

**CITY CLERK
ORIGINAL**

**C-9564-1
09/09/2015**

Read Your Policy Carefully

This policy is a legal contract between you and us. The information on this page is not the insurance contract and only the actual policy provisions will control. The policy sets forth in detail the rights and obligations of both you and us. **It is therefore important that you read your policy carefully.**

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of the policy.

This policy is signed by the President and Secretary of the insurance company and, if required by State law, this policy shall not be valid unless countersigned on the Declaration page by its authorized representative.



President



Secretary



Associated Industries Insurance Company
An AmTrust Financial Company

135 South LaSalle Suite 1925 Chicago, IL 60603 • Tel. (312) 781-0401 • Fax (312) 781-0423

POLICY NUMBER: PAC 1000064 02

ITEM 1. Named Insured	Regional Public Safety Training Center
Address (Street, Town, State)	c/o City of Glendale, AZ 5850 Glendale Ave., Suite B56 Glendale, AZ 85301

SPECIAL LIABILITY INSURANCE PROGRAM (SLIP) POLICY DECLARATIONS

In return for the payment of the premium, we agree to provide the insurance as stated in this Policy.

ITEM 2.	POLICY PERIOD See Individual Participant's Participation Endorsement
ITEM 3.	LIMITS OF INSURANCE The Limits of Insurance, subject to all the terms and conditions of this Policy are: (Coverage applies only where checked on the Participation Endorsement)

A. Per Occurrence Limit		LIMIT	
<input checked="" type="checkbox"/>	(1) Maximum Per Occurrence Limit for all Coverages Combined	See Individual Participant's Participation Endorsement	
		LIMIT	DEDUCTIBLE/ SELF- INSURED RETENTION
<input checked="" type="checkbox"/>	(2) Maximum Per Occurrence Limit for any one Coverage	See Individual Participant's Participation Endorsement	

B. Annual Aggregate Limits		LIMIT
<input checked="" type="checkbox"/>	Products / Completed Operations	See Individual Participant's Participation Endorsement
<input checked="" type="checkbox"/>	Public Officials Errors and Omissions; Non-Profit Directors & Officers Liability; or Educators Legal Liability	See Individual Participant's Participation Endorsement
<input checked="" type="checkbox"/>	Employment Practices Liability	See Individual Participant's Participation Endorsement

**NOTICE OF OCCURRENCE CLAIM OR SUIT REPORTING LOCATION OF, IF
APPLICABLE, SELF-INSURED RETENTION CLAIM SERVICING ORGANIZATIONS**

Tom Boylan
Chief Financial Officer
Carl Warren & Company
An Employee-Owned Company
P.O. Box 25161
Santa Ana, CA 92799-5161
Phone 714-572-5200
Fax 714-961-8131

Producer Name/Address:

ALLIANT INSURANCE SERVICES
1301 Dove Street, Ste. 200
Newport Beach, CA 92660



Associated Industries Insurance Company
An AmTrust Financial Company

135 South LaSalle Suite 1925 Chicago, IL 60603 • Tel. (312) 781-0401 • Fax (312) 781-0423

POLICY NUMBER: PAC 1000064 03

ITEM 1.	
Named Insured	Regional Public Safety Training Center
Address (Street, Town, State)	c/o City of Glendale, AZ 5850 Glendale Ave., Suite B56 Glendale, AZ 85301

PARTICIPATION ENDORSEMENT SPECIAL LIABILITY INSURANCE PROGRAM (SLIP) POLICY

In return for the payment of the premium, we agree to provide the insurance as stated in this Policy.

ITEM 2.	POLICY PERIOD	9/29/2014	9/29/2015
ITEM 3.	LIMITS OF INSURANCE		

A. Per Occurrence Limit (Coverage applies only where checked; Otherwise, no coverage is provided)		LIMIT	
X	(1) Maximum Per Occurrence Limit for all Coverages Combined	\$2,000,000	
	(2) Maximum Per Occurrence Limit for any one Coverage	LIMIT	DEDUCTIBLE/ SELF-INSURED RETENTION
X	a) Personal Injury (Including Bodily Injury) and Property Damage	\$2,000,000	\$5,000
	b) Owned Automobile Liability		
	c) Uninsured Motorist Coverage		
X	d) Non-Owned and Hired Automobile Liability	\$2,000,000	\$5,000

	e) Nonprofit Directors and Officers Liability		
	f) Public Officials Errors and Omissions		
	g) Broadcaster's Liability		
	h) Educator's Legal Liability		
	i) Employment Practices Liability		
	Nose Coverage		
	Retro Date:		
B. Annual Aggregate Limits			
			LIMIT
	Products/Completed Operations		\$2,000,000
	Public Officials Errors and Omissions; Non-Profit Directors & Officers Liability; Or Educators Legal Liability		
	Employment Practices Liability		
ITEM 4.	POLICY FORM AND ENDORSEMENTS APPLICABLE TO THIS POLICY ON THE ORIGINAL DATE OF ISSUE:		
<input checked="" type="checkbox"/>	SLIP DEC	Special Liability Insurance Program (SLIP) Policy Declarations	
<input checked="" type="checkbox"/>	GL330187 1211	Participation Endorsement - Special Liability Insurance Program(SLIP)	
<input checked="" type="checkbox"/>	GL330137 0914	Special Liability Policy for Public Entities and Non Profit Corps.	
	GL330140 0911	Excess Coverage for Transit Operations	
<input checked="" type="checkbox"/>	GL330220 1211	Designated Operations Exclusion – Transit	
<input checked="" type="checkbox"/>	GL330179 1211	Securities and Financial Interest Endorsement	
<input checked="" type="checkbox"/>	GL330142 0911	Deductible Endorsement	
	GL330185 1211	TRIA Endorsement	
	GL330193 1211	Certified Acts of Terrorism; Premium Disclosure Notice	
	GL330184 1211	Uninsured/Underinsured Motorist Endorsement	
	GL330181 1211	SIR Endorsement	

	GL330180 1211	Sexual Misconduct Liability Coverage Endorsement
	GL330178 1211	Nose Coverage Endorsement
	GL330154 1211	Educators Legal Endorsement
	GL330153 0911	Railroad Endorsement
	GL330215 1211	Dam Endorsement
X	GL330152 0911	Primary Non-Contributory Endorsement
X	GL330151 0911	Policy Amendment Endorsement
	GL330150 0911	Owned Auto Endorsement
X	GL330149 0911	NOAH Endorsement
	GL330148 0911	Removal of the Habitational Exclusion
X	GL330147 0911	Fire Legal Endorsement
X	GL330146 0911	Excess Employer Liability Endorsement
	GL330145 0911	Encroachment Permits Exception Endorsement
X	GL330144 0911	Employee Benefits Endorsement
	GL330141 0911	Broadcasters Endorsements
X	GL330138 0911	Additional Insured Endorsement
X	GL330139 0911	Additional Insured Endorsement – Spouse

<u>State Amendatory Endorsements</u>		
	GL330173 1211	Stop Gap - Employers Liability Coverage – OH
	GL330188 1211	Stop Gap - Employers Liability Coverage Endorsement –WA
	GL330189 1211	Stop Gap - Employers Liability Coverage Endorsement – WY
	GL330170 1211	Montana Changes – Cancellation and Nonrenewal
	GL330172 1211	New Jersey Changes – Cancellation and Nonrenewal
	GL330174 1211	Oklahoma Notice
	GL330176 1211	Pennsylvania Changes - Cancellation and Nonrenewal
	GL330177 1211	Montana State University Non-Medical Interns Endorsement

	GL330183 1211	Vermont Changes - Cancellation and Nonrenewal
	GL330167 1211	Louisiana Changes – Cancellation and Nonrenewal
	GL330168 1211	Massachusetts Changes – Cancellation and Nonrenewal
	GL330169 1211	Maine Changes - Cancellation and Nonrenewal
	GL330175 1211	Oklahoma Changes — Cancellation And Nonrenewal
	GL330214 1211	Method-Claim Notice & Service of Suit – IL
	GL330213 1211	Wisconsin Changes – Cancellation and Nonrenewal
	GL330212 1211	Virginia Changes – Cancellation and Nonrenewal
	GL330211 1211	Tennessee Changes – Cancellation and Nonrenewal
	GL330210 1211	Oregon Changes – Cancellation and Nonrenewal
	GL330209 1211	Nevada Changes – Cancellation and Nonrenewal
	GL330208 1211	New Mexico Changes – Cancellation and Nonrenewal
	GL330207 1211	New Hampshire Changes – Cancellation and Nonrenewal
	GL330206 1211	North Dakota Changes – Cancellation and Nonrenewal
	GL330205 1211	North Carolina Changes – Cancellation and Nonrenewal
	GL330204 1211	Missouri Changes – Cancellation and Nonrenewal
	GL330203 1211	Minnesota Changes – Cancellation and Nonrenewal
	GL330202 1211	Michigan Changes – Cancellation and Nonrenewal
	GL330201 1211	Maryland Changes – Cancellation and Nonrenewal
	GL330200 1211	Illinois Changes – Cancellation and Nonrenewal
	GL330199 1211	Georgia Changes – Cancellation and Nonrenewal
	GL330198 1211	District of Columbia Changes – Cancellation and Nonrenewal
	GL330197 1211	Connecticut Changes – Cancellation and Nonrenewal
	GL330196 1211	Colorado Changes – Cancellation and Nonrenewal
X	GL330192 1211	Arizona Changes – Cancellation and Nonrenewal

