New Jersey Schools Insurance Group

**Educational Risk and Insurance Consortium - North**

School Leaders Errors & Omissions Liability Policy Declarations

**Policy Number:** E354AN

**Premium:** $282,558.31

**Named Insured:**
Monroe Township Board of Education (Middlesex)
423 Buckelew Avenue
Monroe Township, NJ 08831

**Agent:**
Arthur J. Gallagher Risk Mgt. Serv.,Inc.
707 State Road
P.O. Box 83
Princeton, NJ 08540

**Policy Term:** July 1, 2022 to July 1, 2023 12:01 AM Eastern Standard Time

| | |
|---|---|
| **Coverage A** | |
| Limit of Liability | |
| NJSIG | $30,000,000 each claim/annual member aggregate Excess of: |
| QBE Specialty Ins. Co. | $1,000,000 each claim/ $3,000,000 annual member aggregate |
| Deductible | $10,000 each claim |
| **Coverage B** | |
| Limit of Liability | $100,000 each claim |
| | $300,000 each policy period |
| Deductible | $10,000 each claim |
| Communicable Disease Outbreak Limit | $1,000,000 per claim/ |
| | $9,000,000 annual NJSIG aggregate* (*annual NJSIG aggregate limit for communicable disease outbreak shared among GL,AL and SBLL/E&O coverages) |

These are claims-made and reported policies. By acceptance of these policies, the Insured agrees that the statements in the Declarations and the application and any attachments hereto are the Insured's agreements and representations and that these policies embody all agreements existing between the Insured and the Companies or any of its agents relating to this insurance.

**Retroactive Dates for Coverages A & B**

It is agreed that notwithstanding any provision of these policies to the contrary, these policies do not apply, as respects Coverages A & B, to claims made against the Insured arising out of a single act, error, omission, misstatement or misleading statement which occurred prior to:

| | |
|---|---|
| Retro Date for Coverage A for Liability Limits up to $1,000,000 | July 1, 1986 |
| Retro Date for Coverage A for Liability Limits $14,000,000 excess $1,000,000 | July 1, 1986 |
| Retro Date for Coverage A for Liability Limits $5,000,000 excess $15,000,000 | July 1, 1986 |
| Retro Date for Coverage A for Liability Limits $10,000,000 excess $20,000,000 | July 1, 2012 |
| Retro Date for Coverage A for Liability Limits $1,000,000 excess $30,000,000 | July 1, 1986 |
| Retro Date for Coverage B | July 1, 1986 |

**Policy Forms:** NJSIG-E1 (7/22)

In witness whereof, the New Jersey Schools Insurance Group has caused this agreement to be signed by its Executive Director.

NJSIG Executive Director

New Jersey Schools Insurance Group
**Educational Risk and Insurance Consortium - North**
Package Policy Declarations

**Policy Number:** P354AN

**Premium:** $577,464.28

**Named Insured:**
Monroe Township Board of Education (Middlesex)
423 Buckelew Avenue
Monroe Township, NJ 08831

**Agent:**
Arthur J. Gallagher Risk Mgt. Serv.,Inc.
707 State Road
P.O. Box 83
Princeton, NJ 08540

**Policy Term:** 07/01/2022 to 07/01/2023 12:01 AM Eastern Standard Time

**Article I - Property**

| | | |
|---|---|---|
| Real and Personal Property | $500,000,000 | per occurrence NJSIG Limit |
| Extra Expense | $50,000,000 | per occurrence NJSIG Limit |
| Valuable Papers and Records | $10,000,000 | per occurrence NJSIG Limit |
| Demolition and Increased Cost of Construction | $25,000,000 | per occurrence NJSIG Limit |
| Loss of Rents | Not Covered | per occurrence |
| Loss of Business Income/Tuition | $1,000,000 | per occurrence |
| Limited Builders Risk | $10,000,000 | per occurrence NJSIG Limit |
| Fire Department Service Charge | $10,000 | per occurrence |
| Arson Reward | $10,000 | per occurrence |
| Pollutant Cleanup and Removal | $250,000 | per occurrence/ NJSIG annual aggregate |
| Fine Arts | Not Covered | |
| Sublimits: Special Flood Hazard Area Flood Zones | $25,000,000 | per occurrence/ NJSIG annual aggregate |
| Accounts Receivable | $250,000 | per occurrence/annual aggregate |
| Flood (All Flood Zones) | $75,000,000 | per occurrence /NJSIG annual aggregate |
| Earthquake | $50,000,000 | per occurrence /NJSIG annual aggregate |
| Terrorism | $1,000,000 | per occurrence /NJSIG annual aggregate |

The limits and sublimits are subject to the Shared Coverage provision in NJSIG-P1, Article I., Section C. Loss Conditions, 15.C.

| | | | |
|---|---|---|---|
| Deductibles: | Real & Personal | $10,000 | per occurrence |
| | Extra Expense | $10,000 | per occurrence |
| | Valuable Papers | $10,000 | per occurrence |

| | | |
|---|---|---|
| Special Flood Hazard Area Flood Deductibles: | $500,000 | per building |
| | $500,000 | per building contents |
| All Other Flood Zones Flood Deductible: | $10,000 | per member/per occurrence |

New Jersey Schools Insurance Group
**Educational Risk and Insurance Consortium - North**
Package Policy Declarations

**Policy Number:** P354AN

### Article II - Electronic Data Processing

| | |
|---|---|
| Data Processing Equipment Including Data and Media, Extra Expense, Business Income, Duplicates, Transit and Debris Removal | $500,000,000 per occurrence NJSIG Limit |
| Terrorism | Included in Property |
| Computer Virus | $250,000 ($10,000,000 NJSIG Annual Aggregate) |
| Deductible: | $1,000 per occurrence |
| Special Flood Hazard Area Flood Deductible: | $500,000 per building contents |
| All Other Flood Zones Flood Deductible: | $10,000 per member/per occurrence |

### Article III - Equipment Breakdown

| | | |
|---|---|---|
| Combined Single Limit per Accident for Property Damage and Business Income | | $100,000,000 |
| Sublimits: | Property Damage | Included |
| | Off Premises Property Damage | $1,000,000 |
| | Business Income | Included |
| | Extra Expense | $10,000,000 |
| | Service Interruption | $10,000,000 |
| | Perishable Goods | $1,000,000 |
| | Data Restoration | $1,000,000 |
| | Contingent Business Income | $1,000,000 |
| | Demolition | $1,000,000 |
| | Ordinance or Law | $1,000,000 |
| | Expediting Expenses | $1,000,000 |
| | Hazardous Substances | $1,000,000 |
| | Newly Acquired Locations (120 days' notice) | $1,000,000 |
| | Terrorism | Included |

Deductibles: $25,000 per Accident for Property Damage
12 Hours for Indirect Coverages
Service Interruption Waiting Period 24 Hours

New Jersey Schools Insurance Group

**Educational Risk and Insurance Consortium - North**

Package Policy Declarations

**Policy Number:** P354AN

**Article IV - Crime**

| **Insuring Agreements** | **Limits** | **Deductibles** |
|---|---|---|
| Insuring Agreement 1 -Public Employee Dishonesty with Faithful Performance | $1,000,000 | $1,000 |
| Insuring Agreement 2 -Forgery or Alteration | $500,000 | $1,000 |
| Insuring Agreement 3 -Theft, Disappearance and Destruction - Loss of Money & Securities On or Off Premises | $100,000 | $500 |
| Insuring Agreement 4 -Money Orders & Counterfeit Paper Currency | $100,000 | $500 |
| Insuring Agreement 5 -Computer Fraud | $1,000,000 | $1,000 |

New Jersey Schools Insurance Group

**Educational Risk and Insurance Consortium - North**

Package Policy Declarations

**Policy Number:** P354AN

**Article V - Comprehensive General Liability**

| | |
|---|---|
| Bodily Injury and Property Damage | $31,000,000 per occurrence |
| Products and Completed Operations | $31,000,000 annual aggregate |
| Sexual Abuse | $15,000,000 per occurrence<br>$15,000,000 per member annual aggregate<br>$27,000,000 annual NJSIG aggregate |
| Communicable Disease Outbreak | $1,000,000 per occurrence/<br>$9,000,000 annual NJSIG aggregate* (*annual NJSIG aggregate limit for communicable disease outbreak shared among GL,AL and SBLL/E&O coverages) |
| Personal Injury and Advertising Injury | $31,000,000 per occurrence/annual aggregate |
| Employee Benefits Liability | $31,000,000 per occurrence/annual aggregate |
| Employee Benefits Liability Deductible | $1,000 each claim |
| Premises Medical Payments | $10,000 per accident<br>$5,000 limit per person |
| Terrorism | $1,000,000 per occurrence/annual NJSIG aggregate |
| Deductible | $0 |

New Jersey Schools Insurance Group
**Educational Risk and Insurance Consortium - North**
Package Policy Declarations

**Policy Number:** P354AN

## Article VI - Automobile

| | |
|---|---|
| Liability<br>Symbol 1 Any Auto | $31,000,000 per accident |
| Bodily Injury and Property Damage | |
| Symbol 6 Uninsured/Underinsured Motorists - Private Passenger Autos | $1,000,000 per accident |
| Symbol 6 Uninsured/Underinsured Motorists - All Other Vehicles | $15,000 Bodily Injury Per Person<br>$30,000 Bodily Injury Per Accident<br>$5,000 Property Damage Per Accident |
| Symbol 5 Personal Injury Protection (including pedestrians) | $250,000 |
| Medical Payments | $10,000 private passenger vehicles<br>$5,000 all other vehicles |
| Terrorism | $1,000,000 per occurrence/annual NJSIG aggregate |
| Communicable Disease | $1,000,000 per occurrence/<br>$9,000,000 annual NJSIG aggregate* (*annual NJSIG aggregate limit for communicable disease outbreak shared among GL,AL and SBLL/E&O coverages) |
| Deductible | $0 |
| Physical Damage (Scheduled vehicles only) | |
| Symbol 7 Comprehensive | $1,000 deductible |
| Collision | $1,000 deductible |
| Hired Car Physical Damage $110,000 Limit | $1,000 deductible |
| Replacement Cost | $1,000 deductible |
| Garage Keepers | Included |

New Jersey Schools Insurance Group
**Educational Risk and Insurance Consortium - North**
Package Policy Declarations

**Policy Number:** P354AN

**Applicable Policy Forms**

NJSIG-P1 (7/22); NJSIG-PJLA (7/017); NJSIG-PPCA (7/14); NJSIG-PLR (7/17); NJSIG-DICC (7/15); NJSIG-P2 (7/17); NJSIG-BI (7/13); NJSIG-PGYM (07/08); NJSIG EDE (7/14)

NJSIG-EDP (7/18)

NJSIG-B1 (7/15); NJSIG-B2 (7/00)

NJSIG-CR1000 (7/15); NJSIG-CR-DP (7/15); NJSIG-CR-SS (7/15); NJSIG-CR-DBE (7/15); NJSIG-CR-NI (7/15); NJSIG-CR-AL (7/15); NJSIG-CR-FP (7/15); NJSIG-CR-BE (7/15); NJSIG-CR-VW (7/15); NJSIG-CR-SPE (7/15); NJSIG-CR-MOC (7/15); NJSIG-CR-LS (7/15); NJSIG-CR-MEE (7/15); NJSIG-CR-ES (7/15); NJSIG-CR-IWC (7/15)

NJSIG-G0 (7/22); NJSIG-G1 (7/21); NJSIG-G2 (7/17); NJSIG-G3 (7/17); NJSIG-GMP1 (7/17)

NJSIG-A1 (7/21); NJSIG-A2 (7/10); NJSIG-A3 (7/17); NJSIG-A4 (7/11); NJSIG-A5 (7/00); NJSIG-AGK1 (7/00); NJSIG-A6 (7/11); NJSIG-A7 (7/17); NJSIG-A8 (7/07)

NJSIG-D-PKG (7/22)

NJSIG-CPKG (7/15)

In witness whereof, the New Jersey Schools Insurance Group has caused this agreement to be signed by its Executive Director.

