



Illinois Union Insurance Company  
 525 W. Monroe Street  
 Chicago, IL 60661

## Flexible Excess Policy For Individual Public And Scholastic Entities Declarations

**This Policy is issued by the stock insurance company shown above.**

<b>Policy Number:</b> XPE G19851667 007	<b>Previous Policy Number:</b> XPE G19851667 006
<b>Item 1. Named Insured and Principal Address</b>  The State of Nebraska 1526 K Street, Suite 220 PO Box 94974 Lincoln, NE 68509-4974	<b>Producer Name and Address</b>  Aon Risk Services, Inc. 1120 20 <sup>th</sup> Street, NW, Suite 600 Washington, DC 20036

<b>Item 2. Policy Period:</b>  From: July 01, 2017 12:01 a.m. To July 01, 2018 12:01 a.m. (Local time at the address shown in Item 1)
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<b>Item 3. Premium:</b> \$590,000
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<b>Item 4. Limits of Insurance:</b> <table style="margin-left: 40px; border: none;"> <tr> <td>Each act, accident, claim or occurrence, as applicable</td> <td style="text-align: right;">\$ 4,000,000</td> </tr> <tr> <td style="padding-left: 20px;">Aggregate Applicable to Coverages</td> <td style="text-align: right;">\$ N/A</td> </tr> <tr> <td style="padding-left: 20px;">Aggregate Applicable to Coverages</td> <td style="text-align: right;">\$ N/A</td> </tr> </table>	Each act, accident, claim or occurrence, as applicable	\$ 4,000,000	Aggregate Applicable to Coverages	\$ N/A	Aggregate Applicable to Coverages	\$ N/A
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Aggregate Applicable to Coverages	\$ N/A					
Aggregate Applicable to Coverages	\$ N/A					

<b>Item 5. Schedule of Underlying Coverage</b>  The Schedule is described on Form No. PE-21086b, which forms a part of this Policy's Declarations.
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<b>Item 6. Schedule of Forms and Endorsements Forming a part of this Policy at Inception</b>	
Number	Title
	See attached Schedule of Forms and Endorsements

## SCHEDULE OF FORMS AND ENDORSEMENTS

Named Insured The State of Nebraska			Endorsement Number Page 1 of 1
Policy Symbol XPE	Policy Number G19851667 007	Policy Period July 01, 2017 to July 01, 2018	Effective Date of Endorsement July 01, 2017
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### SCHEDULE OF FORMS

	Policy Forms	Title
	PE-21086b	Schedule of Underlying Coverage
	PE-21088d	Flexible Excess Policy

### SCHEDULE OF ENDORSEMENTS

Endorsement Number	Form Number	Title
1	PE-21856	Coverage Provided by Underlying Coverage but Excluded from this Policy Endorsement
2	LD-2S74a	Nebraska Cancellation and Nonrenewal
3	ALL-21101	Trade or Economic Sanctions Endorsement
4	SL-34255a	Service of Suit
5	CC1K11h	Signature Endorsement
	SL-24691	Surplus Lines Notification
	ALL-1Z36a	Disclaimer Notice Commercial Lines Deregulation
	IL P 001	OFAC Policyholder Disclosure
	ALL-20887	Chubb Producer Compensation Practices & Policies



## Schedule of Underlying Coverage

This schedule forms a part of the Policy's Declarations.

Policy Number: XPE G19851667 007

Named Insured: The State of Nebraska

		Insurer	Coverage	Limits of Insurance
<b>A</b>	Company Policy No. Policy Period		General Liability  <input type="checkbox"/> Claims Made	Each Occurrence: \$ Excluded General Aggregate: \$ Products / Completed Operations Aggregate: \$ Self Insured Retention: \$
<b>B</b>	Company Policy No. Policy Period	Princeton Excess & Surplus 64-A3-EX-0000006-13 July 01, 2017 – July 01, 2018	Automobile Liability	Each Accident: \$ 700,000  Self Insured Retention: \$ 300,000 Each Accident
<b>C</b>	Company Policy No. Policy Period		Law Enforcement Liability <input type="checkbox"/> Claims Made	Each Occurrence: \$ Excluded Aggregate: \$ Self Insured Retention: \$
<b>D</b>	Company Policy No. Policy Period		Errors & Omissions <input type="checkbox"/> Claims Made	Each Claim: \$ Excluded Aggregate: \$ Self Insured Retention: \$
<b>E</b>	Company Policy No. Policy Period		Employment Practices Liability <input type="checkbox"/> Claims Made	Each Claim: \$ Excluded Aggregate: \$ Self Insured Retention: \$
<b>F</b>	Company Policy No. Policy Period		Employee Benefits Liability <input type="checkbox"/> Claims Made	Each Claim: \$ Excluded Aggregate: \$ Self Insured Retention: \$