ITEM 5.	PREMIUM AND MINIMUM EARNED PREMIUM: \$ 5,425 (net of Surplus Lines Taxes and Fees)		
ITEM 6.	NOTICE OF OCCURRENCE CLAIM OR SUIT REPORTING LOCATION OR, IF APPLICABLE, SELF-INSURED RETENTION CLAIMS SERVICING ORGANIZATION:		
	Name: Address:	Carl Warren & Co. P.O. Box 25180 Santa Ana, CA 92799-5180	
	Phone Number:	(714) 572-5200 or (800) 572-6900	Fax Number:

This "Participation Endorsement" and any endorsement(s) or attached Schedule (if applicable), in conjunction the Declarations and Policy form issued for the **SPECIAL LIABILITY INSURANCE PROGRAM (SLIP)** complete the above numbered policy.

Pursuant to Arizona Revised Statutes section 20-401.01, subsection B, paragraph 1, this policy is issued by an insurer that does not possess a certificate of authority from the director of the Arizona Department of Insurance. If the insurer that issued this policy becomes insolvent, insureds or claimants will not be eligible for insurance guaranty fund protection pursuant to Arizona Revised Statutes title 20.

Broker Signature Thomas P. Dillon

Arizona Premium:	\$5,425.00
Fees:	\$135.63
Surplus Lines Tax:	\$166.82
Stamping Fee:	\$11.12

Producer Name and Address:
ALLIANT INSURANCE SERVICES
1301 Dove Street, Ste. 200
Newport Beach, CA 92660

SPECIAL LIABILITY POLICY FOR PUBLIC ENTITIES AND NON-PROFIT CORPORATIONS

NOTICE: AMOUNTS INCURRED FOR "DEFENSE COSTS" WILL REDUCE THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS. PLEASE READ THE ENTIRE POLICY CAREFULLY.

Throughout this policy, words and phrases that are shown in "quotation marks" have special meaning and are defined in the policy.

In consideration of the payment of the premium, in reliance upon the statements in the application for this policy made to the company providing this insurance (herein called "We", "Us", "Our" or the "Company") and subject to the Declarations, Schedules, terms, conditions, exclusions and endorsements that complete this policy, the "Company" and each "Participating Named Insured" agree as follows:

I. INSURING AGREEMENT

The "Company" will pay on behalf of the "Insured" the "Ultimate Net Loss" that the "Insured" becomes legally obligated to pay as "Damages" because of "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", "Non-Profit Directors and Officers Liability", or "Employment Practices" Liability to which this insurance applies.

This insurance applies to "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", "Non-Profit Directors and Officers Liability", or "Employment Practices" Liability only if:

- (1) The "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", "Non-Profit Directors and Officers Liability", or "Employment Practices" Liability is caused by an "Occurrence" that takes place in the "Coverage Territory"; and
- (2) The "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", "Non-Profit Directors and Officers Liability", or "Employment Practices" Liability is caused by an "Occurrence" during the "Policy Period". No other obligation to pay any additional sums or perform acts or services is covered.

II. DEFENSE AND "DEFENSE COSTS"

The "Company" will have the right and duty to defend the "Insured" against any "Claim" or suit seeking those "Damages" because of "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", "Non-Profit Directors and Officers Liability", or "Employment Practices" Liability. However, the "Company" will have no duty to defend the "Insured" against any suit seeking "Damages" for "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", "Non-Profit Directors and Officers Liability", or "Employment Practices" Liability to which this insurance does not apply. The "Company" may at their discretion investigate any "Occurrence" and settle any "Claim" or suit that may result. But:

- (1) The amount the "Company" will pay for "Damages" is limited as described in Section III. Limits of Insurance; and
- (2) The "Company's" right and duty to defend ends when the "Company" has used up the applicable limit of insurance in the payments of judgments or settlements.

However, if the "Company" makes a settlement offer, the "Company" will not pay any pre-judgment interest based on that period of time after the offer.

III. THE COMPANY'S LIMIT OF LIABILITY

- A. The Limits of Liability shown in the participation endorsement and the rules below fix the most the "Company" will pay regardless of the number of:

1. "Insureds" under this policy;
2. Persons or organizations who sustain injury or "Damage"; or
3. "Claims" made or suits brought.

B. Subject to Paragraph C. below, if an amount is stated in the Limits of Insurance in Item 3.A.2. of the participation endorsement, the Limits of Insurance apply as shown below:

1. Personal Injury and Property Damage Limit – The Personal Injury and Property Damage Limit is the most the "Company" will pay for all "Damages" because of all "Personal Injury" or "Property Damage" arising out of any one "Occurrence".
2. Non-Profit Directors and Officers or Public Officials Errors and Omissions Limit – The Non-Profit Directors and Officers Limits or Public Officials Errors and Omissions Limit is the most the "Company" will pay for all "Damages" because of all "Non-Profit Directors and Officers Liability" or "Public Officials Errors and Omissions" arising out of any one "Occurrence".
3. Employment Practices Liability Limit – The Employment Practices Liability Limit is the most the "Company" will pay for all "Damages" because all "Employment Practices" liability arising out of any one "Occurrence".

C. With respect to "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", "Non-Profit Directors and Officers Liability", "Employment Practices" liability, or any combination thereof, the "Company's" liability shall be limited to the "Ultimate Net Loss" as the result of any one "Occurrence", not exceeding the amount specified in Item 3A (1) of the Limit of Liability section in the Special Liability Insurance Program (SLIP) participation endorsement for each respective "Participating Named Insured".

For each "Occurrence", the "Company's" limit of liability under this policy shall apply separately to each "Participating Named Insured" as shown on the respective participation endorsements under this policy.

D. Subject to A. above, if an amount is stated in the Aggregate Limits of Insurance in Item 3.B of the participation endorsement, the Aggregate Limits of Insurance apply as shown below:

1. Products-Completed Operations Hazard Aggregate - The Products-Completed Operations Hazard Aggregate Limit of this insurance is the most the "Company" will pay for all "Damages" because of "Personal Injury" or "Property Damage" included in the "Products-Completed Operations Hazard" during the "Policy Period", regardless of the number of "Occurrences".
2. Non-Profit Directors and Officers or Public Officials Errors and Omissions Aggregate - The Non-Profit Directors and Officers or Public Officials Errors and Omissions Aggregate Limit of this insurance is the most the "Company" will pay for all "Damages" because of "Non-Profit Directors and Officers Liability" or "Public Officials Errors and Omissions" during the "Policy Period", regardless of the number of "Occurrences".
3. Employment Practices Liability Aggregate - The Employment Practices Liability Aggregate Limit of this insurance is the most the "Company" will pay for all "Damages" because of "Employment Practices" liability during the "Policy Period", regardless of the number of "Occurrences".

These Aggregate Limits of Liability apply separately to each "Participating Named Insured" as shown on the respective Special Liability Insurance Program (SLIP) participation endorsement under this policy.

E. "Defense Costs" incurred by the "Company" in connection with the right and duty to defend under this Section II. of this policy shall be included within and erode the Limits of Liability.

IV. COVERAGE TERRITORY

This policy applies to "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", "Non-Profit Directors and Officers Liability", or "Employment Practices" Liability occurring anywhere in

the world, but only if a "claim" is made or a suit is brought in the United States of America (including its territories and possessions).

V. PERSONS OR ENTITIES "INSURED"

Each of the following is an "Insured" to the extent set forth below:

- (A) The "Participating Named Insured";
- (B) Those individuals who were or are now:
 - (1) Elected or appointed officials of the "Participating Named Insured", including members of the "Participating Named Insured's" governing body or any other committees, boards or commissions;
 - (2) Directors and officers, volunteers, trustees, members, members of faculty, teachers, teaching assistants of the "Participating Named Insured", while acting on behalf of the "Participating Named Insured"; and
- (C) Present employees or contracted employees or volunteers of the "Participating Named Insured" while acting for or on behalf of the "Participating Named Insured".

VI. EXCLUSIONS

This policy does not apply:

- (A) To any obligation of the "Insured" under a workers compensation, disability benefits or unemployment compensation law or any similar law.
- (B) To "Bodily Injury" to any employee of the "Insured" arising out of and in the course of employment by the "Insured".
- (C) To any liability for "Property Damage" to:
 - (1) Real Property owned, rented, occupied by or leased to the "Insured", their agents or subcontractors;
 - (2) Real or Personal Property used by the "Insured", their agents or subcontractors; or
 - (3) Real or Personal Property in the "Insured's", their agent's or subcontractor's care, custody or control or as to which the "Insured", their agents or subcontractors are, for any purpose, exercising control.