NJSIG Executive Director

# NEW JERSEY SCHOOLS INSURANCE GROUP
# ARTICLE 5 – COMMERCIAL GENERAL LIABILITY
# MEDICAL PAYMENTS

The Group will pay to or for each person who sustains bodily injury caused by accident all reasonable medical expense incurred and reported within one year from the date of the accident on account of such bodily injury, provided such bodily injury arises out of (a) a condition in the insured premises, or (b) operations with respect to which the Named insured is afforded coverage for bodily injury liability under this policy.

This insurance does not apply:

(A) to bodily injury

(1) arising out of the ownership, maintenance, operation, use, loading or unloading of:

(a) any automobile or aircraft owned or operated by or loaned to any insured, or

(b) any other automobile or aircraft operated by any person in the course of his employment by any insured;

but this exclusion does not apply to the parking of an automobile on the insured premises, if such automobile is not owned by or rented or loaned to any insured;

(2) arising out of

(a) the ownership, maintenance, operation, use, loading or unloading of any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity, or

(b) the operation or use of any snowmobile or trailer designated therewith:

(i) owned or operated by or rented or loaned to any insured, or

(ii) operated by any person in the course of his employment by any insured;

(3) arising out of the ownership, maintenance, operation, use, loading or unloading of

(a) any watercraft owned or operated by or rented or loaned to any insured, or

(b) any other watercraft operated by any person in the course of this employment by any insured; but this exclusion does not apply to watercraft while ashore on the insured premises;

(4) arising out of and in the course of the transportation of mobile equipment by an automobile owned or operated by or rented or loaned to the Named Insured;

(B) to bodily injury

(1) included within the completed operations hazard or the products hazard;'

(2) arising out of operations performed for the Named Insured by independent contractors other than

(a) maintenance and repair of the insured premises, or

(b) structural alterations at such premises which do not involve changing the size of or moving buildings or other structures;

(3) resulting from the selling, serving or giving of any alcoholic beverage

(a) in violation of any statute, ordinance or regulation

(b) to a minor,

(c) to a person under the influence of alcohol, or

(d) which causes or contributes to the intoxication of any person, if the Named Insured is a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or if not so engaged, is an owner or lessor of premises used for such purposes, but only part (a) of this exclusion (B) (3) applies when the Named Insured is such an owner or lessor;

(4) due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;

(C) to bodily injury

(1) to the Named Insured, any partner thereof, any tenant or other person regularly residing on the insured premises or any employee of any of the

foregoing if the bodily injury arises out of and in the course of his employment therewith;

(2) to any other tenant if the bodily injury occurs on that part of the insured premises rented from the Named Insured or to any employee of such tenant if the bodily injury occurs on the tenant's part of the insured premises and arises out of and in the course of his employment for the tenant;

(3) to any person while engaged in maintenance and repair of the insured premises or alteration, demolition or new construction at such premises;

(4) to any person if any benefits for such bodily injury are payable or required to be provided under any workers compensation, unemployment compensation or disability benefits law, or under any similar law;

(5) to any person practicing, instructing or participating in any physical training, sport, athletic activity or contest whether on a formal or informal basis, but this exclusion shall not apply to students in regularly scheduled gym classes;

(D) to any medical expense for services by the Named Insured, any employee thereof or any person or organization under contract to the Named Insured to provide such services.

(E) To any expenses for bodily injury excluded under Coverage A.

## LIMITS OF LIABILITY

The limit of liability for Medical Payments Coverage is $5,000 each person. The limit of liability applicable to "each person" is the limit of the Group's liability for all medical expense for bodily injury to any one person as the result of any one accident. The total liability of the Group for any one accident shall not exceed $10,000.

When more than one medical payments coverage afforded by the policy applies to the loss, the Group shall not be liable for more than the amount of the highest applicable limit of liability.

## ADDITIONAL DEFINITIONS

When used herein:

**"Insured premises"** means all premises owned by or rented to the Named Insured with respect to which the Named Insured is afforded coverage for bodily injury liability under this policy, and includes the ways immediately adjoining on land;

**"Medical expense"** means first aid administered at the time of an accident, expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services.

## ADDITIONAL CONDITION

Medical Reports; Proof and Payment of Claim

As soon as practicable the injured person or someone on his behalf give to the Group written proof of claim, under oath if required, and shall, after each request from the Group, execute authorization to enable the Group to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the Group when and as often as the Group may reasonably require. The Group may pay the injured person or any person or organization rendering the services and the payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability of any person or, or except hereunder, of the Group.

## OTHER INSURANCE

This coverage is excess over any other valid and collectible insurance.

# NEW JERSEY SCHOOLS INSURANCE GROUP
# ARTICLE 5 – COMMERCIAL GENERAL LIABILITY COVERAGE
# GENERAL PROVISIONS

## A. GENERAL INSURING AGREEMENT

In consideration of the payment of the premium, in reliance upon the statements in the declarations made a part hereof and subject to all the terms of this policy, the Group agrees with the Named Insured as follows:

1. This policy is composed of Form NJSIG-G0, the declarations page with the applicable Coverage Parts, and any supplementary declarations or schedule pages and endorsements made a part thereof.

2. The provisions of one Coverage part do not apply to the insurance afforded under any other Coverage Part.

## B. SUPPLEMENTARY PAYMENTS

The Group will pay, with respect to any claim we investigate or settle, or any suit against an insured we defend:

1. all expenses incurred by the Group, however, the Group's right and duty to defend end when the Group has used up the applicable limit of insurance in the payment of judgments or settlements;

2. all costs taxed against the Insured except attorney fees in any suit defended by the Group and all interest on the entire amount of any judgment therein which accrues after entry of judgment and before the Group has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Group's liability thereon:

3. premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy, and the cost of bail bonds required of the Insured because of accident or traffic law violation arising out of the use of any vehicle to which this policy applies, not to exceed $2,500 per bail bond, but the Group shall have no obligation to apply for or furnish such bonds;

4. reasonable expenses incurred by the Insured at the Group's request in assisting the Group in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed $500 per day.

These payments will not reduce the limit of liability.

## C. DEFINITIONS

When used in this policy:

**"Aircraft"** means any machine or device, including an airplane, helicopter, glider, dirigible, model airplane, or drone, capable of atmospheric flight.

**"Automobile"** means a land motor vehicle, trailer, or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto), but does not include mobile equipment.

**"Bodily Injury"** means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at anytime resulting there from. This includes mental anguish, mental injury, shock, fright or death resulting from bodily injury, sickness or disease.

**"Communicable Disease"** means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

a. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

b. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and,

c. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

**"Communicable Disease Outbreak"** means a communicable disease that is declared, or determined to be, a public health emergency, pandemic, outbreak, epidemic, disaster, or public emergency by the World Health Organization, or any agency or authority tasked with overseeing international or global public health, or by the United States government, including any federal, state or local agency.

**"Completed Operations Hazard"** includes bodily injury and property damage arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from the premises owned by or rented to the Named Insured. "Operations" include materials, parts, or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

1) when all the operations to be performed, by or on behalf of the Named Insured at the site of the operations, have been completed;

2) when all operations to be performed by or on behalf of the Named Insured under the contract have been completed;

3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any persons or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work or correction, repair, or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

The completed operation hazard does not include bodily injury or property damage arising out of:

a) operations in connection with the transportation of property unless the bodily injury or property damage arises out of a condition in or on a vehicle created by the loading or unloading thereof.

b) the existence of tools, uninstalled equipment or abandoned or unused materials, or

c) operations for which the classification stated in the policy or in the Group's manual specifies "including completed operations".

**"Elevator"** means any hoisting or lower device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform, shaft, hoist way, stairway, runway, power equipment and machinery; but does not include an automobile serving hoist, or a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hood or material hoist used in alteration, construction or demolition operations or an inclined conveyor used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet.

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

**"Incidental Contract"** means any written

(1) lease of premises;

(2) easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad;

(3) undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality;

(4) side track agreement, or

(5) elevator maintenance agreement

**"Insured"** means any person or organization qualifying as an Insured in the "Persons Insured" provision of the applicable insurance coverage. The insurance afforded applies separately to each Insured against whom claim is made or suit is brought, except with respect to the limits of the Group's liability.

**"Leased Worker"** means a person leased to you by a labor leasing firm, to perform duties related to the conduct of your business. "Leased worker does not include a "temporary worker" or a "volunteer worker".

**"Loading or Unloading"** means the handling of property;

a. After it is moved from the place where it is accepted for movement 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.

**"Member,"** also known as the named insured, means the organization named in Item 1 of the declarations of this policy that has elected to participate in the fund to which this policy applies pursuant to N.J.S.A. 18A:18B-1, et seq.

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

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
b. Vehicles maintained for use solely on or next to premises you own or rent;
c. Vehicles that travel on crawler treads;
d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
    (1) Power cranes, shovels, loaders, differs or drills: or
    (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
e. Vehicles not described in Paragraph a., b., c., or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    (1) Air compressors, umps and generators, including spraying , welding, building, cleaning, geophysical exploration, lighting and well servicing equipment; or
    (2) Cherry Pickers and similar devices used to raise or lower workers;
f. Vehicles not described in Paragraph a., b., c., or d. above maintained primarily for purposes other than 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, 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 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".

**"Named Insured"** means the person or organization named in Item 1 of the declarations of this policy;

**"Named Insured's Products"** means goods or products manufactured, sold, handled or distributed by the Named Insured or by others trading under his name, including any container thereof (other thereof (other than vehicle), but "named insured's products" shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold.

**"Named Insured's Work"**
a. Means:
    (1) Work or operations performed by the Named Insured or on the Named Insured's behalf: and
    (2) Materials, parts or equipment furnished in connection with such work or operations.
b. Includes
    (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of the Named Insured's Work; and
    (2) The providing of or failure to provide warnings or instructions.

**"Occurrence"** means an accident, including continuous or repeated exposure to conditions, which results in bodily injury or property damage neither expected nor intended from the standpoint of the Insured.

As related to any claim for sexual abuse, all acts of sexual abuse whether a single act, or multiple, continuous, sporadic, or related acts, by the same perpetrator, or two or more perpetrators acting in concert, will be deemed as one single occurrence regardless of the number of victims, the number of acts of abuse committed, or the number of locations where the abuse took place.

**"Products Hazard"** includes bodily injury and property damage arising out of the Named Insured's product or reliance upon a representation of warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs away from premises owned by or rented to the Named Insured and after physical possession of such products has been relinquished to others.

**"Property Damage"** means physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the policy period.

For the purpose 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.