Illinois Union Insurance Company  
525 W. Monroe Street  
Chicago, IL 60661

## Flexible Excess Policy For Individual Public And Scholastic Entities

This is your Flexible Excess Policy. Some of the coverage provided by this Policy is provided on a claims made and reported basis depending upon the **Underlying Coverage**. Please read it carefully. Some provisions may limit or restrict coverage. Certain words and phrases that appear in bold print have special meanings found in Section 3 – Definitions. Throughout this Policy the words **You** and **Your** refer to the **Named Insured**. The words **We**, **Us**, and **Our** refer to the company providing this insurance.

In consideration of the payment of the premium, in reliance upon all statements and representations made in the application including information furnished in connection therewith and the statements shown on the Declarations page and in the Schedule of **Underlying Coverage** attached to this Policy, and subject to all the terms, definitions, conditions, exclusions and limitations of this Policy, **We** agree with **You** as follows:

### SECTION 1 - INSURING AGREEMENTS

#### A. Coverage

**We** will indemnify the **Insured** for **Ultimate Net Loss** in excess of the **Underlying Coverage** that the **Insured** becomes legally obligated to pay as damages because of the injury or damage to which this insurance applies.

This insurance is subject to the same terms, conditions, agreements, exclusions and definitions as the **Underlying Coverage** except as otherwise provided in this Policy. If the **Underlying Coverage** does not pay a loss, then this insurance will not apply and **We** shall not indemnify the **Insured**.

If the **Underlying Coverage** provides coverage on an occurrence or a claims made basis, then this Policy provides such coverage on an occurrence or claims made basis respectively. If such coverage is provided on a claims made basis, **We** will provide the extended reporting period(s) to the same extent they are provided by the **Underlying Coverage**.

#### B. Limits of Insurance

1. Our total Limit of Insurance for **Ultimate Net Loss** resulting from any one act, claim, accident or occurrence, as applicable, will not exceed the amount specified in the Declarations. This will be true regardless of the number of:
  - a. Persons and organizations who are **Insureds** under this Policy;
  - b. Coverages provided under this Policy;
  - c. Claims made and suits brought against any or all **Insureds**;
  - d. Persons or organizations making claims;
  - e. Vehicles involved.
2. The Aggregate Limit(s) as stated in the Declarations is the most **We** will indemnify the **Insured** for **Ultimate Net Loss** to which this Policy applies, except **Ultimate Net Loss** for injury and damage covered by the Automobile Liability coverage specified in the Schedule of **Underlying Coverage**.
3. If the Limit of Insurance of the **Underlying Coverage** applicable to each act, claim, accident or occurrence has been exhausted by payments made by the **Insured** or on behalf of any **Insured** by the **Insurers** of the **Underlying Coverage**, this Policy shall then apply subject to all of the terms and conditions of such **Underlying Coverage** and the terms and conditions of this Policy.
4. This Policy shall only pay **Ultimate Net Loss** that is excess of the Limit of Insurance of the **Underlying Coverage** applicable to each act, claim, accident or occurrence. This Policy shall not drop down in the event of reduction or exhaustion of any underlying aggregate limit.