However, this exclusion shall not apply to watercraft less than or equal to fifty-one (51) feet in length.

- (D) To any liability assumed for which the "Insured" becomes legally 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":
 - (1) Assumed in an "Insured Contract" provided that the "Personal Injury" or "Property Damage", occurs subsequent to the execution of the contract or agreement; or
 - (2) That the "Insured" would have in the absence of the contract or agreement.
- (E) To liability arising out of the ownership, maintenance, loading or unloading, use or operation of any "Aircraft" including any "Aircraft" in the care, custody or control of the "Insured", airfields, runways, hangars, buildings or other properties in connection with aviation activities.
- (F) To "Personal Injury" or "Property Damage" due to the use or operation by or on behalf of the "Insured" as respects:
 - (1) Any hospital;

- (2) Any health care provider because of his or her professional acts, errors or omissions, except for (a) paramedics, emergency medical technicians, and medical examiners or nurses who are employees of the "Insured" and (b) Good Samaritan Emergency Acts and First Responders;
 - (3) Any clinic or infirmary that has a) overnight facilities; or b) that performs invasive surgery of any kind; or
 - (4) Any pharmacy operated by or for the "Insured".
- (G)** To any liability arising out of or in connection with the principles of eminent domain or condemnation proceedings, by whatever name called, whether or not liability accrues directly against any "Insured" or by virtue of any agreement entered into by or on behalf of any "Insured".
- (H)** To any liability arising out of the failure or inability to supply or provide electrical power, fuel or water; or to any liability arising out of the interruption of the electrical power, fuel or water supply.
- (I)** To "Personal Injury" or "Property Damage" arising out of the ownership, maintenance, operation, use, loading or unloading of (1) any "Watercraft" owned or operated by or rented or loaned to the "Insured", or (2) "Watercraft" operated by any person in the course of his employment by the "Insured".

However, this exclusion shall not apply to any:

- (1) Owned "Watercraft" less than or equal to fifty-one (51) feet in length; or
- (2) Non-owned "Watercraft" less than or equal to fifty-one (51) feet in length while ashore or on premises owned or controlled by the "Insured".

(J) To any liability:

- (1) **(a)** With respect to which the "Insured" is also an "Insured" under a nuclear energy policy issued by the Nuclear Energy Liability-Property Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an "Insured" under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (b)** Resulting from the hazardous properties of nuclear material and with respect to which (i) any person or any organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, (ii) the "Insured" is, or had this policy not been available would be entitled to indemnity from the United States of America or any agency thereof.
- (2)** for injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if:
- (a)** The nuclear material (i) is at any nuclear facility owned by the "Insured" or operated by the "Insured" or on the "Insured's" behalf, or (ii) has been discharged or dispensed therefrom;
 - (b)** The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by the "Insured" or on the "Insured's" behalf; or
 - (c)** The injury, sickness, disease, death or destruction arises out of the furnishing by the "Insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operating or use of any nuclear facility, but if such facility is located within the United States of America, its territories or Canada, this exclusion, (c) applies only to injury or "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-products 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.
- (e) Waste means any waste material (i) containing by-product 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 contents and (ii) resulting from the operation by any person or organization of a nuclear facility included within the definition of nuclear facility below.
- (f) Nuclear facility means:
 - (i) Any nuclear reactor;
 - (ii) Any equipment or device designed or used for
 - (1) separating the isotopes of uranium or plutonium,
 - (2) processing or utilizing spent fuel, or
 - (3) handling, processing or packaging wastes;
 - (iii) 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 "Insured's" custody 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; or
 - (iv) Any structure, basin, excavation, premises or place prepared or used for 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 to contain a critical mass of fissionable material.
- (h) With respect to injury or to destruction of property, the word injury or destruction includes all forms of radioactive contamination of property.
- (K) (1) To any "Claim" for liability arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants, anywhere in the world;
- (2) To any loss, cost or expense arising out any request, demand, order or statutory or regulatory requirement that the **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants; or
- (3) To any loss, cost or expense arising out of any "Claim" or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of pollutants.

However, paragraph (1) of this exclusion does not apply to:

- (a) "Personal Injury" or "Property Damage" arising out of heat, smoke or fumes from a hostile fire.

- (b) "Personal Injury" or "Property Damage" arising out of collision, upset or overturn of any automobile or attached machinery or equipment.
- (c) "Personal Injury" or "Property Damage" arising out of chlorine leaks or pesticide/herbicide applications.

As used in this exclusion:

- (i) Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials, which are intended to be or have been recycled, reconditioned or re-claimed.
 - (ii) Hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.
 - (iii) Automobile means any licensed vehicle operated on public roads and highways.
- (L)** (1) Any liability arising out of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos products, asbestos fibers, or asbestos dust; or
- (2) To any liability to indemnify any party because of "Damage" arising out of "Personal Injury", "Property Damage", "Public Officials Errors and Omissions", or "Non-Profit Directors and Officers Liability" due to an "Occurrence" at any time as a result of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers, or asbestos dust; or
- (3) To any liability to defend any suit or "Claim" against the "Insured" seeking "Damages" arising out of "Personal Injury", "Property Damage", "Public Officials Errors and Omissions" or "Non-Profit Directors and Officers Liability" due to an "Occurrence", if such "Damages" result from or are contributed to any combination of the following: manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to asbestos, asbestos products, asbestos fibers, or asbestos dust;
- (M)** To any obligation of the "Insured" (or which is imputed on the "Insured") under the Employee Retirement Income Security Act of 1974 (including amendments relating to the Consolidated Omnibus Budget Reconciliation Act of 1985), or any amendment or revision thereto, or any similar law.
- (N)** To any liability arising out of the rupture, bursting, overtopping, accidental discharge or partial or complete structural failure of any "Dam".
- (O)** To any liability arising out of the ownership, maintenance or use of an "Automobile".
- (P)** To "Public Officials Errors and Omissions" or "Non-Profit Directors and Officers Liability" for:
- (1) The refund of taxes, fees or assessments;
 - (2) (a) Liability of an "Insured" arising in whole or in part, out of any "Insured" obtaining remuneration or financial gain to which the "Insured" was not legally entitled; or
 - (b) Liability arising out of the willful violation of a penal code or ordinance committed by or with the knowledge or consent of any "Insured";
- except that any fact pertaining to any other "Insured" shall not be imputed to any other "Insured" for the purpose of determining application of these exclusions **(P)2(a)** and **(P)2(b)**;
- (3) Liability of any "Insured" arising out of estimates of probable costs or cost estimates being exceeded or for faulty preparation of bid specifications or plans or failure to award contracts in accordance with statute or ordinance which under law must be submitted for bids;
- (4) Injury to, destruction or disappearance of any tangible property (including money) or the loss of

use thereof;

- (5) Failure to perform or breach of a contractual obligation;
- (6) Liability of any "Insured" arising out of an "Occurrence" with the knowledge that it was unlawful or wrongful or with the intent to harm or injure;
- (7) Liability arising out of the willful commission of a crime; or
- (8) For any loss, cost, civil fine, penalty or expense against any "Insured" arising from any complaint or enforcement action from any federal, state or local governmental regulatory agency.

(Q) To "Employment Practices" liability, for:

- (1) Strikes and Lockouts. This policy does not apply to any "Claim" arising out of a lockout, collective bargaining, strike, picket line, replacement or similar actions in connection with labor disputes or labor negotiations;
- (2) WARN Act. This policy does not apply to any "Claim" arising out of the Workers Adjustment and Retraining Notification Act, Public Law 100-379 (1988), or any amendment thereto, or any similar federal, state or local law;
- (3) Any "Claim" arising out of any demand or requirement to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person;

(R) To any liability arising, directly or indirectly, in whole or in part, as a result of or in connection with war, whether declared or not, or any act or condition incident to war. War includes:

- (1) Civil war;
- (2) Armed conflict between two or more nations, armed conflict between military forces of any origin, or warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

(S) To "Property Damage" to:

- (1) "Your Work" arising out of "Your Work" or any part of it;
- (2) "Your Product" or arising out of "Your Product" or any part of it; or
- (3) "Impaired Property" or property not physically injured, arising out of a defect, deficiency, inadequacy or dangerous condition in "Your Product" or "Your Work", or a delay or failure by the "Participating Named Insured" or anyone acting on the "Participating Named Insured's" behalf to perform a contract or agreement in accordance with its terms.

(T) To any liability for "Personal Injury" arising out of:

- (1) Oral or written publication of material, if done by or at the direction of the "Insured" with knowledge of its falsity; or
- (2) Oral or written publication of material whose first publication took place before the beginning of the "Policy Period".

