment Practices Wrongful Act" exclusion applies:

- (a) Whether the injury-causing event described in Paragraphs a. (1) through (12) above occurs before employment or after employment of that person or class of person;
- (b) Whether the insured may be liable as an employer or in any other capacity; and

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

11. EXECUTIVE OFFICER

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

12. LAW ENFORCEMENT ACTIVITIES

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

13. LEASED WORKER

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

14. LOADING OR UNLOADING

"Loading or Unloading" means the handling of property:

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

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

15. LOSS OR LOSSES

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

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

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

16. LOSS ADJUSTMENT EXPENSE

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

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

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

17. MOBILE EQUIPMENT

"Mobile Equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent. However, any land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus that is attached) owned or leased by you shall be deemed an "auto" and not "mobile equipment" if the only reason for considering it "mobile equipment" is that it is maintained for use exclusively on streets or highways owned by you;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers.
- f. Vehicles not described in **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.
- g. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
 - (1) Equipment designed primarily for:

- (a) Snow removal;

- (b) Road maintenance but not construction or resurfacing; or
- (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

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

18. PERSONAL AND ADVERTISING INJURY

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

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

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

19. POLICY PERIOD

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

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

20. POLLUTANT(S)

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

21. PROFESSIONAL SERVICES

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

22. PROPERTY DAMAGE

“Property Damage” means:

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

23. PUBLIC OFFICIALS WRONGFUL ACT

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

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

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

24. RETAINED LIMIT

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

25. SERVICE CONTRACTOR

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

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

26. SEXUAL ABUSE AND/OR MOLESTATION

“Sexual abuse and/or molestation wrongful act” means:

- a. The actual or threatened sexual abuse or molestation by any person. This includes any “claim” resulting from negligent employment, investigation, supervision or retention of any person; or
- b. The negligent reporting of or failure to report suspected, actual or threatened sexual abuse or molestation to the proper person(s) or authority(ies);
- c. Any other situation or circumstance that directly or indirectly constitutes actual, threatened or alleged sexual abuse or molestation, however caused. Sexual abuse includes, but is not limited to, sexual assault, “sexual molestation”, sexual exploitation or sexual injury. It does not include sexual harassment.

“Sexual molestation” means physical sexual abuse of any person, including but not limited to, any non-consensual sexual physical involvement or physical sexual contact.

27. SUIT

“Suit” means a civil proceeding in which “loss” is claimed because of a “sexual abuse and/or molestation wrongful act” to which this policy applies. “Suit” includes:

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

“Suit” does not mean an administrative hearing or proceeding.

28. TEMPORARY WORKER

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

29. VOLUNTEER WORKER

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

SECTION VIII — EXTENDED REPORTING PERIOD — BASIC AND OPTIONAL SUPPLEMENTAL

- A.** An Extended Reporting Period as described below, will be provided if this Coverage Form is canceled or non-renewed by us, except for nonpayment of premium; or if we renew or replace coverage with insurance that:
- a.** Has a Retroactive Date later than the date shown in the Declarations; or
 - b.** Provides Sexual Abuse and/or Molestation Liability coverage on other than a Claims-Made basis.
- 1.** A Basic Extended Reporting Period is automatically provided without additional charge. This period begins at the end of the “policy period” and lasts for sixty (60) days. It does not extend the “policy period” or change the scope of coverage provided. It applies only to “claims” to which the following applies:
- a.** The “claim” is first made during the Extended Reporting Period;
 - b.** The “sexual abuse and/or molestation wrongful act” commences before the end of the “policy period”; and
 - c.** The “sexual abuse and/or molestation wrongful act” did not commence before the “policy period”, or before the Retroactive Date, if any, shown in the Declarations for this Coverage Form.

The Basic Extended Reporting Period does not apply to “claim(s)” covered under any subsequent policy.

- 2.** Coverage for an optional Supplemental Extended Reporting Period must be added by endorsement and an additional premium charge must be paid. Such period starts sixty (60) days after the end of the “policy period”.
- 3.** You will have a one-time option to elect the period of time for which the Supplemental Extended Reporting Period will apply, which in no event will exceed thirty-six (36) months. The available one-time options are listed below:
 - a.** Twelve (12) month option;
 - b.** Twenty-four (24) month option; or
 - c.** Thirty-six (36) month option.
- 4.** We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
 - a.** The exposures insured;
 - b.** Previous types and amounts of insurance;
 - c.** Limit of Insurance available under this policy for future payment of damages; and
 - d.** Other related factors.

The additional premium will not exceed 200% of the annual premium for this policy.

Once in effect, the Supplemental Extended Reporting Period may not be canceled and the applicable additional premium is fully earned.

5. This right to purchase the Supplemental Extended Reporting Period will terminate unless written notice is given to us no later than sixty (60) days after the effective date of cancellation or non-renewal of this Coverage Form. Payment in full of the Supplemental Extended Reporting Period additional premium, plus any outstanding premiums or recoveries owed to us, will be made concurrently with such written notice for such Supplemental Extended Reporting Period to become effective.
6. The Extended Reporting Period does not extend the "policy period" or change the scope of coverage provided. Subject to the terms, Limits of Insurance, "Retained Limit", exclusions and conditions of this policy, this Sexual Abuse And/Or Molestation Liability Retained Limit Coverage Form is extended to apply to "claim(s)" first made against the insured during the Basic Extended Reporting Period, or if purchased, the Supplemental Extended Reporting Period, but only to "claim(s)" due to "sexual abuse and/or molestation wrongful act(s)" committed prior to the end of the "policy period".
7. The Extended Reporting Period does not reinstate or increase this Coverage Form's Limits of Insurance. "Claim(s)" which are first received and recorded during the Basic Extended Reporting Period or the Supplemental Extended Reporting Period, if in effect, will be deemed to have been made on the last day of the "policy period".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – SUBSIDENCE

This endorsement modifies insurance provided under the following:

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

A. **SECTION II – EXCLUSIONS** is amended by the addition of the following:

This insurance does not apply to:

Subsidence

Any claim for “property damage” arising out of “subsidence.” This exclusion applies regardless of whether “property damage” actually or allegedly involves, arises out of, is caused by, results from, is contributed to, or is aggravated by “subsidence” and any other cause, in any sequence and irrespective of whether such other cause is concurrent, proximate or remote.

B. The **DEFINITIONS** Section is amended by the addition of the following:

“Subsidence” means earth movement, including but not limited to, any earth sinking, slipping, rising, shifting, settling, expansion, contraction, vibration, tilting, slipping or falling away, caving in, landslide, eroding or any other movement of land or earth from any cause whatsoever.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

SEXUAL ABUSE AND/OR MOLESTATION LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM

A. SECTION I – COVERAGES, B. DEFENSE AND SUPPLEMENTARY PAYMENTS, 1. a. and b. are replaced by the following:

- 1.** The insured will have the obligation to provide an adequate defense, and to investigate any “sexual abuse and/or molestation wrongful act”, “claim” or “suit” to which this insurance applies, even if any of the allegations of the “suit” are groundless, false or fraudulent. The insured shall pay all “loss adjustment expense” that relates to the defense of “claims” or “suits” within the “retained limit”.

B. SECTION V – LIMITS OF INSURANCE, A. RETAINED LIMIT, paragraph 4. is deleted.

C. SECTION VI – CONDITIONS, A. 4. Other Insurance is replaced by the following:

4. Other Insurance

If other valid and collectible insurance applies to a “claim” or “suit” covered by this policy, and subject to SECTION V – LIMITS OF INSURANCE of this policy, this policy will apply excess of the other insurance, whether this insurance is primary, excess, contingent, or issued on any other basis.

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

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW JERSEY CHANGES – LOSS INFORMATION

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART ("OCCURRENCE" VERSION)

The following Condition is added to the **SECTION V - CONDITIONS**:

Your Right to Loss Information Condition

We will provide the first Named Insured shown in the Declarations the following loss information relating to this and any preceding General Liability Coverage Part we have issued to you during the previous three years:

- a. A list or other record of each "occurrence" of which we were notified in accordance with paragraph **3.a.** of the Duties in the Event of Occurrence, Offense, Claim or Suit Condition in this Section. We will include a brief description of the "occurrence" and information on whether any claim arising out of the "occurrence" is open or closed.
- b. A summary by policy year, of payments made and amounts reserved, stated separately under any applicable General Aggregate Limit and Products-Completed Operations Aggregate Limit.

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

You must not disclose this information to any claimant or any claimant's representative without our consent.

We will provide this information only if we receive a written request from the first Named Insured during the policy period. We will provide this information within 45 days of receipt of the request.

We compile claim and "occurrence" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers or others to whom this information is furnished by or on behalf of any insured.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUPPLEMENTARY PAYMENTS

This endorsement modifies insurance provided under the following:

PUBLIC RISK GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM – LIMITED REPORTING
EDUCATOR'S GENERAL LIABILITY RETAINED LIMIT COVERAGE FORM – LIMITED REPORTING

SECTION I – COVERAGES, SUPPLEMENTARY PAYMENTS, A. is deleted and replaced by the following:

- A.** The insured will have the obligation to provide an adequate defense and to investigate any “claim” or “suit” covered by this policy. The insured shall pay all “loss adjustment expense” that relates to the defense of “claims” or “suits” which amounts are within the “retained limit”.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

EDUCATOR'S LEGAL LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM – LIMITED REPORTING

LOSS ADJUSTMENT EXPENSES INCLUDED WITHIN THE RETENTION AND INSIDE THE LIMIT OF INSURANCE

CLAIMS MADE DISCLOSURE:

The coverage provided under this Educator's Legal Liability Retained Limit Coverage Form is CLAIMS MADE. Coverage is limited generally to liability for claims first made against you while the coverage is in force. Please review the policy carefully and discuss policy coverages with your insurance agent or broker.

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

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

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

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

SECTION I — COVERAGES

A. INSURING AGREEMENT

1. We will pay on behalf of the insured those sums in excess of the "retained limit" that the insured becomes legally obligated to pay as "loss" resulting from an "educator's legal wrongful act" to which this insurance applies. However, we will have no duty to defend the insured against any "suit" seeking "loss" because of an "educator's legal wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result from an "educator's legal wrongful act".
2. Our obligation under this insuring agreement only applies if:
 - a. The "educator's legal wrongful act" did not commence before the earlier of the "policy period" or the Retroactive Date, if any, shown in the Declarations, or after the end of the "policy period"; and
 - b. The "educator's legal wrongful act" takes place within the "coverage territory"; and
 - c. The "claim" because of "educator's legal wrongful act" is first made against the insured during the "policy period", or if provided, in accordance with the Extended Reporting Period; and in accordance with paragraph **d.** below.

- d. Prior to the “policy period”, or if purchased, the Extended Reporting Period, no insured knew or had reason to know that the “educator’s legal wrongful act” had commenced. If any insured knew or had reason to know, prior to the “policy period” that a “educator’s legal wrongful act” had commenced, then any continuation, change or resumption of such “educator’s legal wrongful act” will be deemed to have been known prior to the “policy period”, or if purchased, prior to the Extended Reporting Period;
- e. An “educator’s legal wrongful act” will be deemed to have been known to have commenced at the earliest time when any Insured:
 - (1) Reports all, or any part, of the “educator’s legal wrongful act” to us or to any other insurer;
 - (2) Receives written or verbal demand or “claim” for “loss” because of a “educator’s legal wrongful act”; or
 - (3) Becomes aware by any other means that an “educator’s legal wrongful act” has commenced.
- f. The entire “educator’s legal wrongful act” will be deemed to have been committed on the date of the first act, error or omission;
- g. All “claims” arising out of a “educator’s legal wrongful act” will be deemed to have been made at the time the first of such “claims” is made, regardless of the number of “claims” subsequently made.
- h. The amount we will pay for “loss” and “loss adjustment expense” is as described in **Section V – LIMITS of INSURANCE**.

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

B. DEFENSE AND SUPPLEMENTARY PAYMENTS

- 1. The insured will have the obligation to provide an adequate defense, to investigate any “claim” or “suit”, and to accept any offer of settlement within the “retained limit” that is deemed reasonable by us, with regard to any “educator’s legal wrongful act” covered by this policy:
 - a. The insured shall pay all “loss adjustment expense” that relates to the defense of “claims” or “suits” within the “retained limit”;
 - b. We will not pay any “loss adjustment expense” above what we would have otherwise paid had the “loss” been settled for any reasonable amount within the “retained limit”;
- 2. Should the Insured or the Claims Administrator fail to pay any amounts for “loss”, or to provide such defense, that would otherwise be required by the coverage, terms and conditions of this policy, we may elect to pay these “losses”, or to provide such defense as is necessary to meet such coverage, terms and conditions of the policy. If we elect to make such payment or provide such defense for amounts that are within the “retained limit”, you will promptly reimburse us for the amounts we elect to pay as “loss”, and the sum of all such “loss adjustment expenses” we incur to provide defense that would have otherwise been included within the “retained limit”.
- 3. We will have the right, but not the obligation, to assume charge of the defense of any “claim” or “suit”, at our expense.
- 4. We have the right, but neither the duty nor obligation, to associate with the insured at our expense in the defense, investigation or settlement of any “claim” or “suit” seeking “loss” to which this insurance may apply, if such “losses” sought are in excess of the “retained limit” or

which, in our opinion and based on the terms and conditions of this policy, may create liability for us under this policy. In such event, the insured will cooperate fully.

- a. No "loss adjustment expense" shall be incurred on behalf of the company without our written consent;
 - b. The insured will not enter into any settlement that may impact this policy, agree to a judgment or consent against it, or assign rights under this policy to anyone unless we first consent in writing; and
 - c. Upon our written request, the insured will tender such portion of the "retained limit" as we may deem necessary to complete the settlement of such "claim" or "suit"
- C. We have the right and duty to defend the insured against any "claim" or "suit" seeking damages for an "educator's legal wrongful act" to which this insurance applies when the "retained limit" has been exhausted because of judgments, settlements and "loss adjustment expenses" paid to a third party under **Coverages A or B**.
 1. The amount we will pay in excess of the "retained limit" is fixed as described in **SECTION V - LIMITS OF INSURANCE**; and our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgment, settlements or "loss adjustment expense(s)".
 2. All "loss adjustment expenses" we incur in the defense of any "claim" or "suit" are included within and erode the Limits of Insurance, except for the salaries of our "employees", or our office expenses.
 3. When the duty to defend exists, we will pay the following "loss adjustment expenses":
 - a. All expenses incurred by us and all interest on the entire amount of any judgment, which does not exceed the limit of our liability. Expenses, as used here, do not include any salaries of your officers or "employees", regardless of insured status; and
 - b. Premium on appeal bonds required in any "suit" defended by us and the cost of attachment of similar bonds.