**"Sexual Abuse"** means any actual, attempted, or alleged sexual conduct by a person or by persons acting in concert, which causes bodily injury. "Sexual abuse" includes sexual molestation, sexual assault, sexual exploitation or sexual injury, but does not include "sexual harassment".

**"Sexual Harassment"** means any actual, attempted or alleged unwelcome sexual advances, request for sexual favors or other conduct of a sexual nature by a person, or by persons acting in concert, which causes injury. "Sexual harassment" includes this conduct only:

(a) when submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment decisions affecting a person; or

(b) when such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.

"Sexual harassment" does not include "sexual abuse" as defined above.

"Suit" means a civil proceeding in which damages because of "bodily injury" or "property damage" to which this insurance applies are alleged. "suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent, or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

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

**"Trampoline"** means any device of canvas or similar material stretched on a frame used in gymnastics or as a springboard whose surface area is more than thirteen square feet and whose surface is more than two feet above floor level.

D. CONDITIONS

1. **Premium.** All premiums for this policy shall be computed in accordance with the Group's rules, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

   Premium designated in this policy as "advance premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each period (or part thereof terminating with the end of the policy period) designated in the declarations as the audit period the earned premium shall be computed for such period and, upon notice thereof to the Named Insured, shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, the Group shall return to the Named Insured the unearned portion paid by the Named Insured.

   The Named Insured shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to the Group at the end of the policy period and at such times during the policy period as the Group may direct.

2. **Inspection and Audit.** The Group shall be permitted but not obligated to inspect the Named Insured's Property and operations at any time. Neither the Group's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the Named Insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

   The Group may examine and audit the Named Insured's books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

3. **Insured's Duties in the Event of Occurrence, Claim or Suit.**

   (a) In the event of an occurrence, 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 name and addresses of the injured and of available witnesses, shall be given by or for the Insured to the Group or any of its authorized agents as soon as practicable.

   (b) If claim is made or suit is brought against the Insured, the Insured shall immediately forward to the Group every demand, notice, summons of other processes received by him or his representative.

(c) The Insured shall cooperate with the Group and, upon the Group's request, assist in making settlements, in the conduct of suits in enforcing any right of contribution or indemnity against any person or organization who may be liable to the Insured because of injury or damage with respect to which insurance is afforded under this policy; and the Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Insured shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

4. **Action Against Group.** No action shall lie against the Group unless, as condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Group.

   Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy but only to the extent of the insurance afforded by this policy and within the applicable limit of insurance. No person or organization shall have any right under this policy to join the Group as a party to any action against the Insured to determine the Insured's liability, nor shall the Group be impleaded by the Insured or his legal representative. Bankruptcy or insolvency of the Insured's estate shall not relieve the Group of any of its obligations hereunder.

5. **Other Insurance.** If other valid and collectible insurance is available to the insured for a loss we cover under this policy, our obligations are limited as follows:

   (a) **Primary Insurance**
   This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then we will share with all that other insurance by the method described in Paragraph **c.** below.

   (b) **Excess Insurance**

   (1) This insurance is excess over:
   (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
   (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for your work;
   (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
   (iii) That is insurance purchased by you to cover your liability as a tenant for property damage to premises rented to you or temporarily occupied by you with permission of the owner; or
   (iv) If the loss arises out of the maintenance or use of aircraft, autos or watercraft to the extent not subject to Exclusions 2. and 19. of Article 5-A. of form NJSIG-G1 (7/17) Coverages A and B-Bodily Injury and Property Damage Liability.

   (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by the attachment of an endorsement.

   (2) When this insurance is excess, we will have no duty under Coverages A and B to defend the insured against any suit if any other insurer has a duty to defend the insured against that suit. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

   (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any , that exceeds the sum of:
   (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
   (b) The total of all deductible and self-insured amounts under all that other insurance.

   (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

   (c) **Method of Sharing**

   If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

6. **Transfer Of Rights Of Recovery Against Others To Us.** If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring suit or transfer those rights to us and help us enforce them.

7. **Changes.** Notice to any agent or knowledge possessed by any agent or other person shall not effect a waiver or a change in any part of this policy or stop the Group from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy, signed by a duly authorized officer or representative of the Group.

8. **Assignment.** Assignment of interest under this policy shall not bind the Group until its consent is endorsed hereon; if, however, the Named Insured shall die, such insurance as is afforded by this policy shall apply;

   (a) To the Named Insured's legal representative, as the Named Insured, but only while acting within the scope of his duties as such.

   (b) With respect to the property of the Named Insured, to the person having proper temporary custody thereof, as Insured, but only until the appointment and qualification of the legal representative of the Group.

9. **Three Year Policy.** If this policy is issued for a period of three years, any limit of the Group's liability stated in this policy as "aggregate" shall apply separately to each consecutive annual period thereof.

10. **Declarations.** By acceptance of this policy, the Named Insured agrees that the statements in the declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations, and that this policy embodies all agreements existing between himself and the Group or any of its agents relating to this insurance.

11. **Policy Territory.** Anywhere in the world provided that the original suit for damages covered hereunder is brought within the United States of America, its territories, possessions, Puerto Rico or Canada.

E. LIMITS OF LIABILITY

1. Sexual Abuse Limits:

   The sexual abuse limit stated in the declarations is the most the Group will pay for damages because of sexual abuse for each occurrence. Notwithstanding anything to the contrary in this policy, for the purpose of the sexual abuse limits, all acts of sexual abuse committed by the same perpetrator, or two or more perpetrators acting in concert, will be deemed a single occurrence for the purposes hereof, regardless of the number of acts of abuse committed, the number of victims of the abuse, the number of locations where the abuse took place, or the number of breaches of any legal obligation or duty to oversee the perpetrator, or perpetrators acting in concert, who committed the abuse. Further, all injuries resulting from the occurrence will be deemed to have occurred at the time when the first act of sexual abuse was committed by the same perpetrator, or two or more perpetrators acting in concert, for which the named insured is actually or allegedly legally responsible.

   The sexual abuse named insured limit stated in the declarations is the most the Group will pay for damages in a single policy period because of sexual abuse for the named insured.

   The sexual abuse aggregate limit stated in the declarations is the most the Group will pay for damages in a single policy period because of sexual abuse regardless of the number of members in the fund. Any payments by the Group from the sexual abuse aggregate limits reduces any remaining aggregate limits available to all members.

2. Communicable Disease Outbreak Limits:

   The communicable disease outbreak limit stated in the declarations is the most the Group will pay for damages because of communicable disease outbreak for each occurrence. Notwithstanding anything to the contrary in this policy, for the purpose of the communicable disease outbreak limits only, all damages because of communicable disease outbreak which are traceable to a single source will be deemed to be a single occurrence for the purposes hereof, regardless of the number of claimants, or the number of breaches of any legal obligation or duty.

   The communicable disease outbreak aggregate limit stated in the declarations is the most the Group will pay for damages in a single policy period because of communicable disease outbreak regardless of the number of members in the fund. Any payments by the Group from the communicable disease outbreak aggregate limits reduces any remaining aggregate limits available to all members.

These limits apply to any loss, damage, liability, claim, of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a communicable disease outbreak or the fear or threat (whether actual or perceived) of a communicable disease outbreak; all regardless of any other cause or event contributing concurrently or in any other sequence thereto. These limits further apply to any cost or expense to clean-up, detoxify, remove, monitor or test for a communicable disease outbreak or communicable disease associated with a communicable disease outbreak.

# NEW JERSEY SCHOOLS INSURANCE GROUP
# ARTICLE 5 – GENERAL LIABILITY COVERAGE
# COMMERCIAL GENERAL LIABILITY FORM

A. COVERAGE A–BODILY INJURY LIABILITY
COVERAGE B–PROPERTY DAMAGE LIABILITY

The Group will pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as damages because of A. bodily injury or B. property damage to which this insurance applies, caused by an occurrence, and the Group shall have the right and duty to defend any suit against the Insured seeking damages on account of such bodily injury or property damage, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and the settlement of any claim or suit as it deems expedient, but the Group shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Group's liability has been exhausted by payment of judgments or settlements.

B. EXCLUSIONS

This insurance does not apply:

1. To liability assumed by the Insured under any contract or agreement except an incidental contract; but this exclusion does not apply to a warranty of fitness or quality of the Named Insured's products or a warranty that work performed by or on behalf of the Named Insured will be done in a workmanlike manner.

2. To bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of:

   (a) any automobile or aircraft owned, operated by, or rented or loaned to any Insured; or

   (b) any other automobile or aircraft operated by any person in the course of his employment by any Insured, but this exclusion does not apply to the parking of an automobile on premises owned by, rented to or controlled by the Named Insured or the ways immediately adjoining, if such automobile is not owned by or rented or loaned to any Insured;

   However, this exclusion shall not apply to an Unmanned Aircraft System owned or operated by the insured in compliance with current FAA regulations and a total weight less than ten pounds;

3. to bodily injury or property damage arising out of:

   (a) the ownership, maintenance, operation, use, loading or unloading of any mobile equipment while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or

   (b) the operation or use of any snowmobile or trailer designed for use therewith.

4. To bodily injury or property damage arising out of and in the course of the transportation of mobile equipment by an automobile owned or operated by or rented or loaned to any Insured;

5. to bodily injury or property damage due to war, whether or not declared, civil war, insurrection, rebellion or revolution or to any act or condition incident to any of the foregoing;

6. to any obligation for which the Insured or any carrier as his insurer may be held liable under any workers compensation, unemployment compensation or disability benefits law, or under any similar law;

7. to bodily injury to any employee of the Insured arising out of and in the course of his employment by the Insured or to any obligation of the Insured to indemnify another because of damages arising out of such injury; but this exclusion does not apply to liability assumed by the Insured under an incidental contract;

8. to property damage to property owned by the Insured;

9. to property damage to premises alienated by the Named Insured arising out of such premises or any part thereof;

10. to any bodily injury or property damage arising out of or resulting from the use of or existence of trampolines;

11. to all liability, including all loss, cost or expense, directly or indirectly arising out of, resulting as a consequence of, or relating to Asbestos or Silica.

12. to loss of use of tangible property which has not been physically injured or destroyed resulting from

(a) a delay in or lack of performance by or on behalf of the Named Insured of any contract or agreement, or

(b) the failure of the Named Insured's products or work performed by or on behalf of the Named Insured to meet the level of performance, quality, fitness or durability warranted or represented by the Named Insured; but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the Named Insured's products or work performed by or on behalf of the Named Insured after such products or work have been put to use by any person or organization other than an Insured;

13. to property damage to the Named Insured's products arising out of such products or any part of such products.

14. to property damage to work performed by or on behalf of the Named Insured arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith.

15. to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the Named Insured's products or work completed by or for the Named Insured or of any property of which such products or work form a part, if such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;

16. (a) under any liability coverage to bodily injury or property damage:

(1) with respect to which an insured under the policy is also an Insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an Insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(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, with any person or organization.

(b) under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to bodily injury resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization;

(c) under any Liability Coverage; to bodily injury or property damage resulting from the hazardous properties of nuclear material if the nuclear material

(1) is at any nuclear facility owned by, or operated by or on behalf of, an Insured, or

(2) has been discharged or dispersed there from, or;

(d) 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

(e) the bodily injury or property damage arises out of the furnishing by an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possession or Canada, this exclusion (e) applies only to property damage to such nuclear facility and any property thereat.

