

THIS NOTICE IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT, AS AMENDED. THIS NOTICE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

NOTICE – REJECTION OF TERRORISM COVERAGE AND DISCLOSURE OF PREMIUM

Schedule

REJECTION STATEMENT

You have rejected the offer of terrorism coverage. You understand that an **exclusion** for certain terrorism losses will be made part of your policy.

Disclosure of Premium:

Total Terrorism Premium \$ N/A

Fire Following Premium \$

Other than Fire Following Premium \$

You have rejected coverage for "acts of terrorism," as defined in Section 102(1) of the Terrorism Risk Insurance Act ("Act") and an exclusion will be included in your policy. You are hereby notified that under the Act, as amended in 2015, the definition of "act of terrorism" is:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States' government by coercion.

Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and thereby provides coverage for) fire losses resulting from an act of terrorism. Therefore, if you reject the offer of terrorism coverage, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is described as Fire Following Premium in the Schedule above.

Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020.

Cap on Insurer Participation in Payment of Terrorism Losses

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers' liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

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DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Schedule

Disclosure of Premium:	
Total Terrorism Premium	\$ 75
Fire Following Premium	\$
Other than Fire Following Premium	\$

Disclosure of Terrorism Coverage Available

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from "acts of terrorism" defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States government by coercion.

The premium charged for this coverage is provided in the Schedule above and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and therefore provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is shown in the Schedule above.

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Rejection of Terrorism Insurance Coverage

- ☐ I decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Applicant/Policyholder Signature

Print Name

Date

Hanover Insurance Company

Insurance Company

UHX 9601310 04

Quote or Policy Number



RENEWAL OF POLICY UHX 9601310 03

COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

THESE DECLARATIONS, TOGETHER WITH THE COVERAGE FORM(S) AND ANY ENDORSEMENT(S),
COMPLETE THE BELOW NUMBERED POLICY.

POLICY NUMBER: UHX 9601310 04
COMPANY: Hanover Insurance Company

DECLARATIONS

Item 1. Named Insured and Address
(No., Street, Town, County, State)

Agent

WINONA ORC INDUSTRIES INC
1053 EAST MARK STREET
WINONA MN 55987

2509765
NORTH RISK PARTNERS LLC
2048 SUPERIOR DRIVE NW
ROCHESTER MN 55901

Item 2. Policy Period: (Month, Day, Year)

From 07/01/2016 To 07/01/2017

12:01 A. M., standard time at the address of the Named Insured as stated herein.

Form of Business:

- ☐ Individual ☐ Partnership ☐ Corporation ☐ Limited Liability Company
☒ Organization (Other than Partnership, Joint Venture or Limited Liability Company)

Business Description: HUMAN SERVICE ORGANIZATION

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. THIS PREMIUM MAY BE SUBJECT TO AUDIT.

Item 3. Limit of Insurance

Each Occurrence or Each Claim Limit:	\$1,000,000
Products – Completed Operations Aggregate Limit:	\$1,000,000
General Aggregate Limit	\$1,000,000

Retained Limit:	\$0
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Item 4. Premium Computation:

Estimated Annual Premium	\$1,625.00
Premium Surcharges	\$
(Premium Surcharges NOT APPLICABLE in New York)	
Annual Minimum Premium	\$1,625.00
Advance Premium	\$1,625.00

Endorsements:

See next page



- ☒ PREPAID - the total annual premium is due at inception.
- ☐ HANOCASH - the annual premium is payable according to the term of the Hanocash endorsement attached.
- ☐ ACCOUNT BILL ☐ DIRECT BILL ☐ Annual ☐ Semi-Annual ☐ Other

Audit period: Non Auditable Unless indicated by ☐ Annual ☐ Semi-Annual ☐ Other

If you cancel this policy, we shall receive and retain not less than NIL as a policy minimum premium.