We are not responsible to pay any "loss adjustment expenses" under **3.a.** or **3.b.** for any settlement or judgment within the "retained limit".
- D. We will have no duty to defend the insured against any "suit" seeking damages for a "educator's legal wrongful act" to which this insurance does not apply.
- E. We have the right, but no duty, to appeal any judgment.
- F. We will have no duty to defend any "claim" or "suit" that any other insurer has a duty to defend. If no other insurer defends, we may do so, but we will be entitled to the insured's rights against all those other insurers.

SECTION II - EXCLUSIONS

- A. This policy does not apply to:

1. Adverse Profit or Remuneration

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

2. Advertising, Broadcasting, Telecasting

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

3. Assault and Battery

"Loss" arising out of assault and battery.

4. Auto, Watercraft, Aircraft

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

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

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

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

6. Contractual Liability

Any "loss" or "claim" arising from:

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

7. Distribution of Material In Violation Of Statutes

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

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

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

8. Electronic Data

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

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

9. Electronic Vandalism

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

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

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

10. Eminent Domain or Inverse Condemnation

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

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

11. Employment Practices Wrongful Act

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

12. Fiduciary

Any "loss" based upon or arising out of:

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

13. Fraudulent or Dishonest Acts

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

Exception to Exclusion:

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

14. Handling Of "Loss", "Educator's Legal Wrongful Act", "Claim" or "Suit" Within The "Retained Limit"

Any "loss", injury, damages or "educator's legal wrongful act" arising out of the handling of "claims" or "suits" within the "retained limit", including the investigation, defense or settlement of "claims" or "suits".

15. Judicial Penalties

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

16. Labor Disputes

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

17. Integration or Desegregation

"Loss" arising out of any failure to integrate or desegregate the student enrollment, student population or any student group(s); or for any housing, busing or any transportation of students in connection with a program or plan of such integration or desegregation; or for causing or allowing a student enrollment, population or group to be operated or administered on an actual or alleged discriminatory basis on the basis of race, sex, ethnic background, national origin or any other category protected by any state or Federal constitution, statute, rule, regulation or court order.

18. Law Enforcement

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

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

19. Legal Services

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

20. Maintain Insurance

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

21. Named Insured

Any “claim” by the Named Insured or on its behalf;

22. Non-Monetary

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

23. Nuclear Hazard

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

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

24. Pollution

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

- a. Actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants” at any time;
- b. Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the affects of “pollutants”; or
- c. “Suit” by or on behalf of a government authority for “loss” or damages because of or related to testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to, or assessing the affects of, any “pollutant”.

25. “Professional Services”

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

26. Programs, Facilities or Services

“Loss” arising out of any failure to provide an appropriate individualized education program or related facilities or services, including but not limited to, any cause of action under 20 U.S.C. §1400-1415 (Individuals with Disabilities Education Act—IDEA), 29 U.S.C. §794 (§504 of the Rehabilitation Act), 42 U.S.C. §12132 (Americans With Disabilities Act—ADA), 42 U.S.C. §1983, or any similar state or federal statute or other law, administrative rule or regulation.

27. Prior Acts

- a. Any “educator’s legal wrongful act” of which any insured who is an elected or appointed official, principal, partner, officer, director, trustee, employed or retained counsel, or “employee(s)” with personnel or risk management responsibility was aware, through actual knowledge, of the facts or circumstances of such “educator’s legal wrongful act” prior to the Effective Date shown in the Declarations of this policy;

- b. Any “loss” or “claim” based upon or arising out of:
 - (1) A “public officials wrongful act” which was known to an insured prior to the inception date of this policy and for which a “claim” was reasonably foreseeable; or
 - (2) Any “loss” for which an insured has reported, or should have reported, a “public officials wrongful act” soliciting coverage under any policy of insurance prior to the inception date of this policy.

28. Prior or Pending Notice or Legal Action

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

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

29. Violation Of Laws

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

Exception to Exclusion:

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

30. War and Military Action

Any “Educator’s Legal Wrongful Act”, however caused, arising directly or indirectly out of:

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

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

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

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

31. Workers Compensation and Similar Laws

“Loss” arising out of any obligation under any workers’ compensation, disability benefits, social security or unemployment compensation law, or any similar law.

SECTION III — WHO IS AN INSURED

A. INSURED:

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

1. **You:** The Named Insured stated in the Declarations. The Named Insured is herein referred to as the “Educational Entity” stated as a Named Insured in the Declarations;
2. **Board of Education, Superintendents, Principals and Administrators:** All persons who were, now are, or shall be elected during the “policy period” or appointed or employed members of the Board of Education, Trustees, Directors, Superintendents, Assistant Superintendents, Administrators, Assistant Administrators, Principals, Vice Principals, or any equivalent administrative position of the Named Insured or “Educational Entity”, while acting within the course and scope of conduct and within the authority granted by reason of their position in performing their duties for the “Educational Entity”;
3. **Schools:** Schools under the jurisdiction of any “Educational Entity” listed as a Named Insured;
4. **School Board and Commission Members:** Members of school commissions, boards or other units operated by and under the jurisdiction of the “Educational Entity”, while acting within the course and scope of conduct and within the authority granted by reason of their position in performing their duties for the “Educational Entity”;

Not Insured: However, no member of a school commission, board, administrative department or other unit that is an autonomous entity; or that is wholly subject to independent or outside oversight, control or direction; or whose liability is not the result of the oversight, control or direction of the insured “Educational Entity”, will be an insured under this Policy;

5. **Employees and Volunteer Workers:** All “employees” and all persons who perform “volunteer worker” service for the “Educational Entity”, but only while acting within the scope and authority of their duties for and as authorized by such “Educational Entity”, for duties that are otherwise covered by this policy;

- 6. Student and Substitute Teachers:** Student teachers and substitute teachers, but only while acting within the scope and authority of their duties for and as authorized by the "Educational Entity", for duties that are otherwise covered by this policy;
- 7. Estates, Heirs, Legal Representatives:** The estates, heirs, legal representative or assigns of deceased persons who were insureds at the time of a covered "loss", but only to the extent that they would otherwise be provided coverage under this policy;
- 8. Your Legal Representatives or Assigns:** The legal representatives or assigns of the Insured(s), but only in the event of their incompetency, insolvency or bankruptcy, during the "policy period", but only to the extent that such Insured(s) would have otherwise been afforded coverage under this Policy.

Not Insureds:

The following are Not Insureds under this policy:

- a.** Any Insured, including the "Educational Entity", with respect to the operation of boards, commissions or other units, the members of which are not afforded coverage under **2.** above; and
- b.** Any independent contractor, person(s) or entities who are on retainer, are a consultant or are under contract for services, for any Insured, except those independent contractors who are performing services as a teacher or administrator if such independent contractor(s) has a written contract with the "Educational Entity" and any schools under the jurisdiction of such "Educational Entity", but only for acts under the direction, and within the scope and authority granted by that "Educational Entity" in the performance of educational activities for that Insured.

B. OTHER INSURED:

In addition to those Insureds described in **A.** above, each of the following is an Insured, except if otherwise excluded herein or by endorsement:

- 1. Mutual Aid Agreements:** Any person or organization providing service to an Insured under a mutual aid contract or similar agreement that is otherwise covered by this policy, but only to the extent of their liability under that contract or agreement, for acts that are within the course and scope of that mutual aid contract or similar agreement for the Insured;
- 2. Newly Acquired Organizations:** Any organization the "Educational Entity" newly acquires or forms, other than a partnership, joint venture, limited liability company or for-profit corporation, and over which that insured "Educational Entity" maintains ownership or a majority interest, will qualify as an Insured under this Policy, if there is no other similar insurance available to that organization.

However:

- a.** Coverage under this provision is afforded only until the 120th day after you acquire or form the organization or the end of the "policy period", whichever is earlier; and
- b.** Coverage does not apply to any "educator's legal wrongful act" that commenced before you acquired or formed the organization.

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

We reserve the right within the 120 day coverage period outlined in **2.a.** above to endorse this policy to exclude coverage for the new organization; however, should we exercise this right we will provide a thirty-day (30) notice of such new organization being excluded.

C. ADDITIONAL INSURED(S):

The following are Additional Insured(s) under this policy, except if otherwise excluded, but only to the extent coverage would otherwise be afforded to the Insured under this policy.

1. **“Educational Entity” Organizations:** Such organizations affiliated with and supporting the “Educational Entity”, such as Parent Teacher Organizations, Booster Clubs, Student Body Organizations, including the members of these clubs or organizations, are additional insureds while under the authorization and jurisdiction of the “Educational Entity’s” governing board.
2. **Students in Practicum:** Any student while participating in activities required to complete any nurse training and similar allied health courses, but only while completing course work required by you;
3. **Safety Patrol:** Students and their respective parent(s) or legal guardian(s) who serve as members of an Insured “Educational Entity’s” Safety Patrol, by whatever name used, are included as an additional insured, but only to the extent such student, parent or legal guardian is held liable for “bodily injury”, “property damage” or “personal and advertising injury” caused by your Insured Safety Patrol Operations that are not otherwise excluded under this policy.

SECTION IV — COVERAGE EXTENSIONS

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

- a. Reduce or increase the “retained limit” shown on the Declarations for Educator’s Legal Liability Coverage; nor
- b. Increase or decrease or the applicable Limits of Insurance provided under this Coverage Form:

1. Identity Theft Expense

We will pay for reimbursement of up to \$5,000 to any present Director, Superintendent or Principal of the “Named Insured” for expenses incurred as the direct result of any Identity Theft Expense that has been incurred, been discovered and been reported during the “policy period”, or if provided, during the Extended Reporting Period.

Identity Theft Expense means:

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

2. Key Individual Replacement Expenses

We will pay up to \$25,000 for expenses incurred by the Named Insured to replace the Director, Superintendent, Trustee or Principal if the person holding that position suffers an injury during the “policy period” which results in loss of life during the “policy period”, or if provided, during the Extended Reporting Period.

Key Individual Replacement Expenses mean:

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

3. Terrorist Travel Reimbursement

We will reimburse you up to \$5,000 in any one policy year for "Emergency Travel Expenses" incurred by a Director, Superintendent or Principal of a Named Insured due to the occurrence of a "Certified Act of Terrorism" that commences during the "policy period", or if provided, during the Extended Reporting Period.

"Emergency Travel Expenses" means the additional cost of travel, accommodating and rescue, including funeral expenses or cost of transporting personal baggage, of an insured Director, Superintendent or Principal of a Named Insured, incurred as a direct result of the cancellation of that insured Director's, Superintendent's or Principal's previously scheduled transport that necessitates re-scheduling of that previously scheduled transport within forty-eight (48) hours of the date and time the "Certified Act of Terrorism" was first initiated.

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

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

SECTION V — LIMITS OF INSURANCE

The Limits of Insurance of this Coverage Form apply only in excess of the "Retained Limit".

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

A. RETAINED LIMIT

- 1. The "retained limit" shall be applied to each "educator's legal wrongful act" for which coverage is afforded by this policy. The "retained limit" will be reduced by any "loss adjustment expense" incurred by the Insured.
- 2. The "retained limit" shall not be impaired by any "claim" or "suit" brought against an Insured which is not covered under this policy.
- 3. The "retained limit" shall not include any amounts for "loss" or "loss adjustment expense" for any "educator's legal wrongful act" that commences prior to the inception date of this policy.
- 4. The "retained limit" shall not include any amounts for "loss" or "loss adjustment expense" for any "educator's legal wrongful act" that commences prior to the Retroactive Date, if any, shown in the Declarations.

5. You agree not to insure or otherwise reinsure your “retained limit” without our knowledge and written permission.
6. This policy will not drop down to assume or satisfy your obligations under the “retained limit”.
7. You agree that in the event of judgment or settlement in excess of the “retained limit”, all outstanding amounts within the “retained limit” will be due and payable to us upon demand. Such payment must be made before we have paid, tendered or deposited in court, any part of said judgment or settlement. Failure of you to comply with this provision will not invalidate the policy, but in the event of such failure, we will be liable only to the extent that we would otherwise have been liable had you complied with this provision.

B. LIMITS OF INSURANCE

The Limits of Insurance under this Coverage Form apply only in excess of the “Retained Limit”.

1. The Limits of Insurance shown in the Declarations and the rules below fix the most the Company will pay in excess of the insured’s “retained limit”, regardless of the number of:
 - a. Insureds;
 - b. “Claims” made or “suits” brought;
 - c. Persons, organizations or governmental agencies making “claims” or bringing “suit(s)”; and
 - d. “Educator’s Legal Wrongful Act(s)”.
2. We will pay for “loss” covered under this policy only after the “retained limit” has been exhausted because of judgments, settlements and “loss adjustment expense(s)” of “claims” or “suits”. The “retained limit” stated in the Declarations applies:
 - a. Only to “loss” for “claims” of “educator’s legal wrongful act(s)” covered under this policy; and
 - b. Separately to each “claim” of “educator’s legal wrongful act”; and
 - c. To “loss adjustment expense(s)” associated with “claims” or “suits” of “educator’s legal wrongful act(s)” within the “retained limit”.
3. The Annual Aggregate is the most we will pay in excess of the “retained limit” for each “policy period” for the sum of all “loss” and “loss adjustment expense” because of “educator’s legal wrongful act(s)” to which this insurance applies. In no event will our total Limit of Insurance be increased for any Extended Reporting Period.
4. The Each “Educator’s Legal Wrongful Act” Limit is the most we will pay in excess of the “retained limit” for the sum of all “loss” and “loss adjustment expense” because of all “Educator’s Legal Wrongful Acts” arising out of any one “claim”.
5. In determining the Limit of Insurance that applies, all such acts, errors or omissions committed by one or more insureds that are substantially the same or are in any way directly or indirectly related – either logically, causally or temporally – shall be deemed to constitute one “Educator’s Legal Wrongful Act”, regardless of the number of “claims” or claimants. The entire “Educator’s Legal Wrongful Act” will be deemed to have been committed on the date of the first act, error or omission.
6. Incurred “loss adjustment expense(s)” reduces the Limits of Insurance provided by this insurance.

The limits of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the “policy period” shown in the Declarations, unless the “policy period” is extended after issuance for an additional period of less than

12 months. In that case, the additional period will be deemed part of the preceding period for purposes of determining the limits of insurance.

