THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

555 College Road East, Princeton, NJ 08543-5212

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.

POLICY NUMBER: 64-A3-EX-0000006-09 Date Issued: July 23, 2013

COMMON POLICY DECLARATIONS FOR PUBLIC ENTITY - THIS POLICY MAY INCLUDE CLAIMS-MADE COVERAGE PART(S). PLEASE READ THE ENTIRE POLICY CAREFULLY

Item 1. Named Insured and Mailing Address:

THE STATE OF NEBRASKA
Division of Risk Management
301 Centennial Mall South, 1st Floor
PO Box 94974
Lincoln, NE 68509-4974

Program Administrator Name and Address:

PSI Program Managers
A division of Risk Placement Services, Inc.
Two Pierce Place
Itasca, IL 60143

Licensed Surplus Lines Producer:

Risk Placement Services, Inc. #240948
Two Pierce Place
Itasca, IL 60143-3141

Item 2. Policy Period: From: 07/01/13 To: 07/01/14 At 12:01 A.M. Standard Time at your mailing address shown above.

Item 3. Retroactive Date: See Public Entity All Lines Aggregate Declarations

Item 4. Business Description: State Government Form of Business: Governmental Entity

Item 5. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.

Coverage Part(s)	Premium
Coverage Part I: Property, Inland Marine and Auto Physical Damage	**$622,949**
Coverage Part II: General Liability and Law Enforcement Liability	**Excluded**
Coverage Part III: Auto Liability	**Included**
Coverage Part IV: Errors and Omissions Liability	**Excluded**
Coverage Part V: Worker's Compensation and Employers Liability Insurance For Qualified Self-Insurers	**Excluded**
Coverage Part VI: Crime	**Included**
Coverage Part VII: Foster Parent's Liability	**Included**
Terrorism Premium (TRIPRA):	**$68,801**
Total Policy Premium:	**$691,750**

Item 6. Forms and Endorsements

Forms(s) and Endorsement(s) made a part of this policy at time of issue: See State of Nebraska DECLARATIONS (02-13)

The Princeton Excess and Surplus Lines Insurance Company
Hereinafter Referred to as The Company

Date:
July 23, 2013

Authorized Representative

Date:

Licensed Producer Signature, if required by law

THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S), AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

Date Issued: July 23, 2013

SIGNATURE ENDORSEMENT

Named Insured The State of Nebraska	Endorsement Number
Policy Number 64-A3-EX-0000006-09	Endorsement Effective July 1, 2013
Countersigned by (Authorized Representative)	

The above is required to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

The Company has caused this policy to be signed by its President and Secretary, but this policy shall not be valid unless countersigned by an authorized representative of the Company, where required.

The Princeton Excess and Surplus Lines Insurance Company

Secretary

President

All Other Terms and Conditions Remain Unchanged.

THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

PUBLIC ENTITY ALL LINES AGGREGATE INSURANCE

Policy Number: 64-A3-EX-0000006-09
Policy Period: July 1, 2013 to July 1, 2014
12:01 A.M. Standard Time at your mailing address shown below.

Named Insured (Public Entity): The State of Nebraska
Mailing Address: Division of Risk Management, 301 Centennial Mall So., 1st Floor, PO Box 94974, Lincoln, NE 68509-4974

Premium: $622,949
Certified Acts (TRIA) Premium: $68,801
TOTAL Premium: $691,750

Plus applicable surplus lines taxes.

Payable: Premium is Minimum and Deposit. Loss Fund is fully earned at inception. Premium is due in full at inception.

Princeton Excess & Surplus Lines Insurance is not responsible for the determination of or the collection of or the remittance of statutorily required Excess and Surplus Lines Taxes or Excess and Surplus Lines Stamping Fees nor are such statutorily required taxes and fees included in our quoted premium. Surplus Lines taxes are to be calculated, added and filed by Risk Placement Services, Inc.

DECLARATIONS

Coverage I.
A. Real and Personal Property
B. Automobile Physical Damage
C. Business Income and Extra Expense
D. Property in Transit
E. Data Processing Media and System Equipment

Coverage II.
A. General Liability and Law Enforcement Liability
B. Medical Payments

Coverage III.
A. Auto Liability
B. Medical Payments

Coverage IV.
CLAIMS-MADE COVERAGE
A. Public Officials Liability
Public Officials Liability Retroactive Date NA

Coverage V.
A. Workers Compensation
B. Employer's Liability

Coverage VI.
A. Employee Dishonesty
B. Loss Inside the Premises
C. Loss Outside the Premises
D. Money Orders and Counterfeit Paper Currency
E. Forgery or Alteration

Coverage VII.
CLAIMS-MADE COVERAGE
A. Foster Parent's Liability
Foster Parent's Liability Retroactive Date July 1, 1996

CLAIMS-MADE NOTICE

This policy provides some coverage(s) on a claims-made basis, and this policy does not provide such claims-made coverage(s) for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date(s) stated above. Such claims-made coverage(s) require that the "claim" is first made against an insured

and reported to us during the policy period or any applicable reporting period. To answer questions about this coverage, contact your insurance agent or broker.

LIMITS OF INSURANCE

PART A. SPECIFIC EXCESS INSURANCE

Limits shown below for Part A., for each coverage, represent the difference between that limit:

Coverage I.		$ 1,000,000	Each Loss
		$ 1,000,000	Annual Flood Aggregate
		$ 1,000,000	Annual Earthquake Aggregate
Coverage II.	A.	$ not covered	Each "Occurrence"
		$ not covered	Annual Aggregate for Products/Completed Operations
		$ not covered	Annual Aggregate for Law Enforcement Liability
		$ not covered	General Annual Aggregate
	B.	$ not covered	Each Person
		$ not covered	Each "Occurrence"
Coverage III.	A.	$ 1,000,000	Each "Accident" for "Bodily Injury" or "Property Damage"
	B.	$ 10,000	Each Person
		$ 100,000	Each "Accident"
Coverage IV.	A.	$ 0	Each "Claim" and Aggregate Limit of Insurance
Coverage V.	A.	$ 0	Each "Accident"
	B.	$ 0	Each "Accident"
Coverage VI.	A.	$ 1,000,000	Each Loss
	B.	$ 1,000,000	Each Loss
	C.	$ 1,000,000	Each Loss
	D.	$ 1,000,000	Each Loss
	E.	$ 1,000,000	Each Loss
Coverage VII.		$ 300,000	General Aggregate limit each Foster Household
		$ 300,000	Each "Claim" Limit Coverages A & B
		$ 250	Each "Claim" Limit Coverage C
		$ 5,000	Each "Claim" Limit Coverage D

The following Sublimits are part of and not in addition to the above Each "Claim Limit Coverage A & B and the above General Aggregate Limit each Foster Household.

$ 100,000	Each "Claim" Limit for Physical Abuse and/or "Sexual Abuse"
$ 200,000	Aggregate Limit for Physical Abuse and/or "Sexual Abuse"

And an underlying Self-Insured Retention of:

Coverage I.	$ 200,000	Each Loss
Coverage II.	$ 0	Each "occurrence"
Coverage III.	$ 300,000	Each "Accident"
Coverage IV.	$ 0	Each "Claim"
Coverage V.	$ 0	Each "Accident"
Coverage VI.	$ 25,000	Each Loss
Coverage VII.	$ 200,000	Each "Claim" for Coverages A & B
	$ 100,000	Each "Claim" for Physical Abuse and/or "Sexual Abuse"
	$ 250	Each "Claim for Coverage C
	$ 5,000	Each "Claim" for Coverage D

NOTE: When the applicable Limit of Insurance indicated in PART A. SPECIFIC EXCESS INSURANCE is equal to the

amount of the applicable Self-Insured Retention, we have no liability to indemnify you for damages or defense expenses except to the extent coverage is provided under PART B. EXCESS AGGREGATE INSURANCE

PART B. EXCESS AGGREGATE INSURANCE

	$ 1,000,000	Aggregate Limit of Insurance for the period from July 1, 2013 to July 1, 2014
Excess of:	$ 5,250,000	Aggregate Loss Fund for the period from July 1, 2013 to July 1, 2014

Subject to the Limits of Insurance stated in the Declarations, if the sum of all payments made by you within the Aggregate Loss Fund for covered claims exceeds the limit stated in the Declarations, we will reimburse you for amounts in excess of that Aggregate Loss Fund, provided that 1) you use the Service Organization designated in the Declarations for all covered claims until their conclusion; and 2) the Service Organization provides us with quarterly reports in a format that we have accepted until all claims are handled to their conclusion.

Amounts paid within the Aggregate Loss Fund and Aggregate Excess Insurance are calculated as follows:

From the sum of all payments for covered claims, deduct the following:

a. Amounts applicable as maintenance deductible(s);
b. Amounts payable by insurance that is excess of the applicable Self-Insured Retention;
c. Actual recoveries received from salvage or subrogation;
d. Actual recoveries received from any other insurer or self-insurer which reduce the amount of any claim(s) either within the Self-Insured Retention or otherwise covered by this insurance.

Sums indicated in clause a. and b. above will be deducted whether collected by you or not.

PART C. CLASH COVERAGE

A. If Part A - Specific Excess Insurance provides insurance under more than one coverage part for:
   (1) A loss, or “claim,” or “occurrence,“
   (2) “Ultimate net loss,” or
   (3) Compensation and other benefits imposed on you for Worker’s Compensation laws,

   then you are responsible for the payment of only one underlying Self-Insured Retention. A Self-Insured Retention for Clash Coverage from multiple coverage parts which apply will be calculated as follows:

   1. For each applicable Coverage Part, identify the Self-Insured Retention and claim payments by you under that Coverage Part.

   2. For each Coverage Part identified in A 1. above, determine the lesser of the applicable Self-Insured Retention and the claim payments made by you under that Coverage Part.

   3. Add the payments identified in paragraph A 2. above.

   4. The Self-Insured Retention for Clash Coverage is the lesser of:

      (1) The largest Self-Insured Retention for the Coverage Parts involved; or
      (2) The total identified in paragraph A 3. above.

B. We will indemnify you for the difference between the sum of all Self-Insured Retentions applicable to Coverage Parts involved in a Clash Coverage loss and the Self-Insured Retention determined through the calculation above. This limit of insurance shall be in addition to the limits of insurance provided by PART A. SPECIFIC EXCESS INSURANCE. The most we will pay for Clash Coverage for any loss under Paragraph A. of Part C. Clash Coverage above is
   $725,000.

MAINTENANCE DEDUCTIBLE

The following deductibles apply to each and every loss before the application of any self-insured retention or excess limit and do not deplete the Loss Fund:

The first $5,000 of each loss arising under Coverage I. A., and C.
The first $5,000 of each loss arising under Coverage I. B.

OTHER PROVISIONS

Property Records

Schedule(s) of Property Values for Real and Personal Property; Automobile Physical Damage; “Business Income” and “Extra Expense,” Property in Transit and Data Processing Media and System Equipment will be maintained by PSI Program Managers, a division of Risk Placement Services, Inc.

Automatic Acquisition Clause - Reporting Threshold

As provided in Condition K, Automatic Acquisition Clause of Coverage Part I, this insurance is automatically extended to cover additional property and interests acquired by you during the term of this policy up to: $1,000,000. Any additional premium due from adding this property or interest is waived until either the next policy anniversary date or the policy expiration date, whichever is earlier.

Service Organization Designated by You

NRMA of Lincoln, NE
is designated by you as the Service Organization to provide claims services and reports as described in General Provisions II IF YOU HAVE AN EVENT, CLAIM OR “SUIT” AND THE ROLE OF THE SERVICE ORGANIZATION.

If the agreement between you and the Service Organization is terminated for any reason without our prior written approval, no insurance will be provided by this policy for any claim reported to us after the termination date of your agreement with the Service Organization.

Forms and Endorsements Attached to this Policy at Inception:

AO 2502 (02-13) - Common Declarations Page
PESVLCW01 (02-13) – Signature Page
State of Nebraska (02-13) - Manuscript Policy Coverage Form
AE 1200 (02-13) - Manuscript Endorsements

1. Nebraska State Insurance Code Endorsement
2. Amendment – Auto Definition to include Mobile Equipment & Watercraft
3. Exclusion – Law Enforcement Activities
4. Amendment – Salvage and Recovery, Other Insurance Conditions
5. Endorsement – Amended Definition of Employee
6. Exclusion – University System
7. Endorsement – Corridor Retention – Auto Liability (including Hot Pursuit) $300,000 Per Claim and in the Aggregate Limit
8. Endorsement – Reproduction Cost – State Capitol Building
9. Endorsement – Faithful Performance Exclusion for Crime Coverage deleted

AE 1601 (02-13) – Flood Zone A & V Exclusion Amendment
AE 2341 (02-13) – Nebraska Uninsured – Underinsured Motorist Coverage (within SIR) - $25,000 Each “Person”, $50,000 Each “Accident”
AE 2206 (02-13) – Mandatory Statutory Reporting Requirement Endorsement
SLSOP (02-13) - Service of Process Endorsement
AE 2122 (02-13) – Cap on Terrorist Activity (TRIPRA Coverage)

_____	July 23, 2013
Authorized Representative	Date

PUBLIC ENTITY
ALL LINES AGGREGATE COVERAGE FORM

INTRODUCTION

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered. Exclusion titles are used within this policy for convenience only and shall not control or affect the meaning or construction of any provision of this policy.

Throughout this policy the words *you* and *your* refer to the Named Insured shown in the Declarations. The words *we*, *us*, and *our* refer to the Company providing this insurance. The word *insured* means any person or organization qualifying as such under WHO IS AN INSURED. Words and phrases that appear in quotation marks have special meaning. Refer to DEFINITIONS.

We have no duty to pay for direct physical loss or damage or to indemnify any insured for sums paid to which this insurance does not apply.

POLICY DEFINITIONS

Some words have general meaning throughout this policy and are defined below. Other words have specific definitions within sections of this policy. For those words whose defined meaning applies to a Coverage Part, these words will be defined in that Coverage Part.

1. "Accident," as used in Coverage Part III, means an accidental happening including continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage," arising during the policy period in the "coverage territory."

   "Accident," as used in Coverage Part V, means each "accident" or "occurrence" or series of "accidents" or "occurrences" arising out of any one "event" during the policy period in the "coverage territory." An "accident" is deemed to end 72 hours after the "event" commences. Each subsequent 72 hours is deemed to be a separate "accident" period.

2. "Active data processing media" means all forms of converted data and/or program and/or instruction vehicles or material employed in your data processing operation, except unused property.

3. "Administration of employee benefits" means:

   a. Providing counseling or interpretation; or
   b. Handling of records in connection with the enrollment, notification, revision, termination, or cancellation of

   any life insurance, accident or health insurance, profit sharing plans, 401K or deferred compensation plans, retirement plan, social security, unemployment compensation, workers compensation coverage, disability benefits, expense reimbursement plan, travel insurance, or holiday or vacation plan provided or sponsored for the benefit of any official or "employee" of the insured.

4. "Advertising injury" means injury arising solely out of one or more of the following offenses committed in the course of advertising your goods, products or services:

   a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
   b. Oral or written publication of material that violates a person's right of privacy;
   c. Misappropriation of advertising ideas or style of doing business; or
   d. Infringement of copyrighted advertising materials, titles or slogans.

5. "Auto" means a land motor vehicle or "trailer" for travel on public roads but does not include "mobile equipment."

6. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.

7. "Bodily injury" means injury including physical injury to any person, death, sickness, disease or any mental anguish, shock or disability arising from such "bodily injury."

8. "Business income" means:

   a. Net Income (net profit or loss before income taxes) that would have been earned or incurred; and
   b. Continuing normal operating expenses incurred, including payroll.

9. "Claim" means:

   a. A written demand for damages or a notice advising an insured of an intent to sue;
   b. A notice of a charge or violation from any government agency;
   c. An arbitration notice; or

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d. A civil proceeding commenced by the service of a summons, complaint or similar pleading received by an insured alleging a “wrongful act.”

“Claim” shall not include any criminal action.

More than one “claim” brought by persons or entities arising out of the same “wrongful act” or a series of acts all related to a single “wrongful act” shall be treated as a single “claim” and shall be deemed to have been made at the time that the first “claim” is made against any insured.