### SECTION 2 - EXCLUSIONS

- A. This insurance does not apply to any injury, damage, expense, cost, loss, liability, or legal obligation, whether direct or indirect, arising out of:

1. The operation of the principles of eminent domain, condemnation, inverse condemnation, adverse possession, temporary or permanent taking;
  2. **Sexual Abuse** by an **Insured**;
  3. Any premium, assessment, penalty, fine, benefit or other obligation imposed by any Workers' Compensation Law, unemployment compensation or disability benefits law, the Jones Act, General Maritime Law, the Federal Employers' Liability Act, Federal Employee Compensation Act, the Defense Base Act, U.S. Longshoremen's and Harbor Workers' Compensation Act, Federal Coal Mine Health and Safety Act, any federal occupational disease law; any amendments to such laws or under any similar law for which **You**, or any insurance company as **Your Insurer**, may be held liable; or for which an **Insured** is a qualified self-insurer;
  4. Uninsured motorists, underinsured motorists, personal injury protection, first party benefits or similar no-fault coverage;
  5. Asbestos or asbestos containing materials;
  6. The toxic or pathological properties of lead, lead compounds or lead contained in any materials;
  7. Inhalation of dust or particulate matter. Dust or particulate matter may include, but is not limited to: inspirable dust, respirable dust, smoke, mist, dirt, fibers, grit, soot, salt, acids, bases, metals, aerosols, crystals, minerals, sand, silicates, or silica.
- B. Any Exclusion attached to this Policy by endorsement and the exclusions applicable to the **Underlying Coverage** shall apply to this insurance.

**We** shall have no duty or obligation to provide or pay for the investigation or defense of any claim or suit excluded in this Section 2 and in connection therewith Condition F. Defense and Settlement Provisions shall not apply.

### SECTION 3 - DEFINITIONS

- A. **Insurer** means the insurance company, pool, trust or risk retention group providing the insurance under the **Underlying Coverage**.
- B. **Insured(s)** means those individuals and entities insured by the **Underlying Coverage**.
- C. **Named Insured** means the **Insured** named in Item 1 of the Declarations.
- D. **Sexual Abuse** means any actual, attempted or alleged criminal sexual conduct of a person by another person, or persons acting in concert, which causes physical and or mental injuries. Sexual Abuse includes: sexual molestation, sexual assault, sexual exploitation or sexual injury. Sexual Abuse does not include sexual harassment.
- E. **Ultimate Net Loss** means all sums actually paid, or which the **Insured** is legally obligated to pay, as damages in settlement or satisfaction of claims or suits for which insurance is afforded under this Policy, after proper deduction for all recoveries or salvages.  
**Ultimate Net Loss** also includes reasonable defense expenses as specified in Condition F. Defense and Settlement Provisions when **Underlying Coverage** includes defense expenses within the Limits of Insurance. However, if the **Underlying Coverage** provides defense expenses in addition to the Limits of Insurance, then **Ultimate Net Loss** will not include defense expenses.
- F. **Underlying Coverage** means the policy or policies of insurance, or coverage documents as described in the Declarations and Schedule of Underlying Coverage forming a part of this Policy.

### SECTION 4 - CONDITIONS

- A. Alterations, Assignments and Headings
  1. Notice to any agent or knowledge possessed by any agent or by any other person shall not affect a waiver or a change in any part of this Policy nor prevent **Us** from asserting any right under the terms of this Policy.
  2. No change in, modification of, or assignment of interest under this Policy shall be effective except when made by a written endorsement to the Policy signed by **Our** authorized representative.
  3. The name(s), title(s) and descriptions in the headings and sub-headings of this Policy are inserted solely for convenience and do not constitute any part of the terms or conditions hereof.

#### B. Appeals

**We** may appeal a judgment against any **Insured** under this Policy if:

1. The judgment is for more than the amount of the remaining Limits of Insurance under the **Underlying Coverage**, whichever applies; and
2. The **Insured** or the **Insurers** of the **Underlying Coverage** do not appeal it.

C. Authorization Clause

By the acceptance of this Policy, the **Named Insured** agrees to act on behalf of all **Insureds** with respect to the giving and receiving of notice of claim, the giving or receiving of notice of cancellation or non renewal, the payment of premiums and the receiving of any premiums that may become due under this Policy, the agreement to and acceptance of endorsements, consenting to any settlement, exercising the right to the extended reporting period, and the giving or receiving of any other notice provided for in this Policy, and all **Insureds** agree that the **Named Insured** shall so act on their behalf.