SECTION VI — CONDITIONS

The following **Educator's Legal Liability Conditions** add to or replace the **Common Policy Conditions**, which also apply to this policy:

1. Assignment

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

2. Claims Administrator

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

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

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

- a. You must see to it that your Claims Administrator is notified as soon as practicable of an "educator's legal wrongful act" or any other injury, or "loss" which may result in a "claim" or "suit". Written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, will be reported to the Claims Administrator.
- b. If a "claim" is made or a "suit" is brought against any insured, the insured will immediately forward to the appointed Claims Administrator every demand, notice, summons or other processes received by the insured or its representative; and in turn, the Claims Administrator will forward same to us.
- c. The insured will cooperate with us and at our request, consent to being examined and questioned by a representative of ours, under oath if necessary; and will attend hearings, depositions and trials; and will assist in effecting settlement, securing and giving evidence and obtaining the attendance of witnesses in the conduct of "suits"; as well as in the giving of a written statement or statements to our representatives and defense.
- d. The insured will give us or our duly authorized representative such information and assistance as we may require and assist us in the defense of any "claim" or "suit" subject to **Supplementary Payments** under **SECTION I – COVERAGES**.
- e. You must report to us as soon as practicable each "claim" or "loss" for which your estimated amount of "loss", including "loss adjustment expenses", is 50% or more of the amount of the "retained limit". You must also immediately report:
 - (a) Any "suit" naming the Company providing this insurance;
 - (b) Any claim involving terrorism or suspected terrorism;
 - (c) Any proposed or certified class action lawsuit;
 - (d) All claims involving or which could reasonably be expected to involve litigation;

- (e) Any incident alleging sexual misconduct of any type, including rape, abuse, assault, molestation, harassment;
- (f) Environmental and/or catastrophic potential claims, including those involving contamination, pollution, toxic chemicals, nuclear, radiation, lead, fungus, mold and/or asbestos;
- (g) All cases of death or serious injury, including but not limited to the following:
 - (1) Cord Injury, including paraplegia, quadriplegia or paralysis;
 - (2) Injury to nerves at the base of the spinal canal (Cauda Equina), or any other back injury symptomized with resulting incontinence of bowel and/or bladder;
 - (3) Amputation requiring a prosthesis, or any loss of a major body member;
 - (4) Claims involving substantial body disfigurement or serious permanency;
 - (5) Brain damage affecting mentality or the central nervous system, such as permanent disorientation, behavior disorder, personality change, seizures, motor deficit, inability to speak (aphasia), hemiplegia or unconsciousness (comatose);
 - (6) Blindness of any type or duration, temporary or permanent;
 - (7) Hearing impairment of any type or duration, temporary or permanent;
 - (8) Burns – those involving over 10% of the body with third degree, or 30% of the body with second degree;
 - (9) Multiple fractures; involving more than one member or non-union;
 - (10) Fracture of both heel bones (fractured bilateral os calcis);
 - (11) Nerve damage causing paralysis and loss of sensation in arm and hand (brachial plexus nerve damage);
 - (12) Massive internal injuries affecting any body organ(s);
 - (13) Fatalities;
 - (14) Any other serious injury which, in your judgment, might involve us.

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

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

4. Educational Entity Authorization Clause

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

5. Other Insurance

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

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

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

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

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

SECTION VII — DEFINITIONS

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

1. AUTO

“Auto” means:

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

However, “auto” does not include “mobile equipment”.

2. ADVERTISEMENT

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

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

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

3. BODILY INJURY

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

4. CLAIM

“Claim” means a written notice from any party that it is their intention to hold the insured responsible for “loss” resulting from an “educator’s legal wrongful act” covered by this policy.

5. COVERAGE TERRITORY

“Coverage Territory” means:

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

6. DISCRIMINATION

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

7. EDUCATOR’S LEGAL WRONGFUL ACT

“Educator’s Legal Wrongful Act(s)” means:

Any alleged or actual:

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

which arises out of the discharge of duties for the “Educational Entity”, individually or collectively.

8. EMPLOYEE

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

9. EMPLOYEE BENEFITS INJURY

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

10. EMPLOYEE BENEFITS PROGRAM(S)

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

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

11. EMPLOYMENT PRACTICES WRONGFUL ACT

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

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

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

This "Employment Practices Wrongful Act" exclusion applies:

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

12. LAW ENFORCEMENT ACTIVITIES

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

13. LEASED WORKER

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

14. LOADING OR UNLOADING

"Loading or Unloading" means the handling of property:

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

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

15. LOSS OR LOSSES

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

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

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

16. LOSS ADJUSTMENT EXPENSE(S)

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

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

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

17. MOBILE EQUIPMENT

"Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent. However, any land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any

machinery or apparatus that is attached) owned or leased by you shall be deemed an “auto” and not “mobile equipment” if the only reason for considering it “mobile equipment” is that it is maintained for use exclusively on streets or highways owned by you;

- c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers.
 - f. Vehicles not described in **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.
 - g. However, self-propelled vehicles with the following types of permanently attached equipment are not “mobile equipment” but will be considered “autos”:
 - (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- However, “mobile equipment” does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.
- Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered “autos”.

18. OCCURRENCE

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

19. PERSONAL AND ADVERTISING INJURY

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

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;

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

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

20. POLICY PERIOD

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

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

21. POLLUTANT(S)

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

22. PROFESSIONAL SERVICES

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

23. PROPERTY DAMAGE

"Property Damage" means:

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

24. RETAINED LIMIT

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

25. SERVICE CONTRACTOR

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

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

26. SUIT

“Suit” means a civil proceeding in which “loss” is claimed because of a “educator’s legal wrongful act” to which this policy applies. “Suit” includes:

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

“Suit” does not mean an administrative hearing or proceeding.

27. TEMPORARY WORKER

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

28. VOLUNTEER WORKER

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

SECTION VIII — EXTENDED REPORTING PERIOD — BASIC AND OPTIONAL SUPPLEMENTAL

- A. An Extended Reporting Period as described below, will be provided if this Coverage Form is canceled or non-renewed by us, except for nonpayment of premium; or if we renew or replace coverage with insurance that:
 - a. Has a Retroactive Date later than the date shown in the Declarations; or
 - b. Provides coverage on other than a Claims-Made basis.
- 1. A Basic Extended Reporting Period is automatically provided without additional charge. This period begins at the end of the “policy period” and lasts for sixty (60) days. It does not extend the “policy period” or change the scope of coverage provided. It applies only to “claims” to which the following applies:
 - a. The “claim” is first made during the “policy period”, or the Extended Reporting Period;
 - b. The “educator’s legal wrongful act” commences before the end of the “policy period”; and
 - c. The “educator’s legal wrongful act” did not commence before the “policy period” or the Retroactive Date, if any, shown in the Declarations for this Coverage Form.

The Basic Extended Reporting Period does not apply to “claim(s)” covered under any subsequent policy.

2. Coverage for an optional Supplemental Extended Reporting Period must be added by endorsement and an additional premium charge must be paid. Such period starts sixty (60) days after the end of the “policy period”.
3. You will have a one-time option to elect the period of time for which the Supplemental Extended Reporting Period will apply, which in no event will exceed thirty-six (36) months. The available one-time options are listed below:
 - a. Twelve (12) month option;
 - b. Twenty-four (24) month option; or
 - c. Thirty-six (36) month option.
4. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
 - a. The exposures insured;
 - b. Previous types and amounts of insurance;
 - c. Limit of Liability available under this policy for future payment of damages; and
 - d. Other related factors.

The additional premium will not exceed 200% of the annual premium for this policy.

Once in effect, the Supplemental Extended Reporting Period may not be canceled and the applicable additional premium is fully earned.
5. This right to purchase the Supplemental Extended Reporting Period will terminate unless written notice is given to us no later than sixty (60) days after the effective date of cancellation or non-renewal of this Coverage Form. Payment in full of the Supplemental Extended Reporting Period additional premium, plus any outstanding premiums or recoveries owed to us, will be made concurrently with such written notice for such Supplemental Extended Reporting Period to become effective.
6. The Extended Reporting Period does not extend the “policy period” or change the scope of coverage provided. Subject to the terms, Limits of Insurance, “retained limit”, exclusions and conditions of this policy, this Educator’s Legal Liability Coverage Form is extended to apply to “claim(s)” first made against the insured during the Basic Extended Reporting Period, or if purchased, the Supplemental Extended Reporting Period, but only to “claim(s)” due to “educator’s legal wrongful act(s)” committed prior to the end of the “policy period”.
7. The Extended Reporting Period does not reinstate or increase this Coverage Form’s Limits of Insurance. “Claim(s)” which are first received and recorded during the Basic Extended Reporting Period or the Supplemental Extended Reporting Period, if in effect, will be deemed to have been made on the last day of the “policy period”.

LAW ENFORCEMENT LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM - LIMITED REPORTING

LOSS ADJUSTMENT EXPENSES INCLUDED WITHIN RETENTION, AND INSIDE THE LIMITS OF INSURANCE

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

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

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

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

SECTION I — COVERAGES

A. INSURING AGREEMENT

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

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

B. DEFENSE AND SUPPLEMENTARY PAYMENTS

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

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

SECTION II — EXCLUSIONS

A. This insurance does not apply to:

1. Auto, Watercraft, Aircraft

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

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

2. Care, Custody, Control

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

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

Exception to Exclusion:

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

3. Contractual Liability

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

Exception to Exclusion:

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

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

4. Deliberate Violation

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

5. Distribution of Material In Violation Of Statutes

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

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

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

6. Electronic Data

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

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

7. Electronic Vandalism

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

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

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

8. Employees

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

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

The exclusion applies:

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

Exception to Exclusion:

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

9. Employment Practices Wrongful Acts

“Loss” arising out of an “employment practices wrongful act”.

10. Federal, State, Local Enforcement

Any “loss,” cost, civil fine, penalty or expense against any insured arising from any complaint or enforcement action from any federal, state or local governmental regulatory agency.

11. Fellow Employee

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

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

The exclusion applies:

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

Exception to Exclusion:

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

12. Fraudulent or Dishonest Acts

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

13. Handling Of “Loss”, “Law Enforcement Wrongful Act”, “Claim” or “Suit” Within The “Retained Limit”

Any “loss”, injury, damage or “law enforcement wrongful act(s)” arising out of the handling of “claims” or “suits” within the “retained limit”, including the investigation, defense or settlement of “claims” or “suits”.

14. Judicial Penalties

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

15. Legal Services

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

16. Non-Monetary

For a “claim,” demand, or action seeking relief or redress solely in any form other than monetary damages, or for any fees, costs or expenses which the insured may become obligated to pay as a result of any adverse judgment for declaratory relief or injunctive relief;

Exception to Exclusion:

However, the coverage herein will provide for defense coverage for the insured for such action, “claim”, “suit” or demand in which monetary damages are requested, if not otherwise excluded.

17. Nuclear Hazard

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

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

18. Pollution

- a. To “bodily injury”, “property damage”, “personal and advertising injury”, “law enforcement wrongful act(s)” or any other injury or damage, or any “loss”, cost, expense, liability or legal obligation arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or potential presence in or introduction into the environment of any substance if such substance has, or is alleged to have, the effect of making the environment impure, harmful or dangerous; or any other such substances that are considered a “pollutant”. Environment includes any air, land, structure (or the air within), watercourse or other body of water, including underground water; or
- b. To any “loss”, cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the affects of, “pollutants”; or
 - (2) Any “claim” or “suit” by or on behalf of a government authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the affects of, “pollutants”.

Exception to Exclusion:

However, paragraph a. of this Pollution exclusion does not apply to a “law enforcement wrongful act” arising out of “law enforcement activities” of the Law Enforcement Department or Agency shown in the Declarations of this policy.

For purposes of this exception, “law enforcement activities” include those actions performed by members of other Law Enforcement Departments or Agencies operating under a Mutual Aid Agreement with you, under the condition that those “law enforcement activities” are sanctioned by the Law Enforcement Department or Agency insured under this policy.

19. Prior or Pending Legal Action

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

- a. Prior or pending legal action or litigation, administrative or regulatory proceeding, “claim”, demand, arbitration, decree or judgment against any insured before the Effective Date of this policy, including any administrative or regulatory proceeding:
 - i. resulting from or in consequence of such pending or prior litigation, administrative or regulatory proceeding;

- ii. derived in whole or in part from the facts and/or matters averred or alleged in any such pending or prior litigation, administrative or regulatory proceeding; or
 - iii. derived from the same or essentially the same fact, actual or alleged;
- b. Fact, circumstance, event, situation, or “law enforcement wrongful act” that was the subject of any notice under any similar policy of insurance issued to the insured.

20. War and Military Action

“Bodily injury”, “property damage”, “personal injury” or “law enforcement wrongful act”, however caused, arising directly or indirectly out of:

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

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

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

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

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

21. Workers Compensation and Similar Laws

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

SECTION III —WHO IS AN INSURED

1. INSURED:

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

- a. **Law Enforcement Department or Agency and their Members:** A Law Enforcement Department or Agency, shown in the Declarations that is:
 - (1) Operated by you;
 - (2) Subject to your oversight, control or direction; and/or

- (3) Operated with funds administered by you and allotted to such Law Enforcement Department or Agency;

This includes all of your full-time or part-time “employees” of such Law Enforcement Department or Agency, but only with respect to their duties and while acting within the course and scope of authority allocated by their position in connection with “law enforcement activities”.

- b. **Elected or Appointed Officials:** All elected, appointed or employed officials of any board, commission or agency of yours, but only with respect to their respective liability arising out of “law enforcement activities”, but only while acting within the course and scope of authority allocated by their position as such elected or appointed official of that board, commission or agency;

2. OTHER INSURED:

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

- a. **Mutual Aid Agreements:** A Law Enforcement Department or Agency, including its members, while providing service to you under a mutual aid contract or agreement, but only while conducting “law enforcement activities” within the course and scope of that mutual aid contract or agreement, and such “law enforcement activities” are sanctioned by the Law Enforcement Department or Agency named in the Declarations;
- b. **Auxiliary and “Volunteer Workers”:** All auxiliary and “volunteer worker” law enforcement officers who serve under the direction and control of your Law Enforcement Department or Agency, but only for acts within the course and scope of their auxiliary or volunteer work as authorized by you or the Law Enforcement Department or Agency shown in the Declarations, for activities that are covered under this policy; and
- c. **Legal Heirs, Representatives and Assigns:** The estates, heirs, legal representative or assigns of deceased persons who were insureds at the time of a covered “law enforcement wrongful act”, but only to the extent that they would otherwise be provided coverage under this policy.

SECTION IV — COVERAGE EXTENSIONS

- A. The following extensions apply to the insurance provided by this Coverage Form and are additional insurance to the policy unless otherwise stated. The following additional coverages are not included within, nor affected by, the “retained limit”. Payment of these extensions will not:
1. Reduce or increase the “retained limit” shown on the Declarations for Law Enforcement Liability Coverage; nor
 2. Increase or decrease or the applicable Limits of Insurance provided under this Coverage Form:

Animal Mortality: You may extend the insurance provided by this coverage form to include “loss” caused by accidental death or the consequential destruction because of accidental injury to your animals while being used as part of a canine or equestrian patrol during the course and scope “law enforcement activities”, and during the “policy period”. The most we will pay under this extension is \$10,000 in any one “loss” occurrence annually.

SECTION V — LIMITS OF INSURANCE

The Limits of Insurance of this policy apply only in excess of the “Retained Limit”.

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

A. RETAINED LIMIT

1. The “retained limit” shall be applied to each “law enforcement wrongful act” for which coverage is afforded by this policy. The “retained limit” will be reduced by any “loss adjustment expense” incurred by the insured.