10. “Coverage territory” means anywhere in the world if an insured’s responsibility to pay damages is determined in a suit or in a settlement we agree to in the United States of America (including its territories and possessions), Puerto Rico or Canada.

11. “Covered cause of loss” means accidental physical loss not otherwise excluded by this policy occurring during the policy period.

12. “Custodian” means you, any of your partners, or any “employee” while having care and custody of the property inside the “premises,” excluding any person while acting as a “watch person” or janitor.

13. “Earthquake” means any earthquake, volcanic eruption, subterranean fire, landslide, subsidence, earth sinking and earth rising or shifting or any such convulsion of nature. If more than one earthquake shock shall occur within any period of 72 hours during the term of this insurance, such earthquake shock shall be deemed a single “earthquake.”

14. “Emergency property damage” means “property damage”:

    a. Caused by an “employee” or official of the Named Insured (but only while acting within the scope of duty and on behalf of the Named Insured; and
    b. When property is in danger of being polluted because of sudden and unexpected discharge, dispersal, release or escape of “pollutants.”

    The onset of the discharge, dispersal, release or escape of “pollutants” must have occurred no more than 72 hours prior to any insured’s arrival at the site or location of the “occurrence.”

15. “Employee,” as used in Coverage Parts I, II, III, IV and V, means any person employed by you or volunteering services to you, a “leased worker,” or an elected or appointed official.

    “Employee,” as used in Coverage Part VI, means:

    a. Any natural person:

        1) While in your service, and for 30 days after termination of service;
        2) Whom you compensate directly by salary, wages, or commissions; or
        3) Whom you have the right to direct and control while performing services for you.

    b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the “premises.” But “employee” does not mean any:

        1) Agent, broker, factor, commission merchant, consignee, independent contractor, or representative of the same general character; or
        2) Director or trustee except while performing acts within the scope of the duties of an “employee.”

16. “Employee dishonesty” means only dishonest acts committed by an “employee,” whether identified or not, acting alone or in collusion with other persons, with the manifest intent to cause you to sustain loss and also obtain financial benefit for the “employee” or any person or organization intended by the “employee” to receive that benefit.

17. “Employment practices” means activities related to recruitment, hiring, evaluation, promotion, demotion, discipline or termination of an “employee.”

18. “Event” means any “accident,” “occurrence,” or “wrongful act.”

19. “Extra expense” means necessary expenses you incur during the “period of restoration” that you would not have incurred if there had been no direct physical loss or damage to property.

20. “Flood” means surface waters, tide and tidal water, the rising, overflowing or breaking of boundaries of natural or man-made bodies of water or spray, whether wind driven or not, or water that backs up through sewers or drains.

21. “Insured contract” means any agreement, including a sidetrack agreement, except one pertaining to aircraft, under which the Named Insured assumes liability of others for “bodily injury,” “property damage,” “personal injury,” or “advertising injury.”

22. “Incidental malpractice” means the rendering of or failure to render first aid or medical services by any person other than a doctor, physician, surgeon or dentist, on behalf of the Named Insured. “Incidental malpractice” also includes administrative duties or responsibilities of an insured related to the rendering of first aid or medical services.

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23. “Law enforcement activities” means activities, not arising out of “employment practices,” while acting within the scope of duty as:

    a. A law enforcement officer or reserve officer;
    b. An officer of a jail; or
    c. An “employee” or official representing a law enforcement agency.

24. “Leased worker” means a person leased to you by a labor leasing firm, under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business.

    “Leased worker” does not include a worker furnished to you for a finite time period to substitute for a permanent “employee” on a leave or to meet seasonal or short-term workload conditions.

25. “Messenger” means you, any of your partners, or any “employee” while having care and custody of the property outside the “premises.”

26. “Mobile equipment” means any of the following types of land vehicles, including any attached machinery or equipment:

    a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads.
    b. Vehicles maintained for use solely on or next to “premises” you own or rent.
    c. Vehicles that travel on crawler treads.
    d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

        1) Power cranes, shovels, loaders, diggers or drills; or
        2) Road construction or resurfacing equipment such as graders, scrapers or rollers.

    e. Vehicles described in paragraphs a, b, c, or d above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

        1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lightning and well servicing equipment; or
        2) Cherry pickers and similar devices used to raise or lower workers.

    f. Vehicles not described in paragraphs a, b, c, or d above maintained primarily for the purposes other than the transportation of persons or cargo. However self-propelled vehicles with the following types of permanently attached equipment are not “mobile equipment” but will be considered “autos”:

        1) Equipment designed primarily for:

            (a) Snow removal;
            (b) Road maintenance, but not construction or resurfacing;
            (c) Street cleaning;

        2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; or

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

27. “Money” means:

    a. Currency, coins, and bank notes in current use and having a face value; or
    b. Travelers checks, register checks, and “money” orders held for sale to the public.

28. “Occurrence” means:

    a. With respect to “bodily injury” and “property damage,” an accidental happening, including continuous and repeated exposure to substantially the same general harmful conditions which results in “bodily injury” or “property damage.” All such exposure to substantially the same general conditions will be considered as arising out of one “occurrence”;
    b. With respect to “personal injury,” only the offenses specified in the “personal injury” definition. All damages arising out of substantially the same “personal injury” regardless of frequency, repetition, the number or kind of offenses, or number of claimants, will be considered as arising out of one “occurrence”;
    c. With respect to “advertising injury,” only the offenses listed in the “advertising injury” definition. All damages arising out of frequency, repetition, the number or kind of media used, the number or kind of offenses, or the number of claimants, will be considered as arising out of one “occurrence”;

    arising during the policy period in the “coverage territory.”

29. “Operations” means:

    a. Your business activities occurring at the described “premises”; or
    b. The tenantability of the described “premises,” if coverage for “business income” including “rental value” or “rental value” applies.

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30. “Period of restoration” means the period of time that:

a. Begins with the date of direct physical loss or damage; and
b. Ends on the date when the property at the described “premises” should be repaired, rebuilt or replaced with reasonable speed and similar quality.

31. “Personal injury” means injury, other than “bodily injury,” arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;
b. Malicious prosecution or humiliation;
c. False or improper service of process;
d. Publication or utterance of libel or slander or disparaging material or a publication or utterance in violation of an individual’s right to privacy;
e. Violation of right of public occupancy;
f. Wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or “premises” that a person occupies by or on behalf of its owner, landlord or lessor;
g. Discrimination, except as respects discrimination arising out of “employment practices”;
h. Violation of civil rights, but only as respects “law enforcement activities.”

32. “Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals, metals and waste. In addition to “pollutants” to be disposed, waste also includes materials to be recycled, reconditioned or reclaimed.

33. “Premises” means the interior portion of any building you occupy in conducting your business.

34. “Products-completed operations hazard” means all “bodily injury” and “property damage” occurring away from “premises” you own or rent and arising out of “your product” or “your work” except:

a. Products that are still in your physical possession; or
b. Work that has not yet been completed or abandoned.

“Your work” will be deemed completed at the earliest of the following times:

a. When all the work called for in your contract has been completed;
b. When all of the work to be done at the site has been completed if your contract calls for work at more than one site; or
c. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

This hazard does not include “bodily injury” or “property damage” arising out of:

a. The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the “loading or unloading” of it; or
b. The existence of tools, uninstalled equipment, or abandoned or unused materials.

35. “Property damage” means:

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

36. “Property of the insured” means Real and Personal Property, including:

a. Completed additions;

b. Permanently installed:

1) Fixtures;
2) Machinery;
3) Equipment;
4) Leasehold improvements and betterments;

c. Outdoor fixtures;

d. Personal Property located in or on your Real Property, including:

1) Furniture and fixtures;
2) Machinery and equipment;
3) Leasehold improvements and betterments;
4) Leased or consigned property for which you have a contractual responsibility to insure;

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e. Additions under construction, alteration, installation, repair and renovation;

as per Schedule of Values, for Real and Personal Property, agreed by us and kept on file by the organization designated in the Declarations of the policy.

f. Property of others in your care, custody or control.

37. "Property other than money and securities" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property listed in Coverage Part I exclusions as Property Not Covered.

38. "Rental value" means:

    a. Total anticipated rental income from tenant occupancy of the "property of the insured" as furnished and equipped by you;
    b. Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations; or
    c. Fair "rental value" of any portion of the "premises" occupied by you.

39. "Robbery" means the taking of property from the care and custody of a person by one who has:

    a. Caused or threatened to cause that person bodily harm; or
    b. Committed an obviously unlawful act witnessed by that person.

40. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

    a. Tokens, tickets, revenue and other stamps, whether represented by actual stamps or unused value in a meter, in current use; or
    b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money."

41. "Sexual abuse" means any actual, attempted or alleged criminal sexual conduct towards a person by another person, or persons acting in concert, which causes physical and/or mental illness. "Sexual abuse" includes: sexual molestation, sexual assault, sexual exploitation or sexual injury. "Sexual abuse" does not include "sexual harassment."

42. "Sexual harassment" means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature towards a person by another person, or persons acting in concert, which causes physical and/or mental injuries. "Sexual harassment" includes:

    a. The above conduct 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. The above conduct 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."

43. "Suit" means a civil proceeding in which damage because of a "wrongful act," "bodily injury," "property damage," "personal injury" or "advertising injury," arising out of the insured's activities, including "law enforcement activities," "administration of employee benefits" and "incidental malpractice" is alleged. "Suit" includes:

    a. An arbitration proceeding in which such damage is claimed and to which you must submit or do submit with our consent; or
    b. Any other alternative dispute resolution proceeding in which such damage is claimed and to which you submit with our consent.

    "Suit" does not include any criminal proceedings or administrative proceedings other than an Equal Employment Opportunity Commission proceeding.

44. "Theft" means any act of stealing.

45. "Trailer" includes any semitrailer.

46. "Ultimate net loss," as used in Coverage Parts II and III, means the total sum which an insured becomes obligated to pay through either adjudication or compromise by reason of "bodily injury," "property damage," "personal injury" or "advertising injury," arising out of the insured's activities, including "law enforcement activities," "administration of employee benefits" or "incidental malpractice." All recoveries and salvage will be deducted from "ultimate net loss." "Ultimate net loss" also includes:

    a. Hospital, medical and funeral charges and all sums paid as salaries, wages, compensation, fees, expenses for doctors and nurses;
    b. Legal expenses, premiums to release attachments or appeal bonds, expenses for lawyers and investigators and other persons for defense, settlement or investigation of "claims" and "suits" which are paid under Coverage Parts II or III.

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"Ultimate net loss," as used in Coverage Part IV, means the total sum which an insured becomes obligated to pay through either adjudication or compromise by reason of a "wrongful act" arising out of the discharge of duties by or on behalf of the Named Insured. All recoveries and salvage will be deducted from "ultimate net loss." "Ultimate net loss" includes legal expenses, premiums to release attachments or appeal bonds, expenses for lawyers and investigators and other persons for defense, settlement or investigation of "claims" and "suits" which are paid under Coverage Part IV.

"Ultimate net loss," as used in Coverage Part VI, means the loss sustained by you as a result of a loss by perils covered under Coverage Part VI after making deductions for all salvages, recoveries, and other insurance. "Ultimate net loss" also includes legal expenses.

"Ultimate net loss," for Coverage Parts II, III, IV, and VI above, does not include:

a. Judgments or acts deemed uninsurable by law;
b. Fines, penalties, punitive damages, exemplary damages, or any damages resulting from the multiplication of compensatory damages;
c. The return of fees, commissions, or brokerage charges;
d. Fees paid by you to the Service Organization and any expenses incurred by you or the Service Organization in the administration, investigation or settlement of any covered "claim";
e. Payments, including salaries and expenses, to any employee or official of an insured for services rendered in administering any "claim"; or
f. Costs, fees and other expenses incurred by you or the Service Organization in establishing the existence of or the amount of any covered loss.

47. "Watch person" means any person you retain to have care and custody of property inside the "premises" and who has no other duties.

48. "Wrongful act" means any actual or alleged tortious error, act, omission, misstatement, misleading statement, neglect or breach of duty committed by an insured, including "employment practices," discrimination (but only as respects discrimination arising out of "employment practices"), violation of civil rights (except as respects "law enforcement activities"), misfeasance, malfeasance, or nonfeasance in the discharge of duties, individually or collectively that results directly but unexpectedly and unintentionally in damage to others. All "claims" involving the same "wrongful act" or a series of continuous or interrelated "wrongful acts," by one or more insureds, will be considered as arising out of one "wrongful act."

49. "Your product" means:

a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

1) You;
2) Others trading under your name; or
3) A person or organization whose business or assets you have acquired.

b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; or
b. The providing of or failure to provide warnings or instructions.

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

50. "Your work" means:

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

"Your work" includes:

a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; or
b. The providing of or failure to provide warnings or instructions.

GENERAL PROVISIONS

I. WHO IS AN INSURED

It is agreed that the word insured, as used in this policy, includes:

A. The Named Insured designated in the Declarations;

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B. Any person or organization to whom the Named Insured is obligated to provide insurance afforded by this policy, because of a written contract, but only for damage or injury arising out of the "premises" or "operations" of the Named Insured.

In addition, the word insured has specific meaning within specific Coverage Parts as outlined below:

A. COVERAGE PART II - General Liability and Law Enforcement Liability

1. Any member of the governing body of the Named Insured, any member of boards or commissions of the Named Insured, and any elected or appointed official of the Named Insured, but only while acting within the scope or the course of duties as a member or as an official;

2. Your "employees" acting within the scope or the course of their employment. However, an "employee" is not an insured for:

   a. Any damage claimed by a co-employee while in the course of his or her employment; or
   b. "Property damage" to property owned or occupied by or rented or loaned to that "employee," any of your other employees or any of your partners or members (if you are a partnership or joint venture);

3. Any person (other than your "employee"), or any organization while acting as your real estate manager;

4. Any volunteer or unpaid worker authorized by an official of the Named Insured, but only while acting within the scope or the course of their duties and on behalf of you.

B. COVERAGE PART III - Automobile Liability

1. Anyone using with your permission a covered "auto" you own, hire, or borrow except:

   a. The owner or anyone else from whom you hire or borrow a covered "auto." This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own;
   b. Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household unless while used in conjunction with your business;
   c. Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing or parking "autos" unless that business is yours;
   d. Anyone other than your "employees," partners, a lessee or borrower or any of their "employees," while moving property to or from a covered "auto";
   e. A partner of yours for a covered "auto" owned by him or her or a member of his or her household.

2. Anyone liable for the conduct of an insured described above, but only to the extent of that liability.

C. COVERAGE PART IV - Public Officials Liability

1. Any "employee," but only while acting within the scope or the course of their duties as an "employee";

2. Your elected or appointed officials while acting within the scope or the course of their duties as elected or appointed officials;

3. Any person while serving as a member of a board or committee of yours or as a person charged with the duty of executing directives of any such board, committee or a governing board.

II. IF YOU HAVE AN "EVENT," "CLAIM" OR "SUIT" AND ROLE OF THE SERVICE ORGANIZATION

A. You must use the Service Organization listed in the Declarations for the purpose of providing claims services. If the agreement between you and the Service Organization is terminated for any reason without our prior written approval, no insurance will be provided by this policy for any "claim" reported to us after the termination date of your agreement with the Service Organization.

B. You, or the Service Organization you have hired to act on your behalf, must:

1. Investigate any "event";

2. Immediately record the specifics of the "claim" or "suit" and the date received;

3. Settle or defend all "claims" or "suits" that are within the applicable Self-Insured Retention;

4. Afford us the right to associate (at our own expense) in the defense of any "claim" or "suit";

5. Cooperate with our investigation, settlement or defense of any "claim" or "suit";

6. Maintain accurate records of all details regarding payments made by you for "claims," and estimated damages, including all expenses;

7. Furnish quarterly claims records to us, on an approved form.

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C. If we determine that the cost to investigate, settle or defend a “claim” or “suit” covered by Part A. Specific Excess Insurance in the Declarations will be more than the applicable Self-Insured Retention(s) or for any “claim” or “suit” covered by Part B. Excess Aggregate Insurance in the Declarations, then at our sole discretion, we may assume control and direction of the investigation, settlement or defense of that “claim” or “suit.”