As used in this exclusion:

"Hazardous Properties" include radioactive, toxic or explosive properties;

"Nuclear Material" means source material, special nuclear material or byproduct material;

"Source Material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent Fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"Waste" means any waste material

(1) containing byproduct material, and

(2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (1) through (4) thereof;

"Nuclear Facility" means:

(1) Any nuclear reactor.

(2) Any equipment or device designed or used for:

(a) separating the isotopes or uranium or plutonium;

(b) processing or utilizing spent fuel;

(c) handling, processing or packaging waste.

(3) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or devices is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.

(4) any structure basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear Reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property Damage" includes all forms of radioactive contamination of property.

17. to any loss, cost or expense arising out of any governmental direction or request that the Named Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

As used in this exclusion:

"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste.

"Waste" means materials to be recycled, reconditioned or reclaimed.

18. To bodily injury or property damage arising out of the actual, alleged or threatened discharge,, dispersal, release or escape of pollutants;

(a) at or from premises owned, rented or occupied by the Named Insured;

(b) at or from any site or location used by or for the Named Insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) which are at any time transported, handled, stored, treated, disposed of or processed as waste by or for the Named Insured or any person or organization for whom the Named Insured may be legally responsible; or

(d) at or from any site or location on which the Named Insured or any contractors or subcontractors working directly or indirectly on behalf of the Named Insured are performing operations.

(1) if the pollutants are brought on or to the site or location in connection with such operations; or

(2) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize the pollutants.

This exclusion shall not apply to unintended discharge, dispersal, release or escape resulting from a hostile fire. As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

19. To bodily injury or property damage arising out of the ownership or operation of owned and powered watercraft in excess of 50 feet in length.

20. To damages arising from "sexual abuse" by any person committed after first discovery by any of your officials, trustees, directors, or officers of "sexual abuse" by such person. However, discovery does not include discovery by an official, trustee, director, or officer who committed such "sexual abuse".

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

22. Except as provide for in Article 5-General Liability Coverage Broad Form Comprehensive General Liability Endorsement, IX, LIMITED COVERAGE FOR "FUNGAL PATHOGENS", to damages directly or indirectly arising out of, resulting from or in any

manner related to "Fungal Pathogens" whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

As used in this exclusion, "Fungal Pathogens" shall mean any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota, including but not limited to, mold, mildew, mycotoxins, spores or any biogenic aerosols.

This exclusion does not apply to any "Fungal Pathogens" or bacteria that are, are on, or are contained in, an edible good or edible product intended for human or animal consumption.

23. To all loss, cost or expense arising out of or related to, either directly or indirectly, any "NBCR Terrorist Activity" as defined herein, and any action taken to hinder, defend against or respond to any such activity. This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in sequence to such loss, cost or expense.

"NCBR Terrorist Activity" shall mean any deliberate, unlawful act that:

a. Includes, involves or is associated with, in whole or in part, the use of or threatened use of, or release or threatened release of, any biological, chemical, radioactive, or nuclear agents, materials, devices, or weapons except where the Insured can demonstrate to the Group that such activities or threats thereof were motivated solely by personal objectives of the perpetrator that are unrelated, in whole or in part, to any intention to:
   1. promote or further any political, ideological, philosophical, radical, ethnic, social, or religious cause or objective of the perpetrator or any organization, association, or group affiliated with the perpetrator; or
   2. influence, disrupt, or interfere with any government related operations, activities or policies; or
   3. intimidate, coerce or frighten the general public or any segment of the general public; or
   4. disrupt or interfere with a national economy or any segment of a national economy; or

b. includes, involves or is associated with, in whole or in part, the use or threatened use of, or release or threatened release of, any biological, chemical, radioactive or nuclear agents, materials, devices or weapons that is declared by any authorized governmental official to be or to involve terrorism, terrorist activity or acts of terrorism.

However, this exclusion shall apply only after the Group has expended $1,000,000 per occurrence and in the aggregate annually from all lines of business, in the payment of claims that would otherwise have been excluded under this exclusion.

24. 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 of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

25. Any loss, cost or expense arising out of, resulting from, caused by or contributed by:
(a) The toxic or pathological properties of lead, lead compounds or lead contained in any materials;
(b) the abatement, mitigation, removal, or disposal of lead, lead compounds or lead contained in any materials;
(c) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with a. or b. above; or
(d) Any obligation to share damages with or repay someone else that must pay damages in connection with a., b. or c. above.

26. "Property damage to that particular part of real property on which the Named Insured or any contractors working directly or indirectly on the Name Insured's behalf are performing operations, if the "property damage" arises out of those operations;

27. "Property damage" to that particular part of any property that must be restored, repaired or replaced because the Named Insured's Work was incorrectly performed on it, but this exclusion does not apply to "property damage" included in the "completed operations hazard" or the "products hazard";

28. "Bodily injury" arising out of "personal injury" or "advertising injury";

29. Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access or inability to manipulate electronic data;

However, this exclusion does not apply to liability for damages because of "bodily injury."

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

30. "Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate;

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;

(3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FATA);

(4) Any Federal, state, or local statute, ordinance or regulation other than the (TCPA), CAN-SPAM Act of 2003 FCRA and their amendments and additions that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information;

C. PERSONS INSURED

Each of the following is an Insured under this insurance to the extent as set forth below:

1. The Named Insured Board of Education and affiliated entities.

2. Past, present, and future members of the Board of Education, and any Executive Official or Director while acting within the scope of their duties as such.

3. With respect to the operation, for the purpose of locomotion upon a public highway, or "mobile equipment", registered under any motor vehicle registration law;

   a) any employee of the Named Insured while operating any such equipment in the course of his employment, and

   b) any other person while operating with the permission of the Named Insured any such equipment registered in the name of the Named Insured, and any person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization; provided that no person or organization shall be an Insured under this paragraph 3 with respect to:

      (1) bodily injury to any fellow employee or such person injured in the course of his employment, or

      (2) property damage to property owned by, rented to, in charge of or occupied by the Named Insured or the employer of any person described in subparagraph (b).

This insurance does not apply to bodily injury or property damage arising out of the conduct of any partnership or joint venture of which the Insured is a partner or member and which is not designated in this policy as a Named Insured.

D. LIMITS OF LIABILITY

Regardless of the number of (1) Insureds under this policy; (2) persons or organizations who sustain bodily injury or property damage; (3) claims made or suits brought on account of bodily injury or property damage; (4) "mobile equipment" to which this policy applies, the Group's liability is limited as follows:

1. Bodily Injury Liability and Property Damage Liability:

   a. The limit of liability stated in the declarations as applicable to "each occurrence" is the total limit of the Group's liability for all damages because of bodily injury or property damage as a result of any one occurrence.

   b. The Products–Completed Operations Aggregate Limit is the most the Group will pay for damages because of bodily injury and property damage included in the "products hazard" and the "completed operations hazard".

   c. For the purpose of determining the limit of the Group's liability, all bodily injury and property damage arising out of the continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one occurrence.

2. The limits of liability 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 liability.

# NEW JERSEY SCHOOLS INSURANCE GROUP
# ARTICLE 5 – GENERAL LIABILITY COVERAGE
# COMMERCIAL GENERAL LIABILITY EXTENSION ENDORSEMENT

I. CONTRACTUAL LIABILITY COVERAGE

A. The definition of incidental contract is extended to include any oral or written contract or agreement relating to the conduct of the "Named Insured" business.

B. The insurance afforded with respect to liability assumed under an incidental contract is subject to the following additional exclusions:

(1) to bodily injury or property damage for which the Insured has assumed liability under an incidental contract, if such injury or damage occurred prior to the execution of the incidental contract;

(2) if the Insured is an architect, engineer or surveyor, to bodily injury or property damage arising out of the rendering or the failure to render professional services by such Insured, including

a. the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, and

b. supervisory, inspection or engineering services

(3) if the indemnitee of the Insured is an architect, engineer or surveyor, to the liability of the indemnitee, his agents or employees, arising out of

a. the preparation or approval of or the failure to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or

b. the giving of or the failure to give directions or instructions by the indemnitee, his agents or employees, provided such giving or failure to give is the primary cause of the bodily injury or property damage;

(4) to any obligation for which the Insured may be held liable in an action on a contract by a third party beneficiary for bodily injury or property damage arising out of a project by a public authority; but this exclusion does not apply in an action by the public authority or any other person or organization engaged in the project;

(5) to 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; but this exclusion does not apply to sidetrack agreements.

C. The following exclusions applicable to Coverages A (Bodily Injury) and B (Property Damage) do not apply to this Contractual Liability Coverage: (2), (3) and (4).

D. The following additional condition applies:

**Arbitration:** The Group shall be entitled to exercise all of the Insured's rights in the choice of arbitrators and in the conduct of any arbitration proceeding.

II. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY COVERAGE

A. The Group will pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as damages because of personal injury or advertising injury to which this insurance applies, sustained by any person or organization and arising out of the conduct of the Named Insured's business, within the policy territory, and the Group shall have the right and duty to defend any suit against the Insured seeking damages on account of such injury, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Group shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Group's liability has been exhausted by payment of judgments or settlements.

B. This insurance does not apply:

(1) to personal injury or advertising injury arising out of the willful violation of a penal statute or ordinance committed by or

with the knowledge or consent of the Insured;

(2) to personal injury or advertising injury arising out of a publication or utterance of a libel or slander, or a publication or utterance in violation of an individual's right of privacy, if the first injurious publication or utterance of the same or similar material by or on behalf of the Named Insured was made prior to the effective date of this insurance;

(3) to personal injury or advertising injury arising out of libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the Insured with knowledge of the falsity thereof;

(4) to personal injury or advertising injury arising out of the conduct of any partnership or joint venture of which the Insured is a partner or member and which is not designated in the declarations of the policy as a Named Insured;

(5) to personal injury or advertising injury arising out of a "Wrongful Employment Practice";

(6) to advertising injury arising out of:

(a) failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract, or

(b) infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised, or

(c) incorrect description or mistake in advertised price of goods, products or services sold, offered for sale or advertised;

(7) with respect to advertising injury:

(a) to any Insured in the business of advertising, broadcasting, publishing or telecasting, or

(b) to any injury arising out of any act committed by the Insured with actual malice.

(8) With respect to Law Enforcement operations, to personal injury arising out of the willful violation of a penal statute or ordinance committed by or with the knowledge or consent of the Insured.

(9) "Personal injury" or "advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;

(10) "Personal injury" or "advertising injury" arising out of the wrong description of the price of goods, products or services;

(11) "Personal injury" or "advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers;

(12) "Personal injury" or "advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, or escape of "pollutants" at any time;

(13) Any loss, cost or expense arising out of any:

(a) request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any respond to, or access the effects of, "pollutants", or

(b) 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 effects of, "pollutants";

(14) "Personal injury" or "advertising injury" caused, arising directly or indirectly, out of:

(a) war, including undeclared or civil war;

(b) warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(c) insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these;

(15) "Personal injury" or "advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(a) the Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law:

(b) the CAN-SPAM Act of 2003, including any amendment of or addition to such law;

(c) the Fair Credit Reporting Act (FRCA) and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FATA); or

(d) any federal, state, or local statute, ordinance or regulation other than the TCPA, CAN-SPAM Act of 2003 or FRCA and their amendments and additions that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information;

C. Limits of Liability

Regardless of the number of (1) Insureds hereunder, (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought on account of personal injury or advertising injury, the total limit of the Group's liability under this coverage for all damages shall not exceed the limit of liability stated in the declarations page as the "aggregate".