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

B. LIMITS OF INSURANCE

The following paragraphs further describe how the Limits of Insurance apply under this policy:

1. The Limits of Insurance shown in the Declarations and the rules below fix the most the Company will pay in excess of the "retained limit" regardless of the number of:
 - a. Insureds;
 - b. "Losses", "claims" made or "suits" brought;
 - c. Persons, organizations or governmental agencies making "claims" or bringing "suits";
 - d. "Occurrences" of "Law Enforcement Wrongful Act(s)".
2. Subject to the Limits of Insurance stated in the Declarations, we will pay for "loss" covered under this policy only after the "retained limit" has been exhausted because of judgments, settlements and "loss adjustment expenses" of "claims" or "suits". The "retained limit" stated in the Declarations applies:
 - a. Only to "loss" for "occurrences" of "law enforcement wrongful act(s)" covered under this policy;
 - b. Separately to each "occurrence" of "law enforcement wrongful act", or series of continuous, repeated or related "occurrences" of "law enforcement wrongful act(s)" covered by this policy; and
 - c. To "loss adjustment expenses" associated with "claims" or "suits" for "occurrences" of "law enforcement wrongful acts" for amounts within the "retained limit"
3. The Aggregate is the most we will pay for the sum of all "loss" and "loss adjustment expenses" in excess of the "retained limit" because of "occurrences" of "law enforcement wrongful act(s)".
4. The Each "Law Enforcement Wrongful Act" Limit is the most we will pay for the sum of all "loss" and "loss adjustment expenses" in excess of the "retained limit" because of all "law enforcement wrongful act(s)" arising out of any one "occurrence".
5. In determining the Limit of Insurance that applies, all such acts, errors or omissions committed by one or more insureds that are substantially the same or are in any way directly or indirectly related -- either logically, causally or temporally -- shall be deemed to constitute one "Law Enforcement Wrongful Act", regardless of the number of "claims" or claimants. The entire "Law Enforcement Wrongful Act" will be deemed to have occurred on the date of the first act, error or omission.
6. Incurred "loss adjustment expense(s)" reduces the Limits of Insurance provided by this insurance.

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

SECTION VI — CONDITIONS

- A. The following **Law Enforcement Liability Conditions** add to or replace the **Common Policy Conditions**, which also apply to this Policy::

1. Assignment

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

2. Claims Administrator

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

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

3. Insured's Duties In The Event Of An “Occurrence”, “Loss”, “Law Enforcement Wrongful Act”, “Claim” Or “Suit”

- a. You must see to it that your Claims Administrator is notified as soon as practicable of any “occurrence”, “loss” or “law enforcement wrongful act” which may result in a “claim” or “suit”. Written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses will be reported to the Claims Administrator.
- b. If a “claim” is made or a “suit” is brought against any insured, the insured will immediately forward to the appointed Claims Administrator every demand, notice, summons or other processes received by the insured or its representative; and in turn, the Claims Administrator will forward same to us.
- c. The insured will cooperate with us and at our request, consent to being examined and questioned by a representative of ours, under oath if necessary; and will attend hearings, depositions and trials; and will assist in effecting settlement, securing and giving evidence and obtaining the attendance of witnesses in the conduct of “suits”; as well as in the giving of a written statement or statements to our representatives and defense.
- d. The insured will give us or our duly authorized representative such information and assistance as we may require and assist us in the defense of any “claim” or “suit” subject to **Section I – Supplementary Payments**.
- e. You must report to us as soon as practicable each “claim” or “loss” for which your estimated amount of “loss” or damages, including “loss adjustment expenses”, is 50% or more of the amount of the “retained limit”. You must also immediately report:
 - (1) Any “suit” naming the Company providing this insurance;
 - (2) Any claim involving terrorism or suspected terrorism;
 - (3) Any proposed or certified class action lawsuit;
 - (4) All claims involving or which could reasonably be expected to involve litigation;

- (5) Any incident alleging sexual misconduct of any type, including rape, abuse, assault, molestation, harassment;
- (6) Environmental and/or catastrophic potential claims, including those involving contamination, pollution, toxic chemicals, nuclear, radiation, lead, fungus, mold and/or asbestos;
- (7) All cases of death or serious injury, including but not limited to the following:
 - (a) Cord Injury, including paraplegia, quadriplegia or paralysis;
 - (b) Injury to nerves at the base of the spinal canal (Cauda Equina), or any other back injury symptomized with resulting incontinence of bowel and/or bladder;
 - (c) Amputation requiring a prosthesis, or any loss of a major body member;
 - (d) Claims involving substantial body disfigurement or serious permanency;
 - (e) Brain damage affecting mentality or the central nervous system, such as permanent disorientation, behavior disorder, personality change, seizures, motor deficit, inability to speak (aphasia), hemiplegia or unconsciousness (comatose);
 - (f) Blindness of any type or duration, temporary or permanent;
 - (g) Hearing impairment of any type or duration, temporary or permanent;
 - (h) Burns – those involving over 10% of the body with third degree, or 30% of the body with second degree;
 - (i) Multiple fractures; involving more than one member or non-union;
 - (j) Fracture of both heel bones (fractured bilateral os calcis);
 - (k) Nerve damage causing paralysis and loss of sensation in arm and hand brachial plexus nerve damage);
 - (l) Massive internal injuries affecting any body organ(s);
 - (m) Fatalities;
 - (n) Any other serious injury which, in your judgment, might involve us.

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

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

4. Other Insurance

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

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

5. Public Entity Authorization Clause

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

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

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

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

SECTION VII — DEFINITIONS

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

1. ADVERTISEMENT

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

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

2. AUTO

“Auto” means:

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

However, “auto” does not include “mobile equipment”.

3. BODILY INJURY

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

4. CLAIM

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

5. COVERAGE TERRITORY

"Coverage Territory" means:

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

6. DISCRIMINATION

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

7. EMPLOYEE

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

8. EMPLOYMENT PRACTICES WRONGFUL ACT

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

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

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

This “Employment Practices Wrongful Act” exclusion applies:

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

9. INSURED CONTRACT

“Insured Contract” means:

A mutual aid contract or agreement pertaining to “law enforcement activities” under which the insured assumes the tort liability of another political subdivision to pay for “personal injury”, “bodily injury” or “property damage” to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

An “insured contract” does not include that part of any contract or agreement that indemnifies any person or organization for damage by fire, lightning or explosion to premises rented or loaned to an insured.

10. LAW ENFORCEMENT ACTIVITIES

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

11. LAW ENFORCEMENT WRONGFUL ACT

"Law Enforcement Wrongful Act", singular or plural, means any actual or alleged act, error or omission, neglect or breach of duty by an insured while conducting "law enforcement activities" which results in "personal and advertising injury", "bodily injury" or "property damage" caused by an "occurrence".

12. LEASED WORKER

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

13. LOADING OR UNLOADING

"Loading or Unloading" means the handling of property:

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

14. LOSS OR LOSSES

"Loss" or "Losses" means any monetary amount that an insured is legally obligated to pay for a "claim" made against the insured for "law enforcement wrongful acts" covered under this policy, including but not limited to amounts for injuries, damages, judgments, settlements and awards.

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

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

15. LOSS ADJUSTMENT EXPENSE

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

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

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

16. MOBILE EQUIPMENT

“Mobile Equipment” means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent. However, any land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus that is attached) owned or leased by you shall be deemed an “auto” and not “mobile equipment” if the only reason for considering it “mobile equipment” is that it is maintained for use exclusively on streets or highways owned by you;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers.
- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

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

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

17. OCCURRENCE

“Occurrence” means an event, including continuous or repeated exposure to substantially the same general harmful conditions.

18. PERSONAL AND ADVERTISING INJURY

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

- a. False arrest, detention or imprisonment;

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

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

19. POLICY PERIOD

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

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

20. PROPERTY DAMAGE

"Property Damage" means:

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

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

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

21. POLLUTANT(S)

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

22. RETAINED LIMIT

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

23. SERVICE CONTRACTOR

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

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

24. SUIT

“Suit” means a civil proceeding in which “loss” because of a “law enforcement wrongful act” to which this insurance applies is alleged. “Suit” includes:

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

“Suit” does not mean an administrative hearing or proceeding.

25. TEMPORARY WORKER

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

26. VOLUNTEER WORKER

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – UNMANNED AIRCRAFT

This endorsement modifies insurance provided under the following:

LAW ENFORCEMENT LIABILITY RETAINED LIMIT OCCURRENCE COVERAGE FORM

A. **SECTION II. – EXCLUSIONS, A.1. Auto, Watercraft , Aircraft** is deleted and replaced with the following:

1. Auto, Watercraft, Aircraft or Unmanned Aircraft

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

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

B. The following is added to **SECTION VII – DEFINITIONS:**

UNMANNED AIRCRAFT

“Unmanned aircraft” means an aircraft that is not:

- a. Designed;
- b. Manufactured; or
- c. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

EMPLOYMENT PRACTICES LIABILITY RETAINED LIMIT CLAIMS-MADE COVERAGE FORM – EDUCATIONAL INSTITUTION – LIMITED REPORTING

LOSS ADJUSTMENT EXPENSES INCLUDED WITHIN THE RETENTION AND INSIDE THE LIMIT OF INSURANCE

CLAIMS-MADE DISCLOSURE:

The coverage provided under this Employment Practices Liability Retained Limit Coverage Form is CLAIMS-MADE. Coverage is limited generally to liability for claims first made against you while the coverage is in force. Please review the policy carefully and discuss policy coverages with your insurance agent or broker.

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

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

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

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

SECTION I — COVERAGES

A. INSURING AGREEMENT

1. We will pay on behalf of the insured those sums in excess of the “retained limit” that the insured becomes legally obligated to pay as “loss” resulting from an “employment practices wrongful act”, to which this insurance applies. However, we will have no duty to defend the insured against any “suit” seeking “loss” because of an “employment practices wrongful act” to which this insurance does not apply. We may, at our discretion, investigate any incident that may result from an “employment practices wrongful act”. Our obligation under this insuring agreement only applies if:
 - a. The “employment practices wrongful act” did not commence before the earlier of the “policy period” or the Retroactive Date, if any, shown in the Declarations, or after the end of the “policy period”; and
 - b. The “employment practices wrongful act” takes place within the “coverage territory”; and
 - c. The “claim” because of “employment practices wrongful act” is first made against the insured during the “policy period”, or if provided, in accordance with the Extended Reporting Period; and in accordance with paragraph **d.** below.
 - d. Prior to the “policy period”, or if purchased, the Extended Reporting Period, no insured knew or had reason to know that the “employment practices wrongful act” had commenced. If any insured knew or had reason to know, prior to the “policy period” that an “employment practices wrongful act” had commenced, then any continuation, change or resumption of such “employment practices wrongful

act” will be deemed to have been known prior to the “policy period”, or if purchased, prior to the Extended Reporting Period;

- e. An “employment practices wrongful act” will be deemed to have been known to have commenced at the earliest time when any Insured:
 - (1) Reports all, or any part, of the “employment practices wrongful act” to us or to any other insurer;
 - (2) Receives written or verbal demand or “claim” for “loss” because of an “employment practices wrongful act”; or
 - (3) Becomes aware by any other means that an “employment practices wrongful act” has commenced.
- f. The entire “employment practices wrongful act” will be deemed to have been committed on the date of the first act, error or omission;
- g. All “claims” arising out of an “employment practices wrongful act” will be deemed to have been made at the time the first of such “claims” is made, regardless of the number of “claims” subsequently made.
- h. The amount we will pay for “loss” and “loss adjustment expense” in excess of the “retained limit” is as described in **Section IV – Limits of Insurance**.

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

B. DEFENSE AND SUPPLEMENTARY PAYMENTS

- 1. The insured will have the obligation to provide an adequate defense, to investigate any “claim” or “suit”, and to accept any offer of settlement within the “retained limit” that is deemed reasonable by us, with regard to any “claim” or “suit” against an insured seeking “loss” to which this insurance applies, even if any of the allegations of the “suit” are groundless, false or fraudulent.
 - a. The insured shall pay all “loss adjustment expense” that relates to the defense of “claims” or “suits” within the “retained limit”;
 - b. We will not pay any “loss adjustment expense” above what we would otherwise have paid had the “loss” been settled for any reasonable amount within the “retained limit”.
 - c. Should the Insured or the Claims Administrator fail to pay amounts for “loss”, or to provide such defense, that would otherwise be required by the coverage, terms and conditions of this policy, we may elect to pay these “losses”, or to provide such defense as is necessary to meet such coverage, terms and conditions of the policy. If we elect to make such payment or provide such defense for amounts that are within the “retained limit”, you will promptly reimburse us for the amounts we elect to pay as “loss”, and the sum of all such “loss adjustment expenses” we incur to provide defense that would have otherwise been included within the “retained limit”.
- 2. We will have the right, but not the obligation, to assume charge of the defense of any “claim” or “suit” at our expense.
- 3. We have the right, but neither the duty nor obligation, to associate with the insured at our expense in the defense, investigation or settlement of any “claim” or “suit” seeking “loss” to which this insurance may apply if the “losses” sought are in excess of the “retained limit” or which, in our opinion and based on the terms and conditions of this policy, may create liability for us under this policy. In such event, the insured will cooperate fully.
 - a. No “loss adjustment expense” shall be incurred on behalf of the Company without our written consent;
 - b. The insured will not enter into any settlement that may impact this policy, agree to a judgment or consent against it or assign rights under this policy to anyone unless we first consent in writing; and

- c. Upon our written request, the insured will tender such portion of the “retained limit” as we may deem necessary to complete the settlement of such “claim” or “suit”.
- C. We have the right and duty to defend the insured against any “claim” or “suit” seeking “loss” for “employment practices wrongful act(s)” to which this insurance applies when the “retained limit” has been exhausted because of judgments, settlements and “loss adjustment expenses” paid to a third party under **Coverages A** or **B**.
 - 1. The amount we will pay in excess of the “retained limit” is fixed as described in **SECTION IV - LIMITS OF INSURANCE**; and our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements and “loss adjustment expenses”.
 - 2. All “loss adjustment expenses” we incur in the defense of any “claim” or “suit” are included within and erode the Limits of Insurance, except for the salaries of our “employees”, or our office expenses.
 - 3. When the duty to defend exists, we will pay the following “loss adjustment expenses”:
 - a. All expenses incurred by us and all interest on the entire amount of any judgment which does not exceed the limit of our liability; and
 - b. Premium on appeal bonds required in any “suit” defended by us and the cost of attachment or similar bonds.

We are not responsible to pay any “loss adjustment expenses” under **3a.** or **3b.** for any settlement or judgment amounts within the “retained limit”.