Amounts we pay, or authorize you to pay, to investigate, settle or defend any “claim” or “suit” are considered part of:

1. Loss under Coverage Part I;

2. “Ultimate net loss” under Coverage Parts II, III, IV, and VI;

3. Compensation and other benefits imposed upon you for Worker’s Compensation or “ultimate net loss” under Coverage Part V.

However, if we incur costs that are not otherwise covered by this policy, then we will pay those costs at our own expense.

D. The following are not payments for a covered “claim”:

1. Fees paid by you to the Service Organization and any expenses incurred by you or the Service Organization in the administration, investigation or settlement of any covered “claim”;

2. Payments, including salaries and expenses, to any employee or official of an insured for services rendered in administering any “claim”;

3. Costs, fees and other expenses incurred by you or the Service Organization in establishing the existence of or the amount of any covered loss.

E. We will not indemnify you for any:

1. Payment made;

2. Obligation assumed;

3. Expense incurred;

by you or any insured for any amount in excess of the applicable Self-Insured Retention(s) unless you have our prior written consent.

F You, or the Service Organization you have hired to act on your behalf, must notify us as soon as practicable of:

1. Any “event” for which loss and/or expense is likely to be equal to or greater than fifty percent (50%) of the applicable Self-Insured Retention.

2. Any “event” involving any of the following:

a. Fatality;
b. Amputation;
c. Serious burns;
d. Paralysis;
e. Head injuries involving brain damage;
f. Spinal injury;
g. Multiple fractures;
h. Loss of sight;
i. Use of any impact weapon by a law enforcement officer which results in “bodily injury”;
j. “Employment practices”;
k. Actual or alleged criminal conduct by any insured;
l. Discrimination;
m. Violation of civil rights;
n. Land use.

3. Any “event,” “claim” or “suit” that an insured could reasonably believe is covered by Part A. Specific Excess Insurance in the Declarations and could exceed the applicable Self-Insured Retention.

4. Any “suit” filed as a class action.

Notice from you or from the Service Organization on your behalf should include:

1. How, when and where the “event” took place.

2. The names and addresses of any injured persons and witnesses.

3. The nature and location of any injury or damage arising out of the “event.”

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For any "event" reported to us, you, and any other involved insured, or the Service Organization acting on your behalf must:

1. Immediately send us copies of any demands, notices, summons or legal papers received in connection with the "claim" or "suit."

2. Authorize us to obtain records and other information.

3. Cooperate in the investigation, settlement or defense of the "claim" or "suit."

4. Assist, upon our request, in the enforcement of any right against any person or organization, which may be liable to any insured for any loss to which this insurance may also apply.

GENERAL CONDITIONS

A. **Salvage and Recovery Clause**

All salvages, recoveries and payments recovered or received subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to the settlement, and adjustments will be made for you and us.

B. **Inspections and Audits**

We have the right, but are not obligated, to:

1. Make inspections and surveys at any time.

2. Give you reports on the conditions we find.

3. Recommend changes.

Inspections are only related to insurability. We do not make safety inspections or warrant that conditions are safe.

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years after the policy expiration date. There is no time limit on auditing your books and records with respect to "claims" under this policy.

C. **Cancellation**

1. The first Named Insured shown in the Declarations may cancel this policy, only at its anniversary or expiration date, by mailing or delivering to us written notice of cancellation at least 60 days prior to the anniversary date.

2. We may cancel this policy by mailing or delivering the first Named Insured written notice of cancellation at least:
   a. 10 days prior to the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 60 days prior to this policy's anniversary or expiration date, if we cancel for any other reason.

3. We will mail or deliver our cancellation 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 day.

5. If this policy is cancelled the Aggregate Loss Fund will be considered fully earned.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.

D. **Bankruptcy**

Bankruptcy or insolvency of the insured, or any entity comprising the insured, will not relieve us of our obligations under this policy.

E. **Other Insurance**

If other valid and collectible insurance is available to the insured for damages covered by this policy, our obligations are limited as follows:

1. This insurance (including the underlying applicable Self-Insured Retention shown in the Declarations) applies excess of:

   a. Any property, inland marine, automobile physical damage or crime insurance.
   b. Any general liability, law enforcement liability, employee benefit liability, employment practices liability, public officials liability or directors and officers liability insurance.
   c. Any business auto or commercial auto liability.
   d. Any other insurance that protects the insured as an Additional Insured.

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2. Excess Insurance

If other insurance is available to you that covers a loss or damage that is also covered by this policy, except for insurance purchased to apply specifically in excess of this policy, then coverage provided by this policy will apply in excess of the other valid and collectible insurance.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss or damage, if any, that exceeds the sum of:

a. The total amount that all such other insurance would pay for the loss or damage in the absence of this insurance; and

b. The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss or damage, 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 this insurance.

3. Method of Sharing

If all of the other insurance requires 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 or damage 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.

Nothing contained in Condition E shall increase this policy's Limits of Insurance.

F. **Mortgage Clause**

We will pay for covered loss of or damage to property to each mortgage holder, lienholder or creditor to the extent of their interest as of the date of loss or damage subject to the Limits of Insurance as stated in the Declarations and subject to all terms and conditions of this policy.

G. **Loss Payments**

We agree to promptly reimburse you for all sums you have paid, in excess of the applicable Self-Insured Retention, for which coverage is provided by this policy.

H. **Appeals**

In the event that you and we do not agree to appeal a judgment both parties agree to retain a disinterested attorney to render a written opinion regarding the appeal. The written opinion is binding on both of us. The cost and expenses for the opinion will be shared equally by you and us. Your portion of the cost and expenses will not reduce the Aggregate Loss Fund.

I. **Litigation Proceedings**

You may not sue us to recover for any loss or damage under this insurance for at least 90 days after you have provided us with a completed proof of loss statement.

J. **Subrogation and Recoveries**

1. If any Insured has rights to recover all or part of any payments we have made under this policy, those rights are transferred to us. You must do nothing after a loss to impair those rights. At our request you must bring "suit" or transfer those rights to us and help us to enforce them.

2. If there are any payments recovered by us, we will disburse those payments as follows:

a. The cost of recovery will be deducted from the recovery and repaid in proportion to actual payments made by you, other insurers or us for the expense of recovery.
b. After deducting the cost of recovery, if any money remains, it will be repaid in proportion to the actual "claim" payments made by you, other insurers or us.

K. **Transfer of your Rights and Duties Under This Policy**

Your rights and duties under this policy must not be transferred without our prior written consent.

L. **Representations**

By accepting this policy, you agree that:

1. The statements in the Declarations are accurate and complete.

2. Those statements are based upon representations you made to us.

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3. We have issued this policy in reliance upon your representations.

M. **Concealment, Misrepresentation or Fraud**

This insurance is void if there is fraud committed by you. It is also void if you or any other insured, intentionally conceal or misrepresent a material fact concerning:

1. This insurance policy;
2. The statements made in any application or attachments used to secure this insurance;
3. Your “claims” experience, whether insured or self insured, for the types of “claims” that are covered by this insurance;
4. The property covered by this insurance or your interest in the covered property; or
5. A “claim” under this policy.

N. **Insurance Under Two or More Policy Periods**

If insurance under two or more policy periods apply to the same “event,” “accident,” “occurrence” or “claim,” due to either a continuous "occurrence" or the potential application of both "occurrence" and claims-made coverage to the same “event,” “accident,” “occurrence,” or “claim,” any "ultimate net loss" shall not exceed the limit for the policy period in effect when such “event,” “accident” or “occurrence” giving rise to any “claim” first takes place, and any "ultimate net loss" will be allocated strictly to that policy period, even if such “event,” accident,” “occurrence,” or “claims” arising therefrom, continue after the termination of that policy.

O. **Association**

We have the right to associate with any insured in any “claim” or “suit.” We may, at our discretion, investigate any “claim” or “suit.” The amount we will pay for damages is limited as described in SECTION II - LIMITS OF INSURANCE, of Coverage Part II, and as described in SECTION II – LIMITS OF INSURANCE, of Coverage Part III, and as described is SECTION III – LIMITS OF INSURANCE, of Coverage Part IV. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for by the respective Coverage Part.

GENERAL POLICY EXCLUSIONS

The following Exclusions apply to all Sections and Coverages of this Policy. This insurance does not apply to:

A. **Condemnation**

Any damages based upon or arising out of eminent domain, condemnation, inverse condemnation or adverse possession.

B. **Date Functionality**

Any loss or damage arising out of:

1) The inability or failure of any “system” to correctly recognize, sequence or compute days or dates or values dependent on those days or dates;
2) Any efforts to attain or any failure to attain “date functionality”;
3) Any supervision, instructions, recommendations, warnings or advice given or which should have been given regarding “date functionality,” or as a result of testing for, or identifying, or communicating information about “date functionality”;
4) Any unlicensed or unauthorized use, modification, deletion, alteration, decompiling, reverse engineering, downloading, or copying of any “system” to attain “date functionality”;
5) Any infringement of copyright, title, or slogan, or any misappropriation of advertising ideas or style of doing business in an effort to attain “date functionality”;
6) Any disclosure, nondisclosure, representation or omission regarding “date functionality.”

“System” means any computer or compute-related hardware, software or data. “System” also includes but is not limited to processors, chips, circuitry, operating and other electronic systems, networks, programs, code, files, and electronically stored information.

“Date functionality” means the ability of any “system” to correctly recognize, sequence or compute days or dates or values dependent on days or dates.

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C. **Governmental Fines or Penalties**

Any damages, costs, civil fines, penalties or expenses incurred by any insured arising out of any complaint or enforcement action by any federal, state or local government regulatory agency.

This Exclusion does not apply to expenses incurred by any insured for any “employment practice.”

D. **Lead**

1. Any loss or damage arising out of lead or the hazardous properties of lead;

2. Any cost for remedial investigations or feasibility studies or the cost of testing, monitoring, abatement, mitigation, cleaning, removal or disposal of lead or any item(s) containing lead;

3. Any loss or damage arising out of any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with 1 or 2 above; or

4. Any obligation to share damages with or repay someone else who must pay damages in connection with 1, 2, or 3 above.

This Exclusion does not apply to the coverage provided in Insuring Agreement A of Coverage Part V.

E. **Mold/Fungus**

1. All loss, cost or expense 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.

2. “Fungal Pathogens” as utilized herein, 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.

F. **Prior Insurance**

Any loss or damage for which any insured is entitled to indemnity or payment by reason of having given notice to an insurer of any circumstance which might give rise to a “claim” under any policy(ies) which terminated or expired prior to the inception date of this insurance.

G. **Pollution or Environmental Hazards**

1. Any loss or damage which would not have occurred in whole or in part but for the actual, alleged or threatened existence, discharge, dispersal, seepage, migration, release or escape of “pollutants,” irritants or hazardous substances at any time;

2. Any loss, cost or expense arising out of any:

   a. Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any other way respond to, or assess the effects of “pollutants”; or
   b. “Claim” or “suit” by or on behalf of a governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of “pollutants.”

This Exclusion does not apply to the coverage provided Insuring Agreement A of Coverage Part V.

This Exclusion does not apply to loss or damage arising out of:

1. Heat, smoke or fumes from a hostile fire;

2. Backup or overflow of any sewer;

3. Use of teargas, mace or similar substance by any public safety officer within scope of employment for the named insured;

4. Collision, upset or overturn of any “auto”;

5. “Emergency property damage”; or

6. Use of chemicals by you to purify water sold by you.

H. **Silica Dust or Asbestos**

1. Any loss or damage arising out of the following diseases:

   a. Asbestosis;
   b. Silicosis;
   c. Mesothelioma;

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d. Emphysema;
e. Pneumoconiosis;
f. Pulmonary Fibrosis;
g. Pleuritis;
h. Endothelioma;

or any other disease or any ailment caused by or aggravated by asbestos in any form or silica dust.

2. Any loss or damage arising out of the existence of asbestos in any form or silica dust, including the costs of investigations or feasibility studies, or the costs of testing, monitoring, abatement, mitigation, cleaning, removal or disposal of any property or substance.

3. Any loss or damage arising out of any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with 1 or 2 above.

4. Any obligation to share damages with or repay someone else who must pay damages in connection with 1, 2, or 3 above.

This Exclusion does not apply to the coverage provided in Insuring Agreement A of Coverage Part V.

I. **Nuclear Energy**

1. Under Coverage Parts I and VI, this insurance does not apply to nuclear reaction or radiation, or radioactive contamination, however caused. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the loss or damage caused by that fire.

2. This insurance does not apply:

a. Under Coverage Parts II and III for “bodily injury” or “property damage”:

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

2) Resulting from the “hazardous properties” of “nuclear material” and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the “insured” is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

b. Under Coverage Parts II and III for expenses incurred with respects 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 Coverage Parts II and III for “bodily injury” or “property damage” resulting from the “hazardous properties” of “nuclear material,” if:

1) The “nuclear material” (a) is at any “nuclear facility” owned by, or operated by or on behalf of, an “insured” or (b) has been discharged or dispersed therefrom;

2) The “nuclear material” is contained in “spent fuel” or “waste” at any time possessed handled, used, processed, stored, transported or disposed of by or on behalf of an “insured”; or

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

3. As used in this Exclusion:

a. “Hazardous properties” include radioactive, toxic or explosive properties.

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

c. “Source material,” “special nuclear material,” and “by-product material” have the meanings given them in the Atomic Energy Act of 1954 or any law amendatory thereof.

d. “Spent fuel” means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a “nuclear reactor.”

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e. “Waste” means any waste material (1) containing “by-product material” other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its “source material” content, and (2) resulting from the operation by any person or organization of any “nuclear facility” included under the first two paragraphs of the definition of “nuclear facility.”

f. “Nuclear facility” means:

1) Any “nuclear reactor”;

2) Any equipment or device designed or used for (a) separating the isotopes of uranium or plutonium, (b) processing or utilizing “spent fuel”, or (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 device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

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.

g. “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.”

h. “Property damage” includes all forms of radioactive contamination of property.

This Exclusion does not apply to the coverage provided in Insuring Agreement A. and B. of Coverage Part V.

J. **War and Military Action**

1. War, including undeclared or civil war;

2. Warlike action by a military force including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents;

3. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

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INSURANCE FOR REAL AND PERSONAL PROPERTY, AUTOMOBILE PHYSICAL DAMAGE, BUSINESS INCOME AND EXTRA EXPENSE, PROPERTY IN TRANSIT, DATA PROCESSING MEDIA AND SYSTEM EQUIPMENT

SECTION I - INSURING AGREEMENT

Coverage under Insuring Agreements A, B, C, D & E of Coverage Part I only applies to values listed in the Schedule of Values maintained by the organization listed in the Property Records section of the Declarations or to newly acquired property or interests as provided by Condition K, Automatic Acquisition Clause of Coverage Part I.

A. **Real and Personal Property**

We will pay for direct physical loss of or damage to:

1. "Property of an insured"; or
2. Property for which the insured is obligated by contract to insure

caused by or resulting from any "covered cause of loss" subject to the limitations, terms and conditions of this insurance.

B. **Automobile Physical Damage**

We will pay for direct physical loss of or damage to an "auto":

1. Owned by an insured; or
2. Which the insured is obligated by contract to insure

caused by or resulting from any "covered cause of loss" subject to the limitations, terms and conditions of this insurance.

C. **Business Income and Extra Expense**

We will pay for the actual loss of "business income" you sustain due to the necessary suspension of your "operations" during the "period of restoration." The suspension must be caused by direct physical loss of or damage to "property of the insured," caused by or resulting from any "covered cause of loss" subject to the limitations, terms and conditions of this insurance.

1. We will pay any "extra expense" to avoid or minimize the suspension of business and to continue "operations":
   a. At the described "premises";
   b. At replacement "premises" or a temporary location, including:
      1) Relocation expenses;
      2) Costs to equip and operate the replacement or temporary locations.
2. We will pay any "extra expense" to minimize the suspension of business if you cannot continue "operations."
3. We will pay any "extra expense" to:
   a. Repair or replace any property;
   b. Research, replace or restore the lost information on damaged valuable papers and records

   to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Part.