D. Duties In the Event of Act, Accident, Occurrence, Wrongful Act, or Claim, as Applicable

1. **You** must see to it that:

- a. **We** are notified in writing as soon as practicable once **You** have knowledge of any act, accident, occurrence or wrongful act which may reasonably and subsequently give rise to a claim being made against an **Insured** that is likely to result in liability for **Us** under this Policy. Notice shall be deemed given as soon as practicable if it is given to **Us** by the department or person to whom **You** have delegated such claims reporting responsibility as soon as practicable after they have knowledge of such act, accident, occurrence or wrongful act;
- b. **You** immediately make a written record of specific information about any claim which appears reasonably likely to involve indemnification under this Policy, including but not limited to:
  - i. The identity of any potential claimants;
  - ii. A description of any anticipated wrongful act allegations;
  - iii. The identity of the **Insured** allegedly involved;
  - iv. The circumstances by which the **Insured** first became aware of the act, accident, occurrence or alleged wrongful act;
  - v. The consequences which have resulted or may result;
  - vi. The nature of the potential monetary damages; and
  - vii. The date the claim was received;
- c. **You** notify **Us** in writing as soon as practicable and provide **Us** with all the information required under section b above. Notice shall be deemed given as soon as practicable if it is given to **Us** by the department or person to whom **You** have delegated such responsibility as soon as practicable after they have knowledge of such claim;
- d. Notice will be made to:

<b>MAIL</b>	Chubb North American Claims P.O. Box 5122 Scranton, PA 18505-0554
<b>EMAIL</b>	<a href="mailto:ACEClaimsFirstNotice@chubb.com">ACEClaimsFirstNotice@chubb.com</a>
<b>FAX</b>	(877) 395-0131 (Toll Free) (302) 476-7254 (Local)
<b>PHONE</b>	(800) 433-0385 – Business Hours (800) 523-9254 – After Hours

- e. **We** receive any assistance **We** reasonably request in the enforcement of any right against any person or organization which may be liable.
2. **You** must notify **Us** and provide information in the manner specified above of any act, accident, occurrence, wrongful act or claim, regardless of the coverage or liability, which involves any of the following:
  - a. Results in the establishment of a reserve, or would reasonably require the establishment of a reserve, for **Damages** which equals or exceeds 50% of the **Underlying Coverage**; or

- b. Involves a notice of **Claim** for a **Wrongful Act** which is reasonably likely to equal or exceed 25% of the **Underlying Coverage**; or
- c. Involves any of the following:
  - i. Any injury to the spinal cord or vertebrate, including paraplegia, quadriplegia and partial paralysis;
  - ii. Any serious head injury including skull fracture;
  - iii. A brain or brain stem injury;
  - iv. Any burn to 25% or more of the body;
  - v. A fatality;
  - vi. Any amputation or loss of use of a major extremity or multiple minor extremities;
  - vii. Sensory Loss (such as sight, hearing, smell, touch or taste);
  - viii. Multiple Fractures or serious disfigurement or scarring;
  - ix. Bodily injury resulting from use of a weapon or restraining device by law enforcement which is reasonably likely to equal or exceed 25% of the **Underlying Coverage**;
  - x. Any suit filed as a mass tort or a class action, whether any such class action or class is certified.

E. Cooperation

The **Insured** shall give **Us** and its **Insurers** such information and cooperation as they may reasonably require.