(U) To any liability, including but not limited to, losses, costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:

- (1) Any "Fungus(i)", "Mold(s)", mildew or yeast;
 - (2) Any "Spore(s)" or toxins created or produced by or emanating from such "Fungus(i)", "Mold(s)", mildew or yeast;
 - (3) Any substance, vapor, gas, or other emission or organic or inorganic body or substance produced by or arising out of any "Fungus(i)", "Mold(s)", mildew or yeast; or
 - (4) Any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbors, nurtures or acts as a medium for any "Fungus(i)", "Mold(s)", mildew, yeast, or "Spore(s)" or toxins emanating therefrom, regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that loss, injury, damage, cost or expense.
- (V) To any liability arising out of or related to, either directly or indirectly, any "Terrorist Activity", as defined herein.
- (W) To any liability for "Bodily Injury", "Property Damage", "Public Officials Errors and Omissions Liability" or "Non- Profit Directors and Officers Liability" arising out of "Subsidence."
- (X) To "Personal Injury" or "Property Damage" arising out of the actual or alleged exposure to electro and/or electromagnetic fields.
- (Y) To any liability arising out of the ownership, maintenance, use or entrustment to others of any property, including all related operations, for which any "Insured" is acting or is obligated to act in a fiduciary or representative capacity.
- (Z) (a) To "Bodily Injury" or "Property Damage" arising out of or in connection with the ingestion, inhalation, absorption or otherwise arising from any form of lead;
- (b) To any liability arising out of or in connection with any request, demand, or order that any "Insured" or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of lead; or
- (c) To any liability arising out of or in connection with any "Claim" or suit by or on behalf of a governmental authority for "Damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead.
- (AA) To any liability arising out of injury to any master or any member of the crew of any vessel.
- (BB) To any liability arising out of any loss, cost, or expense as respects to any "Claim" made or suits brought against the "Participating Named Insured" or any indemnity pursuant to the United States Longshoremen & Harbor Workers Compensation Act (Title 33 USCA, Sections 901-950) including any amendments or revisions thereto.
- (CC) To any liability that is provided for or covered under any subsequent, replacement or renewal policy or policies issued by the "Company", and/or any other affiliated AmTrust Financial Services, Inc. Company.
- (DD) To any "Bodily Injury" to any person as a contestant or athletic participant (including coaching or managing) in any organized athletic sports league event such as a Little League, American Youth Soccer Organization, or Pop Warner football, which is, conducted on premises the "Participating Named Insured" owns, rents or controls.
- (EE) To any liability arising out of:
- (1) the actual or threatened abuse or molestation by any person while in the care, custody or control of any "Insured", or

(2) 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 for whom any "Insured" is or ever was legally responsible and whose conduct would be excluded by (1) above.

(FF) To any liability arising out of, caused in whole or in part by, contributed to, or in any way relating to or in connection with the construction, demolition, planning, or preparation of any "Residential Work or Project."

(GG) To any liability arising out of "Bodily Injury" to a tenant or a guest of a tenant at a "Habitational Facility" that the "Participating Named Insured" owns, rents, or controls.

(HH) To any liability arising out of an act, error or omission of an insurance agent, claims adjuster or mortgage broker.

(II) To any liability arising out of, caused in whole or in part by, contributed to, or in any way relating to or in connection with an "Occurrence" which has first occurred or begun prior to the effective date of this policy, regardless of whether repeated or continued exposure to conditions which were a cause of such damages occur during the "Policy Period" and cause additional, progressive or further damages, all of which is excluded from coverage. This exclusion shall apply whether or not the "Insured's" legal obligation to pay damages has been established as of the inception date of this policy. However, this exclusion does not apply to coverages afforded to the "Insureds" listed in the Nose Cover And Extended Reporting Period endorsement, if attached, for damages arising out of "Public Officials Errors and Omissions" Liability, "Non-profit Directors and Officers Liability" or "Employment Practices" Liability.

VII. DEFINITIONS

(A) "Aircraft" means a vehicle designed for the transport of persons or property principally in the air.

(B) "Automobile" or "auto" means a land motor vehicle, trailer, or semi-trailer designed for travel on public roads, including any attached machinery or equipment.

(C) "Bodily Injury" means bodily harm, sickness or disease sustained by a person, including death or disability resulting from any of these at any time.

(D) "Claim" means:

- (1) a written demand for monetary or non-monetary relief; or
- (2) a civil, criminal, or administrative proceeding for monetary or non-monetary relief which is commenced by:
 - (a) service of a complaint or similar pleading; or
 - (b) return of an indictment (in the case of a criminal proceeding); or
 - (c) receipt or filing of a notice of charges.

(E) "Dam" means any artificial barrier together with appurtenant works, which does or may impound or divert water, and which either:

- (1) Is twenty-five (25) feet or more in height from the natural bed of the stream or water course at the downstream toe of the barrier or from the lowest elevation of the outside limit of the barrier, if it is not across a stream channel or watercourse, to the maximum possible water storage elevation, or

(2) Has an impounding capacity of fifty (50) acre-feet or more.

"Dam" shall not include any such barrier which is not in excess of or equal to twenty-five (25) feet in height regardless of storage capacity, or which has a storage capacity not in excess of or equal to fifty (50) acre feet regardless of height.

(F) "Damages" means monetary compensation for death (or "Bodily Injury") and for care and loss of services resulting from "Personal Injury" and for damage to and loss of use of property resulting from "Property Damage" and losses for "Public Officials Errors and Omissions" and "Non-Profit Directors and Officers Liability" including "Defense Costs".

"Damages" as respects "Employment Practices" only means a monetary judgment, monetary award, or a monetary settlement, including "Defense Costs", which the "Insured" is obligated to pay.

(G) "Defense Costs" means reasonable attorney's fees, costs and expenses and other reasonable fees, costs and expenses incurred in connection with the investigation, adjustment, defense and appeal of a "Claim" or suit covered hereunder, including the allocated expenses of the "Participating Named Insured's" Claim Servicing Organization. However, "Defense Costs" do not include the office expenses of the "Company" or the "Insured" nor the salaries of employees or officials of the "Company" or the "Insured". "Defense Costs" will not include pre and post judgment interest if the "Company" makes a settlement offer.

(H) "Directors, Officers or Trustees" means any persons who were, now are, or shall be directors, trustees, officers, employees, volunteers, contracted employees, or staff members of the organization and shall include any executive board members committee members whether salaried or not, including their estates, heirs, legal representatives or assigns in the event of death, incapacity or bankruptcy.

(I) "Non-Profit Directors and Officers Liability" means any actual or alleged negligent action or inaction, mistakes, misstatements, errors, neglect, inadvertence, or omission by "Directors, Officers or Trustees" in their discharge of duties on behalf of an "Insured" entity.

(J) "Employment Practices" means any "Claim" made against an "Insured" relating to a past, present or prospective employee of the "Insured" (and the spouse, child, parent, brother or sister of that person as a consequence of the "Employment Practices" that person at whom any of the employment-related practices described below is directed) arising out of: (1) any actual or alleged wrongful dismissal, discharge or termination (either actual or constructive) of employment; (2) employment related misrepresentation; (3) wrongful failure to employ or promote; (4) wrongful deprivation of career opportunity; (5) wrongful discipline; (6) failure to grant tenure or negligent employee evaluation; (7) failure to provide adequate employee policies and procedure; (8) sexual or workplace harassment of any kind, (including the alleged creation of a harassing workplace environment); (9) unlawful discrimination, (including sexual or workplace harassment or creation of a harassing workplace environment) whether direct, indirect, intentional or unintentional.

"Employment Practices" shall include "Claim" brought under state, local, or federal law, whether common or statutory, and shall include allegations of violations of the following federal laws, as amended, including regulations promulgated thereunder:

- (1) Americans with Disabilities Act of 1992 (ADA);
- (2) Civil Rights Act of 1991;
- (3) Age Discrimination in Employment Act of 1967 (ADEA), including the Older Workers Benefit Protection Act of 1990;
- (4) Title VII of the Civil Rights Law of 1964, as amended (1983), including the Pregnancy Discrimination Act of 1978;
- (5) Civil Rights Act of 1866, Section 1981; and Fifth and Fourteenth amendments of the U.S. Constitution.

(K) "Fungus(i)" includes, but is not limited to, any of the plants or organisms belonging to the major group fungi, lacking chlorophyll, and including "Molds", rusts, mildew, smuts and mushrooms.

(L) "Habitational Facility" means a place in which to live.

(M) "Impaired Property" means tangible property, other than "Your Product" or "Your Work", that cannot be used or is less useful because:

- (1) It incorporates "Your Product" or "Your Work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- (2) An "Insured" has failed to fulfill the terms of a contract or agreement; if such property can be restored to use by:
 - (a) The repair, replacement, adjustment or removal of "Your Product" or "Your Work"; or
 - (b) An "Insured" fulfilling the terms of the contract or agreement.

(N) "Insured" means any person or organization qualifying as an "Insured" under the Persons or Entities "Insured" section of this policy.