D. **Property in Transit**

We will pay for direct physical loss or damage caused by or resulting from any "covered cause of loss" to "property of the insured" or property held by you in trust, or on commission or on consignment for which you may be held legally liable while in transit within the limits of the United States of America (excluding its territories or possessions) or Canada. We will also pay for general average and salvage charges on covered shipments while waterborne.

This insurance covers loss of or damage to the "property of the insured" resulting from the acceptance by you, your agent, customer or consignee(s) or others of fraudulent bills of lading, shipping or "messenger" receipts; or obtained by fraud or deceit perpetrated by any person(s) who may represent themselves to be the proper party or parties to receive the property for shipment or to accept it for delivery.

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This insurance applies from the time property is loaded on a transport vehicle and leaves the original point of shipment. Insurance continues during the course of transit including temporary warehousing en route until the property is removed from the transport vehicle at the site of the original addressee. Coverage on shipments in transit for export outside of the United States of America or Canada, but not yet insured under Ocean Marine policies will continue until the property is loaded on an aircraft, rail car, vessel, or vehicle which is headed outside of the Untied States of America or Canada.

E. **Data Processing Media and System Equipment**

We will pay for direct physical loss of or damage caused by or resulting from any "covered cause of loss" to "active data processing media" or any data processing system, including equipment and component parts, owned by, leased, rented or under your control, for which you may be liable.

SECTION II - EXCLUSIONS

A. **Insurance provided by this Coverage Part does not apply to any "claim" or "suits" for damages, whether direct or consequential, which is covered under any other Coverage Part of this policy.**

B. **We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or "event" that contributes concurrently or in any sequence to the loss or damage**.

1. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires. But if artificially generated electrical current results in fire, we will pay for the direct physical loss or damage caused by that fire.

2. Delay, loss of use, or loss of market.

3. Wear and tear. However, this exclusion does not apply to any loss directly resulting from a peril not otherwise excluded.

4. Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself. However, this exclusion does not apply to any loss directly resulting from a peril not otherwise excluded.

5. Smog. However, this exclusion does not apply to any loss directly resulting from a peril not otherwise excluded.

6. Settling, cracking, shrinking or expansion. However, this exclusion does not apply to any loss directly resulting from a peril not otherwise excluded.

7. Nesting, infestation, or discharge or release of waste products or secretions by insects, birds, rodents or other animals. However, this exclusion does not apply to any loss directly resulting from a peril not otherwise excluded.

8. Dampness or dryness of atmosphere, changes in or extremes of temperature, marring or scratching. However, this exclusion does not apply to any loss directly resulting from a peril not otherwise excluded.

9. Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision. However, this exclusion does not apply to any loss directly resulting from a peril not otherwise excluded.

10. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in a fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

11. Continuous or repeated seepage or leakage of water that occurs over a period of 14 days or more.

12. Dishonest or criminal act by you, any of your partners, "employees," directors, trustees, authorized representatives or anyone to whom you entrust property for any purpose:

    a. Acting alone or in collusion with others;
    b. Whether or not occurring during the hours of employment.

    This exclusion does not apply to acts of destruction by your "employees"; but "theft" by "employees" is not covered.

13. Faulty, inadequate or defective:

    a. Planning, zoning, development, surveying, or siting;

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b. Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction, unless fire or explosion ensues and then only for direct loss physical or damage caused by such ensuing fire or explosion;
c. Materials used in repair, construction, renovation or remodeling;
d. Maintenance.

However, this exclusion does not apply to any loss directly resulting from a peril not otherwise excluded.

14. Any loss caused by or resulting from:

a. Delay in rebuilding, repairing or replacing property or resuming "operations" due to interference at the location of the rebuilding, repair or replacement by strikers or other persons;
b. Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations," we will cover such loss that affects your "business income" during the "period of restoration."

15. Penalties for non-completion of or delay in completion of a construction contract or non-compliance with contract conditions, nor for loss of use of occupancy howsoever caused.

16. Under Insuring Agreement C. Business Income and Extra Expense we will not pay for:

a. Loss or damage to property rented or leased to others while away from the "premises" of any insured;
b. Loss or damage caused by an error in machine programming or instructions to machine;
c. Loss or damage that occurs during any period which goods would not have been produced, or business "operations" or services would not have been maintained, for any reason other than physical damage;
d. Any loss resulting from disappearance or damage to property in transit.

17. Flood Zone A and Flood Zone V, as defined by the National Flood Insurance Program (NFIP).

SECTION III - PROPERTY EXCLUDED

Covered Property does not include:

1. Accounts, bills, currency, "money," deeds, food stamps or other evidence of debt, notes or "securities." Lottery tickets held for sale are not "securities."

2. Aircraft.

3. Watercraft over 50 feet in length.

4. Land values, land (including land on which property is located), water, growing crops or lawns.

5. Animals, bridges, roads, standing timber, landscaping, or valuable papers, unless such property is clearly described and specific values to replace the property as of the policy inception date or previous policy anniversary date are shown for each property in the Schedule of Values on file with the organization listed in the Property Records section of the Declarations.

6. Underground property.

7. Retaining walls not part of a building when loss or damage is caused by ice or water pressure.

8. Underground mines and mining property located below the surface of the ground and property undergoing insulation breakdown tests.

9. Jewelry, furs, precious metals or precious stones.

10. Under Coverage E. Data Processing Media and System Equipment, this insurance does not apply to documents except where they are converted into data processing media form.

These exclusions do not apply to the personal property of others impounded by an insured law enforcement agency.

SECTION IV - LIMITS OF INSURANCE

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

1. Insureds;

2. Locations;

3. "Claims" made or "suits" brought; or

4. Persons or organizations making a "claim" or bringing a "suit";

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including loss or damage from any other cause that contributes concurrently or in any sequence to the loss.

We are only liable for amounts in excess of the applicable Self-Insured Retention and we have no liability to pay you until the applicable Self-Insured Retention has been exhausted by the actual payment of “claims” or “suits” to which this insurance applies.

SECTION V - CONDITIONS

A. VALUATION: We will determine the value of Covered Property in the event of loss or damage as follows:

1. Buildings, structures and contents at:

   a. Replacement Cost with materials of like size, kind and quality, as long as the insured has commenced repairs, rebuilding or replacement within two years after the date of loss or damage.
   b. Actual Cash Value if the insured does not commence repairs, rebuilding or replacement within two years after the date of loss or damage.
   c. Actual Cash Value if the building where loss or damage occurs has been vacant for more than 90 consecutive days before that loss or damage occurs. A building is vacant when it is abandoned or does not contain contents to conduct the insured’s customary operations.

2. Automobiles and “mobile equipment” at Actual Cash Value on the date of loss or damage, or the cost to repair the damage, whichever is less.

3. Stock you have sold, but not delivered, at the selling price less discounts and expenses you otherwise would have had.

4. Property of others, at the amount for which you are legally liable, but not to exceed the Replacement Cost.

5. Tenant’s Improvements and Betterments, at:

   a. Replacement Cost with materials of like size, kind and quality, as long as the insured has commenced repairs, rebuilding, or replacement within two years after the date of loss or damage.
   b. Actual Cash Value if the insured does not commence repairs, rebuilding or replacement within two years after the date of loss or damage.

6. Valuable papers and records, including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:

   a. Blank materials for reproducing the records.
   b. Labor to transcribe or copy the records when there is a duplicate.

7. Patterns and dies at:

   a. Replacement Cost if replaced within two years of the date of loss or damage.
   b. Actual Cash Value as of the date of loss if not replaced within two years of the date of loss or damage.

8. Fine arts at the appraised value of the article on the date of loss or damage.

9. Under Coverage D. Property in Transit we will determine the value of Covered Property in the event of loss or damage as follows:

   a. Actual invoice value, plus costs and charges (including your commission as selling agent) that have accrued and are legally due, for property shipped to you or for your account.
   b. Selling invoice value, including prepaid or advanced freight, for property that has been sold by you and shipped to or for the account of the purchaser.
   c. Actual Cash Value at the point of destination on the date of loss or damage, less any charges saved that would have become due and payable upon delivery at destination for property not under invoice.

10. Under Coverage E. Data Processing Media and System Equipment we will determine the value of Covered Property in the event of loss or damage as follows:

    a. Actual reproduction cost of data processing media if commencement of reproduction is within two years of the date of loss or damage.
    b. Replacement Cost of blank data processing materials if not replaced or reproduced within two years of the date of loss or damage.
    c. Replacement Cost on the date of loss or damage, but not more than the original purchase price for Data Processing Media and Systems Equipment.

B. LOSS DETERMINATION FOR BUSINESS INCOME:

1. We will determine the amount of your “business income” loss based on:

   a. The Net Income of the business just before the direct physical loss or damage occurred.
   b. The likely Net Income of the business if no direct physical loss or damage occurred.
   c. The operating expenses, including payroll expenses, necessary to resume “operations” with the same quality of service that existed just before the direct physical loss or damage.

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d. Other relevant sources of information, including:
   1) Your financial records and accounting procedures, including valuable papers and records of accounts receivable;
   2) Bills, invoices and other vouchers;
   3) Deeds, liens or contracts.

2. We will determine the amount of your “extra expense” loss based on:

   a. All expenses that exceed the normal operating expenses that would have been incurred by “operations” during the “period of restoration” if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:

      1) The salvage value that remains for any property bought for temporary use during the “period of restoration,” once “operations” are resumed;
      2) Any “extra expense” that is paid for by other insurance, except for insurance that is written subject to the same terms, conditions and provisions as this insurance.

   b. All necessary expenses that reduce the “business income” loss that otherwise would have been incurred.

C. RESUMPTION OF OPERATIONS: We will reduce the amount of your loss based on:

1. “Business income” loss, other than “extra expense,” to the extent you can resume your “operations,” in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described “premises” or elsewhere;

2. “Extra expense” loss to the extent you can return “operations” to normal and discontinue such “extra expense”;

but, if you do not resume “operations,” or do not resume “operations” as quickly as possible, we will pay based on the length of time it should have taken to resume “operations” as quickly as possible.

D. DEBRIS REMOVAL: We will pay the cost to remove debris from Covered Property damaged by a “covered cause of loss.” However, we will not pay for:

1. The cost to remove the foundation for any Covered Property;

2. The cost to extract “pollutants” from land or water, or remove, restore or replace polluted land or water.

E. REMOVAL CLAUSE: We will pay for the cost to remove any Covered Property and for damage resulting from such removal when the Covered Property is being moved to protect it against further damage from a “covered cause of loss.”

F. APPRAISAL: If we cannot agree on the amount necessary to rebuild, repair or replace the damaged or destroyed Covered Property or the actual amount of reimbursement to be paid, each party shall name a competent and disinterested appraiser and the two so chosen will, before proceeding further, appoint a competent and disinterested umpire. The appraisers together shall obtain reconstruction, replacement or repair estimates, and calculate the amounts of reimbursement due, and failing to agree, will submit their differences to the umpire.

The award in writing and verified by any two shall determine the points in question. Both parties shall pay the cost of their own appraisers and equally pro rate the cost of the umpire.

G. CIVIL AUTHORITY CLAUSE: We will pay for loss or damage to Covered Property caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part, provided that the destruction is not caused or contributed to by war, invasion, revolution, rebellion, insurrection or other hostilities or warlike “operations.”

H. ORDINANCE DEFICIENCY. INCREASED COST OF CONSTRUCTION: If a “covered cause of loss” occurs to a Covered Property, then subject to the Limit of Insurance, we will pay for:

1. Loss to the undamaged portion of the Covered Property caused by enforcement of any ordinance or law that:

   a. Requires the demolition of parts of the same Covered Property not damaged by a “covered cause of loss”;
   b. Regulates the construction or repair of buildings or establishes zoning or land use requirements at the Covered Property;
   c. Is in force on the date of loss.

2. The cost to demolish and clear the site of undamaged parts of the Covered Property caused by enforcement of building, zoning or land use ordinance or law.

3. The increased cost to repair, rebuild or construct the Covered Property caused by the enforcement of building, zoning or land use ordinance or law. If the Covered Property is repaired or rebuilt, it must be intended for similar occupancy as the Covered Property, unless otherwise required by zoning or land use ordinance or law.

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For loss payable under paragraph:

1. 1 above, we will pay up to the amount you actually spend to repair, rebuild or reconstruct the Covered Property, but not more than the amount it would cost to restore the Covered Property on the same "premises" and to the same height, floor area, style and comparable quality of the original Covered Property insured.

2. 2 above, we will not pay more than the amount you actually spend to demolish and clear the site of the Covered Property.

3. 3 above, we will not pay for the increased cost of construction unless repair or replacement is either complete or commences and is continuing within 24 months of the date of loss. If repair or replacement is not complete within this time period, the most we will pay is the "actual cash value" of the Covered Property on the date of loss or damage.

I. EXPENSE TO REDUCE OR PREVENT LOSS: You will take all reasonable steps to protect Covered Property from further loss or damage and keep a record of your expenses necessary to protect Covered Property, for consideration in the settlement of your "claim." This expense will not increase the Limit of Insurance. We will not pay for any subsequent loss or damage resulting from a cause of loss that is not a "covered cause of loss," nor shall we pay expenses exceeding the amount by which the loss or damage is reduced.

J. JOINT LOSS CLAUSE: When this policy and a Boiler and Machinery policy carried by the Named Insured, contain provisions with substantially the same requirements, procedures and conditions and the damage to the Covered Property was caused by a loss for which both we and the Boiler and Machinery insurer(s) admit to some liability for payment under respective policies, we and the Boiler and Machinery insurer(s) will make payments to the extent, and in the manner described below:

1. We will pay the entire amount of loss that we have agreed as being covered by this Coverage Part and one-half (1/2) the amount of loss that is in disagreement.

2. The Boiler and Machinery insurer(s) will pay the entire amount of loss that they have agreed as being covered by the Boiler and Machinery insurance and one-half (1/2) the amount of loss that is in disagreement.

3. The amount in disagreement to be paid by us shall not exceed the amount payable under the equivalent Loss Adjustment Endorsement(s) of the Boiler and Machinery insurance.

4. The amount we will pay shall not exceed the amount we would have paid had no Boiler and Machinery insurance been in effect at the time of loss.

5. We and the Boiler and Machinery insurer(s) agree to submit our differences to arbitration.

6. You agree to cooperate with any arbitration procedures. There will be three arbitrators: one will be appointed by us, and another will be appointed by the Boiler and Machinery insurer(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding. Judgment on the award can be entered in any court that has jurisdiction.

K. AUTOMATIC ACQUISITION CLAUSE: This Policy is automatically extended to cover additional property and/or interests acquired by you during the term of this policy provided that:

1. The property and/or interests are included in "property of the insured..

2. The total value of the additional property and/or interests does not exceed the amount indicated in the Declarations as the Reporting Threshold for the Automatic Acquisition Clause.

3. You provide the organization designated in the Declarations to keep the Schedule of Property Values within 60 days of the acquisition of additional property and/or interests which exceeds the amount indicated in the Declarations as the Reporting threshold for the Automatic Acquisition Clause details of the property and/or interests to enable us to evaluate and calculate an additional premium (if any) that you will pay for the additional values to be insured.

L. RECORDS: The records and books as kept by you are accessible to us in determining the amount of loss or damage to Covered Property.

M. LOSS INVOLVING THE PROPERTY OF OTHERS: In the event of loss or damage, which is likely to exceed the applicable Self Insured Retention indicated in the Declarations, involving property of others in your care, custody or control, we have the right to associate with you in efforts to settle the loss or damage with the owners of the property and to associate with you in the defense of any legal proceedings brought against you for damage to or loss of the property.

N. The following additional condition applies to Coverage D. Property in Transit: You may accept without prejudice to this insurance, ordinary bills of lading or receipts issued by carriers including those containing released and/or partially released value provisions, but you will not enter into any special agreement with the carriers releasing them from their common law or statutory liability.

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INSURANCE FOR GENERAL LIABILITY AND LAW ENFORCEMENT LIABILITY

SECTION I - INSURING AGREEMENT

A. We will indemnify the insured for those sums which the insured becomes legally obligated to pay as "ultimate net loss" because of "bodily injury," "property damage," "personal injury" or "advertising injury," arising out of the insured's activities, including "law enforcement activities," "administration of employee benefits" and "incidental malpractice," to which this insurance applies.