F. Defense and Settlement Provisions

1. **We** have no duty to defend or assume charge of any settlement or defense of any claim made, suit brought, or proceedings instituted against the **Insured**. However, **We** shall have the right, but not the duty, and shall be given the opportunity to associate with the **Insured** in the investigation, settlement or defense of any claim, suit or proceeding which in **Our** opinion may create liability under the terms of this Policy, whether or not the **Underlying Coverage** has been exhausted.
2. If the defense expenses are included within the Limit(s) of Insurance of the **Underlying Coverage** by the terms of that policy or coverage document, then any such defense expenses **We** make shall reduce the Limit of Insurance of this Policy.
3. If the **Underlying Coverage** does not include defense expenses within its Limit of Insurance by the terms of that policy(ies) or coverage document, then any such expense payment **We** make shall not reduce the Limit of Insurance of this Policy.
4. Subject to 2. and 3. above, **We** shall not pay any expenses except as follows:
  - a. Payments allocated to a specific claim, suit, or proceeding for the investigation, settlement or defense, including reasonable attorney fees and other litigation costs;
  - b. Post-judgment interest on the amount of the judgment to which this Policy applies;
  - c. Prejudgment interest for which the **Insured** is legally obligated, provided:
    - i. The **Underlying Coverage** pays prejudgment interest; and
    - ii. **Our** share of prejudgment interest shall not exceed the proportion that payment of damages under this Policy bears to the total damages determined by final judgment or settlement;
  - d. **We** will pay all costs taxed against the **Insured** in a suit to the extent that they are not included in the **Underlying Coverage**.
5. If an expense is incurred directly by **Us** and solely at **Our** discretion, then **We** will pay such expense.
6. When **Our** applicable Limit(s) of Insurance has been paid, **We** will no longer defend or associate with the **Insured**.
7. **You** must obtain **Our** prior written approval before offering or agreeing to pay any amount of **Ultimate Net Loss** in order to settle a claim that may create indemnification obligations for **Us**.
8. **We** shall have the right to settle any claim that in **Our** sole opinion may create indemnification obligations for **Us**.

G. Extended Reporting Period Premium

If the **Insured** elects an extended reporting period as set forth in the **Underlying Coverage** following the cancellation or non-renewal of this Policy, the **Insured** shall pay to **Us** an additional premium which **We** will determine in accordance with **Our** rules and rates. The additional premium will not exceed 250% of the annual premium for the applicable coverage.

#### H. Financial Impairment

Bankruptcy or insolvency of any **Insured** or the estate of any **Insured** (or any **Insurer** providing **Underlying Coverage** or an **Insured's** inability to pay any part of the **Underlying Coverage** shall not relieve **Us** of **Our** obligations nor deprive **Us** of any rights or defenses under this Policy.

In the event there is a reduced recovery or no recovery available to an **Insured** as a result of the financial impairment or unwillingness of any **Insurer** providing **Underlying Coverage** (as set forth in the Schedule of **Underlying Coverage**), the coverage under this Policy shall apply only in excess of the Limits of Insurance stated in the Schedule of **Underlying Coverage**. Under no circumstances shall **We** be required to drop down and replace any underlying Limit of Insurance, or assume any other obligations of any financially impaired **Insurer** or **Insured** or increase any of our obligations under this Policy.

#### I. Maintenance of Underlying Coverage

1. This Policy is subject to the same representations as are contained in any application for any **Underlying Coverage** and the same terms, definitions, conditions, exclusions and limitations (except as regards the premium, the limits of insurance, the policy period and except as otherwise provided herein) as are contained in or as may be added to the **Underlying Coverage** and, to the extent coverage is further limited or restricted thereby, to any other **Underlying Coverage**. In no event shall this Policy grant broader coverage than would be provided by the **Underlying Coverage**.
2. It is a condition of this Policy that the **Underlying Coverage** be maintained in full effect with solvent **Insurers** during the policy period except for any reduction or exhaustion of the aggregate limits contained therein by reason of covered damages paid thereunder. If the **Underlying Coverage** is not so maintained, **We** shall not be liable under this Policy to a greater extent than **We** would have been had such **Underlying Coverage** been so maintained.
3. If during the policy period or any extended reporting period the terms, conditions, exclusions or limitations of the **Underlying Coverage** are changed in any manner, the **Insured** shall as a condition precedent to its rights to coverage under this Policy give to **Us** written notice of the full particulars thereof as soon as practicable but in no event later than 30 days following the effective date of such change. This Policy shall become subject to any such changes upon the effective date of the changes in the **Underlying Coverage**, provided that the **Insured** shall pay any additional premium reasonably required by **Us** for such changes.
4. If such **Underlying Coverage** is not maintained in full effect or is materially changed, or if any Limits of Insurance of the **Underlying Coverage** are:
  - a. Less than as stated in the Schedule of **Underlying Coverage**; or
  - b. Unavailable due to bankruptcy or insolvency of an **Insurer**;

then the insurance afforded by this Policy shall apply in the same manner as if such **Underlying Coverage** and Limits of Insurance had been in effect, available, so maintained and unchanged.