(O) "Insured Contract" means:

- (1) A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to the "Participating Named Insured" or temporarily occupied by the "Participating Named Insured" with permission of the owner is not an "Insured Contract";
- (2) A sidetrack agreement;
- (3) Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- (4) An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- (5) An elevator maintenance agreement;
- (6) That part of any other contract or agreement pertaining to the "Participating Named Insured's" business (including an indemnification of a municipality in connection with work performed for a municipality) under which the "Participating Named Insured" assumes the tort liability of another party to pay for "Bodily Injury" or "Property Damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph (6) does not include that part of any contract or agreement:

- (a) That indemnifies a railroad for "Bodily Injury" or "Property Damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (b) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (i) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (ii) Giving directions or instructions, or failing to give them, if that is the primary

cause of the injury or damage; or

- (c) Under which the "Insured", if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the "Insured's" rendering or failure to render professional services, including those listed in (b) above and supervisory, inspection or engineering services.

(P) "Occurrence" means:

- (1) With respects to "Personal Injury" described in Definition R.1. and "Property Damage", an accident, which is neither expected nor intended from the "Insured's" conduct, including continuous or 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".
- (2) With respect to "Personal Injury" described in Definition R.2 through R.9, 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".
- (3) With respect to "Public Officials Errors and Omissions" or "Non-Profit Directors and Officers Liability", an act, omission to act or failure to act during the "Policy Period" which results in injury or "damage".
- (4) With respect to "Employment Practices" liability, an act, omission to act or failure to act during the "Policy Period" resulting from "Employment Practices."

Only one policy issued by the "Company" and one limit of insurance is applicable to any one "Occurrence".

(Q) "Participating Named Insured" or "You" means any Named Insured listed on a participation endorsement attached to this policy. Named insured means any public entity or non-profit corporation designated as such on a participation endorsement attached to this policy.

(R) "Personal Injury" means:

- (1) "Bodily Injury";
- (2) Shock, fright, mental anguish, emotional distress, mental injury, including death or disability resulting from any of the foregoing;
- (3) False arrest, imprisonment, detention, or malicious prosecution;
- (4) Wrongful entry into, or eviction of any person from, a room, dwelling or premises that a person occupies, or other invasion of the right of private occupancy;
- (5) A publication or utterance that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, or reputation;
- (6) A publication or utterance that violates a person's right of privacy;
- (7) Infringement of copyright or trademark or unauthorized use of title;
- (8) Plagiarism or misappropriation of ideas;
- (9) Discrimination on any basis, including but not limited to race, religion, nationality, national origin, color, creed, sex, age, except discrimination included within "Employment Practices";
- (10) Assault and battery not committed by, at the direction of or with the consent of the "Insured".

However, this limitation does not apply if committed or directed for the purpose of

protecting persons from injury or death, or property from "Damage".

- (S) "Policy Period" means the period of time stated in Item 2 of the Participation Endorsement.
- (T) "Products-Completed Operations Hazard" means all "Bodily Injury" and "Property Damage" occurring away from premises the "Participating Named Insured" owns or rents and arising out of "Your Product" or "Your Work" except: products that are in the "Participating Named Insured's" physical possession; or work that has not yet been completed or abandoned.
- (U) "Property Damage" means physical injury to tangible property, including all resulting loss of use of such property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it.
- (V) "Public Officials Errors and Omissions" means any actual or alleged negligent action or inaction, mistake, misstatement, error, neglect, inadvertence, or omission by the "Insured" in the discharge of duties on behalf of an "Insured" entity.
- (W) "Residential Work or Project" means detached or attached single family homes, single family tract homes, town homes, condominiums, and co-operative housing apartments.
- (X) "Retroactive Date" means the "Retroactive Date" stated on the "Nose Cover And Extended Reporting Period" Endorsement, if attached to this policy, or the participation endorsement, that provided coverage to the "Participating Named Insured" immediately prior to coverage being provided hereunder.
- (Y) "Subsidence" shall mean the settling, sinking, slipping, falling away, caving in, shifting, eroding, mud flow, rising, tilting, or any other movement of land or earth.
- (Z) "Terrorist Activity" shall mean any deliberate, unlawful act that:
 - (1) is declared by any authorized governmental official to be or to involve terrorism, "Terrorist Activity" or acts of terrorism; or
 - (2) includes, involves, or is associated with the use or threatened use of force, violence or harm against any person, tangible or intangible property, the environment, or any natural resources, where the act or threatened act is intended, in whole or in part, to:
 - (a) promote or further any political, ideological, philosophical, racial, ethnic, social or religious cause or objective of the perpetrator or any organization, association or group affiliated with the perpetrator;
 - (b) influence, disrupt or interfere with any government related operations, activities or policies;
 - (c) intimidate, coerce or frighten the general public or any segment of the general public; or
 - (d) disrupt or interfere with a national economy or any segment of a national economy; or
 - (3) includes, involves, or is associated with, in whole or in part, any of the following activities, or the threat thereof:
 - (a) hijacking or sabotage of any form of transportation or conveyance, including but not limited to spacecraft, satellite, airplane, train, vessel, or motor vehicle;
 - (b) hostage taking or kidnapping;
 - (c) the use of any biological, chemical, radioactive, or nuclear agent, material, device or weapon;
 - (d) the use of any bomb, incendiary device, explosive or firearm;
 - (e) the interference with or disruption of basic public or commercial services and systems, including but not limited to the following services or systems: electricity, natural gas, power,

postal, communications, telecommunications, information, public transportation, water, fuel, sewer or waste disposal;

(f) the injuring or assassination of any elected or appointed government official or any government employee;

(g) the seizure, blockage, interference with, disruption of, or "Damages" to any government buildings, institutions, functions, events, tangible or intangible property or other assets; or

(h) the seizure, blockage, interference with, disruption of, or "Damages" to tunnels, roads, streets, highways, or other places of public transportation or conveyance.

(AA) "Ultimate Net Loss" means the sums for which the "Insured" is legally liable to pay as "Damages" by reason of a judgment or settlement, and shall include all costs, including "Defense Costs", arising out of an "Occurrence".

However, "Ultimate Net Loss" shall not include civil or criminal fines or penalties imposed by law, punitive or exemplary "Damages", the multiplied portion of multiplied "Damages", taxes and any amount or which the "Insureds" are not financially liable or which are without legal recourse to the "Insureds", or matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed.

(BB) "Your Product" means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) An "Insured";

(b) Others trading under the name of an "Insured"; or

(c) A person or organization whose business or assets an "Insured" has acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products. "Your Product" includes warranties or representations made at any time with respect to the fitness, quality, durability or performance or use of "Your Product." "Your Product" also includes 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.

(CC) "Your Work" means:

(1) Work or operations performed by an "Insured" or on the behalf of an "Insured"; and

(2) 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 "Your Work." "Your Work" also includes the providing of or failure to provide warnings or instructions.

(DD) "Mold(s)" includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and "Fungi" that produce "Molds".

(EE) "Spore(s)" means any dormant or reproductive body produced by or arising or emanating out of any "Fungus(i)", "Mold(s)", mildew, plants, organisms or microorganisms.

VIII. COMMON POLICY CONDITIONS

(A) Premium.

The premium designated in the participation endorsement as Total Advance Premium is a 100% minimum and deposit premium only, which will be credited to the amount of the earned premium due

at the end of the "Policy Period". The earned premium for the "Policy Period" shall be computed by application of the rate shown in the policy Declarations to the audited exposure base.

The first "Participating Named Insured" is responsible for the payment of premium and will be the payee of any returned premiums.

(B) Inspection and Audit.

The "Company" shall be permitted but not obligated to inspect the "Participating Named Insured's" property and operations at any time. Neither the "Company's" right to make inspections, nor any report thereon, shall constitute an undertaking, on behalf of or for the benefit of the "Participating Named Insured" or others, to determine or warrant that such property or operations are safe.

The "Participating Named Insured" shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to the "Company" at the end of the "Policy Period" and at such times during the "Policy Period" as the "Company" may direct. The "Company" may examine and audit the "Participating Named Insured's" books and records at any time during the "Policy Period" and extensions thereof, within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

(C) "Participating Named Insured's" Duties in the Event of "Occurrence", "Claim" or Suit.