B. MEDICAL PAYMENTS COVERAGE

1. We will indemnify you for medical expenses as described below for "bodily injury":

   a. On "premises" you own or rent;
   b. On ways next to "premises" you own or rent; or
   c. Because of your "operations."

2. We will make these payments regardless of fault. These payments will not exceed the applicable Limit of Insurance. We will pay reasonable expenses for:

   a. First aid administered at the time of an accident;
   b. Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
   c. Necessary ambulance, hospital, professional nursing and funeral services.

C. GOOD SAMARITAN COVERAGE

We will indemnify the insured for "ultimate net loss" arising out of "incidental malpractice" by any person (other than a physician, surgeon or dentist) authorized by you if such "incidental malpractice" results from actions at the scene of an accident or medical emergency. However, if the person is acting on behalf of a medical organization which employs or uses the person's services on a volunteer basis, then this coverage does not apply.

D. Paragraphs A, B, and C only apply to "bodily injury," "property damage," "personal injury," or "advertising injury" caused by an "occurrence" during the policy period.

SECTION II - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

   a. Insureds;
   b. "Claims" made or "suits" brought; or
   c. Persons or organizations making "claims" or bringing "suits."

2. Each "occurrence" Limit is the most we will pay under this Coverage Part for all damages arising out of a single "occurrence," or offense.

3. The Annual Aggregate for Products-Completed Operations is the most we will pay for damages arising out of the "products-completed operations hazard."

4. The Annual Aggregate Law Enforcement Liability is the most we will pay for damages arising out of "law enforcement activities."

5. The General Annual Aggregate Limit is the most we will pay for the sum of all damages under this Coverage Part arising out of all "occurrences" or offenses other than:

   a. Damages arising out of the "products-completed operations hazard"; or
   b. Damages arising out of "law enforcement activities."

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

   We are only liable for amounts in excess of the applicable Self-Insured Retention and we have no liability to indemnify you until the applicable Self-Insured Retention has been exhausted by your actual payment of "claims" or "suits" to which this insurance applies.

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SECTION III - EXCLUSIONS

A. **Insurance provided by this Coverage Part does not apply to any "claim" or "suits" for damages, whether direct or consequential, which is covered under any other Coverage Part of this policy.**

B. **The following exclusions apply to any "claim" or "suit" made under this Coverage Part. This insurance does not apply to:**

1. **Aircraft, Airports and Watercraft**

   Any damages resulting from of the ownership, operation, maintenance, use (including loading or unloading), or entrustment to others of any:

   a. Aircraft;
   b. Airport other than buildings or "premises" to which the general public is admitted;
   c. Watercraft either 1) over 50 feet in length, or 2) used to carry persons or property for a charge.

2. **Medical and Professional**

   Any damages resulting from:

   a. An insured's actions or failure to act as a doctor, physician, surgeon or dentist;
   b. Injury to any patient or person receiving medical care or treatment at any hospital, clinic, or nursing home. This Exclusion does not apply to damages that are covered by Insuring Agreement C - Good Samaritan Coverage.

3. **Employment Practices**

   Any damages resulting from "employment practices" of any insured.

4. **Expected or Intended Damage or Injury**

   Any damages expected or intended from the standpoint of an insured, including assault and battery. This Exclusion does not apply to:

   a. Damages resulting from use of force by public safety officers to protect persons or property (unless deemed to be a criminal act); or
   b. Damages resulting from the use of reasonable force by an insured (other than public safety officers) to protect persons or property.

5. **Liability Assumed by Contract**

   Any damages the insured is obligated to pay by reason of the assumption of liability in a contract or agreement. This Exclusion does not apply to liability for damages:

   a. Assumed in a contract or agreement that is an "insured contract";
   b. That the insured would have in the absence of the contract or agreement.

6. **Physical and Sexual Abuse**

   Any damages resulting from physical or "sexual abuse" by any "employee."

7. **Professional Liability of Legal Staff**

   Any damages resulting from the professional acts of lawyers, paralegals, or legal assistants unless acting within the course and scope of employment by or on behalf of you.

8. **Professional Opinions Paid For By Others**

   Any damages resulting from the rendering or failure to render any professional opinion, treatment, consultation or service if such professional opinion, treatment, consultation or service was rendered or was failed to have been rendered while an insured was compensated by any person or organization other than you.

9. **Workers' Compensation, Injury to Employees**

   a. Any obligation of the insured under a Worker's Compensation (including The United States Longshoremen and Harborworkers' Act, the Federal Employee's Liability Act or the Jones Act), disability benefits, employers liability, unemployment compensation law or similar law.

   b. "Bodily injury" to:

      1) An Insured's "employee" arising out of and in the course and scope of employment by an insured while performing duties related to the conduct of the insured's business, except for first aid, medical or paramedical services administered to an insured's "employee" by any other "employee" who is not a doctor or dentist;

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2) The spouse, child, parent, brother, or sister of an Insured's "employee" as a consequence of Paragraph a. above.

This Exclusion applies:

1) Whether the insured may be liable as an employer or in any other capacity;
2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This Exclusion does not apply to liability assumed by the insured under an "insured contract."

C. **The following Exclusions apply to any "claims" for "bodily injury" under Insuring Agreement B. Medical Payments Coverage. We will not pay damages for "bodily injury":**

1. To any insured.
2. To a person hired to do work for or on behalf of any insured.
3. To any tenant of any insured.
4. To a person injured on that part of "premises" you own or rent and that the person normally occupies.
5. To a person, whether or not an insured's "employee," if benefits for the "bodily injury" are payable or must be provided under a worker's compensation or disability benefits law or a similar law.
6. To a person injured while taking part in athletics.
7. Resulting from the "products-completed operations hazard."
8. Resulting from "law enforcement activities."

D. **The following Exclusions apply to any "claims" or "suits" resulting from "personal injury" or "advertising injury." This insurance does not apply to:**

1. **Personal Injury or Advertising Injury**

"Personal injury" or "advertising injury":

a. Resulting from oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
b. Resulting from oral or written publication of material whose first publication took place before the beginning of the policy period;
c. Resulting from the willful violation of a penal statute or ordinance committed by or with the consent of the insured.

2. **Advertising Injury**

"Advertising injury" resulting from:

a. Breach of contract, other than misappropriation of advertising ideas under an implied contract;
b. The failure of goods, products or services to conform with advertised quality or performance;
c. The wrong description of the price of goods, products, or services;
d. An offense committed by any insured whose business is advertising, broadcasting, publishing, or telecasting.

E. **The following exclusions apply to all "claims" or "suits" made under this Coverage Part for "property damage." This insurance does not apply to "property damage" to:**

1. Property you own, rent or occupy;
2. "Premises" you sell, give away or abandon if the "property damage" arises out of any part of those "premises";
3. Property loaned to you;
4. Personal property in the care, custody or control of any insured;
5. That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing "operations," if the "property damage" arises out of those "operations."
6. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it;
7. "Your product" or "your work" arising out of it or any part of it and included in the "products-completed operations hazard" unless the damage to "your product" or "your work" arises out of work performed on your behalf by a subcontractor.

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Paragraph 2 of this Exclusion does not apply if the “premises” are “your work” and were never occupied, rented, or held for rental by you.

Paragraphs 3, 4, 5, and 6 of this Exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph 6 of this Exclusion does not apply to “property damage” arising out of the “products-completed operations hazard.”

F. **The following Exclusions apply to all “claims” or “suits” made under this Coverage Part for “administration of employee benefits.” This insurance does not apply to:**

1. **Bonds or Taxes**

   Any damages resulting from:

   a. The issuance of bonds; or
   b. The improper collection of taxes.

2. **Fiduciary Liability**

   Any damages resulting from any fiduciary obligation or fiduciary duty imposed by:

   a. The Employee Retirement Income Security Act (ERISA);
   b. The Pension Benefit Act;
   c. The Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA); or
   d. Section 89 of the Internal Revenue Code;

   or any amendments thereto or similar provisions of any federal, state or local, statutory or common law.

3. **Third Party Administrator**

   Any damages resulting from an activity, act or omission of a Third Party Administrator, a firm or person, other than an “employee” of yours, who administers your Employee Benefits Program.

4. **Contracts**

   Any damages resulting from the failure of any insurer to perform under any contract or agreement.

5. **Investment Performance**

   Any damages resulting from the performance of any investment.

6. **Self-Dealing and Dishonesty**

   Any damages resulting from:

   a. Any dishonest, fraudulent, criminal or malicious act or omission of any insured or insured’s “employee”; or
   b. Self-dealing or gaining profit or advantage to which an insured is not legally entitled.

7. **Bodily Injury, Property Damage or Personal Injury**

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INSURANCE FOR AUTOMOBILE LIABILITY

SECTION I – INSURING AGREEMENT

A. We will indemnify you for all sums which you become legally obligated to pay as “ultimate net loss” because of “bodily injury” or “property damage” to which this insurance applies, caused by an “accident” and resulting from the ownership, maintenance and use of a covered “auto.”

B. MEDICAL PAYMENTS COVERAGE

1. We will indemnify you for medical expenses as described below for "bodily injury" caused by an “accident” arising from ownership, operation, maintenance or use or your "auto" provided that:

   a. The “accident” takes place during the policy period;
   b. The expenses are incurred and reported to us within one year of the date of the “accident”; and
   c. The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

2. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

   a. First aid administered at the time of an “accident”;
   b. Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
   c. Necessary ambulance, hospital, professional nursing and funeral expenses.

SECTION II – LIMITS OF INSURANCE

A. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

1. Insureds;

2. “Claims” made or “suits” brought;

3. Persons or organizations making “claims” or bringing “suits”; or

4. “Autos.”

B. The Auto Liability Limits of Insurance are the most we will pay for “bodily injury” or “property damage” arising out of the ownership, operation, maintenance or use (including loading and unloading), or entrustment to others of any “auto.”

We will only indemnify you for amounts in excess of the applicable Self-Insured Retention and we will not indemnify you unless and until the applicable Self-Insured Retention has been exhausted by your actual payment of “claims” or “suits” to which this insurance applies.

SECTION III – EXCLUSIONS

A. **Insurance provided by this Coverage Part does not apply to any “claim” or “suits” for damages, whether direct or consequential, which is covered under any other Coverage Part of this policy.**

B. **The following Exclusions apply to all “claims” or “suits” made under this Coverage Part. This insurance does not apply to:**

1. **Expected or Intended Damage or Injury**

   Any damages expected or intended from the standpoint of an insured.

2. **Liability Assumed by Contract**

   Any damages an insured is obligated to pay by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

   a. Assumed in a contract or agreement that is an “insured contract,” or
   b. That the insured would have in the absence of the contract or agreement.

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3. **Worker's Compensation, Injury to Employees**

a. Any obligation of an insured under a Worker's Compensation (including the United States Longshoremen and Harborworkers' Act, the Federal Employee's Liability Act or the Jones Act), disability benefits, employers liability, unemployment compensation law or similar law.

b. "Bodily injury" to:

1) An insured's "employee" arising out of and in the course and in the scope of employment by an insured while performing duties related to the conduct of an insured's business, except for first aid, medical or paramedical services administered to an insured's "employee" by any other "employee" who is not a doctor or dentist; or
2) The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph 3. a. above.

This Exclusion applies:

1) Whether the insured may be liable as an employer or in any other capacity; and
2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This Exclusion does not apply to liability assumed by the insured under an "insured contract."

4. **Care, Custody or Control**

"Property damage" to or involving property owned or transported by an insured or in an insured's care, custody or control. But this exclusion does not apply to "property damage" when an insured has assumed liability under a sidetrack agreement.

5. **Handling of Property**

Damages resulting from the handling of property:

a. Before it is moved from the place where it is accepted by an insured for movement into or onto the covered "auto"; or
b. After it is moved from the covered "auto" to the place where it is finally delivered by an insured.

6. **Movement of Property by Mechanical Device**

Damages resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to a covered "auto."

7. **Operations**

Damages resulting from the operation of any equipment listed in paragraphs f.2) and f.3) of the definition of "mobile equipment."

8. **Completed Operations**

Damages resulting from "your work" after that work has been completed or abandoned. In this Exclusion, "your work" means:

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

"Your work" includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in paragraphs 8.a. or 8.b. above.

"Your work" will be deemed completed at the earliest of the following times:

1) When all of the work called for in your contract has been completed.
2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

9. **Racing**

Damages resulting from covered "autos" used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

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INSURANCE FOR PUBLIC OFFICIALS LIABILITY - CLAIMS-MADE

NOTICE: THIS COVERAGE PART PROVIDES CLAIMS-MADE COVERAGE. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

SECTION I – INSURING AGREEMENT

We will indemnify you for all sums which you become legally obligated to pay as "ultimate net loss" because of any "wrongful act" resulting from the discharge of duties by or on behalf of the Named Insured provided always that:

1. The "claim" on account of such "wrongful act," is first made against an insured and reported to us, in compliance with GENERAL PROVISIONS SECTION II - IF YOU HAVE AN "EVENT," "CLAIM" OR "SUIT" AND THE ROLE OF THE SERVICE ORGANIZATION, during the policy period or any applicable reporting period under SECTION IV - REPORTING PERIODS;

2. As of the inception date of this policy, no insured had any knowledge of any circumstance likely to result in or give rise to a "claim" nor could any insured have reasonably foreseen that a "claim" might be made.

For purposes of Paragraph A1. of SECTION I – INSURING AGREEMENT: If, during the policy period or any applicable reporting period under SECTION IV - REPORTING PERIODS, an insured gives written notice to us, of a "wrongful act" likely to result in a "claim," then any "claim" that may subsequently be made against an insured resulting from such "wrongful act" shall be deemed to have been made during the policy period or any applicable reporting period.

SECTION II - LIMITS OF INSURANCE

A. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

   1. Insureds;
   2. "Claims" made or "suits" brought; or
   3. Persons or organizations making a "claim" or bringing a "suit."

B. Our total liability for damages as a result of all claims covered under this Coverage Part shall not exceed the amount stated in the Declarations as Aggregate Limit of Insurance for Coverage Part IV.

C. Subject to the above provision respecting Aggregate Limit, our liability for damages as a result of any one "wrongful act" covered under this Coverage Part shall not exceed the amount stated in the Declarations as Limit of Insurance.

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

E. Any applicable reporting period under SECTION IV - REPORTING PERIODS shall be deemed to be part of the last preceding policy period for purposes of determining the Limits of Insurance. The Limits of Insurance do not apply separately to any reporting period under SECTION IV - REPORTING PERIODS.

We are only liable for amounts in excess of the applicable Self-Insured Retention and we have no liability to indemnify you until the applicable Self-Insured Retention has been exhausted by your actual payment of "claims" or "suits" to which this insurance applies.

SECTION III - EXCLUSIONS

A. **Insurance provided by this Coverage Part does not apply to any "claim" for damages, whether direct or consequential, which is covered under any other Coverage Part of this policy.**

B. **This insurance does not apply to**:

   1. **Administration of Employee Benefits**

      Any damages resulting from the "administration of employee benefits."

   2. **Airports, Aircraft**

      Any damages resulting from the ownership, operation, maintenance or use including the entrustment to others of any aircraft, airfields, runways, hangers, buildings or other properties in connection with aviation activities.

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3. **Bodily Injury, Property Damage, Personal Injury or Advertising Injury**

Any damages resulting from:

a. “Bodily injury” or any mental anguish associated with such “bodily injury”;
b. “Property damage”;
c. Assault or battery;
d. "Personal injury";
e. "Advertising injury";
f. Any reduced or diminished value of any property based upon or arising out of a “wrongful act” by an insured;
g. "Incidental malpractice.”

4. **Criminal Acts, Self Dealing or Illegal Profit**

Any damages resulting from:

a. Any dishonest, fraudulent, criminal or malicious act or omission of any insured or insured’s “employee”; or
b. Self-dealing or gaining profit or advantage to which an insured is not legally entitled.

5. **Failure to Supply**

Any damages resulting from the failure to supply a specific amount of electrical power or fuel due to the interruption of the electrical power or fuel supply.