D. Additional Definitions

**"Advertising Injury"** means injury arising out of an offense committed during the policy period occurring in the course of the Named Insured's advertising activities, if such injury arises out of libel, slander, defamation, violation of right of privacy, piracy, unfair competition, or infringement of copyright, title or slogan.

**"Personal Injury"** means injury arising out of one or more of the following offenses committed during the policy period:

(1) false arrest, detention, imprisonment, or malicious prosecution;

(2) wrongful entry or eviction or other invasion of the right of private occupancy;

(3) a publication or utterance:

(a) of a libel or slander or other defamatory or disparaging material, or

(b) in violation of an individual's right of privacy.

As respects law enforcement operations, the following additional "personal injury" definitions apply:

(4) assault and/or battery;

(5) false or improper service of process;

(6) humiliation or mental distress;

(7) violation of civil rights or discrimination under 42 USC 1981 et sequentia or State Law;

**"Wrongful Employment Practice"** means

(1) employment related discrimination in connection with hiring, promotion, advancement or opportunity demotion, discipline, pay, or termination on the basis of race, color, sex, age, religion, national origin, disability, sexual orientation, marital status, or pregnancy, or any conduct that violates any federal, state, or local law prohibiting employment discrimination

(2) sexual harassment, including unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature that (1) is a made an explicit or implied term or condition of employment; or (2) is used as a basis for employment decisions; or (3) creates a work environment that is intimidating, hostile, or offensive; and

(3) any of the following employment related acts: misrepresentation, invasion of privacy, defamation, retaliation,

wrongful discipline, negligent evaluation, negligent hiring, or negligent supervision.

III. BROAD FORM PROPERTY DAMAGE LIABILITY COVERAGE

(Including Completed Operations)

The insurance for property damage liability applies, subject to the following additional provisions:

A. Exclusion 14 is replaced by the following:

With respect to the completed operations hazard and with respect to any classification stated in the policy or in the Group's manual as "including completed operation", to property damage to work performed by the Named Insured arising out of such work or any portion thereof, or out of such materials, parts or equipment furnished in connection therewith.

IV. INCIDENTAL MEDICAL MALPRACTICE LIABILITY COVERAGE

The definition of bodily injury is amended to include- Incidental Medical Malpractice Injury.

Incidental Medical Malpractice Injury means injury arising out of the rendering of or failure to render, during the policy period, the following services:

A. medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith, or

B. the furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.

This coverage does not apply to:

(1) expenses incurred by the Insured for first-aid to others at the time of an accident and the "Supplementary Payments" provision and the Insured's Duties in the Event of Occurrence, Claim or Suite" Condition are amended accordingly;

(2) any Insured engaged in the business or occupation providing any of the services described under IV (A) and (B) above, but this exclusion does not apply to employed nurses or athletic trainers acting within the scope of their duties;

(3) injury caused by an indemnitee if such indemnitee is engaged in the business or occupation of providing any of the services described under IV (A) and (B) above.

V. ADDITIONAL PERSONS INSURED

As respects bodily injury, property damage, personal injury and advertising injury coverages, under the provision "Persons Insured", the following are added at the option of the Board of Education as Insureds:

A. Employee – Any employee or substitute of the Named Insured while acting within the scope of his duties as such, but the insurance afforded to such employee does not apply:

(1) to property damage to property owned, occupied or used by, rented to, in the care, custody or control of or over which physical control is being exercised for any purpose by another employee of the Named Insured, or by the Named Insured, or, if the Named Insured is a partnership or joint venture, by any partner or member thereof or by the spouse of any of the foregoing.

B. Volunteers while acting on behalf of and at the direction of the Board of Education; Parent-Teacher Associations (PTA); Parent-Teacher Organizations (PTO); and Home School Associations of the Board of Education; and their members while acting on behalf of and at the direction of the Board of Education.

C. Foundations, affiliated 501c3 Corporations and their members while acting on behalf of and at the direction of the Board of Education. However, none of the aforementioned individuals or organizations shall be an additional insured if any of the following conditions exist: annual revenue exceeds $100,000 or total assets exceed $500,000; have employees; have corporate sponsorship; affiliated with childcare; or have liquor or host liquor liability exposures.

D. Student Teachers, but only as excess over liability insurance afforded by the college/educational institution where the student teacher is enrolled.

E.

(1) All students regularly enrolled in your cosmetology programs, but only while acting within the scope of his or her activities in such program and under the direction and supervision of the Insured.

(2) All students regularly enrolled in your nursing training program or related programs in the healing arts are added as additional insureds. This coverage only applies to their activities in the school board's medical training programs, and

only while they are on their assigned health care facility premises and under the direction and supervision of college or health care facility personnel, and performing within limits outlined by the supervisors and instructors.

Persons not employed by the board, except for the above mentioned students, are specifically excluded from coverage. The colleges and health care facilities are also excluded.

This coverage is excess over any other valid and collectible insurance available to the students.

F. Owners or Lessor of Premises used by the Insured, but only as to accidents occurring on that part of the premises rented to the Named Insured or directly caused by the Named Insured's operations, and only for the Additional Insured's vicarious liability for the Named Insured's acts or omissions. This insurance does not cover the Additional Insured's own negligence (either active or passive) or liability due to its independent acts.

Any coverage provided hereunder shall be excess over other valid and collectible insurance available to the additional insured whether that other insurance is primary, excess, contingent or provided on any other basis.

VI. EXTENDED BODILY INJURY COVERAGE

The definition of "occurrence" includes any intentional act by or at the direction of the Insured which results in bodily injury, if such injury arises solely from the use of reasonable force for the purpose of protecting persons or property.

VII. EMPLOYEE BENEFITS LIABILITY

A. INSURING AGREEMENTS

(1) COVERAGE

To pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as damages because of "Employee Benefits Injury", to which this insurance applies. The injury must be to any Employee, Former Employee or the beneficiaries or legal representative thereof to which this policy applies.

(2) It is agreed that $1,000 shall be deducted from the total amount paid by the Group, including defense costs, as a result of each occurrence covered by this policy and the Group shall be liable for loss only in excess of such amount. All loss arising out of continuous or repeated exposure to the same general conditions shall be considered as arising out of one occurrence. It is further understood and agreed that in the event of any claim, irrespective of the amount, notice thereof shall be given to the Group, or any of its authorized agents, by or on behalf of the Insured, in accordance with the terms of the Policy and Group may at its option, investigate such claim to negotiate or settle any such claim, to join the Group in such negotiation or settlement to the extent of the amount to be deducted herein provided, or to reimburse the Group for such deductible amount, if and when such claim is paid by the Group.

(3) THE DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS

The provisions of the policy shall apply as respects the insurance hereby afforded, except that the Group shall not make settlement or compromise any claim or suit without the written consent of the Insured, whose consent shall not be unreasonably withheld.

(4) TERRITORY

As respects the insurance hereby afforded, this endorsement applies only to claims under the legal jurisdiction of a court of law or a court of equity within the United State of America, its territories or possessions or Canada.

B. DEFINITIONS

(1) INSURED

The unqualified term "Insured" shall mean the Named Insured and the Board of Education as an entity and all persons who were or are now Trustees, Directors and Members of the Board of Education individually, a former or present employee of the Named Insured who holds a position as Superintendent, Assistant Superintendent, Administrator, Assistant Administrator, Principal or Assistant Principal, or any equivalent administrative position and any employees, student teachers or volunteers performing duties for the Named Insured or the Board of Education, but only while acting within the scope of the person's duties as such.

(2) EMPLOYEE BENEFITS INJURY

"Employee Benefits Injury" means injury that:
a) arises out of any act, error or omission in the "Administration" of your "Employee Benefits Programs", and
b) occurs during the policy period.

An "Employee Benefits Injury" occurs when monetary damages are first known or reasonably should have been known by the insured or its agents.

(3) EMPLOYEE BENEFITS PROGRAMS

The term "Employee Benefits Programs" shall mean group life insurance, group health insurance, profit sharing plans, pension plans, employee stock subscription plans, workers compensation, unemployment insurance, social security and disability benefits insurance.

(4) ADMINISTRATION

As respects the insurance afforded hereby, the unqualified word "Administration" wherever used shall mean:

a. Giving counsel to employees with respect to the Employee Benefits Programs;

b. Interpreting the Employee Benefits Programs;

c. Handling of records in connection with the Employee Benefits Programs;

d. Effecting enrollment, termination or cancellation of employees under the Employee Benefits Programs;

provided all such acts are authorized by the Named Insured.

C. EXCLUSIONS

(1) The insurance afforded by the endorsement does not apply:

(a) To any dishonest, fraudulent, criminal or malicious act, libel, slander, discrimination or humiliation;

(b) To bodily injury to, or sickness, disease or death, of any person, or to injury or to destruction of any tangible property, including the loss of use thereof;

(c) To any claim for failure of performance of contract by any Insurer;

(d) To any claim based upon the Insured's failure to comply with any law concerning Workmen's Compensation, Unemployment Insurance, Social Security or Disability Benefits;

(e) To any claim based upon the failure of stock to perform as represented by an Insured;

(f) To any claim based upon advice given by an Insured to an employee to the Named Insured to participate or not to participate in any "Employee Benefits Programs".

(g) To any claim based upon any actual or alleged error or omission or breach of duty, committed or alleged to have been committed by a trustee, in the discharge of fiduciary duties, obligations or responsibilities imposed by the Federal Employee Retirement Income Security Act of 1974.

(h) To any claim for monetary damages that were first known or reasonably should have been known by the insured prior to the policy period, even if the amount of the damages is not certain.

(i) For damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "Employee Benefits Programs".

j) Any claim for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

D. CONDITIONS

(1) The conditions of the policy entitled "Insured's Duties in the Event of

Occurrence, Claim or Suit", "Action Against Group", "Other Insurance", "Subrogation", "Changes", "Assignment", and "Cancellation" apply to the insurance afforded hereby and the following conditions apply:

a. Limits of Liability

The Limit of Liability stated in the Declaration as applicable to "each claim" is the limit of the Group's liability for all damages incurred on account of any claim covered hereunder; the limit of liability stated in the Declarations as "aggregate" is, subject to the above provisions respecting each claim, the total limit of the Group's liability for all claims covered hereunder and occurring during each policy year. The inclusion herein of more than one insured shall not operate to increase the limits of the Group's liability.

b. Terms of Endorsement Conformed to Statute

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

## VIII. PESTICIDE OR HERBICIDE APPLICATORS COVERAGE

With respect to pesticide or herbicide application operations, paragraph (d) of exclusion 18, applying to bodily injury liability and property damage liability, does not apply if the operations meet all standards of all statutes, ordinances, regulations or license requirements of any federal, state, or local government which apply to those operations.

The most we will pay for the sum of all claims under this coverage is $250,000 in any one policy period. The limit also includes defense costs. This coverage limitation shall not increase the limits of liability.