- (1) In the event of an "Occurrence" which may result in a "Claim", written notice containing particulars sufficient to identify the "Participating Named Insured" and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and available witnesses, shall be given by or for the "Participating Named Insured" to the "Company" or the Claims Servicing Organization listed on the participation endorsement as soon as practicable.
- (2) If a "Claim" is made or suit is brought against the "Participating Named Insured", the "Participating Named Insured" shall immediately forward to the "Company" or the Claims Servicing Organization listed on the participation endorsement every demand, notice, summons or other process received by him or his representative.
- (3) The "Insured" shall cooperate with the "Company" and upon its request assist in making settlements, in the conduct of "Claims" or suits, and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the "Participating Named Insured" because of liability with respect to which insurance is afforded under this policy; and the "Participating Named Insured" shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.
- (4) Whenever the "Insured" has information from which the "Participating Named Insured" may reasonably conclude that an "Occurrence" covered hereunder involves injuries or "Damages" for which the "Participating Named Insured" may be held liable and is likely to involve this policy, notice shall be sent as soon as practicable to the Claims Servicing Organization listed in the participation endorsement. However, failure to give notice of any "Occurrence" which, at the time of its happening, did not appear to involve this policy but which, at a later date, would appear to give rise to a "Claim" hereunder, shall not prejudice coverage for such "Claim".
- (5) No "insured" shall, except at his/her own cost, voluntarily make any payment, assume any obligation, or incur any expense, other than for first aid, without "our" consent. The incurring of any expenses or obligation shall be deemed a violation of this Condition and the Company shall have no obligation to pay or reimburse such excess expenses or obligation.
- (6) The insured must also give the Company written notice as soon as practicable for any occurrence, offense, wrongful act, claim or suit which the insured becomes aware of that includes injury of the following types:
 1. Paralysis, paraplegia, or quadriplegia;
 2. Loss of eyes or limbs;

3. Spinal cord or brain injury;
4. Sensory organ or nerve injury or neurological deficit;
5. Serious burns;
6. Substantial disability or disfigurement;
7. Death;
8. Amputation or loss of use of a major extremity;
9. Any disability where it appears reasonably likely that there will be disability that lasts for more than one year;
10. Rape, sexual abuse offense/molestation of any individual; or
11. Any class action.

(D) Appeals.

If a Self-Insured Retention applies and the "Participating Named Insured" elects not to appeal a judgment in excess of a "Participating Named Insured's" self-Insured Retention, the "Company" may elect to do so at its own expense, but in no event shall the liability of the "Company" for "Ultimate Net Loss" exceed the applicable amount specified in the Limit of Liability section of the participation endorsement plus all "Defense Costs" necessary and incidental to such appeal.

(E) Action Against the "Company".

No action shall lie against the "Company" with respect to any "Occurrence" unless, as a condition precedent thereto, the "Participating Named Insured" shall have fully complied with all the terms of this policy, nor until the amount of the "Participating Named Insured's" obligation to pay an amount of "Ultimate Net Loss" in excess of the "Participating Named Insured's" Self-Insured Retention, if applicable, shall have been finally determined either by judgment against the "Participating Named Insured" after actual trial or by written agreement of the "Participating Named Insured", the claimant and the "Company".

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of insurance afforded by this policy. Nothing contained in this policy shall give any person or organization any right to join the "Company" as co-defendant in any action against the "Participating Named Insured" to determine the "Participating Named Insured's" liability.

(F) Bankruptcy and Insolvency.

Bankruptcy or insolvency of the "Participating Named Insured" shall not relieve the "Company" of any of its obligations hereunder.

(G) Other Insurance.

If valid and collectible insurance with any other Company is available to the "Insured" covering a loss also covered hereunder, whether on a primary, excess or contingent basis, the insurance hereunder shall be in excess of, and shall not contribute with such other insurance; provided that this clause does not apply with respect to excess insurance purchased specifically to be in excess of this policy, or to other insurance which is intended to provide the remainder of the Limit of Liability stated in the Declarations of this policy when the insurance afforded under this policy provides less than one hundred (100) percent of the limit set forth on the Declarations.

(H) Subrogation.

To the extent of any payment hereunder, the "Company" shall be subrogated to all of the "Insured's" rights of recovery, therefore; and the "Insured" shall do nothing after loss to prejudice such rights and shall do everything necessary to secure such rights. Any amount so recovered shall be

apportioned as follows:

Any interest, including the "Insured's", having paid an amount in excess of any "Participating Named Insured's" Self- Insured Retention plus the Limit of Liability hereunder shall be reimbursed first to the extent of actual payment. The "Company" shall be reimbursed next to the extent of its actual payment hereunder. If any balance then remains unpaid, it shall be applied to reimburse the

"Participating Named Insured". The expenses of all such recovery proceedings shall be apportioned in the ratio of the respective recoveries. If there is no recovery in proceedings conducted solely by the "Insured", it shall bear the expenses thereof. However, the "Company" will waive its right of subrogation against any person or organization for whom the "insured" is performing operations, but only if:

- 1) That person or organization requires in the written agreement with the "Participating Named Insured" that the "Participating Named Insured" waive its right of recovery against that person or organization; and
- 2) The written agreement is made prior to the date of the "Occurrence".

(I) Changes.

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or change in any part of this policy or stop the "Company" from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued by the "Company" to form a part of this policy.

(J) Assignment.

Assignment of interest under this policy shall not bind the "Company" until its consent is endorsed hereon; however, if a "Participating Named Insured" shall die, such insurance as is afforded by this policy shall apply (1) to the "Participating Named Insured's" legal representative, as the "Participating Named Insured", but only while acting within the scope of his/her duties as such; and (2) with respect to the property of the "Participating Named Insured" to the person having temporary custody thereof as "Participating Named Insured", but only until the appointment and qualification of the legal representative.

(K) Cancellation.

Coverage provided to the "Participating Named Insured" under the participation endorsement may be canceled by the "Participating Named Insured" by surrendering the policy to the "Company" or any of its authorized agents or by mailing to the "Company" written notice stating when thereafter the cancellation shall be effective.

The "Company" may cancel the coverage provided to the "Participating Named Insured", by mailing to the first "Participating Named Insured" at the address shown in the participation endorsement written notice stating when, not less than sixty (60) days thereafter, such cancellation shall be effective. Provided that the "Participating Named Insured" fails to discharge, when due, any of its obligations in connection with the payment of premium for the policy or any installment thereof, whether payable directly to the "Company" or its agent or indirectly under a premium finance plan or extension of credit, the coverage provided to the "Participating Named Insured" may be canceled by the "Company" by mailing to the "Participating Named Insured" at the address shown in the participation endorsement, written notice stating when, not less than ten (10) days thereafter, such cancellation shall be effective.

The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the "Policy Period". Delivery of such written notice either by the "Participating Named Insured" or by the "Company" shall be equivalent to mailing.

If the "Participating Named Insured" cancels, earned premium shall be computed in accordance with the customary short rate table and procedure, subject to the minimum earned premium shown on the participation endorsement. If the "Company" cancels, earned premium shall be computed pro rata.

Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

The actions of one "Participating Named Insured" under this paragraph, shall not effect the cancellation of any other "Participating Named Insured".

(L) Conversion to Run-off Coverage

If prior to the effective date of the cancellation of this policy or if prior to the expiration date of this policy stated in Item 2 of the Declarations,

- (1) another entity acquires substantially all of the "Participating Named Insured", or
- (2) the "Participating Named Insured" merges into another entity such that the "Participating Named Insured" is not the surviving entity, or
- (3) the "Participating Named Insured" consolidates with another entity, or
- (4) the "Participating Named Insured" ceases to qualify as a not-for-profit organization under the Internal Revenue Code, parts (1), (2), (3), and (4) above shall hereinafter be referred to as "Transaction", then:

(1) The "Participating Named Insured" must give written notice of such "Transaction" to the "Company" within thirty (30) days after the effective date of such "Transaction", and provide the "Company" with such information in connection therewith as the "Company" may deem necessary;

(2) This policy shall only apply, subject to its terms, with respect to any "Occurrence" actually or allegedly committed prior to the effective date of such "Transaction" described herein above.

(M) Nonrenewal

If we decide not to renew this policy, the "Company" will mail or deliver to the first "Participating Named Insured" shown in the respective participation endorsement and to the producer of record written notice of the nonrenewal not less than 30 days before the expiration date.

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

(N) Severability Of Interests

The terms "Participating Named Insured" and "Insured" are used severally and not collectively, but the inclusion herein of more than one "Participating Named Insured" or "Insured" shall not operate to increase the limits of the "Company's" liability

POLICYHOLDER NOTICE – SERVICE OF PROCESS

Service of process for any suit instituted against Associated Industries Insurance Company concerning this Policy may be made upon the Superintendent, Commissioner, or Director of Insurance or other person specified for that purpose in the statute or his/her successor or successors in office as their true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder and arising out of this Policy.

Associated Industries Insurance Company has designated:

Mr. Stephen Ungar, Secretary
Associated Industries Insurance Company
59 Maiden Lane, 6th Floor
New York, NY 10038

as the person(s)/organization to whom the Superintendent, Commissioner, or Director of Insurance or other specified person is authorized to mail such process or a true copy thereof, in compliance with the applicable statutes governing said service of process in the state or jurisdiction in which a cause of action under this Policy arises.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Securities and Financial Interest Exclusion

This endorsement modifies insurance provided under the following:

**SPECIAL LIABILITY POLICY FOR PUBLIC ENTITIES AND NON-PROFIT
CORPORATIONS**

The following exclusion is added to Section VI, Exclusions:

This policy does not apply:

To any "Damages" arising out of or by reason of:

- (1) The purchase, or sale, or offer of sale, or solicitation of any security, debt, bank deposit or financial interest or instrument;
- (2) Any representations made at any time in relation to the price or value of any security, debt, bank deposit or financial interest or instrument; or
- (3) Any depreciation or decline in price or value of any security, debt, bank deposit or financial interest or instrument.