6. **Fiduciary Liability**

Any damages resulting from any fiduciary obligation or fiduciary duty imposed by:

a. The Employee Retirement Income Security Act (ERISA);
b. The Pension Benefit Act;
c. The Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA);
d. Section 89 of the Internal Revenue Code;

or any amendments thereto, or similar provisions of any federal, state or local, statutory or common law.

7. **Wages and Benefits**

Any damages designated as front wages, or overtime, future benefits, severance obligations or similar demands, even if designated as liquidated damages under any federal, state or local statute, rule or regulation.

8. **Bargaining Agreements**

Any payments due under collective bargaining agreements or benefits bargaining agreements.

9. **Law Enforcement Activities**

Any damages arising out of “law enforcement activities” to protect the public or property including the operation of correctional or detention facilities.

This exclusion does not apply to “employment practices.”

10. **Liability Assumed by Contract**

Any damages the insured is obligated to pay by reason of assumption of liability in a contract or agreement. This Exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

11. **Liability for Breach of Contract**

Any damages resulting from the breach of contracts for procurement, service, construction or engineering services.

This Exclusion does not apply to claims brought by employees or officials alleging wrongful termination of employment.

12. **Non-monetary Damages, Fines or Penalties**

a. Any damages resulting from an action, “claim,” “suit,” or demand seeking relief or redress in any form other than money damages; or
b. Any costs, fees or expenses which the insured may become obligated to pay as a result of an adverse judgment for injunctive or declaratory relief.

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13. **Professional Opinions Paid For By Others**

Any damages resulting from the rendering or failure to render any professional opinion, treatment, consultation or service if such professional opinion, treatment, consultation or service was rendered or was failed to have been rendered while an insured was compensated by any person or organization other than you.

14. **Retroactive Date**

Any damages resulting from a “wrongful act” that commences prior to the retroactive date indicated in the Declarations – Coverage Part IV.

15. **Physical and Sexual Abuse**

Any damages resulting from physical or “sexual abuse” by any “employee.”

16. **Sexual Harassment**

Any damages resulting from “sexual harassment” by any “employee.”

SECTION IV - REPORTING PERIODS

A. We will provide one or more reporting periods, as described below, if this policy is cancelled or not renewed for any reason other than nonpayment of premium or any other amount owed to us. Nonrenewal by us shall mean the refusal by us to renew the policy on any terms. Nonrenewal by us shall not mean a change in premium, deductibles, Limits of Insurance or any other terms and conditions.

B. The reporting periods do not extend the policy period or change the scope of coverage provided under this coverage. The reporting periods apply only to “claims” first made against an insured during the applicable reporting period for damages because of a “wrongful act” that occurred before the end of the policy period.

C. The reporting periods do not reinstate or increase the Limits of Insurance.

D. A Basic Reporting Period of 30 days that begins on the effective date of cancellation or nonrenewal of this policy is automatically provided without an additional charge. Subject to the terms and conditions of this Coverage Part, the Basic Reporting Period applies to “claims” for damages that are first made against the insured and reported to us or Alternative Market Specialists, in accordance with GENERAL PROVISIONS, SECTION II - IF YOU HAVE AN “EVENT,” “CLAIM” OR “SUIT” AND THE ROLE OF THE SERVICE ORGANIZATION, no later than the end of the Basic Reporting Period.

The Basic Reporting Period does not apply to “claims” covered under any other insurance purchased subsequent to this policy or to replace this policy.

E. An Optional Extended Reporting Period will begin on the effective date of cancellation or nonrenewal of this policy and will remain in effect for a period of one to five years, depending on which Optional Extended Reporting Period you purchase. Subject to the terms and conditions of this coverage, the Optional Extended Reporting Period applies to “claims” for damages reported to us or Alternative Market Specialists, in accordance with GENERAL PROVISIONS, SECTION II- IF YOU HAVE AN “EVENT,” “CLAIM” OR “SUIT” AND THE ROLE OF THE SERVICE ORGANIZATION, no later than the end of the Optional Extended Reporting Period.

The additional premium for the Optional Extended Reporting Period will depend on which option you choose. The premium will be calculated at the time you request the Optional Extended Reporting Period.

We must receive a written request from you, together with payment of additional premium due, within 60 days after the effective date of cancellation or nonrenewal of this policy if you wish to purchase one of the Optional Extended Reporting Periods. You must state in your request which Optional Extended Reporting Period you wish to purchase. The Optional Extended Reporting Period will not go into effect until you pay and we acknowledge receipt of the additional premium when due. Once in effect, the Optional Extended Reporting Period may not be cancelled and the premium for the Optional Extended Reporting Period is fully earned.

The Optional Extended Reporting Period does not apply to “claims” covered under any other insurance purchased subsequent to this policy or to replace this policy.

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WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE

SECTION I - INSURING AGREEMENT

A. **Workers' Compensation Insurance**

We will indemnify you for those sums which you are legally obligated to pay as compensation and other benefits imposed upon you under the workers' compensation laws of any state listed in the Declarations.

B. **Employers' Liability Insurance**

We will indemnify you for those sums which you are legally obligated to pay as "ultimate net loss" because of "bodily injury" by "accident" or "bodily injury" by disease to an "employee" arising out of and in the course and scope of employment by you.

C. Insuring Agreements A and B above apply to "bodily injury" by "accident" or "bodily injury" by disease provided that:

1. You remain a qualified self-insurer for Workers' Compensation and Employers' Liability in the state(s) listed in the Declarations; and "bodily injury" by "accident" or "bodily injury" by disease is sustained by an "employee" who is regularly employed by you in a state named in the Declarations for this portion of the policy. If your "employee" suffers "bodily injury" in a state that is not listed in the Declarations and the "bodily injury" results from employment, at your direction, while your "employee" was temporarily in another state, this coverage will extend compensation or other benefits imposed upon you by such state or the District of Columbia.

2. "Bodily injury" by "accident" occurred during the policy period.

3. The "employee's" last day of the last exposure to the conditions of that employment causing or aggravating any "bodily injury" by disease occurred during the "policy period."

SECTION II - LIMITS OF INSURANCE

A. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

1. Insureds;

2. "Claims" made or "suits" brought; or

3. Persons or organizations making a "claim" or bringing a "suit."

B. Our total liability for all damages arising out of a single "accident" that results in "bodily injury" by "accident" to one or more "employees" is the amount shown in the Declarations.

C. Our total liability for all damages arising out of a single disease for "bodily injury" by disease is the amount shown in the Declarations.

In any event, we will only indemnify you for amounts in excess of the applicable Self-Insured Retention stated in the Declarations. We have no obligation to indemnify you until the applicable Self-Insured Retention has been exhausted by your actual payment of settlements and/or judgments required by law for "bodily injury" by "accident" or "bodily injury" by disease covered by this Coverage Part.

SECTION III - EXCLUSIONS

A. **Insurance provided by this Coverage Part does not apply to any "claim" for damages, whether direct or consequential, which is covered under any other Coverage Part of this policy.**

The following Exclusions apply to coverage provided in Insuring Agreement A and B. This coverage does not apply to:

B. **Any loss insured elsewhere by any worker's compensation insurance or employer's liability insurance, or self-insurance**.

C. **Any loss payable under the**:

1. U.S. Longshoremen's and Harbor Worker's Compensation Act (U.S. L & H Act);

2. Defense Base Act, U.S. Code (1946) Title 42, Sections 1651-54;

3. Federal Employers Liability Act (F.E.L.A.), 45 U.S. Code, Sections 51-60, 1970);

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4. Merchant Marine Act of 1920 (Jones Act), 46 U.S. Code, Section 688;

5. Outer Continental Shelf Lands Act, U.S. Code (9146) Title 33, Sections 901-49;

including any subsequent amendments to any of the laws listed above.

D. **Any payments made by you in excess of benefit payments regularly required by workers' compensation laws if such excess payments are required because of:**

1. Willful or wanton misconduct of an insured;

2. "Bodily injury" to any "employee" while employed in violation of the law;

3. Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, or termination of any "employee";

4. "Bodily injury" intentionally caused by or aggravated by the employer;

5. Loss arising out of "operations" in a state where any employer has rejected workers' compensation insurance coverage or provisions of any worker's compensations laws.

E. **Any assessment made upon self-insurers, whether imposed by statute, regulation or otherwise**.

The following Exclusions apply to coverage provided under Insuring Agreement B. Excess Employers' Liability. This coverage does not apply to:

F. **Liability assumed under a contract or agreement.**

G. **"Bodily injury" to any "employee" while employed in violation of the law.**

H. **Damages arising out of and "operations" for which you and your supervisory personnel have**:

1. Violated or failed to comply with any worker's compensation law;

2. Rejected worker's compensation insurance coverage under any law;

3. Intentionally caused or aggravated "bodily injury."

I. **Any obligation imposed by a worker's compensation, occupational disease, unemployment compensation, disability benefits law or any similar laws**.

J. **"Bodily injury" occurring outside the United States of America, its territories or possessions. This Exclusion does not apply to "bodily injury" to an American citizen or resident working for you temporarily working outside the United States of America, its territories or possessions**.

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INSURANCE FOR EMPLOYEE DISHONESTY, LOSS INSIDE THE PREMISES, LOSS OUTSIDE THE PREMISES, MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY, FORGERY OR ALTERATION

Insurance provided by this Coverage Part does not apply to any "claim" for damages, whether direct or consequential, which is covered under any other Coverage Part of this policy.

SECTION I - INSURING AGREEMENT

A. **Employee Dishonesty**

We will pay you that amount of "ultimate net loss" for loss excess of the applicable Self-Insured Retention for damage to "money," "securities," and "property other than "money" and "securities" resulting directly from a dishonest act committed by an insured's "employee" acting alone or in collusion with other persons, except you, or from the failure of an "employee" to perform faithfully his duties or account for all monies and property received by virtue of his/her position of employment.

1. **Conditions**

This insurance is cancelled for any "employee":

a. Immediately upon discovery by you or any official or "employee" authorized to manage, govern or control your "employees," of any dishonest act committed by that "employee" whether before or after becoming employed by you;

b. On the date specified in a cancellation notice mailed to you by us. That date will be at least 30 days after the date of mailing. The mailing of the cancellation notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of the cancellation notice is the same as mailing.

2. **Exclusions**

We will not pay for:

a. Loss caused by any "employee" who is individually bonded.

b. Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation; or a profit and loss computation.

c. Loss caused by any "employee" of yours, or a predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the effective date of the last such cancellation.

B. **Loss Inside the Premises**

We will pay you for that amount of "ultimate net loss" for loss excess of the applicable Self-Insured Retention for:

1. Loss of "money" or "securities" of yours from "theft," disappearance, "robbery" or destruction within the "premises" or a "banking premises."

2. Loss of, and loss from damage to, a locked safe, vault, cash register, cash box, or cash drawer located in the "premises" resulting directly from an actual or attempted "theft" of or unlawful entry into those containers.

3. Loss from damage to any of the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" or "securities" if you are the owner of the "premises" or are liable for damage to it.

4. **Exclusions**

We will not pay for:

a. Loss resulting from any dishonest or criminal act committed by any of your "employees," directors, trustees, or authorized representatives, while performing services for you or otherwise, and whether acting alone or in collusion with other persons;

b. Loss resulting from the giving or surrendering of property in any exchange or purchase;

c. Loss from damage to the "premises" resulting from fire, however caused;

d. Loss resulting from any accounting or mathematical errors or omissions;

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e. Loss of “money” contained in any “money” operated device unless the amount of “money” deposited in it is recorded by a continuous recording instrument in the device;

f. Loss from damage to the “premises” or its exterior or to containers of covered property caused by vandalism or malicious mischief;

g. Loss resulting from you, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property;

h. Loss of property after it has been transferred or surrendered to a person or place outside the “premises” or “banking premises” on the basis of unauthorized instructions;

i. Loss of property as a result of a threat to do bodily harm to any person or damage to any property.

C. **Loss Outside the Premises**

We will pay you for that amount of “ultimate net loss” for loss excess of the applicable Self-Insured Retention for the loss of your “money” and “securities” from “theft,” disappearance, “robbery” or destruction outside the “premises” in the care and custody of the “messenger,” “custodian” or any armored vehicle company.

1. **Exclusions**

We will not pay for:

a. Loss resulting from any dishonest or criminal act committed by any of your “employees,” directors, trustees, or authorized representatives, while performing services for you or otherwise, and whether acting alone or in collusion with other persons;

b. Loss resulting from the giving or surrendering of property in any exchange or purchase;

c. Loss from damage to the “premises” resulting from fire, however caused;

d. Loss resulting from any accounting or mathematical errors or omissions;

e. Loss of “money” contained in any “money” operated device unless the amount of “money” deposited in it is recorded by a continuous recording instrument in the device;

f. Loss from damage to the “premises” or its exterior or to containers of covered property by vandalism or malicious mischief;

g. Loss resulting from you, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property; or

h. Loss of property after it has been transferred or surrendered to a person or place outside the “premises” or “banking premises” on the basis of unauthorized instructions; or as a result of a threat to do bodily harm to any person or damage to any property. This Exclusion does not apply to loss of “money” and “securities” while outside the “premises” or “banking premises” in the care and custody of a “messenger” if you had no knowledge of any threat at the time the conveyance began or had knowledge of the threat at the time the conveyance began, but the loss was not related to the threat.

D. **Money Orders and Counterfeit Paper Currency**

We will pay you for that amount of “ultimate net loss” for loss excess of the applicable Self-Insured Retention for:

1. Loss due to nonpayment upon presentation of any “money” order issued by any post office or express company which you accept in good faith in exchange for merchandise, “money” or services.

2. Loss due to your good faith acceptance of counterfeit United States currency, during the regular course of business.

3. **Exclusions**

We will not pay for loss resulting from any dishonest or criminal act committed by any of your “employees,” directors, trustees, or authorized representatives, while performing services for you or otherwise, and whether acting alone or in collusion with other persons.

E. **Forgery or Alteration**

We will pay for that amount of “ultimate net loss” for loss excess of the applicable Self-Insured Retention for a loss resulting from forgery or alteration of, on, or in any checks, drafts, promissory notes, or similar written promises, orders or directions to pay a certain sum in “money” that are made or drawn upon you, made or drawn by one acting as your agent, or that are reported to have been so made or drawn.

1. **Conditions**

a. We will treat mechanically reproduced facsimile signatures the same as handwritten signatures.

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b. If you are sued for refusing to pay for any loss on the basis it was due to a covered forgery or alteration, and you have our written consent to defend against the "suit," we will indemnify you for any reasonable legal expenses that you incur and pay in that defense. This does not increase the Limits of Insurance stated in the Declarations for Coverage E. Forgery or Alteration.

2. **Exclusions**

We will not pay for loss resulting from any dishonest or criminal act committed by any of your "employees," directors, trustees, or authorized representatives while performing services for you or otherwise, and whether acting alone or in collusion with other persons.

SECTION II – LMITS OF INSURANCE

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

1. Insureds;

2. "Claims" made or "suits" brought; or

3. Persons or organizations making a "claim" or bringing a "suit."

We will only pay for amounts in excess of the applicable Self-Insured Retention and we will not pay you until the applicable Self-Insured Retention has been exhausted by your actual payment of "claims" or "suits" to which this insurance applies.

SECTION III – CONDITIONS

A. Limits of Insurance – Self-Insured Retention

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the Declarations for Coverage Part VI.

We will not pay you for any one "occurrence" unless the amount of loss exceeds the applicable Self-Insured Retention shown in the Declarations for Coverage Part VI. We will then pay you for the amount of loss in excess of the applicable Self-Insured Retention up to the Limit of Insurance.

B. Joint Insured

1. If more than one insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.

2. If any Insured, partner or officer of any insured, has knowledge of any information relevant to this insurance, that knowledge is considered knowledge to every Insured.