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

SECTION II — EXCLUSIONS

A. This policy does not apply to:

1. Adverse Profit or Remuneration

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

2. Advertising, Broadcasting, Telecasting

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

3. Auto, Watercraft, Aircraft

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

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

4. Bodily Injury or Property Damage

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

Exception to Exclusion:

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

5. Contractual Liability

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

6. Distribution of Material In Violation Of Statutes

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

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

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

7. Electronic Data

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

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

8. Electronic Vandalism

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

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

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

and involves Electronic Vandalism, the Terrorism Exclusion supersedes this Electronic Vandalism Exclusion.

9. Fiduciary & Employee Benefits

Any “loss” or damages based upon or arising out of:

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

Exception to Exclusion:

However, exclusion 7.b. shall not apply as respects any “claim” asserted under the Employee Retirement Income Security Act (ERISA) for an alleged retaliatory discharge if such benefits are included as items of damage for an “employment practices wrongful act” that would otherwise be covered by this policy.

10. Fraudulent or Dishonest Acts

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

Exception to Exclusion:

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

11. Judicial Penalties

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

12. Handling Of “Loss”, “Employment Practices Wrongful Act”, “Claim” or “Suit” Within The “Retained Limit”

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

13. Labor Disputes

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

Exception to Exclusion:

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

14. Legal Services

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

15. Maintain Insurance

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

16. Named Insured

Any “claim” by the Named Insured or on its behalf.

17. Non-Monetary

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

Exception to Exclusion:

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

18. Nuclear Hazard

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

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

19. Prior Acts

- a. Any “employment practices wrongful act” of which any insured who is an elected or appointed official, principal, partner, officer, director, trustee, employed or retained counsel, or “employee(s)” with personnel or risk management responsibility was aware, through actual knowledge, of the facts or circumstances of such “employment practices wrongful act” prior to the Effective Date shown in the Declarations of this policy;
- b. Any “loss” or “claim” based upon or arising out of:
 - (1) An “employment practices wrongful act” which was known to an insured prior to the inception date of this policy and for which a “claim” was reasonably foreseeable; or
 - (2) Any “loss” for which an insured has reported, or should have reported, an “employment practices wrongful act” soliciting coverage under any policy of insurance prior to the inception date of this policy.

20. Prior or Pending Notice or Legal Action

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

- a. To any prior or pending legal action or litigation, administrative or regulatory proceeding, “claim”, demand, arbitration, decree or judgment against any insured before the Effective Date of this policy, or Retroactive Date, whichever is earlier, including any administrative or regulatory proceeding:
 - (1) resulting from or in consequence of such pending or prior litigation, administrative or regulatory proceeding;
 - (2) derived in whole or in part from the facts and/or matters averred or alleged in any such pending or prior litigation, administrative or regulatory proceeding; or

(3) derived from the same or essentially the same fact, actual or alleged;

- b. To any fact, circumstance, event, situation, or “employment practices wrongful act” that was the subject of any reporting or notice under any similar policy of insurance issued to the insured.

21. Pollution

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

- a. Actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants” at any time;
- b. Any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the affects of “pollutants”; or
- c. Any “suit” by or on behalf of a government authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to, or assessing the affects of, “pollutants”.

22. Representative Insurance Benefits

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

23. Separation Payment

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

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

Exception to Exclusion:

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

24. Violation Of Laws

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

Exception to Exclusion:

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

25. Violation Of Laws Applicable to Employers

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

Act, or any other similar state or local statutes, rules or regulations, to the extent that they prescribe responsibilities or duties concerning the same acts or omissions.

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

Exception to Exclusion:

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

26. Wage and Hour Law

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

Exception to Exclusion:

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

27. War and Military Action

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

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

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

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

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

28. Workers' Adjustment and Retraining Notification Act

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

Exception to Exclusion:

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

29. Workers Compensation and Similar Laws

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

Exception to Exclusion:

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

SECTION III — WHO IS AN INSURED

A. INSURED:

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

1. **You:** The Named Insured stated in the Declarations. The Named Insured is herein referred to as the "Educational Entity" stated as a Named Insured in the Declarations;
2. **Board of Education, Superintendents, Principals and Administrators:** All persons who were, now are, or shall be elected during the "policy period" or appointed or employed members of the Board of Education, Trustees, Directors, Superintendents, Assistant Superintendents, Administrators, Assistant Administrators, Principals, Vice Principals, or any equivalent administrative position of the Named Insured or "Educational Entity", while acting within the course and scope of conduct and within the authority granted by reason of their position in performing their duties for the "Educational Entity";
3. **Schools:** Schools under the jurisdiction of any "Educational Entity" listed as a Named Insured;
4. **School Board and Commission Members:** Members of school commissions, boards or other units operated by and under the jurisdiction of the "Educational Entity", while acting within the course and scope of conduct and within the authority granted by reason of their position in performing their duties for the "Educational Entity";

Not Insured: However, no member of a school commission, board, administrative department or other unit that is an autonomous entity; or that is wholly subject to independent or outside oversight, control or direction; or whose liability is not the result of the oversight, control or direction of the insured "Educational Entity", will be an insured under this Policy;

5. **Employees and Volunteer Workers:** All "employees" and all persons who perform "volunteer worker" service for the "Educational Entity", but only while acting within the scope and authority of their duties for and as authorized by such "Educational Entity", for duties that are otherwise covered by this Policy;
6. **Student and Substitute Teachers:** Student teachers and substitute teachers, but only while acting within the scope and authority of their duties for and as authorized by the "Educational Entity", for duties that are otherwise covered by this Policy;
7. **Estates, Heirs, Legal Representatives:** The estates, heirs, legal representative or assigns of deceased persons who were insureds at the time of a covered "loss", but only to the extent that they would otherwise be provided coverage under this Policy;

- 8. Your Legal Representatives or Assigns:** The legal representatives or assigns of the Insured(s), but only in the event of their incompetency, insolvency or bankruptcy, during the “policy period”, but only to the extent that such Insured(s) would have otherwise been afforded coverage under this Policy.

Not Insureds:

The following are Not Insureds under this policy:

- a. Any Insured, including the “Educational Entity”, with respect to the operation of boards, commissions or other units, the members of which are not afforded coverage under **2.** above; and
- b. Any independent contractor, person(s) or entities who are on retainer, are a consultant or are under contract for services, for any Insured, except those independent contractors who are performing services as a teacher or administrator if such independent contractor(s) has a written contract with the “Educational Entity” and any schools under the jurisdiction of such “Educational Entity”, but only for acts under the direction, and within the scope and authority granted by that “Educational Entity” in the performance of educational activities for that Insured.

B. OTHER INSURED:

In addition to those Insureds described in **A.** above, each of the following is an Insured, except if otherwise excluded herein or by endorsement:

- 1. Mutual Aid Agreements:** Any person or organization providing service to an Insured under a mutual aid contract or similar agreement that is otherwise covered by this policy, but only to the extent of their liability under that contract or agreement, for acts that are within the course and scope of that mutual aid contract or similar agreement for the Insured;
- 2. Newly Acquired Organizations:** Any organization the “Educational Entity” newly acquires or forms, other than a partnership, joint venture, limited liability company or for-profit corporation, and over which that insured “Educational Entity” maintains ownership or a majority interest, will qualify as an Insured under this Policy, if there is no other similar insurance available to that organization.

However:

- a. Coverage under this provision is afforded only until the 120th day after you acquire or form the organization or the end of the “policy period”, whichever is earlier; and
- b. Coverage does not apply to any “employment practices wrongful act” that commenced before you acquired or formed the organization;

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

We reserve the right within the 120 day coverage period outlined in **2.a.** above to endorse this policy to exclude coverage for the new organization; however, should we exercise this right we will provide a thirty-day (30) notice of such new organization being excluded.

C. ADDITIONAL INSURED:

The following are Additional Insured(s) under this policy, except if otherwise excluded, but only to the extent coverage would otherwise be afforded to the Insured under this policy.

- 1. “Educational Entity” Organizations:** Organizations affiliated with and supporting the “Educational Entity”, such as Parent Teacher Organizations, Booster Clubs, Student Body Organizations, including the members of these clubs or organizations, are additional insureds while under the authorization and jurisdiction of the “Educational Entity’s” governing board.
- 2. Students in Practicum:** Any student while participating in activities required to complete any nurse training and similar allied health courses, but only while completing course work required by you;

3. **Safety Patrol:** Students and their respective parent(s) or legal guardian(s) who serve as members of an Insured "Educational Entity's" Safety Patrol, by whatever name used, are included as an additional insured, but only to the extent such student, parent or legal guardian is held liable for an "employment practices wrongful act" caused by your Insured Safety Patrol Operations that are not otherwise excluded under this policy.

SECTION IV — LIMITS OF INSURANCE

The Limits of Insurance of this Coverage Form apply only in excess of the "Retained Limit".

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

A. RETAINED LIMIT

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

B. LIMITS OF INSURANCE

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

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

- c. To “loss adjustment expense(s)” associated with “claims” or “suits” of “employment practices wrongful act(s)” within the “retained limit”.
3. The Annual Aggregate is the most we will pay in excess of the “retained limit” for each “policy period” for the sum of all “loss” and “loss adjustment expense(s)” because of “employment practices wrongful act(s)” to which this insurance applies. In no event will our total Limit of Insurance be increased for any Extended Reporting Period.
4. The Each “Employment Practices Wrongful Act” Limit is the most we will pay in excess of the “retained limit” for the sum of all “loss” and “loss adjustment expenses” because of all “employment practices wrongful act(s)” arising out of any one “claim”.
5. In determining the Limit of Insurance that applies, all such acts, errors or omissions committed by one or more insureds that are substantially the same or are in any way directly or indirectly related – either logically, causally or temporally – shall be deemed to constitute one “Employment Practices Wrongful Act”, regardless of the number of “claims” or claimants. The entire “Employment Practices Wrongful Act” will be deemed to have been committed on the date of the first act, error or omission.
6. Incurred “loss adjustment expense(s)” reduces the Limits of Insurance provided by this insurance.

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

SECTION V — CONDITIONS

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

1. Assignment

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

2. Claims Administrator

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

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

3. Insured’s Duties In The Event Of A “Loss”, “Employment Practices Wrongful Act”, “Claim” Or “Suit”

- a. You must see to it that your Claims Administrator is notified as soon as practicable of any “loss” or “employment practices wrongful act” which may result in a “claim” or “suit”. Written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses will be reported to the Claims Administrator.

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

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

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

4. Other Insurance

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

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

5. Educational Entity Authorization Clause

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

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

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

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

SECTION VI — DEFINITIONS

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

1. AUTO

“Auto” means:

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

However, “auto” does not include “mobile equipment”.

2. BODILY INJURY

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

3. CLAIM

“Claim” means:

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

4. COVERAGE TERRITORY

“Coverage Territory” means:

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

5. DISCRIMINATION

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

6. EMPLOYEE

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

7. EMPLOYMENT PRACTICES WRONGFUL ACT

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

a. Person, or any class of persons, arising out of any one or more of the following offenses:

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

- c. Person or any class of person arising out of any “discrimination” or harassment directly or indirectly related to the past, present or prospective employment by any insured.

An “Employment Practices Wrongful Act” will apply:

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

8. EXECUTIVE OFFICER

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

9. LEASED WORKER

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

10. LOADING OR UNLOADING

“Loading or Unloading” means the handling of property:

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

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

11. LOSS OR LOSSES

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

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

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

12. LOSS ADJUSTMENT EXPENSE

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

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

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

13. MOBILE EQUIPMENT

"Mobile Equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

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

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

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

14. OCCURRENCE

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

15. POLICY PERIOD

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

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

16. POLLUTANT(S)

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

17. PROPERTY DAMAGE

"Property Damage" means:

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

18. RETAINED LIMIT

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

19. SERVICE CONTRACTOR

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

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

20. SUIT

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

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

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

21. TEMPORARY WORKER

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

22. VOLUNTEER WORKER

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

SECTION VII — EXTENDED REPORTING PERIOD — BASIC AND OPTIONAL SUPPLEMENTAL

A. An Extended Reporting Period as described below, will be provided if this Coverage Form is canceled or non-renewed by us, except for nonpayment of premium; or if we renew or replace coverage with insurance that:

- a.** Has a Retroactive Date later than the date shown in the Declarations; or
- b.** Provides Employment Practices Liability coverage on other than a Claims-Made basis.

1. A Basic Extended Reporting Period is automatically provided without additional charge. This period begins at the end of the “policy period” and lasts for sixty (60) days. It does not extend the “policy period” or change the scope of coverage provided. It applies only to “claims” to which the following applies:

- a.** The “claim” is first made during the Extended Reporting Period;
- b.** The “employment practices wrongful act” commences before the end of the “policy period”; and
- c.** The “employment practices wrongful act” did not commence before the “policy period”, or before the Retroactive Date, if any, shown in the Declarations for this Coverage Form.

The Basic Extended Reporting Period does not apply to “claim(s)” covered under any subsequent policy.

2. Coverage for an optional Supplemental Extended Reporting Period must be added by endorsement and an additional premium charge must be paid. Such period starts sixty (60) days after the end of the “policy period”.

3. You will have a one-time option to elect the period of time for which the Supplemental Extended Reporting Period will apply, which in no event will exceed thirty-six (36) months. The available one-time options are listed below:

- a.** Twelve (12) month option;
- b.** Twenty-four (24) month option; or
- c.** Thirty-six (36) month option.

4. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a.** The exposures insured;
- b.** Previous types and amounts of insurance;
- c.** Limit of Insurance available under this policy for future payment of damages; and
- d.** Other related factors.

The additional premium will not exceed 200% of the annual premium for this policy.

Once in effect, the Supplemental Extended Reporting Period may not be canceled and the applicable additional premium is fully earned.

5. This right to purchase the Supplemental Extended Reporting Period will terminate unless written notice is given to us no later than sixty (60) days after the effective date of cancellation or non-renewal of this Coverage Form. Payment in full of the Supplemental Extended Reporting Period additional premium, plus any outstanding premiums or recoveries owed to us, will be made concurrently with such written notice for such Supplemental Extended Reporting Period to become effective.

6. The Extended Reporting Period does not extend the "policy period" or change the scope of coverage provided. Subject to the terms, Limits of Insurance, "Retained Limit", exclusions and conditions of this policy, this Employment Practices Liability Coverage Form is extended to apply to "claim(s)" first made against the insured during the Basic Extended Reporting Period, or if purchased, the Supplemental Extended Reporting Period, but only to "claim(s)" due to "employment practices wrongful act(s)" committed prior to the end of the "policy period".
7. The Extended Reporting Period does not reinstate or increase this Coverage Form's Limits of Insurance. "Claim(s)" which are first received and recorded during the Basic Extended Reporting Period or the Supplemental Extended Reporting Period, if in effect, will be deemed to have been made on the last day of the "policy period".

NOTICE TO INSURED OF AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE ENDORSEMENT PREMIUM DEVELOPMENT

THE PREMIUM SHOWN ON THE DECLARATIONS PAGE IS THE FINAL ANNUAL PREMIUM. SUBJECT TO THE CONDITIONS DESCRIBED IN ITEM # 2 BELOW, THIS POLICY WILL NOT BE AUDITED.