The risk of uncollectibility (in whole or in part) of the Limits of Insurance of the **Underlying Coverage**, or replacements thereof, whether because of financial impairment or insolvency of an **Insurer** or for an other reason, is expressly retained by **You** and is not in any way or under any circumstances insured or assumed by **Us**.

5. In the event of cancellation or termination of any applicable **Underlying Coverage**, this Policy shall cease to apply at the same time without notice to **You**. **You** agree to notify **Us** promptly if any **Underlying Coverage** is cancelled or terminated.
6. As a condition precedent to its rights under this Policy, the **Insured** shall give to the **Us** as soon as practicable written notice and the full particulars of (i) the exhaustion of the aggregate limit of insurance of any **Underlying Coverage**, (ii) any **Underlying Coverage** not being maintained in full effect during the policy period, or (iii) an **Insurer** of any **Underlying Coverage** becoming subject to a receivership, liquidation, dissolution, rehabilitation or similar proceeding or being taken over by any regulatory authority.

#### J. Rights of Third Parties

This Policy grants no rights whatsoever to any person or organization to sue **Us** or join **Us** as a party to any action against any **Insured** to determine the liability of any **Insured** nor shall **We** be impleaded by any **Insured** or its legal representatives.



K. Termination of the Policy

1. The **Named insured** may cancel this Policy at any time by sending **Us** a written request or by returning the Policy stating the date of cancellation.
2. **We** may cancel this Policy at any time by mailing to the **Named Insured** a notice of cancellation 60 days (10 days in the event of non-payment of premium) in advance of the cancellation date. **Our** notice of cancellation will be mailed to the **Named Insured's** last known address, and will indicate the date on which coverage is terminated.
3. If cancellation is requested by the **Named Insured**, return premium will be computed at 90% of the pro rata premium. If **We** cancel, return premium will be computed pro rata. If this Policy insures more than one **Named Insured**, cancellation may be effected by the **Named Insured** shown on the Declarations Page for the account of all the **Named Insureds**. Notice of cancellation by **Us** to the **Named Insured** will be deemed notice to all **Insureds** and payment of any return premium to such **Named Insured** will be for the account of all interests.
4. This Policy shall also terminate at the earliest of the following times:
  - i. Upon expiration of the policy period as set forth in Item 2. of the Declarations; or
  - ii. At such other time as may be agreed upon by the **Us** and **Named Insured**.
5. Either party may elect to non-renew the Policy at its expiration date for any reason.

L. When **Ultimate Net Loss** is Payable

Ultimate Net Loss is not payable by **Us** until:

1. The **Insurer** providing **Underlying Coverage** is obligated to pay the full amount of its applicable Limit of Insurance for injury or damage also covered by this Policy; and
2. The **Insured's** legal obligation is evidenced either by a judgment against the **Insured** after an actual trial, or by any arbitration award entered as a judgment, or by a written settlement executed by the **Insured** and the claimant(s).

When the **Ultimate Net Loss** is payable as described above, the **Insured** shall make a demand for payment for any amount of the **Ultimate Net Loss** for which **We** may be liable under this Policy, after the **Insured** has paid such amount. **We** will promptly indemnify the **Insured** the amount of **Ultimate Net Loss** which is in accordance with the terms and conditions of this Policy.