## IX. LIMITED COVERAGE FOR "FUNGAL PATHOGENS"

Limited Coverage for "Fungal Pathogens" is limited to liability for damages resulting from or in any manner related to "fungal pathogens". However, the most we will pay for the sum of all claims under this coverage is $25,000 in any one policy period. This limit also includes defense costs. This coverage limitation shall not increase the limits of liability.

As used in this coverage limitation, "fungal pathogens" shall mean any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota, including but not limited to, mold, mildew, mycotoxins, spores or any biogenic aerosols.

# NEW JERSEY SCHOOLS INSURANCE GROUP
# ARTICLE 5 – GENERAL LIABILITY COVERAGE
# EXTENSION OF COVERAGE

STATUTORY COMPLIANCE

This policy is extended to provide the following coverage.

The Group agrees to pay or otherwise indemnify the Named Insured for "18A STATUTORY PAYMENTS".

The Group shall have the right and duty to defend the Named Insured in any suit seeking "18A STATUTORY PAYMENTS", and may make such investigation and settlement of any claim or suit as it deems expedient, but the Group shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the Group's liability has been exhausted by payment of judgments, settlements, or defense costs. The Group shall have the right to select defense counsel and the Insured shall not engage counsel without consultation and approval by the Group.

"18A STATUTORY PAYMENTS" means reasonable defense costs which the Named Insured shall become obligated to pay by reason of the liability imposed by the Act of the Legislature of the State of New Jersey known as: N.J.S.A. 18A:16-6, N.J.S.A. 18A:16-6.1, and N.J.S.A. 18A:12-20 and any amendments thereto.

Any claim under this extension must be reported to the Group within one year of its final disposition.

The defense costs provided by this extension are limited to a $100,000 annual aggregate and are included within the Limits of Liability provided under Article 5. D. 1. NJSIG-G1 (7/17) and subject to a $5,000 deductible per claim or the General Liability deductible, whichever is greater.

KNOWLEDGE OF OCCURRENCE, OFFENSE, CLAIM, SUIT, BODILY INJURY OR PROPERTY DAMAGE

With respect to any obligation under this policy for which knowledge of an "occurrence," offense, claim, "suit," "bodily injury" and/or "property damage" is relevant, such knowledge by an "employee" or other agent of the insured does not constitute such knowledge unless and until such time as the Business Official, Board Secretary, Superintendent or Chief School Administrator obtains such knowledge or receives notice from the "employee," other agent or third-party source; provided that the Named Insured has in place a policy by which knowledge of an "occurrence," offense, claim, "suit," "bodily injury," and/or "property damage" is to be reported to the Business Official, Board Secretary, Superintendent or Chief School Administrator.

UNINTENTIONAL ERRORS OR OMISSIONS

Failure of the Insured to disclose all hazards existing as of the inception date of the policy shall not prejudice the Insured with respect to the coverage afforded by this policy, provided such failure or any omissions are not intentional.

NOTICE OF OCCURRENCE TO WORKERS' COMPENSATION CARRIER

If the Named Insured reports an "occurrence" to its workers' compensation carrier which later develops into a commercial general liability claim, the failure to provide notice of the "occurrence" shall not be deemed a breach of Paragraph 3. **Insured's Duties in the Event of Occurrence, Claim or Suit: Section D. Conditions.** However, once you know or should know that the "occurrence" is or may develop into a commercial general liability claim, the Named Insured must see to it that we are notified as soon as practicable and meet all of the obligations of Paragraph 3. **Insured's Duties in the Event of Occurrence, Claim or Suit: Section D. Conditions.**

## NEW JERSEY SCHOOLS INSURANCE GROUP

(Hereinafter referred to as the Group)

# Coverage Provided by QBE Specialty Insurance Company

(Hereinafter referred to as the Insurer)

## SCHOOL LEADERS ERRORS AND OMISSIONS POLICY

In consideration of the payment of the applicable premium specified herein and in reliance upon the statements in the Application which is attached to and becomes part of this policy and subject to all of the terms and conditions of this policy, the Insurer does hereby agree to provide School Leaders Errors and Omissions insurance as follows:

## COVERAGE A

### SECTION 1

APPLICATION: The Insurer agrees to pay on behalf of the **Insured, Loss** in excess of the applicable deductible and within the limit of liability, both as specified in the Declarations. Such **Loss** must be sustained by the **Insured** by reason of liability imposed by law for **Damages** caused by a **Wrongful Act** of the **Insured** or any persons for whose acts the **Insured** is legally liable, arising out of the performance of duties for the Named Insured. This policy will apply only to a **Claim** first made against the **Insured** and reported to the Insurer during the policy period as specified in the Declarations:

### SECTION II

DEFENSE AND SETTLEMENTS: The Insurer, in the **Insured**'s name and behalf, shall have the duty to investigate, defend and conduct settlement negotiations in any **Claim** or suit, if such **Claim** or suit alleges a **Wrongful Act** covered under this policy. The Insurer shall not be obligated to investigate, defend or conduct settlement negotiations on any **Claim** reported to the Insurer after the Limit of Liability has been exhausted by payment of **Loss** on other **Claims**, or after the end of the policy period or any approved extension thereof as shown by an Endorsement attached to this policy.

The Insurer shall select defense counsel and the **Insured** shall not engage counsel without consultation and approval by the Insurer. The Insurer shall not settle any **Claim** without the consent of the Named Insured, which consent shall not be unreasonably withheld. Should the **Insured** refuse to consent to any settlement or verdict recommended by the Insurer and elect to contest the **Claim**, or continue any legal proceedings in connection with such **Claim**, the Insurer's liability for the **Claim** shall not exceed the amount, if any, in excess of the **Insured**'s deductible for which the **Claim** could have been so settled, or the applicable limit of liability, whichever is less, plus the costs and expenses incurred with its consent up to the date of such refusal. Under no circumstances is the Insurer obligated to pay for the defense or any form of indemnity for any appeal of a legal action or any legal proceeding.

The **Insured** shall not admit liability for, nor make any voluntary settlement, nor incur any costs or expenses in connection with any **Claim** involving payment by the Insurer, except with the written consent of the Insurer.

## SECTION III

DEFENSE EXPENSES AND SUPPLEMENTARY PAYMENTS: With respect to such insurance as is afforded by this policy, the Insurer shall pay, subject to the applicable deductible and in addition to the applicable limit of liability:

(a) all reasonable or necessary expenses incurred in the defense of any **Claim** or suit against the **Insured** alleging such **Wrongful Act**, even if such **Claim** or suit is groundless, false, fraudulent, or for an amount less than the **Insured**'s deductible. However, the Insurer shall not pay for any loss of earnings, salary, benefits or expenses of the **Insured**.

(b) all premiums on bonds to release attachments and appeal bonds, limited to that portion of such bond that does not exceed the limit of liability of this policy, but without any obligation to apply for or furnish such bonds;

(c) all costs taxed against the **Insured** in any suit and all expenses incurred by the Insurer;

(d) all interest accruing after the entry of judgment, but only for that portion of the judgment which does not exceed the applicable limit of liability , until the Insurer has tendered or paid such part of such judgment as does not exceed the Insurer's limit of liability thereon;

(e) all reasonable expenses incurred by the **Insured** at the Insurer's request in assisting the Insurer in the investigation and defense of any **Claim** or suit, other than loss of earnings.

## SECTION IV

LIMIT OF LIABILITY AND DEDUCTIBLE: Irrespective of the number of the **Insured**s covered hereunder, the total liability of the Insurer for **Loss** on account of all **Claims** first made against the **Insured** and reported to the Insurer (1) during the policy period, or (2) during the last policy period together with the extension period, under this Coverage A shall not exceed the amount specified in the Declarations as applicable to "Each Policy Period".

The limit of liability as stated in the Declarations shall apply in excess of the deductible.

The deductible, as stated in the Declarations, shall apply to both **Loss** and defense expenses of each **Claim** made against the **Insured**, but the deductible shall apply only once with respect to each **Claim**. Should the Insurer, for any reason, pay the entire amount of **Loss** without regard to the deductible the Named Insured will reimburse the Insurer, within 30 days of the Insurer's request for such reimbursement, for that part of the deductible which has been paid.

The inclusion herein of more than one **Insured** or the making of **Claims** or bringing of suits by more than one person or organization shall not operate to increase the Insurer's limit of liability. Two or more **Claims** arising out of a single **Wrongful Act** or a series of related **Wrongful Acts** shall be treated as a single **Claim**. All such **Claims**, whenever made, shall be considered as first made within the Policy Period or Extension Period in which the earliest **Claim** arising out of such "**Wrongful Act**" was first made, and all such **Claims** shall be subject to the same limits of liability.

Communicable disease outbreak limits: The communicable disease outbreak limit stated in the declarations is the most the Group will pay for damages because of communicable disease outbreak for each Claim. Notwithstanding anything to the contrary in this policy, for the purpose of the communicable disease outbreak limits only, all damages because of communicable disease outbreak which are traceable to a single source will be deemed to be a single Claim for the purposes hereof, regardless of the number of claimants, or the number of breaches of any legal obligation or duty.

The communicable disease outbreak aggregate limit stated in the declarations is the most the Group will pay for damages in a single policy period because of communicable disease outbreak regardless of the number of members in the fund. Any payments by the Group from the communicable disease outbreak aggregate limits reduces any remaining aggregate limits available to all members.

These limits apply to any loss, damage, liability, claim, of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a communicable disease outbreak or the fear or threat (whether actual or perceived) of a communicable disease outbreak; all regardless of any other cause or event contributing concurrently or in any other sequence thereto. These limits further apply to any cost or expense to clean-up, detoxify, remove, monitor or test for a communicable disease outbreak or communicable disease associated with a communicable disease outbreak.

## SECTION V

DEFINITIONS: Wherever used in this Coverage A:

(a) the unqualified term **Insured** or **Insureds** shall mean the Named Insured and the Board of Education as an entity and all persons who were or are now Trustees, Directors and Members of the Board of Education individually, a former or present employee of the Named Insured who holds a position as Superintendent, Assistant Superintendent, Administrator, Assistant Administrator, Principal or Assistant Principal, or any equivalent administrative position and any employees, student teachers or volunteers performing duties for the Named Insured or the Board of Education, but only while acting within the scope of the person's duties as such;

(b) the term **Loss** means such monetary amounts payable by the **Insured** in settlement of **Claims** or in satisfaction of awards or judgments (including prejudgment interest). The term **Loss** does not include and the Insurer will not pay any monetary amounts for the costs of providing any educational, extracurricular, athletic or other services for a student, or any disputes arising out of the funding of those services.

(c) the term **Claim** means: (1) a written notice of legal process, (2) a written demand for **Damages**, or (3) a written notice of intent to sue;

**Claim** shall not include: any action arising out of:

(1) a collective bargaining agreement;

(2) A complaint or filing with the Public Employment Relations Commission;

(3) A complaint or filing with the School Ethics Commission;

(d) the term **Communicable disease** means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

a. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and

b. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and,

c. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property.

(e) the term **Communicable disease outbreak** means a communicable disease that is declared, or determined to be, a public health emergency, pandemic, outbreak, epidemic, disaster, or public emergency by the World Health Organization, or any agency or authority tasked with overseeing international or global public health, or by the United States government, including any federal, state or local agency.