C. Loss Covered Under More Than One Coverage of this Insurance

If two or more coverages of Coverage Part VI apply to the same loss, we will pay you for the lesser of:

1. The actual amount of loss; or

2. The sum of the Limits of Insurance applicable to those coverages.

D. Loss Sustained During Prior Insurance

1. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under the prior insurance except that the time within which to discover loss had expired, we will pay you for such loss under this insurance, provided:

   a. This insurance became effective at the time of cancellation or termination of the prior insurance; and
   b. The loss would have been covered by the prior insurance had it been in effect when the acts or "events" causing the loss were committed or occurred.

2. The insurance under this condition is part of, not in addition to, the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:

   a. This insurance as of its effective date; or
   b. The prior insurance had it remained in effect.

3. Subject to Condition D.1.a., D.1.b., D.2.a., and D.2.b., we will pay only for loss that you sustain through acts committed or "events" occurring during the period of this insurance.

E. Non-cumulation of Limit of Insurance

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Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

F. Ownership of Property; Interests Covered

The property covered under this insurance is limited to property:

1. That you own or hold; or

2. For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

G. Discovery Period for Loss

We will pay only for covered losses discovered no later than one year from the end of the policy period.

H. Recoveries

1. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:

   a. To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the applicable Self-Insured Retention;
   b. Then to us, until we are reimbursed for the settlement made;
   c. Then to you, until you are reimbursed for that part of the loss equal to the applicable Self-Insured Retention.

2. Recoveries do not include any recovery:

   a. From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
   b. Of original "securities" after duplicates of them have been issued.

I. Valuation – Settlement

1. Subject to the applicable Limit of Insurance provision, we will pay you for:

   a. Loss of "money," but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:

      1) At face value in the "money" issued by that country;
      2) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

   b. Loss of "securities," but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:

      1) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities";
      2) Pay the cost of any lost "securities" bond required in connection with issuing duplicates of the "securities." However, we will only pay for the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

         i. Value of the "securities" at the close of business on the day the loss was discovered; or
         ii. Limit of Insurance.

   c. Loss of, or loss from damage to, "property other than money and securities" or loss from damage to the "premises" not more than the:

      1) Actual Cash Value of the property on the day the loss was discovered;
      2) Cost of repairing the property or "premises"; or
      3) Cost of replacing the property with property of like kind and quality.

   We may, at our option, pay the Actual Cash Value of the property or repair or replace it.

   If we cannot agree with you upon the Actual Cash Value or the cost of repair or replacement, the value or cost will be determined by arbitration.

2. We may, at our option, pay for loss of, or loss from damage to, property other than "money":

   a. In the "money" of the country in which the loss occurred; or
   b. In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.

3. Any property that we pay for or replace becomes our property.

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INSURANCE FOR FOSTER PARENT'S LIABILITY COVERAGE FORM – CLAIMS-MADE

NOTICE: THIS COVERAGE FORM PROVIDES CLAIMS-MADE COVERAGE. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

   A. We will indemnify you for those sums that an insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. The amount we will pay for damages is limited as described in SECTION IV - LIMITS OF INSURANCE.

   No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for by this insurance.

   B. This insurance applies to "bodily injury" and "property damage" only if:

      (1) The "bodily injury" or "property damage" is caused by an "occurrence;"
      (2) The "bodily injury" or "property damage" did not occur before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and
      (3) A "claim" for damages because of "bodily injury" or "property damage" is first made against any insured below, during the policy period or the Basic Extended Reporting Period we provide under SECTION V – EXTENDED REPORTING PERIOD.

      All claims for damages because of "bodily injury" to the same person, including damages claimed by any person or organization for care, loss of services, or death resulting at any time from the "bodily injury," will be deemed to have been made at the time the first of those claims is made against any insured.

      All claims for damages because of "property damage" causing loss to the same person or organization will be deemed to have been made at the time the first of those claims is made against any insured.

2. Exclusions

   This insurance does not apply to:

   A. **Intentional Injury**
      Any damages expected or intended. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

   B. **Contractual Liability**
      Any damages for which an insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that an Insured would have in the absence of the contract or agreement.

   C. **Liquor Liability**
      Any damages for which an insured may be held liable by reason of:

      (1) Causing or contributing to the intoxication of any person;
      (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
      (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

   D. **Aircraft, Auto, and Watercraft**
      Any damages arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading." This exclusion also applies to vicarious liability whether or not statutorily imposed for the actions of a child or minor using an aircraft, auto, or watercraft owned or operated by or rented or loaned to any insured.

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This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;
(2) A sailboat less than 26 feet long;
(3) A watercraft with 50 horsepower or less inboard and 25 horsepower or less outboard.

E. **Mobile Equipment**
Any Damages arising out of:

(1) The transportation of mobile equipment by an "auto" owned or operated by or rented or loaned to an insured; or
(2) The use of mobile equipment in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

F. **Care, Custody and Control**
Any "property damage" to:

(1) Property an insured owns, rents, or occupies;
(2) Property loaned to an insured;
(3) Personal property in the care, custody, or control of an insured.

We will provide indemnification of defense costs only, subject to the Sublimit of Insurance set forth in Section IV, Paragraph 6, for any “suit” alleging “bodily injury” arising out of conduct set forth in subparagraphs (1) and (2) of this exclusion.

G. **Professional Liability**
Any damages arising out of the failure of an insured to render professional services. The care and services rendered by an insured as a "foster parent" do not constitute professional service.

H. **Criminal Acts**
Any damages arising out of any dishonest, fraudulent, criminal or malicious act, error or omission of an insured.

I. **Communicable Diseases**
Any damages arising out of the transmission of a communicable disease by an insured.

J. **Physical and “Sexual Abuse”**
Any damages arising out of:

(1) the actual or threatened
   a. physical abuse, whether or not sexual in nature; or
   b. “sexual abuse” or molestation or licentious, immoral or sexual behavior intended to lead to, or culminating in any sexual act; or
(2) the failure of any insured or anyone else for whom an insured is legally responsible to prevent or suppress any such actual or threatened behavior; or
(3) The negligent
   a. employment;
   b. investigation;
   c. supervision;
   d. reporting to the proper authorities or failure to so report; or
   e. retention;
   of a person whose conduct would be excluded by subparagraph (1) a. and (1) b. above.

However, subject to the amounts shown on the Declarations for Physical Abuse and/or “Sexual Abuse” Aggregate under Part A. Coverage VII, this exclusion does not apply to defense expenses due to “bodily injury” arising out of actual or alleged physical abuse and/or “sexual abuse.”

K. **Punitive Damages**
Punitive damages, exemplary damages, fines, penalties, treble damages or any other increase in damages resulting from the multiplication of compensatory damages.

L. **Prior to Retroactive Date**
Arising out of an occurrence that took place before the Retroactive Date shown in the Declarations.

COVERAGE B. PERSONAL INJURY LIABILITY

1. Insuring Agreement

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A. We will indemnify you for those sums that an insured becomes legally obligated to pay as damages because of "personal injury," to which this insurance applies. The amount we will pay for damages is limited as described in SECTION IV - LIMITS OF INSURANCE.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for by this insurance.

This insurance applies to “personal injury” caused by an offense arising out of an insured’s activities as a “foster parent” and which takes place while one or more foster children are in the care and custody of a named Insured, but only if:

(1) The offense was not committed before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and
(2) A “claim” for damages because of “personal injury” is first made against any insured during the policy period or the Basic Extended Reporting Period we provide under SECTION V – EXTENDED REPORTING PERIOD.

All claims for damages because of "personal injury" to the same person or organization as a result of an offense will be deemed to have been made at the time the first of those claims is made against any insured.

2. Exclusions

This insurance does not apply to "personal injury":

A. **Oral or Written Publications**
Arising out of oral or written publication of material, if done by or at the direction of an insured with knowledge of its falsity.

B. **Prior to Retroactive Date**
Arising out of oral or written publication of material whose first publication took place before the Retroactive Date, if any, shown in the Declarations.

C. **Violation of Penal Statute or Ordinance**
Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of an insured.

D. **Contractual Liability**
Which an insured has assumed liability in a contract or agreement other than a written agreement directly related to the care or custody of a “foster child.” This exclusion does not apply to liability for damages that an insured would have in the absence of the contract or agreement.

E. **Communicable Diseases**
Arising out of the transmission of a communicable disease by an insured.

F. **Physical and “Sexual Abuse”**
Arising out of:

(1) the actual or threatened
   a. physical abuse, whether or not sexual in nature; or
   b. “sexual abuse” or molestation or licentious, immoral or sexual behavior intended to lead to, or culminating in any sexual act; or
(2) the failure of any insured or anyone else for whom an insured is legally responsible to prevent or suppress any such actual or threatened behavior; or
(3) The negligent
   a. employment;
   b. investigation;
   c. supervision;
   d. reporting to the proper authorities or failure to so report; or
   e. retention;

of a person whose conduct would be excluded by subparagraph (1) a. and (1) b. above.

However, subject to the amounts shown on the Declarations for Physical Abuse and/or “Sexual Abuse” Aggregate under Part A. Coverage VII, this exclusion does not apply to defense expenses due to “personal injury” arising out of actual or threatened physical abuse and/or “sexual abuse.”

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G. **Punitive Damages**
Punitive damages, exemplary damages, fines, penalties, treble damages or any other increase in damages resulting from the multiplication of compensatory damages.

H. **Prior to Retroactive Date**
Arising out of an occurrence that took place before the Retroactive Date shown in the Declarations.

COVERAGE C. PROPERTY DAMAGE TO PROPERTY OF OTHERS

1. Insuring Agreement

We will indemnify you, at actual cash value, up to $250 per "occurrence" to "property damage" to property of others caused by one or more foster children in an insured's custody and control if the act causing damage occurred during the policy period. The "property damage" must not have occurred before the Effective Date, if any shown in the Declarations, or after the end of the policy period.

2. Exclusions

We will not indemnify you for "property damage":

A. to the extent of any amount recoverable under Coverage A;

B. to property owned by an insured or by a resident of the insured's household;

C. arising out of:

(1) business pursuits; or
(2) the ownership, maintenance or use of aircraft, "auto," or watercraft.

COVERAGE D. PROPERTY DAMAGE TO INSURED'S PROPERTY

1. Insuring Agreement

We will indemnify you, at actual cash value, up to $5,000 for "property damage" to property of an insured, unintentionally caused by one or more foster children in the care and custody of an insured, if the act(s) causing damage occurred during the policy period. The "property damage" must not have occurred before the Effective Date shown in the Declarations, if any or after the end of the policy period.

2. Exclusions

We will not indemnify you for "property damage":

A. to property used for business pursuits;

B. arising out of the ownership, maintenance or use of aircraft, "auto," or watercraft; or

C. which was intentionally caused.

Our obligation to indemnify you for "property damage" under Coverage D applies only to the amount in excess of a $50 deductible, payable by an insured, for each "claim" made for all damage arising out of an unintentional act of a "foster child." This deductible applies to each and every "claim" before the application of any self-insured retention or excess limits and does not deplete the Loss Fund.

SECTION II - DEFINITIONS

1. "Agency" means the State of Nebraska Health and Human Services Department and affiliated agencies.

2. "Claim" means:

A. A written demand for damages or a notice advising an insured of an intent to sue;

B. A notice of a charge or violation from any government authority;

C. An arbitration notice; or
D. A civil proceeding commenced by the service of a summons, complaint or similar pleading; received by an insured alleging damages arising out of "bodily injury," "property damage," or "personal injury."

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3. "Foster child" means a person under the age of 18, who has been placed in the care and custody of a “foster parent” by the State of Nebraska.

4. "Foster household" means a "foster parent" and those who qualify as insureds under SECTION III - WHO IS AN INSURED for that particular "foster parent."

5. "Foster parent" means a licensed individual who extends foster family care under the authority of the State of Nebraska.

6. "Loading or unloading" means the handling of property:

   A. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto;"

   B. While it is in or on an aircraft, watercraft or "auto," or

   C. While it is being moved from an aircraft, watercraft, or "auto" to the place where it is finally delivered;

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

7. "Occurrence" means an accident or a happening or event or a continuous or repeated exposure to conditions which result in “personal injury” or damage to property during the policy period. All personal injuries to one or more persons and/or “property damage” arising out of an accident or a happening or event or a continuous or repeated exposure to conditions shall be deemed to be one occurrence.

SECTION III - WHO IS AN INSURED

1. Each “foster parent” who extends foster family care under an agreement with the State of Nebraska; but only while acting as a “foster parent.”

2. If residing in the same household as a “foster parent,” the following are insured, but only while acting within the course and scope of duty in providing care or custody of a “foster child”:

   A. Relatives of “foster parent;”

   B. Relatives of the spouse of that “foster parent;” and

   C. Persons under the age of 18 in the care and custody of the ”foster parent.”

3. If you die, your legal representative is an insured, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

4. None of the following are insureds under this Coverage Part VII, Foster Parent’s Liability:

   A. The State of Nebraska, its agencies, departments or political subdivisions;

   B. Any agent or employee of any entity in clause 4A. above EXCEPT if a person is acting as a “foster parent.”

SECTION IV - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will indemnify you for regardless of the number of:

   A. Insureds in a "foster household;"

   B. Foster children in a "foster household;"

   C. Continuous or repeated acts or separate acts that are substantially the same;

   D. Errors or omissions;

   E. “Claims” made or “suits” brought against any member of a “foster household;” or

   F. Persons or organizations making claims or bringing suits.

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2. The General Aggregate Limit Each “Foster Household” is the most we will indemnify you for damages and defense expenses for all “claims” or “suits” brought against any or all members of a “foster household.”

3. Subject to 1. and 2. Above, the Each “Claim” Limit is the most we will indemnify you for the damages and defense expensesfor any one “claim” or “suit” covered under Coverage A and/or due to “bodily injury,” “property damage,” or “personal injury.”
4. Subject to 3. above, the Coverage C Each “Claim” Limit is the most we will indemnify you for damages and defense expenses for any one “claim” or “suit” for “property damage” covered under Coverage C.

5. Subject to 3, the Coverage D Each “Claim” Limit is the most we will indemnify you for damages and defense expenses for any one “claim” or “suit” for “property damage” covered under Coverage D.

6. Subject to 2. above, the Physical Abuse and/or “Sexual Abuse” Aggregate Limit is the most we will indemnify you for defense expenses for all “claims” or “suits” of physical abuse and “Sexual Abuse.”

7. Subject to 3. and 6. above, the Physical Abuse and/or “Sexual Abuse” Each “Claim” Limit is the most we will indemnify you for defense expenses for any one “claim” or “suit” alleging physical abuse and/or “sexual abuse” covered under Coverage A or B.

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

SECTION V - EXTENDED REPORTING PERIOD

1. We will provide an Extended Reporting Period as described below, if:

   A. This Coverage Part is canceled or not renewed; or

   B. We renew or replace this Coverage Part with insurance that:

      (1) As a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
      (2) Does not apply to "bodily injury," "property damage," or "personal injury" on a claims-made basis.

2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to claims for:

   A. "Bodily injury" or "property damage" that occur before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations; or

   B. "Personal injury" caused by an offense committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations.

   Once in effect the Extended Reporting Period may not be cancelled.

3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 730 days. The Basic Extended Reporting Period does not apply to claims that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

4. The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance.

SECTION VI - CONDITIONS

1. Eligible "Foster Parent” Homes

   To be eligible for coverage a Home must meet the following minimum conditions:

   A. Must be an individual family style home where the “foster child” is cared for in a residential setting, in the same fashion as a natural or adopted child. No corporate, group or day care type facility is accepted. Any home that cares for more than four foster children must be specifically approved by the State of Nebraska.

   B. The home must be under the supervision of an “agency,” that has been specifically approved by the State of Nebraska.

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C. The home must be specifically licensed or approved, in current status, to provide foster care by the State of Nebraska.

D. Any foster parent who is under investigation for any charge of improper care or handling of a “foster child” is automatically ineligible for coverage, unless specifically approved by the State of Nebraska.

E. The foster parent must be of good moral standing and, cannot have any criminal record. The parent must agree to provide a credit check, at the expense of the parent or “agency,” upon request.

F. The foster parent must attend, no less frequently than annually, an appropriate continuing education class for foster parents, as outlined by the “agency.”

2. Agencies

Each “agency” which desires to obtain insurance for foster parents providing care for a “foster child” must satisfactorily complete an application as provided by the State of Nebraska.