**COVERAGE PROVIDED BY UNDERLYING COVERAGE  
BUT EXCLUDED FROM THIS POLICY ENDORSEMENT**

Named Insured The State of Nebraska			Endorsement Number 1
Policy Symbol XPE	Policy Number G19851667 007	Policy Period July 01, 2017 to July 01, 2018	Effective Date of Endorsement July 01, 2017
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

**This Endorsement modifies insurance provided under the following:**

**FLEXIBLE EXCESS POLICY FOR GROUP PUBLIC AND SCHOLASTIC ENTITIES  
FLEXIBLE EXCESS POLICY FOR INDIVIDUAL PUBLIC AND SCHOLASTIC ENTITIES**

**Schedule of Coverage(s) Provided and/or Defined in the Underlying Coverage  
But Not Covered by this Policy**

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- A. Foster Parent's Liability
- B. Law Enforcement Liability Exclusion
- C. Products-Completed Operations Exclusion
- D. Property Damage Exclusion - Real and/or Personal Property
- E. Sexual Abuse Liability Exclusion
- F. Sexual Harassment Liability Exclusion
- G. Public Officials E&O Exclusion
- H. Pollution Exclusion – Hostile Fire Exception
- I. Asbestos Exclusion
- J. Employment Related Practices Exclusion
- K. Mold/Fungi Exclusion
- L. War Exclusion
- M. Automobile First Party Coverage Exclusion
- N. Nuclear Energy Exclusion
- O. General Liability
- P. Crime

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This Policy does not apply to any liability, loss or expense arising out of the coverage(s) shown in the Schedule above.

All other terms and conditions of the Policy remain unchanged.

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Authorized Agent

## NEBRASKA - CANCELLATION AND NONRENEWAL

Named Insured The State of Nebraska			Endorsement Number 2
Policy Symbol XPE	Policy Number G19851667 007	Policy Period July 01, 2017 to July 01, 2018	Effective Date of Endorsement July 01, 2017
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

If the policy or coverage part to which this endorsement applies contains cancellation or nonrenewal provisions more favorable to the Named Insured than this endorsement, then those provisions apply.

**I. The Cancellation Condition is replaced by the following:**

**A. Cancellation**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing by registered, certified or first class mail to the first Named Insured at the Insured's last known mailing address written notice of cancellation, stating the reasons for cancellation, at least:

- a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. 60 days before the effective date of cancellation if cancellation is for any other reason.

If sent by First Class Mail, a United States Postal Services certificate of mailing shall be sufficient proof of receipt of notice on the third calendar day after the date of the certificate.

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

- a. Nonpayment of premium;
  - b. The policy was obtained through a material misrepresentation;
  - c. You submit a fraudulent claim under this policy;
  - d. Violation by you of any of the terms and conditions of this policy;
  - e. The risk originally accepted has substantially increased;
  - f. Certification to the Director of Insurance of our loss of reinsurance which provided coverage to us for all or a substantial part of the underlying risk insured; or
  - g. The determination by the Director of Insurance that the continuation of the policy could place us in violation of the Nebraska Insurance laws.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
  4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
  5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
  6. If notice is mailed, proof of mailing will be sufficient proof of notice.

II. The following Condition supersedes any other provisions to the contrary:

**NONRENEWAL**

- A. If we decide not to renew this policy, we will mail by registered, certified or first class mail written notice of nonrenewal, stating the reasons for nonrenewal, to the first Named Insured at the Insured's last known mailing address, at least 60 days prior to the expiration date of this policy.
- B. If sent by First Class Mail, a United States Postal Service certificate of mailing shall be sufficient proof of receipt of notice on the third calendar day after the date of the certificate.

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Authorized Agent

## TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

Named Insured The State of Nebraska			Endorsement Number 3
Policy Symbol XPE	Policy Number G19851667 007	Policy Period July 01, 2017 to July 01, 2018	Effective Date of Endorsement July 01, 2017
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of policy remain unchanged.

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Authorized Agent

## SERVICE OF SUIT ENDORSEMENT

Named Insured The State of Nebraska			Endorsement Number 4
Policy Symbol XPE	Policy Number G19851667 007	Policy Period July 01, 2017 to July 01, 2018	Effective Date of Endorsement July 01, 2017
Issued By (Name of Insurance Company) ACE American Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

Information about service of suits upon the company is given below. Service of process of suits against the company may be made upon the following person, or another person the company may designate:

Mr. Paul Bech, Esq., Assistant General Counsel  
Chubb  
436 Walnut Street  
Philadelphia, PA 19106-3703

The person named above is authorized and directed to accept service of process on the company's behalf in any action, suit or proceeding instituted against the company. If the insured requests, the company will give the insured a written promise that a general appearance will be entered on the company's behalf if a suit is brought.