(f) the term **Damages** shall mean monetary compensation awarded by a court of law resulting from a **Loss**.

(g) the term Member, also known as the named insured, means the organization named in Item 1 of the declarations of this policy that has elected to participate in the fund to which this policy applies pursuant to N.J.S.A. 18A:18B-1, et seq.

(h) the term **Property Damage** means physical injury to or destruction of tangible or intangible property or electronic data, including the loss of use of tangible property which has not been physically injured.

(i) the term **Wrongful Act** means a negligent act, error or omission, misstatement, or misleading statement or **Wrongful Employment Practice**.

(j) the term **Wrongful Employment Practice** means

1. Employment related discrimination in connection with hiring, promotion, advancement or opportunity demotion, discipline, pay, or termination on the basis of race, color, sex, age, religion, national origin, disability, sexual orientation, marital status, or pregnancy, or any conduct that violates any federal, state, or local law prohibiting employment discrimination

2. Sexual harassment, including unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature that (1) is a made an explicit or implied term or condition of employment; or (2) is used as a basis for employment decisions; or (3) creates a work environment that is intimidating, hostile, or offensive; and

3. Any of the following employment related acts: misrepresentation, invasion of privacy, defamation, retaliation, wrongful discipline, negligent evaluation, negligent hiring, or negligent supervision.

(k) the term **Employment Agreement** does not include Collective Bargaining Agreements.

(l) the term **Bodily Injury** means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at anytime resulting there from. This includes mental anguish, mental injury, shock, fright or death resulting from bodily injury , sickness or disease.

THE DEFINITIONS ABOVE ARE USED IN THIS COVERAGE A DO NOT APPLY TO COVERAGE B.

## SECTION VI

EXCLUSIONS: This policy does not apply to **Claims** alleging, based upon, arising out of or attributable to:

(a) any actual or alleged dishonest, fraudulent, illegal or criminal acts of the **Insured** themselves. This exclusion also applies only to an **Insured** who participated in, acted with knowledge of, or acquiesced to such conduct of an **Insured**;

(b) assault or battery, false arrest, detention or imprisonment, wrongful entry or eviction or other invasion of private occupancy, malicious prosecution or humiliation; an utterance or publication from which a **Claim** of libel, slander, defamation or disparagement arises or an utterance or publication in violation of an individual's right of privacy, however, this exclusion does not apply to **Wrongful Employment Practice**;

(c) **Bodily Injury**, or **Property Damage**, however, this exclusion shall not apply to mental anguish or emotional distress arising out of **Wrongful Employment Practices**;

(d) **Claims** seeking non-pecuniary relief;

(e) the failure to effect or maintain insurance of any kind including bonds;

(f) punitive, exemplary, multiple or any other type of non-compensatory damages, any statutory fines or penalties;

(g) any **Claim** arising out of breach of fiduciary duty, responsibility or obligation in connection with any employee benefit or pension plan;

(h) any **Claim** arising out of gaining any profit, remuneration or advantage to which the **Insured** is not legally entitled;

(i) any **Claim** of retirement benefits, pension or other employee benefits;

(j) any Cross-claim or Counterclaim brought by one **Insured** under this policy against another **Insured**;

(k) any **Claim** alleging failure to integrate or desegregate the student enrollment or the participation in any **Insured**, school, educational, or extracurricular program to be operated or administered on a discriminatory basis because of race or national origin in violation of a court order;

(l) any actual or alleged breach of contract **Claims**. This exclusion shall not apply to any **Claim** arising out of breach of an **Employment Agreement** between the **Insured** and an employee of the **Insured**;

(m) the failure of the **Insured** to comply with the administrative requirements of the Asbestos Hazard Emergency Response Act;

(n) any **Claim** arising out of the presence of asbestos or radon and methane gases including cost of its removal or correction;

(o) arising from any circumstance or incident which might give rise to a **Claim** hereunder, which is either known or reasonably should have been known to the **Insured** prior to the inception of this policy and not disclosed to the Insurer prior to inception;

(p) any **Claim** resulting directly or indirectly from the dispersal, discharge, escape, release, emission or saturation of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, gases or any other hazardous material, irritant, contaminant, carcinogen or pollutant in or into the atmosphere, or on, onto, upon, or in or into surface or subsurfaces of the following:

(1) soil or any structures appurtenant thereto:

(2) water or watercourses;

(3) objects;

(4) any tangible or intangible matters;

whether sudden or not, or for the failure to test, observe, or discover the presence of any of the foregoing. This exclusion applies to any pollution from any sources whether man-made or from natural sources. This exclusion applies to any **Claim** by whomever or whatsoever made, including, but not limited to, any public, private or governmental person, concern, body, entity, agency, office or corporation;

(q) any actual or alleged liability arising out of:

(1) the **Insured**'s acts or omissions pursuant to any New Jersey public bidding statutes, including, but not limited to the Public Schools Contracts Law, N.J.S.A. 18A:18A-1, et seq., and N.J.A.C. 5:34-1, et seq., and /or Local Public Contracts Law, N.J.S.A. 40A:11-1, et seq.; or

(2) any faulty preparation or approval of maps, plans, reports, surveys, designs, bid documents, bid specifications, other specifications, or inaccuracies due to estimates of probable costs and/or revenues;

(r) to any **Claim** alleging, based upon, arising out of or attributable to the Fair labor Standards Act (except the Equal Pay Act), or any state or common law wage or hour law, including but not limited to laws governing minimum wages, hours worked, overtime compensation, and sums sought solely on the basis of a **Claim** for unpaid services, salary, wages or earnings. However, this exclusion shall not apply to back pay or front pay.

## SECTION VII

OPTION TO EXTEND CLAIMS REPORTING PERIOD: If the Named Insured does not renew this policy under this Coverage A after complying with all the terms and conditions thereof, including payment of all premiums or deductibles when due, or if the Insurer shall cancel or refuse to renew this policy for reasons other than the Named Insured's non-payment of premiums or deductibles or non-compliance with the terms and conditions of this policy, this policy shall be extended automatically to apply, at no additional cost to a **Claim** first made against the **Insured** during the policy period and reported to the Insurer during the 60 days immediately following the effective date of such termination, but only by reason of any negligent act, error, omission, misstatement, or misleading statement in professional services first committed or alleged to have been committed before such termination date and otherwise covered by this insurance. The limit of liability, if any, applicable to such 60-day period shall be equal to the amount of coverage remaining at the end of the last policy period.

In addition, the Named Insured shall have the option to purchase a 12 or 24 month Extension Period that shall take effect on the effective date of cancellation or nonrenewal of this policy. The Named Insured shall have the option to extend the insurance afforded by this policy under this Coverage A subject otherwise to its terms, limits of liability, exclusions and conditions, to apply to **Claims** first made against the **Insured** and reported to the Insurer during the 12 or 24 month Extension Period following immediately upon the effective date of such termination, but only by reason of any negligent act, error, omission, misstatement, or misleading statement in professional services first committed or alleged to have been committed before such termination date and otherwise covered by this insurance. The extension of coverage for **Claims** made subsequent to termination of this policy shall be endorsed thereto, if purchased, and shall hereinafter be referred to as the "Extension Period".

The premium for the Extension Period shall be 100% of the annual premium charged the Named Insured for the expiring insurance under this Coverage A for the 12 month Extension Period. The premium for the Extension Period shall be 150% of the annual premium charged the Named Insured for the expiring insurance under this Coverage A for the 24 month Extension Period.

As a condition precedent to the Named Insured's right to exercise the aforesaid option, the full premium and any deductibles that are due must have been paid.

The Named Insured's right to purchase the Extension Period must be exercised by notice in writing not later than sixty (60) days after the cancellation or termination of this policy. Effective notice must include payment of premium for such period as well as all deductibles due the Insurer.

If such notice, premium and deductible payment are not so given to the Insurer, the **Insured** shall not at a later date be able to exercise such rights.

At the commencement of the Extension Period, the entire premium therefore shall be deemed earned, and in the event the Named Insured terminates the Extension Period before its term for any reason, the Insurer shall not be liable to return to the Named Insured any portion of the Premium for the Extension Period.

Any change in the premium for, or in the limit, conditions, or terms of this policy shall not be deemed a refusal to renew this policy.

## COVERAGE B

In consideration of the payment of the applicable premium specific herein and in reliance upon the statement in the Application which is attached to and becomes part of this policy and subject to all of the terms and conditions of this policy, the Insurer does hereby agree to provide School Leaders Errors and Omissions insurance as follows, subject to the selection or prior approval of defense counsel by the Insurer.

## SECTION I

APPLICATION: The Insurer has the right to select defense counsel and hereby agrees to pay on behalf of the **Insured Loss** in excess of the applicable deductible and within the limit of liability, both as specified in the Declarations. Such **Loss** must be sustained by the **Insured** in the defense of an **Administrative Law Proceeding** or suit, but not any appeal from an **Administrative Law Proceeding** or suit:

(a) Alleging any dishonest, fraudulent, illegal, or criminal act, but only if there is a verdict or disposition in the **Insured**'s favor;

(b) arising out of an allegation of corporal punishment, but only if there is a verdict or disposition in the **Insured's** favor;

(c) seeking non-pecuniary relief;

(d) alleging the failure to effect or maintain insurance of any kind including bonds;

(e) arising out of an alleged breach of fiduciary duty, responsibility or obligation in connection with any employee benefit or pension plan;

(f) arising out of the alleged discrimination against students because of race or national origin or failure to integrate or desegregate the student enrollment or participation in any school district, other than **Claims** brought by a governmental agency;

(g) alleging the failure of the **Insured** to comply with the administrative requirements of the Asbestos Hazard Emergency Response Act.

All such **Loss** must arise out of a **Claim** first made and reported or charges filed against the **Insured** and reported to the Insurer during the policy period.

## SECTION II

LIMIT OF LIABILITY AND DEDUCTIBLE: Irrespective of the number of **Insureds** covered hereunder, the total liability of the Insurer for **Loss** on account of each **Claim** under this Coverage B is limited -to the amount specified in the Declarations as applicable to "each **Claim**". Subject to such each **Claim** limit, the total liability of the Insurer for **Loss** on account of all **Claims** first made or charges filed against the **Insured** and reported to the Insurer (1) during the last policy period, or (2) during the last policy period together with the extension period is limited to the amount specified in the Declarations as applicable to "aggregate each policy period".

The limits of liability as stated in the Declarations shall apply in excess of the deductible.

The deductible, as stated in the Declarations, shall apply with respect to each **Claim**. Should the Insurer, for any reason, pay the entire amount of **Loss** without regard to the deductible the Named Insured will reimburse the Insurer within 30 days of the Group's request for such reimbursement, for that part of the deductible which has been paid.

The inclusion herein of more than one **Insured** or the making of **Claims** or bringing of suits by more than one person or organization shall not operate to increase the Insurer's limit of liability. Two or more **Claims** arising out of a single act or statement, or a series of related acts or statements shall be treated as a single **Claim**. All such **Claims**, wherever made, shall be considered as first made within the Policy Period or Extension Period in which the earliest **Claim** arising out of such act or statement was first made, and all such **Claims** shall be subject to the same limit of liability.

The **Insured** shall not admit liability for, nor make any voluntary settlement, nor incur any costs or expenses in connection with any **Claim** involving payment by the Insurer, except with the written consent of the Insurer.