Furthermore, the "Company" has no obligation to defend or to pay for the defense of any "Claim" that may allege any of the foregoing.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Primary and Non-Contributory Coverage Endorsement

This endorsement modifies insurance provided under the following:

SPECIAL LIABILITY POLICY FOR PUBLIC ENTITIES AND NON-PROFIT CORPORATIONS

The following is added to Section **VIII. COMMON POLICY CONDITIONS**:

If insurance similar to this insurance is held by a person or organization that is an additional insured on this policy, this insurance is primary to that other insurance. The "Company" shall not seek contribution from that other insurance for amounts payable under this insurance for liability arising out of the "Participating Named Insured's" ongoing operations performed for that person or organization under a written agreement.

However, the provisions of this endorsement do not apply to a person or organization unless the "Participating Named Insured" had a written agreement with that person or organization requiring:

- a. This insurance be primary insurance;
- b. They be an additional insured on this Policy; and
- c. The written agreement was entered into prior to the date the "Participating Named Insured's" operations for that person or organization commenced.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Policy Amendment

This endorsement modifies insurance provided under the following:

SPECIAL LIABILITY POLICY FOR PUBLIC ENTITIES AND NON-PROFIT CORPORATIONS

The Participation Endorsement(s) attached to this policy specifies the coverages and limits applicable to the "Participating Named Insured" of the Special Liability Insurance Program (SLIP) listed on such Participation Endorsement. Where a coverage is checked-off on the Participation Endorsement, such coverage applies to the listed "Participating Named Insured". Where a coverage is not checked-off on the Participation Endorsement, such coverage will be excluded for the listed "Participating Named Insured".

The provisions of this endorsement apply notwithstanding anything to the contrary in the other terms, definitions, conditions, and exclusions terms and conditions of this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Non-Owned and Hired Automobile Liability

This endorsement modifies insurance provided under the following:

SPECIAL LIABILITY POLICY FOR PUBLIC ENTITIES AND NON-PROFIT CORPORATIONS

A. Paragraph **B.** of Section **III THE COMPANY'S LIMIT OF INSURANCE** is revised as follows:

1. Paragraph **B.1.** is revised by the addition of the following:

However, this Limit shall not include any "Damages" because of "Bodily Injury" or "Property Damage" caused by an "Occurrence" arising out of the maintenance or use of a "Hired Auto" or "Non Owned Auto".

2. The following is added to Paragraph **B:**

Non-Owned or Hired Automobile Liability Limit – The Non-Owned or Hired Automobile Liability Limit is the most the "Company" will pay for "Bodily Injury" or "Property Damage" arising out of:

- a. The maintenance or use of a "Hired Auto" by the "Participating Named Insured" or their "Employee" in the course of the "Participating Named Insured's" business; or
- b. The maintenance or use of a "Non-Owned Auto" by any person other than the "Participating Named Insured" in the course of the "Participating Named Insured's" business.

B. Section **VI EXCLUSIONS** is revised by the addition of the following:

This policy does not apply:

To any liability arising out of a "Hired Auto" or "Non-Owned Auto" that is used in any speed racing or drag racing contest or exhibition, any demolition derby or similar use by or for the "Participating Named Insured".

C. Section **VII DEFINITIONS** is revised by the addition of the following:

1. "Hired Auto" means an "Auto" the "Participating Named Insured" leases, hires, rents or borrows. This does not include any "auto" owned by the "Participating Named Insured" under a long term (12 months or more) lease to the "Participating Named Insured", or hired, rented, or borrowed from any of the "Participating Named Insured's" employees, partners, members or members of their households.
2. "Non-Owned Auto" means any "Auto" the "Participating Named Insured" does not own, lease, hire or borrow which is used in connection with the "Participating Named Insured's" business.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Fire Damage Legal Liability

This endorsement modifies insurance provided under the following:

SPECIAL LIABILITY POLICY FOR PUBLIC ENTITIES AND NON-PROFIT CORPORATIONS

SCHEDULE		
Fire Damage Legal Liability	\$1,000,000	Per Occurrence

A. Paragraph (C) in Section VI. Exclusions is revised by the addition of the following:

However, this exclusion does not apply to "Property Damage" to real property or personal property in the care, custody or control of the "Insured" as a result of a fire to premises occupied by the "Insured" and caused by the "Insured's" negligence. A separate limit of insurance applies to this coverage as described in paragraph B. below.

B. The following is added to Section III. The Company's Limit of Liability:

Subject to Paragraph **B.1.** of Section **III. The Company's Limit of Liability**, the Fire Damage Legal Liability Limit in the Schedule of this endorsement is the most the "Company" will pay for all "Damages" because of "Property Damage" described in paragraph **A.** of this endorsement arising out of any one "Occurrence".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Excess Employers' Liability Coverage Endorsement

This endorsement modifies insurance provided under the following:

SPECIAL LIABILITY POLICY FOR PUBLIC ENTITIES AND NON-PROFIT CORPORATIONS

- A. Paragraph B. of Section VI. Exclusions is deleted.
- B. This insurance applies to "Damages" that the "Insured" is legally obligated to pay because of "Bodily Injury" to any employee of the "Insured" arising out of and in the course of employment by the "Insured", but only if insurance for such "Bodily Injury" to an employee of the "Insured" is provided under the "Participating Named Insured's" Workers' Compensation Coverage B, Employers Liability.

Coverage provided by this endorsement will:

1. Only apply as excess of the "Participating Named Insured's" Workers' Compensation Coverage B, Employers Liability policy providing limits no less than \$1 Million Bodily Injury By Accident – each accident/\$1 Million Bodily Injury by Disease - Aggregate/\$1 Million Bodily Injury By Disease – each employee. Failure to maintain the limits of Workers' Compensation Coverage B, Employers Liability described above will not invalidate this insurance. However, this insurance will apply as if the above limits of Workers' Compensation Coverage B, Employers Liability were in full effect;
2. Follow the provisions, exclusions and limitations of the Workers' Compensation Coverage B, Employers Liability policy, unless otherwise directed by this policy; and
3. Not be broader than that provided by the Workers' Compensation Coverage B, Employers Liability policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Employee Benefits Liability Coverage Endorsement

This endorsement modifies insurance provided under the following:

SPECIAL LIABILITY POLICY FOR PUBLIC ENTITIES AND NON-PROFIT CORPORATIONS

A. Section VI. Exclusions is revised by the addition of the following:

This policy does not apply:

To "Non-Profit Directors And Officers Liability" or "Public Officials Errors and Omissions" for:

a. **Dishonest, Fraudulent, Criminal Or Malicious Acts**

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

b. **Failure To Perform A Contract**

Damages arising out of failure of performance of a contract by any insurer.

c. **Insufficiency Of Funds**

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "Employee Benefit Program".

d. **Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation**

Any "Claim" based upon:

(1) Failure of any investment to perform;

(2) Errors in providing information on past performance of investment vehicles; or

(3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "Employee Benefit Program".

e. **Available Benefits**

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

f. **Taxes, Fines Or Penalties**

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

g. **Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

B. Section VII. DEFINITIONS is revised as follows:

1. Paragraph I. is revised by the addition of the following:

"Non-Profit Directors and Officers Liability" also includes any act, error or omission of the "Participating Named Insured" negligently committed in the "Administration" of the "Participating Named Insured's" "Employee Benefit Program".

2. Paragraph V. is revised by the addition of the following:

"Public Officials Errors and Omissions" also includes any act, error or omission of the "Participating Named insured" negligently committed in the "Administration" of the "Participating Named Insured's" "Employee Benefit Program".

3. For the purposes of the coverage provided by this endorsement, the following definitions are added to the Section VII. Definitions:

a. "Administration" means:

- (1) Providing information to "Employees", including their dependents and beneficiaries, with respect to eligibility for or scope of an "Employee Benefit Program";
- (2) Handling records in connection with the "Employee Benefit Program"; or
- (3) Effecting, continuing or terminating any "Employee's" participation in any benefit included in the "Employee Benefit Program".