IMPORTANT: TO INSURE ACCURATE RECORD KEEPING AND CLAIMS VERIFICATION, THE ENTITY SHOULD CONTINUE TO SUBMIT ALL CHANGE REQUESTS TO THE AGENT AND/OR THE COMPANY. THE AGENT SHOULD FORWARD A COPY OF ALL CHANGE REQUESTS TO THE COMPANY.

1. BUSINESS AUTO – LIABILITY:

Coverage is automatically provided for ANY AUTO the Named Insured owns or acquires during the Policy Period.

2. BUSINESS AUTOMOBILE PHYSICAL DAMAGE “FLEET AUTOMATIC”:

Coverage is provided on a “Fleet Automatic” basis. This means that any “auto” the Insured acquires during the term of the policy will be covered automatically, provided it is an additional new “auto” or replaces an “auto” the entity previously owned which had Physical Damage coverage. The entity must inform the Company that they desire Physical Damage coverage for these “autos” within 30 days after the Insured acquires such “auto(s)”. The Insured must submit a request for Physical Damage Coverage for any “auto” which does not meet the conditions outlined above. Coverage for these “auto(s)” will be added by endorsement.

New
Renewal of

ARGONAUT INSURANCE COMPANY

POLICY NUMBER:
2902137-00

225 West Washington Street, 24th Floor, Chicago, IL 60606

BUSINESS AUTO LIABILITY RETAINED LIMIT COVERAGE FORM DECLARATIONS

Item 1. Named Insured and Mailing Address

Elizabeth Board of Education
500 North Broad St
Elizabeth, NJ 07208

Agent Name and Address

Paragon Insurance Holdings, LLC
DBA Trident Public Risk Solutions
45 Nod Road
Avon CT 06001

Policy Period: From: 7/1/2020 To: 7/1/2021

12:01 A.M. Standard Time at your mailing address.

Form of Business: SCHOOL

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

ITEM TWO— SCHEDULE OF COVERAGES

AND COVERED AUTOS OR COVERED EMERGENCY UNITS

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos" or covered "emergency units". "Autos" or "Emergency Units" are shown as covered "autos" or covered "emergency units" for a particular coverage by the entry of the coverage symbol shown under the COVERED AUTOS Section next to the name of the coverage. Refer to the applicable coverage form for coverages provided.

COVERAGES	COVERED AUTOS OR EMERGENCY UNITS*	LIMIT THE MOST WE WILL PAY FOR ANY ONE ACCIDENT OR LOSS		PREMIUM
AUTO LIABILITY	A.1-3, 6-10 B. 1-3	\$ 5,000,000		\$ Included
PERSONAL INJURY PROTECTION (P.I.P.)**	N/A	SEPARATELY STATED IN EACH P.I.P. ENDT. MINUS \$ DEDUCTIBLE/SIR		\$
ADDED P.I.P. (or equivalent added No- Fault Cov.)	N/A	SEPARATELY STATED IN EACH ADDED P.I.P. ENDORSEMENT		\$
PROPERTY PROTECTION INSURANCE (P.P.I.) (Michigan only)	N/A	SEPARATELY STATED IN THE P.P.I. ENDORSEMENT MINUS \$ Deductible/SIR FOR EACH ACCIDENT		\$
AUTO MEDICAL PAYMENTS	N/A	\$		\$
UNINSURED MOTORISTS (UM)	N/A	\$		\$
UNDERINSURED MOTORISTS (UIM) (when not included in UM Coverage)	N/A	\$		\$
AUTO LIABILITY SIR	\$5,250,000	AUTO LIABILITY MAINTENANCE DEDUCTIBLE (if any)	\$	
NUMBER OF COVERED "AUTOS" or COVERED "EMERGENCY UNITS" *				
PREMIUM FOR ENDORSEMENTS			\$ Included	
ESTIMATED TOTAL PREMIUM ***			\$ Included	

STATE FEE OR SURCHARGE, IF APPLICABLE
State: NJ

\$Included

New
Renewal of

ARGONAUT INSURANCE COMPANY

POLICY NUMBER:
2902137-00

225 West Washington Street, 24th Floor, Chicago, IL 60606

BUSINESS AUTO LIABILITY RETAINED LIMIT COVERAGE FORM DECLARATIONS (CONTINUED)

* Entry of the number of COVERED AUTOS or COVERED EMERGENCY UNITS will designate the number of autos and emergency units that are Covered "Autos" or Covered "Emergency Units". Where a symbol is shown, the symbol will reflect the ISO symbol designating the coverage that applies to the Covered Autos or Covered Emergency Units.

** Or equivalent No-Fault Coverage

**FORMS AND ENDORSEMENTS APPLYING TO THIS COVERAGE PART AND MADE PART OF
THIS POLICY AT TIME OF ISSUE:**

SEE POLICY FORMS LIST

Countersigned:

By _____.*

**THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE
COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO
FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.**

Schedule Of Automobiles

Coverage is afforded only where indicated by a "YES"

Description of the Automobile and Facts Respecting its Purchase by the Covered Party.

Attached to and forming part of Certificate Number: 2902137-00

Effective Date: 7-1-2020

Vehicle #	Description		VIN	Class Code
AS PER SCHEDULE ON FILE WITH COMPANY				
	Value	Comprehensive	Collision	Specified Perils
	Liability	UM/UIM	No Fault	Loss Payee

Vehicle #	Description		VIN	Class Code
	Value	Comprehensive	Collision	Specified Perils
	Liability	UM/UIM	No Fault	Loss Payee

Vehicle #	Description		VIN	Class Code
	Value	Comprehensive	Collision	Specified Perils
	Liability	UM/UIM	No Fault	Loss Payee

Vehicle #	Description		VIN	Class Code
	Value	Comprehensive	Collision	Specified Perils
	Liability	UM/UIM	No Fault	Loss Payee

Vehicle #	Description		VIN	Class Code
	Value	Comprehensive	Collision	Specified Perils
	Liability	UM/UIM	No Fault	Loss Payee

Vehicle #	Description		VIN	Class Code
	Value	Comprehensive	Collision	Specified Perils
	Liability	UM/UIM	No Fault	Loss Payee

BUSINESS AUTO LIABILITY RETAINED LIMIT COVERAGE FORM FOR EDUCATIONAL INSTITUTIONS - LIMITED REPORTING

LOSS ADJUSTMENT EXPENSE INCLUDED WITHIN THE RETENTION, AND INSIDE THE LIMITS OF INSURANCE

Throughout this policy, the words “you”, and “your” and “Named Insured” refer to the entity identified as the “Named Insured” in the Declarations. The words “Insured” or “Insureds” refer to any person or organization qualifying as an “Insured” under **SECTION III - WHO IS AN INSURED**. The words “we”, “us”, “our” and “Company” refer to the Company stated in the Declarations as providing this insurance.

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

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

SECTION I – COVERED AUTOS

- A.** The following are **Covered Autos** for each of the coverages provided by this policy, unless otherwise stated, or as amended by endorsement that is attached to and made a part of this policy:
1. Specifically described “autos” per the Schedule that is on file with the Company at the time of “loss” or “accident” that occurs during the “policy period”;
 2. “Private passenger autos” you acquire during the “policy period”;
 3. “Autos” other than “private passenger autos” that you acquire during the “policy period”;
 4. “Autos” you own or acquire during the “policy period” that are required to have No-Fault benefits in the state where they are licensed or principally garaged;
 5. “Autos” you own or acquire during the “policy period” that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject, Uninsured Motorists Coverage;
 6. “Trailers” you own or acquire during the “policy period”; and for Liability coverage, any “trailers” you do not own while they are attached to power units you do own, during the “policy period”;
 7. “Autos” that you hire, rent or lease during the “policy period”, including substitute, replacement or extra “autos” necessary to meet the needs of your operations, seasonal or otherwise, if the lease, rental or hire agreement requires you to provide direct primary insurance for such “auto”;
 8. “Autos” owned by or leased to your “executive officers”, supervisors, directors, board members, commissioners, “employees”, volunteers and conscripted persons, while being used within the course and scope of such person’s duties for you, during the “policy period”;
 9. “Autos” that you do not own, including “autos” that you borrow during the “policy period”, if such “autos” are used to meet the needs of your operations, seasonal or otherwise, while such “autos” are in your entrustment, possession or care;
 10. “Autos” you do not own that are “commandeered autos”, while such “commandeered autos” are being used as part of an emergency situation;
 11. “Mobile Equipment” that qualify under the definition of “mobile equipment” under this policy if they are not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.

B. Certain Trailers, Mobile Equipment And Temporary Substitute Autos

If Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Liability Coverage in the "coverage territory", during the "policy period":

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads;
2. "Mobile equipment" while being carried or towed by a covered "auto";
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
 - (1) Breakdown;
 - (2) Repair;
 - (3) Servicing;
 - (4) "Loss"; or
 - (5) Destruction.

SECTION II – LIABILITY COVERAGE

A. COVERAGE

We will pay on behalf of the insured those sums in excess of the "retained limit" that the insured becomes legally to pay as "loss" because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay on behalf of the insured those sums in excess of the "retained limit" that the insured becomes legally to pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

The amount we will pay for "loss" and "loss adjustment expense" in excess of the "retained limit" is limited as described under **SECTION V - LIMIT OF INSURANCE**.

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

1. This insurance applies to "bodily injury", "property damage" and "covered pollution cost or expense" only if, prior to the "policy period", no insured listed under **SECTION III - WHO IS AN INSURED** or any insured who is authorized by you to give or receive notice of a "loss", "accident", "claim" or "suit", knew or had reason to know the "bodily injury", "property damage" or "covered pollution cost or expense", had occurred in whole or in part. If any such insured knew or had reason to know, prior to the "policy period", that the "bodily injury", "property damage" or "covered pollution cost or expense" occurred, in whole or in part, then any continuation, change, or resumption of such "bodily injury", "property damage" or "covered pollution cost or expense" during or after the "policy period" will be deemed to have been known prior to the "policy period".
2. The "bodily injury", "property damage" or "covered pollution cost or expense" which occurs during the "policy period" and was not, prior to the "policy period", known to have occurred by any insured listed under **SECTION III - WHO IS AN INSURED** or any insured authorized by you to give or receive notice of a "loss", "accident", "claim" or "suit" includes any continuation, change or resumption of that "bodily injury", "property damage" or "covered pollution cost or expense" after the end of the "policy period".
3. The "bodily injury", "property damage" or "covered pollution cost or expense" will be deemed to have been known to have occurred at the earliest time when any insured listed under **SECTION III - WHO IS AN INSURED** or any insured authorized by you to give or receive notice of a "loss", "accident", "claim" or "suit":

- (1) Reports all, or any part, of the "bodily injury", "property damage" or "covered pollution cost or expense" to us or any other insurer;
 - (2) Receives a written or verbal demand or "claim" for damages because of the "bodily injury", "property damage" or "covered pollution cost or expense"; or
 - (3) Becomes aware by any other means that "bodily injury", "property damage" or "covered pollution cost or expense" has occurred or has begun to occur.
4. The entire "bodily injury", "property damage" or "covered pollution cost or expense" will be deemed to have occurred on the date of the first "accident" or event causing such "bodily injury", "property damage" or "covered pollution cost or expense".
 5. "Loss" because of "bodily injury" includes damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

COVERAGE EXTENSIONS

1. Pollution Clean Up and Removal

This insurance will cover in excess of the "retained limit" your necessary expenses to extract "pollutants" from land or water if the release, discharge or dispersal of the "pollutants" results from a covered "loss" or "accident" to covered "autos", or any other equipment or property that is covered by this Coverage Form, if such covered "loss" or "accident" occurs in the "coverage territory", during the "policy period". Your expenses will be paid in excess of the "retained limit" only if they are reported to us in writing within 180 days of the earlier of:

- a. The date of the covered direct physical "loss" or "accident"; or
- b. The end of the "policy period".

2. Fellow Employee

This insurance will cover in excess of the "retained limit" "bodily injury" to an "employee", volunteer or conscripted person arising out of the actions of another "employee", volunteer or conscripted person, if such "bodily injury" arises out of and in the course of the fellow "employee's" employment, or the fellow "employee's", volunteer's or conscripted person's performance of duties related to the conduct of your operations.

3. Out-Of-State Coverage Extensions

While a covered "auto" is away from the state where it is licensed this insurance will:

- a. Increase the Limit of Insurance for Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- b. Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

This insurance will not pay anyone more than once for the same elements of "loss" or "accident" because of these Coverage Extensions.

SUPPLEMENTARY PAYMENTS

Supplementary Payments

A. The insured will have the obligation to:

1. Pay all "loss" or damages for "bodily injury", "property damage" and "covered pollution cost or expense" covered by this policy which amounts are within the "retained limit"; and

2. Provide an adequate defense, investigate any "loss", "accident", "claim" or "suit", and to accept any offer of settlement within the "retained limit" that is deemed reasonable by us, with regard to any "bodily injury", "property damage" and "covered pollution cost or expense" covered by this policy:
 - a. The insured shall pay all "loss adjustment expense" that relates to the defense of "claims" or "suits" within the "retained limit";
 - b. We will not pay any "loss adjustment expense" above what we would have otherwise paid had the "loss" been settled for any reasonable offer within the "retained limit";
 3. Should the Insured or the Claims Administrator fail to pay any amounts for "loss" or to provide such defense, that would otherwise be required by the coverage, terms and conditions of this policy, we may elect to pay these "losses", or to provide such defense as is necessary to meet such coverage, terms and conditions of the policy. If we elect to make such payment or provide such defense for amounts that are within the "retained limit", you will promptly reimburse us for the amounts we elect to pay as "loss", and the sum of all "loss adjustment expenses" we incur to provide defense that would have otherwise been included within the "retained limit".
- B. We will have the right, but not the obligation, to assume charge of the defense of any "claim" or "suit" at our expense.
- C. We have the right, but neither the duty nor obligation, to associate with the insured at our expense in the defense, investigation or settlement of any "claim" or "suit" seeking damages to which this insurance may apply if the damages sought are in excess of the "retained limit" or which, in our opinion, may create liability for us under this policy. In such event, the insured will cooperate fully.
1. No "loss adjustment expense" shall be incurred on behalf of the Company without our written consent;
 2. The insured will not enter into any settlement that may impact this policy, agree to a judgment or consent against it or assign rights under this policy to anyone unless we first consent in writing; and
 3. Upon our written request, the insured will tender such portion of the "retained limit" as we may deem necessary to complete the settlement of such "claim" or "suit".
- D. We have the right and duty to defend the insured against any "claim" or "suit" seeking damages for "bodily injury", "property damage", or "covered pollution cost or expense" to which this insurance applies only when the "retained limit" has been exhausted because of judgments, settlements and "loss adjustment expense(s)" paid to a third party under **SECTION II – LIABILITY COVERAGE, A. COVERAGE**:
1. The amount we will pay in excess of the "retained limit" is fixed as described in **SECTION V - LIMIT OF INSURANCE**; and our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements or "loss adjustment expenses".
 2. All "loss adjustment expense(s)" we incur in the defense of any "claim" or "suit" are included within and erode the Limits of Insurance, except for the salaries of our "employees", or our office expenses.
 3. When the duty to defend exists, we will pay the following "loss adjustment expenses":
 - a. All expenses we incur;
 - b. The cost of bonds to release attachments in any "suit" against the insured we defend, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds;
 - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim" or "suit", including actual loss of earnings up to \$500 a day because of time off from work;
 - d. All costs taxed against an insured in any "suit" we defend;
 - e. Prejudgment interest awarded against any insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer; or

- f. Interest on the amount of any judgment in excess of the “retained limit” that accrues after entry of the judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

We are not responsible to pay any “loss adjustment expenses” for any settlement or judgment amounts within the “retained limit”.