To be eligible to submit Homes to the program an "agency” must meet the following minimum conditions:

A. The “agency” must be organized primarily for the purpose of recruiting, arranging, managing, and/or monitoring foster parents for the purpose of placing foster children into family care environments. All children placed in foster homes by the “agency” must be first wards of the State, County, or, other appropriate governmental body of court jurisdiction.

B. (1) The “agency” must be a governmental or quasi-governmental bureau with the assignment of placing foster children into appropriate homes and monitoring the quality of care, or,
(2) The “agency” may be a private “agency” if accredited and licensed by the state of Nebraska with a specific contract from an appropriate governmental bureau to place foster children into appropriate homes.

C. Only agencies funded by government funds (including fees for service agreements), benevolent trusts, religious organizations or foundations are acceptable. Homes owned or operated by private commercial agencies that are established to produce a profit are not eligible for insurance under the program.

3. Other Insurance

In addition to the provisions of General Condition E, Other Insurance, insurance provided by this Coverage Part specifically applies in excess of any personal insurance (including but not limited to insurance provided under any homeowners, tenants, personal automobile, umbrella, or other personal insurance) or any business insurance that is available to the insured for loss or damage(s) covered by this policy.

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THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

Date Issued: July 23, 2013

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein. (The following information is required only when this endorsement is issued subsequent to preparation of the Policy.)

INSURED **The State of Nebraska**

Policy No. 64-A3-EX-0000006-09 Endorsement Effective: July 1, 2013 (12:01 A.M.)

Countersignature

(Authorized Representative)

by THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ENDORSEMENT – NEBRASKA STATE CODE #44-358

This endorsement modifies insurance under the following:

ALL LINES AGGREGATE INSURANCE

It is agreed that in the event of a conflict between the language contained in this policy and the Nebraska State Insurance Code #44-358, Nebraska State Code shall prevail. The Nebraska State Insurance Code #44-358 states:

"No oral or written misrepresentation or warranty made in the negotiation for a contract or policy of insurance by the insured, or in his behalf, shall be deemed material or defeat or avoid the policy, or prevent its attaching, unless such misrepresentation or warranty deceived the company to its injury. The breach of warranty or condition in any contract or policy of insurance shall not avoid the policy nor avail the insurer to avoid liability, unless such breach shall exist at the time of the loss and contribute to the loss, anything in the policy or contract of insurance to the contrary notwithstanding."

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

Date Issued: July 23, 2013

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein. (The following information is required only when this endorsement is issued subsequent to preparation of the Policy.)

INSURED **The State of Nebraska**

Policy No. 64-A3-EX-0000006-09 Endorsement Effective: July 1, 2013 (12:01 A.M.)

Countersignature

(Authorized Representative)

by THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ENDORSEMENT – MOBILE EQUIPMENT AND WATERCRAFT COVERAGE

This endorsement modifies insurance under the following:

ALL LINES AGGREGATE INSURANCE

It is agreed that POLICY DEFINITIONS 5. "Auto" is deleted and amended to read:

5. "Auto" means a land motor vehicle or "trailer" for travel on public roads. "Auto" also includes "mobile equipment" and "watercraft."

"Watercraft" as used in this Endorsement means a boat that is owned, operated, maintained or used, including loading or unloading, that is less than 50 feet in length and is not used to carry persons or property for a charge.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

Date Issued: July 23, 2013

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein. (The following information is required only when this endorsement is issued subsequent to preparation of the Policy.)

INSURED **The State of Nebraska**

Policy No. 64-A3-EX-0000006-09 Endorsement Effective: July 1, 2013 (12:01 A.M.)

Countersignature

(Authorized Representative)

by THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ENDORSEMENT – LAW ENFORCEMENT EXCLUSION

This endorsement modifies insurance under the following:

ALL LINES AGGREGATE INSURANCE

It is agreed “Law enforcement activities“, as defined in the All Lines Aggregate Coverage Form Policy Definitions, is excluded.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

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(Authorized Representative)

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ENDORSEMENT – AMENDED GENERAL CONDITIONS

This endorsement modifies insurance under the following:

ALL LINES AGGREGATE INSURANCE

It is agreed that the GENERAL CONDITIONS are amended as follows:

(1) Item A., SALVAGE AND RECOVERY CLAUSE is amended to include the following additional wording:

> When, in connection with any insured loss, any salvage and recovery is received subsequent to the payment of such loss, the loss shall be figured on the basis on which it would have been settled had the amount of salvage or recovery been known at the time the loss was originally determined.

(2) Item E., OTHER INSURANCE, 2. Excess Insurance is amended to include the following additional wording:

> Permission is granted to purchase insurance in excess of the amount (Limits of Insurance) stated on this policy's Declarations Page.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

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(Authorized Representative)

by THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

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ENDORSEMENT – AMENDED DEFINITION OF EMPLOYEE

This endorsement modifies insurance under the following:

ALL LINES AGGREGATE COVERAGE FORM

It is agreed that POLICY DEFINITION 15. is amended to read as follows:

15. "Employee," as used in Coverage Parts I, II, III, IV and V, means any person employed by you or volunteering services to you, a "leased worker," or an elected or appointed official.

"Employee," as used in Coverage Part VI, means:

a. Any natural person:

1) While in your service, and for 30 days after termination of service;
2) Whom you compensate directly by salary, wages or commissions;
3) Whom you have the right to direct and control while performing services for you; or
4) With respect to Section I – Insuring Agreement A. Employee Dishonesty, while appointed in writing to act as an agent in your Game and Parks Commission while acting on your behalf or while in possession of Covered Property.
5) District court employees while performing acts within the scope of duties of an "Employee" of the Named Insured

b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the "premises." But "employee" does not mean any:

1) Agent, broker, factor, commission merchant, consignee, independent contractor, or representative of the same general character; or
2) Director or trustee except while performing acts within the scope of the duties as an "employee."

However with respect to Section I – Insuring Agreement A. Employee Dishonesty, paragraph b.(1) does not apply to any person appointed in writing to act as an agent in your Games and Parks Commission while acting on your behalf or while in possession of Covered Property.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

Date Issued: July 23, 2013

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INSURED **The State of Nebraska**

Policy No. 64-A3-EX-0000006-09 Endorsement Effective: July 1, 2013 (12:01 A.M.)

Countersignature

(Authorized Representative)

by THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ENDORSEMENT – UNIVERSITY SYSTEMS

This endorsement modifies insurance under the following:

ALL LINES AGGREGATE INSURANCE

It is agreed that the following exclusion is added to SECTION III – EXCLUSIONS, of COVERAGE PART III, INSURANCE FOR AUTOMOBILE LIABILITY.

10. University Systems

Any damages resulting from the ownership, rental or lease of “autos” by the University of Nebraska. This does not apply to Chadron State, Peru State or Wayne State.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

Date Issued: July 23, 2013

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INSURED **The State of Nebraska**

Policy No. 64-A3-EX-0000006-09 Endorsement Effective: July 1, 2013 (12:01 A.M.)

Countersignature

(Authorized Representative)

by THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ENDORSEMENT – CORRIDOR RETENTION ENDORSEMENT FOR COVERAGE PART III

This endorsement modifies insurance under the following:

STATE OF NEBRASKA ALL LINES AGGREGATE COVERAGE FORM - COVERAGE PART III - INSURANCE FOR AUTOMOBILE LIABILITY

The following provision is added and only applies to Coverage Part III. This endorsement is subject to all of the terms and conditions of COVERAGE PART III, except as otherwise stated below. Any reference to the Declarations in this endorsement means the State of Nebraska (02-13) PUBLIC ENTITY ALL LINES AGGREGATE INSURANCE DECLARATIONS.

CORRIDOR RETENTION

A. In the event of loss, damage or expense covered under Insuring Agreements A and B of Coverage Part III, the insured shall retain in addition to the amount of the applicable Maintenance Deductible, if any, shown on the Declarations, and the Self-Insured Retention for Coverage III shown in the Declarations; a Corridor Retention Aggregate Limit of $300,000 or the reduced amount of the Corridor Retention Aggregate Limit after erosion by covered losses.

   Subject to the paragraph above, it is further understood and agreed that the most we will pay is the difference between the Specific Excess Insurance for Coverage III shown in the Limits of Insurance section of the Declarations and the underlying Self-Insured Retention shown in the Limits of Insurance section of the Declarations after the exhaustion of the aforesaid Corridor Retention Aggregate Limit which is in turn excess of the Self-Insured Retention and the applicable Maintenance Deductible, if any.

B. With respect to this endorsement, the last paragraph of SECTION IV - LIMITS OF INSURANCE is amended to read as follows:

We are only liable for the difference between the Specific Excess Insurance for Coverage III and the Corridor Retention Aggregate Limit as determined in Paragraph A. of the ENDORSEMENT - CORRIDOR RETENTION - COVERAGE PART III, which in turn is excess of the applicable Self-Insured Retention and Maintenance Deductible, if any. We have no liability to pay you until such Corridor Retention amount, the applicable Self-Insured Retention and the Maintenance Deductible, if any, have been exhausted by the actual payment of loss to which this insurance applies.

C. When the Corridor Retention Aggregate Limit is exhausted by payment of loss covered under Coverage Part III, our obligation to pay the insured begins in excess of the applicable Self-Insured Retention and Maintenance Deductible, if any, shown in the Declarations.

D. Any amounts paid under your Corridor Retention Aggregate Limit are not applicable to PART B. EXCESS AGGREGATE INSURANCE and/or PART C. CLASH COVERAGE in the Declarations.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

Date Issued: July 23, 2013

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Countersignature

(Authorized Representative)

by THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ENDORSEMENT – REPRODUCTION COST

This endorsement modifies insurance under the following:

STATE OF NEBRASKA ALL LINES AGGREGATE COVERAGE FORM - COVERAGE PART I - INSURANCE FOR REAL AND PERSONAL PROPERTY, AUTOMOBILE PHYSICAL DAMAGE, BUSINESS INCOME AND EXTRA EXPESNE, PROPERTY IN TRANSIT, DATA PROCESSING MEDIA AND SYSTEM EQUIPMENT

The following provision is added and only applies to Coverage Part I and only with respects to the State Capitol Building at 1445 'K' Street. This endorsement is subject to all of the terms and conditions of COVERAGE PART I, except as otherwise stated below.

VALUATION: We will determine the value of Coverage Property in the event of loss or damage as follows:

Buildings and structures at "reproduction cost".

"Reproduction cost" means the cost to repair, replace or restore with material of like, kind and quality compatible with those originally used, including the cost of skilled labor and/or authentic materials necessary to restore the property, provided they are available, as nearly as possible to its original condition. However, if any materials or workmanship needed to repair, replace or restore a building or structure are not reasonably available then materials and workmanship that most closely resembles the condition before the loss shall be used to repair, replace or restore the building or structure.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

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INSURED **The State of Nebraska**

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Countersignature

(Authorized Representative)

by THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

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ENDORSEMENT – EMPLOYEE DISHONESTY

This endorsement modifies insurance under the following:

PUBLIC ENTITY ALL LINES AGGREGATE COVERAGE FORM

It is agreed that COVERAGE PART VI – INSURANCE FOR EMPLOYEE DISHONESTY, LOSS INSIDE THE PREMISES, LOSS OUTSIDE THE PREMISES, MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY, FORGERY OR ALTERATION SECTION I – INSURING AGREEMENT A. Employee Dishonesty is deleted and replaced with the following language:

A. **Employee Dishonesty**

We will pay you that amount of "ultimate net loss" for loss excess of the applicable Self-Insured Retention for damage to "money," "securities," and "property other than "money" and "securities" resulting directly from a dishonest act committed by an insured's "employee" acting alone or in collusion with other persons, except you.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

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Countersignature

(Authorized Representative)

by THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ENDORSEMENT – FLOOD ZONE EXCLUSION

This endorsement modifies insurance under the following:

ALL LINES AGGREGATE INSURANCE - COVERAGE PART I

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

I. With respect only to Exclusion B.17 in Paragraph II. of this endorsement, Definition 20. "Flood" in POLICY DEFINITIONS is deleted and replaced by the following:

20. "Flood" includes:

a. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
b. Mudslide or mudflow;
c. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
d. Water under the ground surface pressing on, or flowing or seeping through:
   (1) Foundations, walls, floors or paved surfaces;
   (2) Basements, whether paved or not; or
   (3) Doors, windows or other openings; or
e. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph a., c. or d., or material carried or otherwise moved by mudslide or mudflow.

II. Exclusion B.17 (Flood Zones) is deleted and replaced by the following:

17. Damage caused by or resulting from “Flood” to any property located in a Special Flood Hazard Area (SFHA), generally meaning a High Risk Area or a High Risk Coastal Area. These properties are typically assigned to:

    a. Zone A, AO, AH, A1 through 30, AE, A99, AR, AR/A1 through 30, AR/AE, AR/AO, AR/AH, AR/A, VO, V1 through 30, VE, or V; or
    b. A similar high risk rating;

    by or through cooperation or contract with the Federal Emergency Management Agency (FEMA) or a successor or equivalent organization.

This exclusion applies regardless of whether “Flood”**,** is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

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(Authorized Representative)

by THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ENDORSEMENT - NEBRASKA - UNINSURED AND UNDERINSURED MOTORISTS (Within SIR)

This endorsement modifies insurance under the following:

ALL LINES AGGREGATE INSURANCE

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

With respect to COVERAGE PART III - Insurance For Automobile Liability, any payments you make (after application of the Maintenance Deductible, if applicable) up to the amount shown in the Schedule below, for “claims” or “suits” that would be covered under a standard Uninsured and Underinsured Motorists Coverage written to include the statutory requirements of Nebraska with respect to Uninsured and Underinsured Motorists, can apply towards the reduction or exhaustion of the:

1. Self-Insured Retention shown for COVERAGE III in the Declarations;
2. Aggregate Loss Fund, if applicable; and/or
3. Self-Insured Retention for Clash Coverage, if applicable.

This endorsement does not provide Nebraska Excess Uninsured and Underinsured Motorists Coverage.

Schedule

Nebraska Uninsured and Underinsured Motorists -	$25,000 Each “Person” $50,000 Each “Accident”

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

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Countersignature

(Authorized Representative)

by THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

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ENDORSEMENT – STATUTORY REQUIREMENTS IMPOSED ON YOU

This endorsement modifies insurance under the following:

PUBLIC ENTITY ALL LINES AGGREGATE INSURANCE
SCHOOLS ALL LINES AGGREGATE INSURANCE

The following is added to the **GENERAL CONDITIONS** section of the policy:

Statutory Requirements Imposed on You

You, as a Named Insured or a qualified self-insurer, may be subject to specific requirements (such as reporting certain claims data), by State or Federal law (including but not limited to the Medicare, Medicaid and State Children's Health Insurance Program Extension Act of 2007). Even if you contract with a Service Organization (Third Party Claims Administrator) to handle the administration, investigation or settlement of any loss or "claim" covered under this policy, you are still ultimately responsible for compliance with such laws.

When by law you are designated as the responsible reporting entity for compliance with such State or Federal law, we will not:

1. Advise you of such laws, unless we are legally required to do so;
2. Assume any of the obligations imposed on you by such law;
3. Pay any expenses incurred by you to comply with such law;
4. Pay any penalty or fine for which you are held liable for failing to comply with such State or Federal law.

"Ultimate net loss" does not include the expenses or payments described in Paragraphs 3. and 4. above.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

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(Authorized Representative)

by THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY

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SERVICE OF PROCESS ENDORSEMENT

This endorsement specifies that:

We designate the Superintendent of Insurance, Insurance Commissioner, Director of Insurance, or other officer specified by law, pursuant to the laws of the State where this policy is delivered, as our true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted in the State in which this policy is delivered, by, or on behalf of, the Named Insured or any beneficiary hereunder arising out of this Policy. We designate the General Counsel of The Princeton Excess and Surplus Lines Insurance Company, 555 College Road East, Princeton, New Jersey 08543 as the person to whom the said officer is authorized to mail such process or true copy thereof.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

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ENDORSEMENT – CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance under the following:

ALL LINES AGGREGATE COVERAGE FORM

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated above.

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

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

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.