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

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

c. "Employee Benefit Program" means a program providing some or all of the following benefits to "Employees", whether provided through a "Cafeteria Plan" or otherwise:

- (1) Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "Employee" may subscribe to such benefits and such benefits are made generally available to those "Employees" who satisfy the plan's eligibility requirements;
- (2) Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "Employee" may subscribe to such benefits and such benefits are made generally available to all "Employees" who are eligible under the plan for such benefits;
- (3) Unemployment insurance, social security benefits, workers' compensation and disability benefits; and
- (4) Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Deductible Endorsement

This endorsement modifies insurance provided under the following:

SPECIAL LIABILITY POLICY FOR PUBLIC ENTITIES AND NON-PROFIT CORPORATIONS

The following is added to Section I. **Insuring Agreement**:

The "Company's" obligation under this insurance to pay "Damages" and "Defense Costs" on the "Insured's" behalf applies only to the amount of "Damages" and/or "Defense Costs" in excess of the deductible amount stated in the "Participating Named Insured's" participation endorsement.

The provision above applies to the terms of this insurance, including those with respect to:

1. The "Company's" right and duty to defend the "Insured" against any "Claim" or suit seeking those damages; and
2. The "Insured's" duties in the event of an "Occurrence", "Claim", or suit, apply irrespective of the application of the deductible amount.

The "Company" may pay any part or all of the deductible amount to effect settlement of any "Claim" or suit and, upon notification of the action taken, the "Participating Named Insured" shall promptly reimburse us for such part of the deductible amount as has been paid by the "Company".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**Additional Insured – Spouse
(Amendment of Section V. Persons or Entities “Insured”)**

This endorsement modifies insurance provided under the following:

**SPECIAL LIABILITY POLICY FOR PUBLIC ENTITIES AND NON-PROFIT
CORPORATIONS**

The following is added to Section V. **PERSONS OR ENTITIES INSURED:**

Spouse of a “Participating Named Insured”, but only with respect to their use of an
“Automobile” or “Auto” with the permission of “Participating Named Insured”.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Additional Insured - Designated Person or Organization

This endorsement modifies insurance provided under the following:

SPECIAL LIABILITY POLICY FOR PUBLIC ENTITIES AND NON-PROFIT CORPORATIONS

Name of Person or Organization:
Any person or entity that the "Named Insured" has entered into a written agreement, prior to a loss, to provide defense, indemnity or additional insured protection.

The following is added to Section V. **PERSONS OR ENTITIES INSURED:**

Any person(s) or organization(s) listed in the Schedule above is an Additional Insured, but only as respects "Bodily Injury" and "Property Damage" arising, in whole or in part, out of the operations of the Named Insured. The inclusion of such Additional Insured shall not serve to increase the "Company's" Limit of Liability as specified in the participation endorsement of this Policy:

However, additional insured coverage provided by this insurance will not be broader than coverage required in the written agreement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Designated Operations Exclusion – Transit Operations

This endorsement modifies insurance provided under the following:

SPECIAL LIABILITY POLICY FOR PUBLIC ENTITIES AND NON-PROFIT CORPORATIONS

The following exclusions are added to Section VI. Exclusions:

This policy does not apply:

- (1) To any liability arising out of an "Automobile", tram, cable car or cog owned by the "Insured" and used in fixed route transit operations.
- (2) To any operations listed in the Schedule of Excluded Operations below.

SCHEDULE OF EXCLUDED OPERATIONS:
Aerial Tramways
Ambulance Service
Automobile Rental with Drivers
Cable Cars
Cog Railways
Limousine Rental with Drivers
Sightseeing Buses
Van pool Operations
School and Employee Bus Transportation
Special Needs Transportation
Transit Buses

ARIZONA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

SPECIAL LIABILITY POLICY FOR PUBLIC ENTITIES AND NON-PROFIT CORPORATIONS

A. It is hereby understood and agreed that this policy is amended to include the following provisions which supersede any other provision of this policy to the contrary.

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

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

- a. Nonpayment of premium;
- b. Your conviction of a crime arising out of acts increasing the hazard insured against;
- c. Acts or omissions by you or your representative constituting fraud or material misrepresentation in the procurement of this policy, in continuing this policy or in presenting a claim under this policy;
- d. Substantial change in the risk assumed, except to the extent that we should have reasonably foreseen the change or contemplated the risk in writing the contract;
- e. Substantial breach of contractual duties or conditions;

f. Loss of reinsurance applicable to the risk insured against resulting from termination of treaty or facultative reinsurance initiated by our reinsurer or reinsurers;

g. Determination by the Director of Insurance that the continuation of the policy would place us in violation of the insurance laws of this state or would jeopardize our solvency; or

h. Acts or omissions by you or your representative which materially increase the hazard insured against.

If we cancel this policy based on one or more of the above reasons, we will mail by certified mail to the first Named Insured, and mail to the agent, if any, written notice of cancellation stating the reason(s) for cancellation. We will mail this notice to the last mailing addresses known to us, at least:

- a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. 45 days before the effective date of cancellation if we cancel for any of the other reasons.

B. If the Commercial Property Coverage Part, Capital Assets Program (Output Policy) Coverage Part or the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form provides coverage for:

1. Real property which is used predominantly for residential purposes and consists of one through four dwelling units; and/or
2. Personal property (except business or farm personal property) of a person residing in such real property;

the following provisions apply (instead of those provided in Item A. above) with respect to cancellation of such coverage:

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

- a. Nonpayment of premium;
- b. Your conviction of a crime arising out of acts increasing the hazard insured against;
- c. Acts or omissions by you or your representative constituting fraud or material misrepresentation in obtaining the policy, continuing the policy or presenting a claim under the policy;
- d. Discovery of grossly negligent acts or omissions by you substantially increasing any of the hazards insured against;
- e. Substantial change in the risk assumed by us, since the policy was issued, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;
- f. A determination by the Director of Insurance that the continuation of the policy would place us in violation of the insurance laws of this state; or
- g. Your failure to take reasonable steps to eliminate or reduce any conditions in or on the insured premises which contributed to a loss in the past or will increase the probability of future losses.

If we cancel this policy based on one or more of these reasons, we will mail written notice of cancellation, stating the reason(s) for cancellation, to the first Named Insured. We will mail this notice to the last mailing address known to us, at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 30 days before the effective date of cancellation, if we cancel for any of the other reasons.

C. The following is added and supersedes any provision to the contrary (and applies except in situations where D., below, applies):

Nonrenewal

1. If we elect not to renew this policy, we will mail by certified mail to the first Named Insured, and mail to the agent, if any, written notice of nonrenewal. We will mail this notice to the last mailing addresses known to us at least 45 days prior to the expiration of this policy.
2. If notice is mailed, proof of mailing will be sufficient proof of notice.
3. If either one of the following occurs, we are not required to provide written notice of nonrenewal:
 - a. We or a company within the same insurance group has offered to issue a renewal policy; or
 - b. You have obtained replacement coverage or agreed in writing to do so.
4. If written notice of nonrenewal is mailed less than 45 days prior to expiration of this policy, and neither 3.a. or 3.b. applies, the coverage shall remain in effect until 45 days after the notice is mailed. Earned premium for any period of coverage that extends beyond the expiration date of this policy shall be considered pro rata based upon the previous year's rate.

D. If the Commercial Property Coverage Part, Capital Assets Program (Output Policy) Coverage Part or the Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form provides coverage for:

1. Real property which is used predominantly for residential purposes and consists of one through four dwelling units; and/or
2. Personal property (except business or farm personal property) of a person residing in such real property;

the following provisions apply (instead of those provided in Item C. above) with respect to nonrenewal of such coverage:

1. If we elect not to renew, we will mail written notice of nonrenewal to the first Named Insured. We will mail this notice to the last mailing address known to us, at least 30 days before the end of the policy period. Proof of mailing will be sufficient proof of notice.
2. If either one of the following occurs, we are not required to provide notice of nonrenewal:
 - a. You have agreed to nonrenewal; or
 - b. You have accepted replacement coverage.

3. If our nonrenewal is based on the condition of the premises, you will be given 30 days' notice to remedy the identified conditions. If the identified conditions are remedied, coverage will be renewed. If the identified conditions are not remedied to our satisfaction, you will be given an additional 30 days, upon payment of premium, to correct the defective conditions.

E. The following condition is added:

Renewal

1. If we elect to renew this policy and the renewal is subject to any of the following:

- a. Increase in premium;
- b. Change in deductible;
- c. Reduction in limits of insurance; or
- d. Substantial reduction in coverage;

we will mail or deliver written notice of the change(s) to the first Named Insured, at the last mailing address known to us, at least 30 days before the anniversary or expiration date of the policy.

2. If renewal is subject to any condition described in 1.a. through 1.d. above, and we fail to provide notice 30 days before the anniversary or expiration date of this policy, the following procedures apply:

- a. The present policy will remain in effect until the earlier of the following:

- (1) 30 days after the date of mailing or delivery of the notice; or
- (2) The effective date of replacement coverage obtained by the first Named Insured.

- b. If the first Named Insured elects not to renew, any earned premium for the period of extension of the terminated policy will be calculated pro rata at the lower of the following rates:

- (1) The rates applicable to the terminated policy; or
- (2) The rates presently in effect.

- c. If the first Named Insured accepts the renewal, the premium increase, if any, and other changes are effective the day following this policy's anniversary or expiration date.