Forms Applicable To This Policy:

*Asterisk denotes new or changed form

<u>Form Number</u>	<u>Form Edition</u>	<u>Description</u>
* 401-1126	01/15	Notice - Rejection Of Terrorism Coverage and Disclosure of Premium
* 401-1374	01/15	Offer Disclosure Pursuant To Terrorism Risk Insurance Act
475-0001	12/14	Hanover Commercial Follow Form Excess And Umbrella Policy
475-0027	12/14	Exclusion - Total Pollution (Coverage A)
475-0057	12/14	Exclusion - Lead (Coverage A and B)
475-0058	12/14	Other Coverage Endorsement (Coverage A and B)
475-0084	12/14	Exclusion - Silica (Coverage A and B)
475-0130	12/14	Minnesota Changes
475-0215	12/14	Exclusion - Discrimination (Coverage A and B)
475-0238	12/14	Exclusion - Abuse and Molestation (Coverage B)
475-0275	12/14	Employee Benefits Liability - Separate Aggregate - Claims Made (Coverage A)
* 475-0298	12/14	Exclusion - Innocent Party Defense (Coverage A and B)
475-0317	12/14	Exclusion - Fungi or Bacteria with Food and Pool Exceptions (Coverage A and B)
475-0351	12/14	Exclusion - Employee Benefits Liability (Coverage B)
* 475-0433	01/15	Exclusion - Certified Acts of Terrorism
475-0457	12/14	Umbrella Forms Revision Advisory Notice to Policyholders
* 475-0476	12/14	Special Events Limitation Endorsement (Coverage A and B)
SIG 11 00	08/14	Signature Page

SCHEDULE OF UNDERLYING POLICIES

Insured: WINONA ORC INDUSTRIES INC
Effective on and after 07/01/2016 12:01 A.M. Standard Time
This Schedule is part of Policy Number: UHX 9601310 04

CARRIER, POLICY NUMBER & PERIOD	TYPE OF POLICY	APPLICABLE LIMITS OR AMOUNT OF INSURANCE
(a) Carrier: CITIZENS INSURANCE COMPANY OF AMERICA Policy Number: ZBX 9601320 05 Policy Period: 07/01/2016 TO 07/01/2017	Commercial General Liability <input type="checkbox"/> Owned Autos <input type="checkbox"/> Non-owned & Hired Autos	\$1,000,000 Occurrence/ Each Claim \$1,000,000 Personal Injury \$1,000,000 Advertising Injury \$3,000,000 General Aggregate Incl in Gen Agg Product/Completed Operations Aggregate
(b) Carrier: ALLMERICA FINANCIAL BENEFITS Policy Number: AWX 9605917 04 Policy Period: 07/01/2016 TO 07/01/2017	Comprehensive Automobile Liability including <input checked="" type="checkbox"/> Owned Autos <input checked="" type="checkbox"/> Non-Owned & Hired Autos	Bodily Injury and Property Damage Liability Combined: \$1,000,000 Each Accident Bodily Injury \$ Each Person \$ Each Accident Property Damage: \$ Each Accident
(c) Carrier: Policy Number: Policy Period:	Garage Liability <input type="checkbox"/> Dealers <input type="checkbox"/> Service	Bodily Injury and Property Damage Liability Combined: Each Accident Garage Operations \$ Auto Only \$ Other than Auto Only \$ Aggregate Garage Operations \$ Other than Auto Only
(d) Carrier: Accident Fund General Insurance Company Policy Number: WCV6098932 Policy Period: 03/31/2016 TO 03/31/2017	Standard Workers' Compensation & Employers' Liability NEW YORK ONLY: The Umbrella Coverage for Workers' Compensation and Employers Liability is not applicable in situations where an employee is subject to the New York Workers' Compensation Law.	Coverage B – Employers Liability Bodily Injury by Accident \$1,000,000 Each Accident Bodily Injury by Disease \$1,000,000 Each Employee \$1,000,000 Aggregate

An "X" marked in the box provided indicates these broadening or optional coverage are provided in the Underlying Insurance