If the insured requests, the company will submit to the jurisdiction of any court of competent jurisdiction. The company will accept the final decision of that court or any Appellate Court in the event of an appeal. However, nothing in this endorsement constitutes a waiver of the company's right to: remove an action to a United States District Court, seek a transfer of a case to another court, or to enforce policy provisions governing choice of law or venue selection, as may be permitted by the laws of the United States, or of any state in the United States.

The law of some jurisdictions of the United States of America requires that the Superintendent, Commissioner or Director of Insurance (or their successor in office) be designated as the company's agent for service of process. In these jurisdictions, the company designates the Director of Insurance as the company's true and lawful attorney upon whom service of process on the company's behalf may be made. The company also authorizes the Director of Insurance to mail process received on the company's behalf to the company person named above.

If the insured is a resident of Canada, the insured may also serve suit upon the company by serving the government official designated by the law of the insured's province.

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, OR LIMITATIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED OTHER THAN AS ABOVE STATED.

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Authorized Representative

## SIGNATURES

Named Insured <b>The State of Nebraska</b>			Endorsement Number <b>5</b>
Policy Symbol <b>XPE</b>	Policy Number <b>G19851667 007</b>	Policy Period <b>July 01, 2017 to July 01, 2018</b>	Effective Date of Endorsement <b>July 01, 2017</b>
Issued By (Name of Insurance Company) <b>ACE American Insurance Company</b>			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

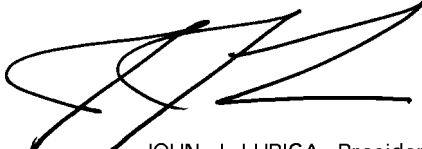
THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

By signing and delivering the policy to you, we state that it is a valid contract.

**INDEMNITY INSURANCE COMPANY OF NORTH AMERICA** (A stock company)  
**BANKERS STANDARD FIRE AND MARINE COMPANY** (A stock company)  
**BANKERS STANDARD INSURANCE COMPANY** (A stock company)  
**ACE AMERICAN INSURANCE COMPANY** (A stock company)  
**ACE PROPERTY AND CASUALTY INSURANCE COMPANY** (A stock company)  
**INSURANCE COMPANY OF NORTH AMERICA** (A stock company)  
**PACIFIC EMPLOYERS INSURANCE COMPANY** (A stock company)  
**ACE FIRE UNDERWRITERS INSURANCE COMPANY** (A stock company)  
**WESTCHESTER FIRE INSURANCE COMPANY** (A stock company)

436 Walnut Street, P.O. Box 1000, Philadelphia, Pennsylvania 19106-3703

  
 REBECCA L. COLLINS, Secretary

  
 JOHN J. LUPICA, President

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Authorized Representative

**CHUBB®**

- Illinois Union Insurance Company
- Westchester Surplus Lines Insurance Company
- ACE American Insurance Company \_\_\_\_\_

Insured:

Attached To Policy No.: XPE G19851667 007

The State of Nebraska  
1526 K Street, Suite 220  
PO Box 94974  
Lincoln, NE 68509-4974

Effective Date: 07/01/2017

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**NEBRASKA SURPLUS LINES NOTIFICATION**

**This policy is issued by a nonadmitted insurer, and in the event of the insolvency of such insurer, this policy will not be covered by the Nebraska Property and Liability Insurance Guaranty Association.**



NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, OR LIMITATIONS OF THE POLICY TO WHICH THIS NOTICE IS ATTACHED OTHER THAN AS STATED ABOVE.

CHUBB®

## **Disclaimer Notice Commercial Lines Deregulation**

**The policy to which this form is attached has been issued using Rates, Rules, and/or Contract Provisions and Forms that are exempt from the filing and approval requirements of the Department of Insurance in your state of domicile.**

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

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

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

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

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

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

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

**Chubb Producer Compensation  
Practices & Policies**

Chubb believes that policyholders should have access to information about Chubb's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at <http://www.chubbproducercompensation.com> or by calling the following toll-free telephone number: 1-866-512-2862.