- E. We will have no duty to defend the insured against any “suit” seeking damages for “losses” or “accidents” to which this insurance does not apply.
- F. We have the right, but no duty, to appeal any judgment.
- G. We will have no duty to pay any “loss” or to defend any “claim” or “suit” that any other insurer has a duty to pay or defend. If no other insurer defends, we may do so, but we will be entitled to the insured’s rights against all those other insurers.

SECTION III - WHO IS AN INSURED

A. INSURED:

The term Insured means the entity in the Declarations as respects any covered “auto” that is otherwise covered by this policy, and except as excluded herein or by endorsement to this policy includes the following:

1. **You:** The Named Insured stated in the Declarations. The Named Insured is herein referred to as the “Educational Entity” shown as the Named Insured in the Declarations;
2. **Board of Education, Superintendents, Principals and Administrators:** All persons who were, now are, or shall be elected during the “policy period” or appointed or employed members of the Board of Education, Trustees, Directors, Superintendents, Assistant Superintendents, Administrators, Assistant Administrators, Principals, Vice Principals, or any equivalent administrative position of the Named Insured or “Educational Entity”, while acting within the course and scope of conduct and within the authority granted by reason of their position in performing their duties for the “Educational Entity”;
3. **Schools:** Schools under the jurisdiction of any “Educational Entity” listed as a Named Insured;
4. **School Board and Commission Members:** Members of school commissions, boards or other units operated by and under the jurisdiction of the “Educational Entity”, while acting within the course and scope of conduct and within the authority granted by reason of their position in performing their duties for the “Educational Entity”;

Not Insured: However, no member of a school commission, board, administrative department or other unit that is an autonomous entity; or that is wholly subject to independent or outside oversight, control or direction; or whose liability is not the result of the oversight, control or direction of the “Educational Entity”, will be an insured under this policy;

5. **Employees and Volunteer Workers:** All “employees” and all persons who perform “volunteer worker” service for the “Educational Entity”, but only while acting within the scope and authority of their duties for and as authorized by such “Educational Entity”, for duties that are otherwise covered by this policy;
6. **Student and Substitute Teachers:** Student teachers and substitute teachers, but only while acting within the scope and authority of their duties for and as authorized by the “Educational Entity”, for duties that are otherwise covered by this policy;
7. **Estates, Heirs, Legal Representatives:** The estates, heirs, legal representative or assigns of deceased persons who were insureds at the time of a covered “loss”, but only to the extent that they would otherwise be provided coverage under this policy;
8. **Your Legal Representatives or Assigns:** The legal representatives or assigns of the Insured(s), but only in the event of their incompetency, insolvency or bankruptcy, during the “policy period”, but only to the extent that such Insured(s) would have otherwise been afforded coverage under this policy.

Not Insureds:

The following are Not Insureds under this policy:

- a. Any Insured, including the "Educational Entity", with respect to the operation of boards, commissions or other units, the members of which are not afforded coverage under **2.** above; and
- b. Any independent contractor, person(s) or entities who are on retainer, are a consultant or are under contract for services, for any Insured, except those independent contractors who are performing services as a teacher or administrator if such independent contractor(s) has a written contract with the "Educational Entity" and any schools under the jurisdiction of such "Educational Entity", but only for acts under the direction, and within the scope and authority grant.

B. OTHER INSURED

In addition to those Insureds described in **A.** above, each of the following is an Insured as respects a covered "auto" under this policy, except if otherwise excluded herein or by endorsement:

1. **Mutual Aid Agreements:** Any person or organization providing service to an Insured under a mutual aid contract or similar agreement that is otherwise covered by this policy, but only to the extent of their liability under that contract or agreement, for use of a covered "auto" that is within the course and scope of that mutual aid contract or similar agreement for the Insured;
2. **Hired or Borrowed Auto:** The following will be an Insured under this policy, unless excluded herein or by endorsement:
 - a. The owner or anyone else from whom you hire or borrow a covered "auto" while such person is using a covered "auto" during the course and scope of their respective duty(ies) for you in your operations;
 - b. Any other person, while such person is using a covered "auto" with your permission during the course and scope of their respective duty(ies) for you in your operations.

However, such Insured status will **not** apply to the following even if they otherwise meet the criteria in **2.a.** or **2.b.:**

- (1) Insured status does not apply to a "trailer" connected to an "auto", even if the covered "auto" is a "trailer" connected to a covered "auto" you own;
 - (2) Insured status does not apply to anyone using a covered "auto" while he or she is working in a business or operation of selling, servicing, repairing, parking or storing "autos", unless that business is yours;
 - (3) Insured status does not apply to anyone other than your "executive officers", "employees", volunteers, conscripted persons, board members, commissioners, or a lessee or borrower, or any of their "employees", while moving property to or from a covered "auto";
 - (4) Insured status does not apply to anyone while using an "auto", including a covered "auto", outside the course and scope of their duties for you, or not in the course of your operations.
3. **Leased Auto:** A lessor of a covered "auto", if the leasing agreement requires you to provide direct primary insurance for such lessor/
 4. **Legal Liability:** Any person who is legally liable for the conduct of an Insured listed in **1., 2.a. or 2.b. or 3.**, but only to the extent of their specific liability for that Insured.
 5. **Public Entity Officials and Members**

Any board member or other elected or appointed official, member of the administrative staff, or other authorized volunteer or member is an Insured but only while using a covered "auto" you do not own, hire or borrow and only during the course of their respective duty(ies) for you as an "educational entity". This Insured status will extend to any other person who supplies that covered "auto"

6. Newly Acquired Organization

Any organization you own on the inception of this policy, or newly acquire or form during the policy period, and over which you maintain majority ownership or majority interest during the "policy period", will qualify as a Named Insured if:

- a.** There is no other similar insurance available to that organization; and
- b.** The first Named Insured shown in the Declarations of this policy has the responsibility of placing insurance for that organization; and
- c.** The organization is incorporated or organized under the laws of the United States of America.

However:

- i.** Coverage under this provision is afforded only until the next occurring 12 month anniversary of the beginning of the "policy period" shown in the Declarations, or the end of the "policy period", whichever is earlier; and
- ii.** Coverage under this provision does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you acquired or formed the organization; and
- iii.** No person or organization is an insured with respect to any current or past partnership, or joint venture that is not shown as a Named Insured in the Declarations; and
- iv.** Coverage under **6. a., b. or c.** above does not apply to any organization that is covered as an insured under any other automobile liability insurance policy whose limits of insurance have been exhausted or whose insurer has become insolvent.

7. Additional Insureds

The following are additional insureds, unless excluded herein or by endorsement:

- a.** Any person, organization, trustee, estate or "educational entity" with respect to the operation, maintenance or use of a covered "auto", if:
 - (1)** You are obligated to add that person, organization, trustee, estate or "educational entity" as an additional insured to this policy by:
 - i.** An express provision of an "insured contract" or written agreement; or
 - ii.** An express condition of a written permit issued to an insured by a governmental or public authority.
- b.** The "bodily injury" or "property damage" is caused by an "accident" which takes place after:
 - (1)** The insured executed the "insured contract" or written agreement; or
 - (2)** The permit has been issued to the insured.

SECTION IV - EXCLUSIONS

A. This insurance does not apply to any of the following:

1. Care, Custody or Control

This insurance does not apply to "property damage" or to "covered pollution cost or expense" involving any property owned or transported by the insured, or that is in the insured's care, custody or control.

Exception to Exclusion:

This exclusion does not apply to "property damage" to a building and its contents that is leased, rented or borrowed by the insured if such "property damage" is a result of a covered "loss" or "accident" under this policy.

This exclusion also does not apply to liability assumed under a sidetrack agreement.

2. Completed Operations

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph **a.** or **b.** above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed.
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
- (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

3. Contractual

Liability assumed under any contract or agreement.

Exception to Exclusion:

This exclusion does not apply to liability for damages:

- a. Assumed in a contract or agreement that is an "insured contract", provided that the "bodily injury" or "property damage" occurs subsequent to the execution of such contract or agreement; or
- b. That the insured would have in the absence of the contract or agreement.

4. Employee Indemnification And Employer's Liability

"Bodily injury" to:

- a. An "employee" of the insured arising out of and in the course of:
 - (1) Employment by the insured; or
 - (2) Performing the duties related to the conduct of the insured's business; or

- b. Any volunteer, including any "volunteer worker", in or arising out of the conduct or performance of their activities by, for or on behalf of any insured; or
- c. The spouse, child, parent, brother or sister of that "employee", volunteer or "volunteer worker" as a consequence of Paragraphs **a.** or **b.** above

This exclusion applies:

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

Exception to Exclusion:

This exclusion does not apply to "bodily injury" to domestic "employees" not otherwise entitled to workers' compensation benefits or to liability assumed by the insured under an "insured contract". For the purposes of the exception, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. Expected Or Intended Injury

"Bodily injury", "property damage" or "covered pollution cost or expense" expected or intended from the standpoint of the insured.

Exception to Exclusion:

This exclusion does not apply to:

- a. Expected or intended "bodily injury" or "property damage" resulting from actions taken to protect persons or property and arising out of the use of a covered "auto"; or
- b. "Bodily injury" or "property damage" resulting from an act by the insured which is performed within their legal authority and which is reasonably necessary to respond to an emergency situation.

6. Handling Of "Claims" Or "Suits" Within The "Retained Limit"

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

7. Handling Of Property

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the insured for movement into or onto the covered "auto"; or
- b. After it is moved from the covered "auto" to the place where it is finally delivered by the insured.

8. Movement Of Property By Mechanical Device

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

9. Operations

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

- a. Any equipment listed in Paragraphs **6.b.** and **6.c.** of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

10. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
 - (1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered "auto";
 - (2) Otherwise in the course of transit by or on behalf of the insured; or
 - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the insured for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the insured.

Exception to Exclusion:

Paragraph **a.** of this Pollution exclusion does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are necessary to the normal electrical, hydraulic or mechanical functioning of a covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from a covered "auto" part whose product design according to the manufacturer is to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs **6.b.** or **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above of this Pollution exclusion do not apply to an "accident" that occurs away from premises owned by or rented to an insured with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

11. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

12. War and Military Action

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

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

- c. Invasion, insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence.

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

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

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

SECTION V - LIMITS OF INSURANCE

The Limits of Insurance of this Coverage Form apply only in excess of the "Retained Limit".

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

RETAINED LIMIT:

- A. The "retained limit" shall be applied to each "bodily injury", "property damage" and "covered pollution cost or expense" for which coverage is afforded by this policy. The "retained limit" will be reduced by any "loss adjustment expense" incurred by the insured.
- B. The "retained limit" shall not be impaired by any "claim" or "suit" brought against an Insured which is not covered under this Coverage Form.
- C. The "retained limit" shall not include any amounts for "loss", injury or damages or for any "loss adjustment expense" for any "loss", "accident", "bodily injury", "property damage" or "covered pollution cost or expense" that first takes place prior to, or subsequent to, the "policy period".
- D. You agree not to insure or otherwise reinsure your "retained limit" without our knowledge and written permission. If insurance with any other insurer is available to cover a "claim" that is within the "retained limit", such other insurance is excess over the "retained limit". We will not make any payment until the other insurance and the applicable "retained limit" have been exhausted.
- E. This policy will not drop down to assume or satisfy your obligations under the "retained limit".
- F. You agree that in the event of a judgment or settlement in excess of the "retained limit," all outstanding amounts within the "retained limit" will be due and payable to us upon demand. Such payment must be made before we have paid, tendered or deposited in court, any part of said judgment or settlement. Failure of you to comply with this provision will not invalidate the policy, but in the event of such failure, we will be liable only to the extent that we would have been liable had you complied with this provision.

LIMITS OF INSURANCE:

- A. The **LIMITS OF INSURANCE** shown in the Declarations and the rules below fix the most the Company will pay in excess of the insured's "Retained Limit" shown in the Declarations, regardless of the number of:
 - 1. Covered "Autos";

2. "Covered Pollution Cost or Expense";
3. Insureds;
4. Vehicles involved;
5. Premiums paid;
6. "Losses" or "accidents";
7. "Claims" made or "suits" brought;
8. Persons, organizations or governmental agencies making "claims" or bringing "suits".

The most we will pay for the total of all "loss", "covered pollution cost or expense", and "loss adjustment expense" combined, resulting from any one "accident" is the Limit of Insurance for Auto Liability Coverage shown in the Declarations.

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage Endorsement, Uninsured Motorists Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Part.

- B.** Subject to the **LIMIT OF INSURANCE** stated above, we will pay for "loss" covered under this Coverage Form only after your "**RETAINED LIMIT**" stated in the Declarations has been exhausted because of judgments, settlements and "loss adjustment expenses" of "claims" or "suits". The "**RETAINED LIMIT**" stated in the Declarations applies:
1. Only to "loss" for "bodily injury", "property damage" or "pollution cost or expense" covered by this policy, and "loss adjustment expenses" arising therefrom; and
 2. Separately to each "accident" or series of continuous, repeated or related "accidents".
 3. To "loss adjustment expenses" associated with "claims" or "suits" for "bodily injury", "property damage", "pollution cost or expense" or "accidents" within the "retained limit".
- C.** The **COMBINED SINGLE LIMIT (CSL)** is the most we will pay in excess of the "retained limit" for the sum of all "loss" and "loss adjustment expense(s)" under "bodily injury", "property damage" and "pollution cost or expense" in excess of the "**RETAINED LIMIT**".
- D.** In determining the **LIMIT OF INSURANCE** that applies:
1. All "bodily injury" and "property damage" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident";
 2. All damages resulting out of continuous, repeated or related "pollution cost or expense" shall be treated as a single "loss" and the Limit of Insurance in effect at the first "pollution cost or expense" shall apply.
- E.** Incurred "loss adjustment expense(s)" will reduce the Limits of Insurance provided by this insurance.