## SECTION III

DEFINITIONS: Wherever used in this Coverage B:

(a) The unqualified term **Insured** shall mean the Named Insured and the Board of Education as an entity and all persons who were or are now Trustees, Directors and Members of the Board of Education individually, a former or present employee of the Named Insured who holds a position as Superintendent, Assistant Superintendent, Administrator, Assistant Administrator, Principal or Assistant Principal, or any equivalent administrative position and any employees, student teachers or volunteers performing duties for the Named Insured or the Board of Education, but only while acting within the scope of the person's duties as such;

(b) the term **Loss** shall mean such monetary amounts paid by the **Insured** and unreimbursed by any other source;

(1) incurred in the defense of a **Claim**, suit or charge against the **Insured** as set out in SECTION I of this Coverage B;

(2) as premiums on bonds to release attachments and appeal bonds, limited to that portion of such bond that does not exceed the limit of liability of this policy, but without any obligation to apply for or furnish such bonds;

(3) as costs taxed against the **Insured** in any **Claim**, suit or charge as set out in SECTION I of this Coverage B.

(4) as attorney fees of a prevailing party in any **Administrative Law Proceeding** awarded or taxed against any **Insured**.

(c) the term **Claim** means: a written notice of legal process, or that a written demand for money or services has been made against the **Insured**.

**Claim** shall not include: any action arising out of:

(1) a collective bargaining agreement;

(2) A complaint or filing with the Public Employment Relations Commission;

(3) A complaint or filing with the School Ethics Commission;

(d) the term **Administrative Law Proceeding** shall mean Petition for Due Process/Emergent Relief filed with the New Jersey Department of Education ; and actions filed with Equal Employment Opportunity Commission, New Jersey Division of Civil Rights, Commissioner of Education of New Jersey, or the United States Department of Education.

THE DEFINITIONS USED IN THIS COVERAGE B DO NOT APPLY TO COVERAGE A.

## SECTION IV

OPTION TO EXTEND CLAIMS REPORTING PERIOD: If the Named Insured does not renew this policy under this Coverage B after complying with all terms and conditions thereof, including payment of all premiums or deductibles when due, or if the Insurer shall cancel or refuse to renew this policy for reasons other than the **Insured**'s non-payment of premiums or deductibles or non-compliance with the terms and conditions of this policy, this policy shall be extended automatically to apply, at no additional cost to **Claim** first made against the **Insured** during the policy period and reported to the Insurer during the 60 days immediately following the effective date of such termination, but only by reason of any negligent act, error, omission, misstatement, or misleading statement in professional services first committed or alleged to have been committed before such termination date and otherwise covered by this insurance. The limit of liability, if any, applicable to such 60 day period shall be equal to the amount of coverage remaining at the end of the last policy period.

In addition, the Named Insured shall have the option to purchase a 12 or 24 month Extension Period that shall take effect on the effective date of cancellation or nonrenewal of this policy. The Named Insured shall have the option to extend the insurance afforded by this policy under this Coverage B subject otherwise to its terms, limits of liability, exclusions and conditions, to apply to a **Claim** first made against the **Insured** and reported to the Insurer during the 12 or 24 month Extension Period following immediately upon the effective date of such termination, but only by reason of any negligent act, error, omission, misstatement, or misleading statement in professional services first committed or alleged to have been committed before such termination date and otherwise covered by this insurance. The extension of coverage for **Claims** made subsequent to termination of this policy shall be endorsed thereto, if purchased, and shall hereinafter be referred to as the "Extension Period".

The premium for the Extension Period shall be 100% of the annual premium charged the Named Insured for the expiring insurance under this Coverage B for the 12 month Extension Period. The premium for the Extension Period shall be 150% of the annual premium charged the Named Insured for the expiring insurance under this Coverage B for the 24 month Extension Period.

As a condition precedent to the Named Insured's right to exercise the aforesaid option, the full premium and any deductibles that are due must have been paid and the Named Insured must also be purchasing the Extension Period under Coverage A of this policy.

The Named Insured's right to purchase the Extension Period must be exercised by notice in writing not later than sixty (60) days after the cancellation or termination of this policy. Effective notice must include payment of premium for such period as well as all deductibles due the Insurer.

If such notice, premium and deductible payment are not so given to the Insurer, the **Insured** shall not at a later date be able to exercise such rights.

At the commencement of the Extension Period, the entire premium therefore shall be deemed earned, and in the event the Named Insured terminates the Extension Period before its term for any reason, the Insurer shall not be liable to return to the **Insured** any portion of the Premium for the Extension Period.

Any change in the premium for, or in the limit, conditions, or terms of this policy shall not be deemed a refusal to renew this policy.

## COMMON CONDITIONS

The following common conditions apply to both Coverages A and B.

## SECTION I

PREMIUM: The Named Insured shall pay the Insurer annual premium in an amount stated in the Declarations as respects Coverage A and Coverage B and the payment of such premium shall be a condition precedent to any coverage under this policy. The annual premium may be adjusted with respect to any renewals.

## SECTION II

POLICY PERIOD: This policy applies only to any **Claim** first made or charges filed against the **Insured** and reported to the Insurer during the policy period. Each policy period shall be the period shown in the Declarations of this policy. This policy may be renewed for successive policy periods of twelve months. If the policy is renewed, then the Named Insured must give the Insurer written notice of any **Claim**, with full details, as soon as practicable after it is first made and in no event later than sixty (60) days after the expiration date of the policy period. Each policy period shall begin and end at 12:01 a.m. standard time at the address of the Named Insured.

## SECTION III

NOTICE: THE **INSURED** MUST GIVE PROMPT NOTICE IN WRITING TO THE INSURER OF:

(a) Any **Claim** made and of any action or suit commenced against the **Insured**, and

(b) any proceeding, event, or development which might result in a **Claim** against the **Insured**;

and shall forward promptly to the Insurer, or the Insurer's designee, copies of such pleadings and reports as may be requested by the Group. BUT IN NO EVENT SHALL SUCH A **CLAIM**, PROCEEDING, EVENT OR DEVELOPMENT BE SUBJECT TO COVERAGE UNDER THIS POLICY IF NOTICE IS GIVEN TO THE INSURER AFTER THE TERMINATION DATE, OR THE LAST DAY OF THE EXTENSION PERIOD, IF APPLICABLE, OF THIS POLICY. The **Insured** shall cooperate with the Group.

## SECTION IV

MERGERS AND CONSOLIDATIONS: In the event of any merger, consolidation or amalgamation involving the Named Insured and any other school district or similar entity, the Named Insured shall notify the Insurer of such change prior to the date of such change. There shall be no coverage under this policy for any newly created entity or newly acquired entity, until such entity has been specifically accepted for coverage in writing, and the appropriate premium determined by the Insurer.

## SECTION V

OTHER INSURANCE: If, but for the insurance afforded by this policy, the **Insured** would have other insurance against a **Loss** otherwise covered hereby, the insurance afforded by this policy shall be excess over such other insurance.

## SECTION VI

SUBROGATION: In case of payment of **Loss** by the Insurer hereunder, the Insurer shall be subrogated to the amount of such payment to the **Insured's** right of recovery against any other person or organization for such **Loss**, and the **Insured** shall execute all papers required, and shall cooperate with the Insurer to secure such rights.

Any recovery (after expenses) shall be used to reduce the **Loss**, and so much of such recovery shall be paid to the Insurer as will reduce the **Loss** ultimately borne by the Insurer to what it would have been had the recovery preceded any payment of such **Loss** by the Insurer.

## SECTION VII

CHANGES: 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 keep the Insurer from asserting any right under the terms of this policy, nor shall the terms .of this policy be waived or changed, except by endorsements issued to form a part of this policy.

## SECTION VIII

ASSIGNMENT: No assignment of interest under this policy shall be valid unless the written consent of the Insurer is endorsed hereon.

## SECTION IX

ACTION AGAINST INSURER: No action shall lie against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this policy nor until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant and the Insurer.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recovery under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the Insurer as a party to any action against the **Insured** to determine the **Insured**'s liability, nor shall the Insurer be impeded by the **Insured** or his legal representative. Bankruptcy or insolvency of the **Insured** or of the **Insured**'s estate shall not relieve the Insurer of any of its obligations hereunder.

## SECTION X

TERMINATION AND/OR WITHDRAWAL OF GROUP MEMBERS:

(a) A member school district must remain in the GROUP for the full term of membership unless earlier termination for nonpayment of assessments or continued non-compliance after written notice to comply with the GROUP'S Bylaws, Risk Management standards, or other reason(s) acceptable to the Commissioner of Banking and Insurance. However, such member school district shall not be deemed terminated until:

1. The Group gives by registered or certified mail, return receipt requested to the member a written notice of its intention to terminate the member and the reasons for said termination in thirty (30) days; and
2. Like notice shall be filed with the Department of Banking and Insurance, together with a certified statement that the notice provided for above has been given; and

3. Thirty (30) days have elapsed after the filing required by "a" above.

(b) A member of the GROUP that does not desire to continue as a member after the expiration of its membership term shall give written notice of its intent ninety days before the expiration of term period. The GROUP shall immediately notify the Department of Insurance that the member has given notice to leave the GROUP.

(c) A member of the GROUP that did not approve any amendment of the GROUP Bylaws approved pursuant to *N.J.S.A.* 18A: 18B-4, and desiring to withdraw from the GROUP pursuant to *N.J.S.A.* 18A:-18B-4b (8) (d), shall provide written notice of its intent to withdraw ninety days prior to its withdrawal. The GROUP shall immediately notify the Department of Insurance of all members that have given notice of withdrawal from the GROUP.

(d) A member that has been terminated or does not continue as a member of the GROUP shall remain jointly and severally liable for claims incurred by the GROUP and its member during the period of its membership, including, but not limited to being subject to and liable for supplemental assessments. A terminated or withdrawn member shall remain eligible for all dividends and refunds earned during the period of its membership.

(e) The GROUP shall immediately notify the Department of Insurance if the termination or withdrawal of a member causes the GROUP to fail to meet any of the requirements of P.L. 1983, c. 108 or any other law or regulation of the State of New Jersey. Within fifteen (15) days of such notice, the GROUP shall advise the Department of Insurance of its plan to bring the GROUP into compliance.

(f) A GROUP member is not relieved of the **Claims** incurred during its period of membership except through payment by the Insurer or member of those **Claims**.

(g) A terminated or withdrawing member shall provide security in a form and amount acceptable to the Commissioner or Trustees, as applicable.

## SECTION XI

DECLARATIONS AND APPLICATION: By acceptance of this policy, the Named Insured agrees that the statements in the Declarations and Application are its agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy with a copy of the application attached embodies all agreements existing between the Named Insured and the Insurer or any of its agents relating to this insurance.

IN WITNESS WHEREOF, the Insurer has caused the signatures of its Executive Officers to be affixed hereto, and has caused this policy to be countersigned by an authorized representative of the Insurer.

## SECTION XII

RETROACTIVE DATE: If a retroactive date is shown in the declarations, then coverage will be provided for **Wrongful Acts** occurring subsequent to the retroactive date and reported during this policy term. Coverage will be subject to and may be limited by the terms and conditions of this policy, but in no event will a **Claim** be covered if excluded by the terms and conditions of this policy.