(e) Carrier: Policy Number: Policy Period:	Liquor Liability	\$ \$ \$ \$	Each Common Cause Other Aggregate Other
(f) Carrier: CITIZENS INSURANCE COMPANY OF AMERICA Policy Number: ZBX 9601320 05 Policy Period: 07/01/2016 TO 07/01/2017	Professional Liability Human Services	\$ \$1,000,000 \$ \$3,000,000 \$	Each Occurrence Each Claim Other Aggregate Other
(g) Carrier: Policy Number: Policy Period:	Directors & Officers Liability	\$ \$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate Other
(h) Carrier: Policy Number: Policy Period:	Stop Gap Liability	Bodily Injury by Accident \$ Bodily Injury by Disease \$ \$	Each Accident Each Employee Aggregate
(i) Carrier: CITIZENS INSURANCE COMPANY OF AMERICA Policy Number: ZBX 9601320 05 Policy Period: 07/01/2016 TO 07/01/2017	Abuse and Molestation Human Services	\$1,000,000 \$ \$ \$3,000,000	Each Occurrence Each Claim Other Aggregate
(j) Carrier: Policy Number: Policy Period:	Foreign	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate
(k) Carrier: CITIZENS INSURANCE COMPANY OF AMERICA Policy Number: ZBX 9601320 05 Policy Period: 07/01/2016 TO 07/01/2017	Employee Benefits Liability	\$ \$1,000,000 \$ \$3,000,000	Each Occurrence Each Claim Other Aggregate
(l) Carrier: Policy Number: Policy Period:	Other	\$ \$ \$ \$	Each Occurrence Each Claim Other Aggregate

An "X" marked in the box provided indicates these broadening or optional coverage are provided in the Underlying Insurance

Countersigned By: _____
 Authorized Representative of the Company

Date: _____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – INNOCENT PARTY DEFENSE (COVERAGE A AND B)

This endorsement modifies insurance provided under the following:

HANOVER COMMERCIAL FOLLOW FORM EXCESS AND UMBRELLA POLICY

- A.** The following is added to section **I. INSURING AGREEMENTS**, paragraph 1. **Coverage A – Follow Form Excess Liability Insuring Agreement** and paragraph 2. **Coverage B – Umbrella Liability Insuring Agreement**:

We have no duty to defend any insured against any "suit" seeking damages for participating in, knowingly allowing or directing any "sexual misconduct or sexual molestation incident" or any "physical abuse, sexual misconduct or sexual molestation incident".

- B.** The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both

Coverage A – Follow Form Excess Liability and Coverage B – Umbrella Liability:

This insurance does not apply to:

Innocent Party Defense

Any liability or expense relating to the defense of any insured against any "suit" seeking damages for participating in, knowingly allowing or directing any sexual misconduct or sexual molestation incident or any physical abuse, sexual misconduct or sexual molestation incident.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

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SPECIAL EVENTS LIMITATION ENDORSEMENT (COVERAGE A AND B)

This endorsement modifies insurance provided under the following:

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The following is added to section **VII. EXCLUSIONS**, paragraph 1. Applicable to Both **Coverage A – Follow Form Excess Liability** and **Coverage B – Umbrella Liability**:

This insurance does not apply to:

Special Events

Any liability or expense arising out of the following Special Events:

- | | |
|--|--|
| <ul style="list-style-type: none"> (1) Parades sponsored by the insured; (2) Aircraft or air shows; (3) Automobile rallies; (4) Motorcycle rallies or runs; (5) Any event involving the use of firearms; (6) Fireworks; (7) Any activity involving animals other than household pets; | <ul style="list-style-type: none"> (8) Carnivals and fairs with mechanical rides sponsored by the insured; (9) Concerts with admission in excess of 500 people; (10) Contact sports; (11) Rodeos; (12) Political rallies; (13) Any event lasting more than 5 days, including otherwise acceptable fundraising events; (14) Any event with liquor provided by the insured if a license is required for such activity; (15) Any activities by third party telemarketing, direct mail, spam, email or internet advertising firms; or (16) Any activity excluded by an endorsement issued by us and made part of this policy. |
|--|--|

Insurance may apply to the aforementioned events if coverage is specifically scheduled to this Policy.

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