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

SECTION VI –CONDITIONS

A. RETAINED LIMIT CONDITIONS

The following **Retained Limit Conditions** replace or add to the **Common Policy Conditions**, which also apply to this policy:

1. Assignment

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

2. Claims Administrator

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

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

3. Concealment, Misrepresentation Or Fraud

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

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A "claim" under this Coverage Form.

4. Insured's Duties In The Event Of A "Loss", "Accident", "Claim" Or "Suit"

- a. You must see to it that your Claims Administrator is notified as soon as practicable of any "loss" or "bodily injury", "property damage", "pollution cost or expense" or any "loss" or "accident" which may result in a "claim" or "suit". Written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses will be reported to the Claims Administrator.
- b. If a "claim" is made or a "suit" is brought against any insured, the insured will immediately forward to the appointed Claims Administrator every demand, notice, summons or other processes received by the insured or its representative; and in turn, the Claims Administrator will forward same to us.
- c. The insured will cooperate with us and at our request, consent to being examined and questioned by a representative of ours, under oath if necessary, attend hearings, depositions and trials and will assist in effecting settlement, securing and giving evidence and obtaining the attendance of witnesses in the conduct of "suits"; as well as in the giving of a written statement or statements to our representatives and defense.
- d. The insured will give us or our duly authorized representative such information and assistance as we may require and assist in the defense of any "claim" or "suit", subject to **Supplementary Payments** under **SECTION I - COVERAGES**.
- e. You must report to us as soon as practicable each "claim" or "loss" for which your estimated amount of "loss", including "loss adjustment expense", is 50% or more of the amount of the "retained limit". You must also immediately report:
 - (1) Any "suit" naming the Company providing this insurance;
 - (2) Any claim involving terrorism or suspected terrorism;
 - (3) Any proposed or certified class action lawsuit;
 - (4) All claims involving or which could reasonably be expected to involve litigation;

- (5) Any incident alleging sexual misconduct of any type, including rape, abuse, assault, molestation, harassment;
- (6) Environmental and/or catastrophic potential claims, including those involving contamination, pollution, toxic chemicals, nuclear, radiation, lead, fungus, mold and/or asbestos;
- (7) All cases of death or serious injury, including but not limited to the following:
 - (a) Cord Injury, including paraplegia, quadriplegia or paralysis;
 - (b) Injury to nerves at the base of the spinal canal (Cauda Equina), or any other back injury symptomized with resulting incontinence of bowel and/or bladder;
 - (c) Amputations requiring a prosthesis, or any loss of a major body member;
 - (d) Claims involving substantial body disfigurement or serious permanency;
 - (e) Brain damage affecting mentality or the central nervous system, such as permanent disorientation, behavior disorder, personality change, seizures, motor deficit, inability to speak (aphasia), hemiplegia or unconsciousness (comatose);
 - (f) Blindness of any type or duration, temporary or permanent;
 - (g) Hearing impairment of any type or duration, temporary or permanent;
 - (h) Burns – those involving over 10% of the body with third degree, or 30% of the body with second degree;
 - (i) Multiple fractures; involving more than one member or non-union;
 - (j) Fracture of both heel bones (fractured bilateral os calcis);
 - (k) Nerve damage causing paralysis and loss of sensation in arm and hand (brachial plexus nerve damage);
 - (l) Massive internal injuries affecting any body organ(s);
 - (m) Fatalities;
 - (n) Any other serious injury which, in your judgment, might involve us.

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

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

5. Other Insurance – “Retained Limit”

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

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

6. Other Insurance – How Coverage Applies

The following describes how the insured or the insured's Claims Administrator is to apply coverage under this Coverage Form for "losses" or "accidents", and "loss adjustment expenses" that are within the "retained limit". This does not alter any other Condition of this policy.

- a. For any covered "auto" you own, the terms of this Coverage Form provide primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance, except for the following:
 - (1) Any covered "auto" owned by your "executive officers", supervisors, directors, board members, commissioners, "employees", volunteers and conscripted persons, will be provided primary insurance under this Coverage Form, while such covered "auto" or covered "emergency unit" is being used within the course and scope of their duties for you.
 - (2) While a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this Coverage Form provides for the "trailer" is:
 - (a) Excess while it is connected to a motor vehicle you do not own.
 - (b) Primary while it is connected to a covered "auto" you own.
- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own, while such "auto" is in your possession or care, or is entrusted to you. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".
- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Liability Coverage is primary for any liability assumed under an "insured contract".
- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only in excess of the "retained limit", and as described under **SECTION V – LIMITS OF INSURANCE**.

7. Policy Period, Coverage Territory

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the "policy period" shown in the Declarations; and
- b. Within the "coverage territory".

The "coverage territory" is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico;
- d. Canada; and
- e. Anywhere in the world if:
 - (1) A covered "auto" of the private passenger type is leased, rented or borrowed without a driver for a consecutive period of 30 days or less;
 - (2) A covered "auto" is hired without a driver for a consecutive period of 30 days or less; and
 - (3) Under (1) or (2) the insured's responsibility to pay damages must be determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico, or Canada or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

8. Transfer of Rights of Recovery Against Others to Us

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

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

9. Waiver of Subrogation

As respects the coverage provided under this policy, any right of recovery we may have against any additional insured as provided under this Coverage Form is waived, but only as respects "loss" arising out of the operation, maintenance or use of a covered "auto" pursuant to the provisions and conditions of the "insured contract", written agreement or permit.

B. LOSS PAYMENT CONDITIONS

The Company will not pay any "loss" or "loss adjustment expense" that is within the "retained limit".

The following conditions apply in addition to the **Common Policy Conditions** and the **General Conditions**:

1. Appraisal For Physical Damage Loss

Under this insurance, if you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value and amount of "loss". If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If we submit to an appraisal, we will still retain our right to deny the "claim".

2. Loss Payment – Physical Damage Coverages

At our option we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

SECTION VII – DEFINITIONS

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".

B. "Auto" means:

1. A land motor vehicle, including its equipment other than portable firefighting and rescue related equipment; a "trailer" or semitrailer; designed for travel on public roads; or
2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

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

C. "Bodily injury" means physical harm, physical sickness or physical disease sustained by a person including death or mental anguish resulting from any of these at any time. When used in this Definition, mental anguish means any type of mental or emotional illness or distress when arising from physical trauma.

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

E. "Covered pollution cost or expense" means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
2. Any "claim" or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of "pollutants".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

a. That are, or that are contained in any property that is:

- (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered "auto";
- (2) Otherwise in the course of transit by or on behalf of the insured;
- (3) Being stored, disposed of, treated or processed in or upon the covered "auto";

b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the insured for movement into or onto the covered "auto"; or

c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the insured.

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate, or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph **6.b.** or **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above do not apply to "accidents" that occur away from premises owned by or rented to an insured with respect to "pollutants" not in or upon a covered "auto" if:

- (1) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and

(2) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

- F. "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".
- G. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker" or a "volunteer worker".
- H. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws, or any other similar governing document.
- I. "Insured contract" means:
1. A lease of premises;
 2. A sidetrack agreement;
 3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;
 6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing; or
 - b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
 - c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- J. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- K. "Loss" or "Losses" means any monetary amount that an insured is legally obligated to pay for a "claim" made against the insured for "bodily injury", "property damage" or "covered pollution cost or expense" for direct and accidental loss or damage covered by this policy, including but not limited to amounts for injuries, damages, judgments, settlements and awards.
- "Loss" or "losses" does not mean fines, penalties, or any matters which may be deemed uninsurable under the law pursuant to which this policy will be construed.
- "Loss" or "losses" does not mean "loss adjustment expense(s)".

- L.** “Loss Adjustment Expense” means all costs and expenses allocated to a specific “claim” or “suit” incurred in the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific “claim” or “suit”, including court costs and costs of supersedeas and appeal bonds, and including:
- a.** Pre-judgment interest, unless included as part of the award or judgment;
 - b.** Post-judgment interest; and
 - c.** Legal expenses and costs incurred in connection with coverage questions and legal actions connected thereto.

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

- M.** “Mobile equipment” means any of the following types of land vehicles, including any attached machinery or equipment:
- 1.** Bulldozers, farm machinery, forklifts and other vehicles designed for use solely on or next to premises you own or rent;
 - 2.** Vehicles maintained for use solely on or next to premises you own or rent;
 - 3.** Vehicles that travel on crawler treads;
 - 4.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a.** Power cranes, shovels, loaders, diggers or drills; or
 - b.** Road construction or resurfacing equipment such as graders, scrapers or rollers.
 - 5.** Vehicles not described in Paragraph **1.**, **2.**, **3.**, or **4.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a.** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - b.** Cherry pickers and similar devices used to raise or lower workers.
 - 6.** Vehicles not described in Paragraph **1.**, **2.**, **3.** or **4.** above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of “permanently attached equipment” are not “mobile equipment” but will be considered “autos”:
 - a.** Equipment designed primarily for:
 - (1)** Snow removal;
 - (2)** Road maintenance, but not construction or resurfacing; or
 - (3)** Street cleaning;
 - b.** Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - c.** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.

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

- N.** “Permanently attached equipment” means equipment that is welded, bolted or permanently screwed to the dashboard, firewall or body of the “auto”. Equipment inserted on permanently installed slide brackets with or without the use of setscrews or tension, or portable firefighting and rescue related equipment, shall not be construed as “permanently attached equipment”.

- O.** "Policy period" means the period beginning with the Effective Date shown in the Declarations and ending with the earlier of:
- 1.** The date of cancellation of this policy; or
 - 2.** The expiration date shown in the Declarations.
- P.** "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- Q.** "Private passenger auto(s)", singular or plural, means a private passenger or station wagon type "auto" and includes an "auto" of the pick-up truck or van type.
- R.** "Property damage" means damage to or loss of use of tangible property.
- S.** "Retained Limit" refers to the amount stated in the Declarations. You shall retain this amount as self-insurance as stated in the Declarations. The "retained limit" with respect to a self-insured retention shall include "loss adjustment expense(s)".
- T.** "Suit" means a civil proceeding in which:
- 1.** Damages because of "bodily injury" or "property damage"; or
 - 2.** A "covered pollution cost or expense",
- to which this insurance applies, are alleged.
- "Suit" includes:
- a.** An arbitration proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured must submit or does submit with our consent; or
 - b.** Any other alternative dispute resolution proceeding in which such damages or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.
- U.** "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- V.** "Trailer" includes semi-trailer.
- W.** "Volunteer Worker(s)" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you. "Volunteer worker" includes but is not limited to your volunteer firefighters, volunteer nurses, and other volunteer persons while acting specifically on your behalf or within the scope of their service or volunteer work for you, for activities that are otherwise covered under this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUPPLEMENTARY PAYMENTS

This endorsement modifies insurance provided under the following:

PUBLIC RISK BUSINESS AUTO LIABILITY RETAINED LIMIT COVERAGE FORM – LIMITED
REPORTING

BUSINESS AUTO LIABILITY RETAINED LIMIT COVERAGE FORM FOR EDUCATIONAL
INSTITUTIONS – LIMITED REPORTING

SECTION II – LIABILITY COVERAGE, SUPPLEMENTARY PAYMENTS, Supplementary Payments,

A. is deleted and replaced by the following:

A. The insured will have the obligation to:

1. Pay all “loss” or damages for “bodily injury”, “property damage” and “covered pollution cost or expense” covered by this policy which amounts are within the “retained limit”; and
2. Provide an adequate defense, investigate any “loss”, “accident”, “claim” or “suit” with regard to any “bodily injury”, “property damage” and “covered pollution cost or expense” covered by this policy:
 - a. The insured shall pay all “loss adjustment expense” that relates to the defense of “claims” or “suits” within the “retained limit”;
 - b. Should the Insured or the Claims Administrator fail to pay any amounts for “loss” or to provide such defense, that would otherwise be required by the coverage, terms and conditions of this policy, we may elect to pay these “losses”, or to provide such defense as is necessary to meet such coverage, terms and conditions of the policy. If we elect to make such payment or provide such defense for amounts that are within the “retained limit”, you will promptly reimburse us for the amounts we elect to pay as “loss”, and the sum of all “loss adjustment expenses” we incur to provide defense that would have otherwise been included within the “retained limit”.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OTHER INSURANCE

This endorsement modifies insurance provided under the following:

PUBLIC RISK AUTO LIABILITY RETAINED LIMIT COVERAGE FORM – LIMITED REPORTING
PUBLIC RISK BUSINESS AUTO LIABILITY RETAINED LIMIT COVERAGE FORM – LIMITED
REPORTING

BUSINESS AUTO LIABILITY RETAINED LIMIT COVERAGE FORM FOR EDUCATIONAL
INSTITUTIONS – LIMITED REPORTING

The **Other Insurance – “Retained Limit”** Condition is deleted and replaced by the following:

Other Insurance – “Retained Limit”

If other valid and collectible insurance applies to a “claim” or “suit” covered by this policy, and subject to the **LIMITS OF INSURANCE** section of this policy, this policy will apply excess of the other insurance, whether this insurance is primary, excess, contingent, or issued on any other basis.

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

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RETAINED LIMIT

This endorsement modifies insurance provided under the following:

PUBLIC RISK AUTO LIABILITY RETAINED LIMIT COVERAGE FORM – LIMITED REPORTING
BUSINESS AUTO LIABILITY RETAINED LIMIT COVERAGE FORM FOR EDUCATIONAL
INSTITUTIONS – LIMITED REPORTING

SECTION V – LIMITS OF INSURANCE, RETAINED LIMIT:, D. is deleted.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW JERSEY CHANGES

For a covered "auto" licensed or principally garaged in New Jersey, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
BUSINESS AUTO LIABILITY RETAINED LIMIT COVERAGE FORM FOR EDUCATIONAL INSTITUTIONS
PUBLIC RISK AUTO LIABILITY RETAINED LIMIT COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Changes In Who Is An Insured

The following is added to **Who Is An Insured** and replaces any other provision to the contrary:

- (1) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".

However, this paragraph does not apply for coverage up to the minimum financial responsibility limits specified in N.J.S.A 39:6B-1.

B. Changes In Liability Coverage – Amendment of Pollution Exclusion

The **Pollution** Exclusion in the Coverage Form is amended by the addition of the following:

This exclusion does not apply for coverage up to the minimum financial responsibility limits specified in N.J.S.A. 39:6B-1.

C. Changes In Loss Payment – Physical Damage Condition

The following is added to the **Loss Payment –Physical Damages Coverages** Condition in the Business Auto Coverage forms and the **Loss Payment** Condition in the Business Auto Physical Damage Coverage Form:

If we pay the amount necessary to repair the stolen or damaged property, you have the option to use either:

- a. An "auto" repair facility with whom we have an arrangement; or
- b. An "auto" repair facility of your choice;

in any repairs to the "auto".

If you choose to use an "auto" repair facility other than an "auto" repair facility with whom we have an arrangement, we will pay you in accordance with the terms and conditions, including price, provided by the "auto" repair facility with whom we have an arrangement.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCDHANGED.