

ZBX 9601320 07

**Citizens Insurance Company of America (A Stock Company)  
808 North Highlander Way, Howell, MI 48843-1070  
Commercial Line Policy  
Common Declarations**

CS

Policy Number	Policy Period		Coverage is Provided in the:	Agency Code
	From	To		
ZBX 9601320 07	07/01/2018	07/01/2019	Citizens Insurance Company of America	2509765

**Named Insured and Address :**

**Agent :**

WINONA ORC INDUSTRIES INC 1053 EAST MARK STREET WINONA MN 55987	NORTH RISK PARTNERS LLC  2048 SUPERIOR DRIVE NW ROCHESTER MN 55901
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**Branch :** Minnesota Branch Office

**Policy Period :** From 07/01/2018 To 07/01/2019

12:01 A.M. Standard Time at Your Mailing Address Shown Above.

**Business Description:** HUMAN SERVICE ORGANIZATION

**Legal Entity:** Non Profit

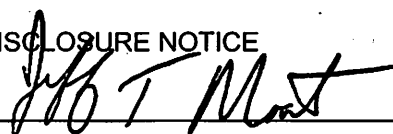
In Consideration of the premium, insurance is provided the Named Insured with respect to those premises described in the attached schedule(s) for which a specific limit of insurance is shown. This is subject to all terms of this policy including Common Policy Conditions. Coverage Parts, Forms and Endorsements may be subject to adjustment and/or a policy minimum premium.

<b>Commercial Property Coverage</b>	\$6,662.00
<b>Commercial General Liability Coverage</b>	\$2,627.00
<b>Cyber Liability Coverage</b>	\$156.00
<b>Professional Liability Coverage</b>	\$1,137.00
<b>Commercial Inland Marine Coverage</b>	Not Covered
<b>Commercial Crime Coverage</b>	\$216.00
<b>Commercial Auto Coverage</b>	Not Covered
<b>Total Surcharges Premium</b>	\$33.31
<b>Additional Premium For Policy Minimum</b>	N/A
<b>** Total</b>	<b>\$10,831.31</b>

**\*\*INCLUDES PREMIUM, IF ANY, FOR TERRORISM; REFER TO DISCLOSURE NOTICE**

Countersigned \_\_\_\_\_

By \_\_\_\_\_




WINONA ORC INDUSTRIES INC

ZBX 9601320 07

NORTH RISK PARTNERS LLC

Full Pay

Group Number ZHE



WINONA ORC INDUSTRIES INC

ZBX 9601320 07

NORTH RISK PARTNERS LLC

**Commercial Lines Surcharges**

Minnesota Fire Safety Surcharge Premium: \$33.31

**Total Minnesota Surcharge Premium: \$33.31**



WINONA ORC INDUSTRIES INC

ZBX 9601320 07

**NORTH RISK PARTNERS LLC**

**Locations of All Premises You Own, Rent or Occupy**

**Location: 1**

1053 EAST MARK STREET  
Winona MN  
55987

**Forms Applicable to all Coverage Parts:**

\*Asterisk denotes new or changed form

<b><u>Form Number</u></b>	<b><u>Edition Date</u></b>	<b><u>Description</u></b>
401-1126	01/15	Notice - Rejection Of Terrorism Coverage and Disclosure of Premium
401-1337	02/16	Trade Or Economic Sanctions Endorsement
* 401-1374	01/15	Offer Disclosure Pursuant To Terrorism Risk Insurance Act
401-1377	12/14	Company Address Listing
IL 00 03	09/08	Calculation of Premium
IL 00 17	11/98	Common Policy Conditions
IL 00 21	09/08	Nuclear Energy Liability Exclusion Endorsement
IL 02 45	09/08	Minnesota Changes - Cancellation And Nonrenewal
IL 09 35	07/02	Exclusion of Certain Computer-Related Losses
IL 09 53	01/15	Exclusion of Certified Acts of Terrorism
* SIG 11 00	11/17	Signature Page



WINONA ORC INDUSTRIES INC

ZBX 9601320 07

NORTH RISK PARTNERS LLC

## Commercial Property Coverage Part Declaration

**Total Property Premium** \$6,662.00

Coverages Provided:

Insurance at the Described Premises applies only for the coverage shown below:

Blanket Building and Contents For Premises

Location 1 - Building 1

<u>Coverage:</u>	<u>Cause of Loss:</u>	<u>Premiums:</u>
Blanket Building and Contents	Special	\$4,724.00
<b>Limit of Insurance:</b>	\$4,972,118	
Replacement Cost		
<b>Coinsurance:</b>	100%	

<u>Blanket</u>	<u>LOC</u>	<u>BLDG</u>	<u>APPLICABLE DEDUCTIBLE</u>	
	ALL	ALL	Windstorm/Hail Deductible	\$500.00
			Theft Deductible	\$500.00
			Other Deductible:	\$500.00

<u>LOC</u>	<u>BLDG</u>	
1	1	<b>Occupancy:</b> Schools - Trade or vocational
		<b>Territory:</b> 850
		<b>Construction:</b> Noncombustible
		<b>Protection Class:</b> 2

<u>LOC</u>	<u>BLDG</u>	<u>Coverage:</u>	<u>Cause of Loss:</u>	<u>Premiums:</u>
1	1	Business Income	Special	\$674.00



WINONA ORC INDUSTRIES INC

ZBX 9601320 07

NORTH RISK PARTNERS LLC

**Commercial Property Coverage Part Declaration**

<b>Limit Of Insurance:</b>	\$465,000.00
<b>Extended Period of Indemnity</b>	60 Days Included
<b>Business Income Time Deductible</b>	72 Hours
<b>Monthly Limit of Indemnity</b>	1/3

<u>LOC</u>	<u>BLDG</u>	<u>DED BY</u> <u>LOC</u>	<u>APPLICABLE DEDUCTIBLE</u>	
1	1		<b>Windstorm/Hail Deductible</b>	\$500.00
			<b>Theft Deductible:</b>	\$500.00
			<b>Other Deductible:</b>	\$500.00

**Additional Premium for Property Minimum :**

N/A

**Miscellaneous/Optional Property Coverages:**
**PREMIUM**

Data Breach	\$59.00
Boiler / Machinery / Equipment Breakdown	\$555.00
Gold Property Broadening Endorsement	\$550.00
Human Services - Property Broadening Endorsement	\$100.00



WINONA ORC INDUSTRIES INC

ZBX 9601320 07

**NORTH RISK PARTNERS LLC****Forms Applicable to Property Coverage Parts:**

\*Asterisk denotes new or changed form

<b><u>Form Number</u></b>	<b><u>Edition Date</u></b>	<b><u>Description</u></b>
* 411-0669	01/15	Data Breach Coverage Form
411-0679	04/10	Associates And Family Members Additional Coverage Endorsement
411-0681	12/09	Identity Theft Resolution Services
411-0793	04/14	Gold Property Broadening Endorsement
411-0803	04/14	Human Services Property Broadening Endorsement
411-0938	01/15	Minnesota Changes - Data Breach Coverage Form
451-0038	11/16	Equipment Breakdown Coverage (Including Electronic Circuitry Impairment)
451-0066	11/16	Important Notice To Policyholders
CP 00 10	10/12	Building and Personal Property Coverage Form
CP 00 30	10/12	Business Income (And Extra Expense) Coverage Form
CP 00 90	07/88	Commercial Property Conditions
CP 01 08	10/12	Minnesota Changes
CP 01 40	07/06	Exclusion of Loss Due to Virus or Bacteria
CP 01 50	10/00	Minnesota Changes - Replacement Cost Personal Property
CP 01 57	07/98	Minnesota Changes - Coinsurance
CP 04 11	10/12	Protective Safeguards
CP 10 30	10/12	Cause of Loss - Special Form
CP 12 21	10/12	Loss Payable Provisions - Minnesota



WINONA ORC INDUSTRIES INC

ZBX 9601320 07

NORTH RISK PARTNERS LLC

### Property Schedule of Additional Interest

Location: 1 Building: 1

Loss Payable

MERCHANTS NATIONAL BANK  
102 EAST THIRD STREET  
PO BOX 248  
WINONA MN 55987

Location: 1 Building: 1

1st Mortgagee

MERCHANTS NATIONAL BANK  
102 EAST THIRD STREET  
PO BOX 248  
WINONA MN 55987





WINONA ORC INDUSTRIES INC

ZBX 9601320 07

**NORTH RISK PARTNERS LLC**

**Commercial General Liability Coverage Part Declaration**

Audit Frequency: Annual

**Limits of Insurance:**

<b>General Aggregate Limit</b>	\$3,000,000
<b>Products-Completed Operations are Included in the General Aggregate Limit</b>	
<b>Each Occurrence Limit</b>	\$1,000,000
<b>Personal and Advertising Injury Limit</b>	\$1,000,000
<b>Damage to Premises Rented to You Limit</b>	\$100,000
<b>Medical Expense Limit, Any One Person</b>	\$10,000
<b>General Liability Deductible:</b>	
<b>Total Advance Commercial General Liability Premium</b>	\$2,627.00

**THIS POLICY CONTAINS AGGREGATE LIMITS; REFER TO SECTION III - LIMITS OF INSURANCE FOR DETAILS**

**Forms Applicable to General Liability Coverage Parts:**

\*Asterisk denotes new or changed form

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
* 401-1395	12/17	Important Notice To Policyholders Limitation Of Coverage To Designated Premises, Project Or Operation Endorsement
421-0022	12/90	Asbestos Liability Exclusion
421-0361	06/15	Other Coverage Amendment
421-0366	07/16	Abuse or Molestation Exclusion
421-0548	09/08	Exclusion - Professional Services
421-0550	09/08	Additional Insured-Human Services Organizations
421-0551	09/08	Special Events Limitation Endorsement
421-0552	07/16	Physical Abuse, Sexual Misconduct Or Sexual Molestation Liability Coverage Endorsement (Occurrence - Separate Aggregate)
421-0555	09/08	Innocent Party Defense Coverage Endorsement
421-0582	09/08	Additional Supplementary Payments Endorsement - Human Services
421-0598	09/08	Supplementary Payments - Image Restoration Endorsement
421-2915	06/15	Commercial General Liability Broadening Endorsement
421-2921	06/15	Commercial General Liability Enhancement Endorsement - Human Services
* 421-4361	11/17	Employee As Client Limitation
* 421-4361	11/17	Employee As Client Limitation
CG 00 01	04/13	Commercial General Liability Coverage Form - Occurrence
CG 01 22	12/07	Minnesota Changes - Contractual Liability Exclusion And Supplementary Payments
* CG 04 35	12/07	Employee Benefits Liability Coverage
CG 21 06	05/14	Exclusion - Access or Disclosure of Confidential or Personal Information and Data-Related Liability - With Limited Bodily Injury Exception



WINONA ORC INDUSTRIES INC

ZBX 9601320 07

NORTH RISK PARTNERS LLC

**Forms Applicable to General Liability Coverage Parts:**

\*Asterisk denotes new or changed form

<b><u>Form Number</u></b>	<b><u>Edition Date</u></b>	<b><u>Description</u></b>
CG 21 47	12/07	Employment - Related Practices Exclusion
CG 21 55	09/99	Total Pollution With a Hostile Fire Exception
CG 21 67	12/04	Fungi or Bacteria Exclusion
CG 21 73	01/15	Exclusion of Certified Acts of Terrorism
CG 21 96	03/05	Silica or Silica-Related Dust Exclusion
CG 22 67	10/93	Corporal Punishment
CG 26 05	02/07	Minnesota Changes
CG 26 81	12/04	Minnesota Changes - Duties Condition



WINONA ORC INDUSTRIES INC

ZBX 9601320 07

**NORTH RISK PARTNERS LLC**
**Commercial General Liability Classification Schedule Declaration**

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
1	MN	502	47474	334	160 Each Student	Each	3.897	\$624.00

Products – Completed Operations are Included in the General Aggregate Limit

Schools trade or vocational

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
1	MN	502	47469	334	40 Faculty Members	Each	3.075	\$123.00

Products – Completed Operations are Included in the General Aggregate Limit

Schools faculty liability for corporal punishment of students

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
1	MN	502	47147	334	\$22,360 Receipts (Sales)	1,000	3.426	\$77.00

Products – Completed Operations are Included in the General Aggregate Limit

Recycling Collection Centers Not-For-Profit only

<u>LOC</u>	<u>ST</u>	<u>TERR</u>	<u>CODE</u>	<u>SUBLINE</u>	<u>PREMIUM BASIS</u>	<u>PER</u>	<u>RATE</u>	<u>ADVANCE PREMIUM</u>
1	MN	502	45678	334	\$267,800 Receipts (Sales)	1,000	.258	\$69.00

Products – Completed Operations are Included in the General Aggregate Limit

Laundries and Dry Cleaning Plants

**Miscellaneous/Optional General Liability Coverages**
**Advance Premium**

Employee Benefits Coverage \$316.00

CGL Enhancement - Human Services \$250.00

Physical Abuse, Sexual Misconduct or Sexual Molestation Liability -  
Occurrence - Separate Aggregate \$1,168.00

Additional Premium for Coverage Minimum:

N/A

**Total Advance General Liability Premium**
**\$2,627.00**
**Subline 334 Premises and Operations**
**Subline 336 Products and/or Completed Operations**


## CYBER DECLARATIONS

### CLAIMS-MADE WARNING

THIS COVERAGE PART INCLUDES COVERAGES WRITTEN ON A CLAIMS-MADE BASIS SUBJECT TO ITS TERMS. CLAIMS-MADE COVERAGE APPLIES ONLY TO "CLAIMS" FIRST MADE AGAINST THE "INSUREDS" DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD. PLEASE READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS.

### "DEFENSE EXPENSES" WITHIN LIMITS AND DEDUCTIBLE

THE LIMITS OF LIABILITY WILL BE REDUCED AND CAN BE COMPLETELY EXHAUSTED BY THE PAYMENT OF COVERED "DEFENSE EXPENSES". IN THE EVENT THAT THE LIMIT OF LIABILITY IS EXHAUSTED, THE "INSURER" SHALL NOT BE LIABLE FOR "DEFENSE EXPENSES", JUDGMENTS OR SETTLEMENTS IN EXCESS OF THE APPLICABLE LIMIT. INSURING AGREEMENTS A. AND B. ARE SUBJECT TO DEDUCTIBLE AMOUNTS STATED IN THE DECLARATIONS. AMOUNTS INCURRED FOR "DEFENSE EXPENSES" ARE SUBJECT TO THE APPLICABLE DEDUCTIBLE.

Policy Number	Coverage is provided by:
ZBX 9601320 07	<b>Citizens Insurance Company of America</b> <i>(A Stock Company)</i> 808 North Highlander Way Howell, MI 48843-1070
<b>Item 1. NAMED INSURED:</b> WINONA ORC INDUSTRIES INC 1053 EAST MARK STREET WINONA MN 55987	
<b>Item 2. POLICY PERIOD</b> Inception Date: 07/01/2018      Expiration Date: 07/01/2019 (12:01 AM standard time at the address shown in Item 1.)	
<b>Item 3. AGGREGATE LIMIT OF LIABILITY FOR THIS COVERAGE PART</b>	
Maximum Aggregate Limit of Liability	\$100,000

<b>Item 4. INSURING AGREEMENTS</b>			
<b>Prior and Pending Proceedings Date:</b>		07/01/2016	
<b>Retroactive Date:</b>		07/01/2016	
<b>Insuring Agreement</b>	<b>Limits of Liability</b>	<b>Deductible</b>	<b>Premium</b>
A. Privacy and Security Liability	\$100,000	\$5,000	\$78
B. Cyber Media Liability	\$100,000	\$5,000	\$78
<b>Item 5. PREMIUM FOR COVERAGE PART</b>			\$156
<b>Item 6. FORMS OR ENDORSEMENTS ATTACHED AT ISSUE:</b>			
<u><b>Form Number</b></u>	<u><b>Edition Date</b></u>	<u><b>Name</b></u>	
850-0001	01/15	Cyber Coverage Part	
850-0045	01/15	Minnesota Amendatory Endorsement	

*Underwritten by: Citizens  
Insurance Company of*

## DECLARATIONS HUMAN SERVICES PROFESSIONAL LIABILITY COVERAGE OCCURRENCE

<b>Policy Number:</b> ZBX 9601320 07	<b>Policy Period:</b> From: 07/01/2018 To: 07/01/2019  12:01 A.M. Standard Time at the address of the <b>First Named Insured</b> as stated herein	<b>Agent Name and Address:</b> NORTH RISK PARTNERS LLC 2048 SUPERIOR DRIVE NW ROCHESTER MN 55901
<b>Underwriting Company:</b> Citizens Insurance Company of America <b>Address:</b> 440 Lincoln Street, Worcester MA 01605		

**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.**

<b>Item 1. Named Insured And Address:</b>	WINONA ORC INDUSTRIES INC  1053 EAST MARK STREET WINONA MN 55987								
<b>Item 2. Form of Business:</b>  <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> Individual</span> <span><input type="checkbox"/> Partnership</span> <span><input type="checkbox"/> Corporation</span> <span><input type="checkbox"/> Limited Liability Company</span> </div> <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> Joint Venture</span> <span><input type="checkbox"/> Organization (Other than Partnership or Limited Liability Company)</span> </div> <p><b>Business Description:</b> HUMAN SERVICE ORGANIZATION</p>									
<b>Item 3. HUMAN SERVICES PROFESSIONAL LEGAL LIABILITY COVERAGE</b> <b>LIMITS OF INSURANCE:</b> <table style="width: 100%; margin-top: 5px;"> <tr> <td>Human Services Professional Each "Wrongful Act" Limit</td> <td style="text-align: right;">\$1,000,000</td> </tr> <tr> <td>Human Services Professional Aggregate Limit</td> <td style="text-align: right;">\$3,000,000</td> </tr> <tr> <td>Deductible</td> <td style="text-align: right;">None</td> </tr> <tr> <td>Deductible Type</td> <td style="text-align: right;">NA</td> </tr> </table>		Human Services Professional Each "Wrongful Act" Limit	\$1,000,000	Human Services Professional Aggregate Limit	\$3,000,000	Deductible	None	Deductible Type	NA
Human Services Professional Each "Wrongful Act" Limit	\$1,000,000								
Human Services Professional Aggregate Limit	\$3,000,000								
Deductible	None								
Deductible Type	NA								
<table style="width: 100%;"> <tr> <td><b>Estimated Annual Premium:</b></td> <td style="text-align: right;"><b>\$1,137</b></td> </tr> <tr> <td><b>Annual Minimum Premium:</b></td> <td style="text-align: right;"><b>\$</b></td> </tr> <tr> <td><b>Advance Premium:</b></td> <td style="text-align: right;"><b>\$</b></td> </tr> </table>		<b>Estimated Annual Premium:</b>	<b>\$1,137</b>	<b>Annual Minimum Premium:</b>	<b>\$</b>	<b>Advance Premium:</b>	<b>\$</b>		
<b>Estimated Annual Premium:</b>	<b>\$1,137</b>								
<b>Annual Minimum Premium:</b>	<b>\$</b>								
<b>Advance Premium:</b>	<b>\$</b>								
<div style="margin-bottom: 5px;"> <input checked="" type="checkbox"/> <b>PREPAID</b> – the total annual premium is due at inception.         </div> <div style="margin-bottom: 5px;"> <input type="checkbox"/> <b>HANOCASH</b> – the annual premium is payable according to the term of the Hanocash endorsement attached.         </div> <div style="display: flex; justify-content: space-between; margin-bottom: 5px;"> <span><input type="checkbox"/> <b>ACCOUNT BILL</b></span> <span><input type="checkbox"/> <b>DIRECT BILL</b></span> <span><input type="checkbox"/> <b>Annual</b></span> <span><input type="checkbox"/> <b>Semi-Annual</b></span> <span><input type="checkbox"/> <b>Other</b></span> </div> <div>             Audit period:    Non Auditable unless indicated by    <input checked="" type="checkbox"/> <b>Annual</b>    <input type="checkbox"/> <b>Semi-Annual</b>    <input type="checkbox"/> <b>Other</b> </div>									



**FORMS AND ENDORSEMENTS**

Forms and Endorsements applying to this Coverage Part and made a part of this policy:

Form Number:	Edition Date:	Title:
* 421-0542	06/18	Human Services Professional Liability Coverage Occurrence
* 421-0613	06/18	Minnesota Changes - Human Services
* 421-4279	06/18	Notice to Policy Holders - Human Services
* 421-4353	06/18	Exclusion - Nurse Practitioner

**Notice of a Claim:**

Report any "wrongful act" which may result in a "claim" to the Company as required by **SECTION V – CONDITIONS, C. Duties in the Event of "Wrongful Act", "Claim", or "Suit"** to:

The Hanover Insurance Company  
P.O. Box 15145  
Worcester, MA 01615

**National Claims Telephone Number:** 800-628-0250

**Facsimile:** 800-399-4734

**Email:** firstreport@hanover.com

**Agent's Signature**

(required in the state of Florida):

(may be electronic scripted signature)

**THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.**

WINONA ORC INDUSTRIES INC

ZBX 9601320 07

NORTH RISK PARTNERS LLC

## Crime Declaration

**Total Crime Premium** \$216.00

### Coverages Provided:

<u>LOC</u>	<u>BLDG</u>	<u>Type of Coverage</u>	<u>Premium</u>
		Employee Theft Insuring Agreement	\$196.00
		Limit	\$150,000.00
		Deductible	\$500.00
		Blanket/Schedule	Blanket
		Ratable Employees	7
		ERISA Plan name	N/A
		ERISA Total Asset Value	N/A
<u>LOC</u>	<u>BLDG</u>	<u>Type of Coverage</u>	<u>Premium</u>
		Inside the Premises-Theft of Money and Securities Insuring Agreement	\$18.00
		Limit	\$10,000.00
		Deductible	\$500.00
		Blanket/Schedule	Blanket
		Ratable Employees	N/A
		ERISA Plan name	N/A
		ERISA Total Asset Value	N/A
<u>LOC</u>	<u>BLDG</u>	<u>Type of Coverage</u>	<u>Premium</u>
		Outside The Premises	\$2.00
		Limit	\$10,000.00
		Deductible	\$500.00
		Blanket/Schedule	Blanket
		Ratable Employees	N/A
		ERISA Plan name	N/A
		ERISA Total Asset Value	N/A

**Additional for Coverage Minimum Premium** N/A

**Total Crime Premium** \$216.00

## Forms Applicable to Crime Coverage Parts:

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
CR 00 20	05/06	Commercial Crime Coverage Form (Discovery Form)
CR 01 25	08/07	Minnesota Changes
CR 02 20	08/07	Minnesota Changes





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

**In Witness Whereof**, this company has caused this policy to be signed by its President and Secretary and countersigned on the declarations page, where required, by a duly authorized agent of the company.

A handwritten signature in cursive script, appearing to read "John C. Roche", enclosed within a rectangular box.

John C. Roche  
President

A handwritten signature in cursive script, appearing to read "Charles F. Cronin".

Charles Frederick Cronin  
Secretary

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## DATA BREACH COVERAGE FORM

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this coverage form the words "we", "us" and "our" refer to the Company providing this insurance. The words "you" and "your" refer to the Named Insured shown in the Declarations. Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION F – DEFINITIONS**.

### SCHEDULE

<b>Data Breach Coverage Aggregate Limit of Insurance</b>	<b>\$ 10,000</b>
<b>Data Breach Expense Coverages Aggregate Sublimit of Insurance</b>	<b>\$ 10,000</b>
<b>Additional Expense Coverages Aggregate Sublimit of Insurance</b>	<b>\$ 10,000</b>
<b>Data Breach Coverage Deductible</b>	<b>\$ 1,000</b>
<b>Cyber Business Interruption Waiting Period Deductible</b>	<b>24 Hours</b>
<b>Premium:</b>	<b>\$ 59</b>

### SECTION A – COVERAGES

We will provide Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages as described below if you have a "data breach" that:

- a. Is discovered during the "policy period" of this Data Breach Coverage Form; and
- b. Is reported to us within 30 days of your discovery of the "data breach".

#### 1. Data Breach Services, Data Breach Expense Coverages, Additional Expense Coverages

##### a. Data Breach Services

##### (1) Consulting Services

If you contact our Designated Service Provider, they will provide Consulting Services to assist you with:

- (a) Notification requirements pursuant to "breach notice laws";
- (b) Drafting your notification letters; and
- (c) Media interface and press release drafting.

##### (2) Help Line

Provide a toll-free telephone line for "potentially-identified persons" with questions about the "data breach".

##### (3) Fraud Alert

A "potentially-identified person" who contacts our Designated Service Provider can place a Fraud Alert on his or her credit file(s) with the main

credit bureaus warning potential credit grantors to check with the "potentially-identified person" before extending credit in his or her name or on his or her behalf.

##### (4) Identity Restoration Case Management

An "identified person" who contacts our Designated Service Provider will be assisted by an identity restoration professional to help to correct his or her credit and other records and to restore control over his or her personal identity.

These Data Breach Services will be provided by our Designated Service Provider, as described in Paragraphs **15. and 16. of Section E. Conditions**, for a period of one year from the date the Data Breach Services are initiated.

Data Breach Services are only available if the jurisdiction or country where the "potentially-identified person" resides maintains "breach notice law" and, in the case of Fraud Alert, an operative credit monitoring service.

##### b. Data Breach Expense Coverages

We will pay your reasonable and necessary expenses incurred for the following Covered Expenses up to the limits of insurance described in **Section C – Limits of Insurance**:

##### (1) Notification to Potentially-Identified Persons – expenses to provide



notification of the "data breach" to "potentially-identified persons":

- (a) As required by applicable "breach notice law"; or
- (b) If reasonably necessary to maintain your business.

Covered expenses include the printing, postage and handling of notification letters or other means of disclosing the breach to "potentially-identified persons".

**(2) Forensic Analysis** – expenses to assess:

- (a) The severity of the "data breach";
- (b) The nature and extent of the "data breach";

Forensic Analysis expenses do not include the cost of restoration.

**(3) Proactive Monitoring Services Expense Coverage** – Expenses for "proactive monitoring services" provided to "potentially-identified persons" in jurisdictions or countries with operative credit monitoring services as provided through our Designated Service Provider.

Under this coverage we will only pay for expenses that you incur through our Designated Service Provider.

Services provided for Covered Expenses provided in **b.(1), b.(2)** and **b.(3)** above must be approved by us as described in **SECTION E – CONDITIONS, Paragraph 15. Service Providers.**

**(4) Breach Restoration Expenses**

We will pay "Breach Restoration Expenses" directly resulting from a "data breach" which is first discovered during the "policy period" and which results in the damage, deletion or destruction of "data" owned by you or for which you are legally liable.

**(5) Cyber Business Interruption and Extra Expense**

We will pay actual loss of "business income" and additional "extra expense" incurred by you during the "period of restoration" directly resulting from a "data breach" which is first discovered during the "policy period" and which results in an actual impairment or denial of service of

"business operations" during the "policy period".

**c. Additional Expense Coverages**

We will pay your reasonable and necessary expenses incurred for the following Additional Expense Coverages. These expenses are subject to the limits of insurance described in **Section C – Limits of Insurance.**

**(1) Legal Services** – expenses incurred within the first six months following the discovery and reporting of a "data breach" as provided in this Section for approved outside professional legal counsel review and recommendations as to how you should respond to it, including final legal review of the proposed breach notification letter(s). However, we will not pay for expenses for legal counsel to review any third party liability litigation or notification of potential litigation.

**(2) Public Relations** – expenses incurred within the first six months following the discovery and reporting of a "data breach" as provided in this Section for approved outside public relations firm or crisis management firm recommendations for restoring the confidence of your customers and investors in the security of your company and its systems.

**(3) Third Party "Data Breach"** – expenses for notification to "potentially-identified persons" with whom you have a direct relationship when a "data breach" is sustained by a third party to whom you have sent "private personal data" to be under that third party's care, custody and control. This includes a "data breach" that occurs while transmitting or transporting the data to that third party. Covered expenses for this Additional Covered Expense are limited to the printing, postage and handling of notification letters to "potentially-identified persons".

Service providers for Additional Expense Coverage provided in paragraphs **c.(1), c.(2)** and **c.(3)** must be approved by us as described in **SECTION E – CONDITIONS, Paragraph 15. Service Providers.**

**(4) Data Breach Ransom Coverage** – monies extorted from and paid by you because or a threat or connected

series of threats to commit an intentional attack on your computer systems that if so committed, would result in a "data breach". This Data Breach Ransom Coverage is subject to the following conditions:

- (a) You must receive approval from us prior to the payment of any monies;
- (b) Any monies paid must only be to terminate or end the threat;
- (c) The threat must be one which, if carried out, would have led to a "data breach" that would have been covered under this Coverage Form had the monies not been paid;
- (d) The threat must have been made during the coverage period of this Data Breach Coverage Form;
- (e) The applicable Federal, state and/or local law enforcement authority was notified of the threat prior to any payment you make for which you are seeking reimbursement under this Additional Expense Coverage;
- (f) The threat must not have been committed by any of your employees or former employees, vendors or independent contractors hired by you;
- (g) You must make every reasonable effort not to divulge the existence of this Data Breach Ransom Coverage; and
- (h) You agree to keep confidential any amounts paid under this Data Breach Ransom Coverage except for any disclosure we approve in advance of that disclosure.

- (5) **Data Breach Reward Coverage** – monies you pay for information leading to the arrest and conviction of any individual(s) who committed an illegal act(s) related to a "data breach" covered under this Coverage Form.

However, we will not pay for information that was provided by:

- (a) You;
- (b) Your internal or external auditors;
- (c) Any vendor or independent contractor hired by you;

- (d) Any individual or firm hired by you to investigate the illegal act described above; or
- (e) Any individual(s) with supervisory or management responsibility of any of the individual(s) described above.

#### (6) **Data Breach Investigations**

We will pay "defense expenses" directly resulting from a "regulatory investigation" regarding a "data breach" first discovered by you during the "policy period".

#### (7) **Data Breach Theft**

We will pay for loss resulting directly from your transfer, payment, or delivery of funds due to the fraudulent input of "data" directly into your "system" or through a "network" into your "system". Loss must first be discovered by you during the "policy period".

### **SECTION B – EXCLUSIONS**

1. The following exclusions apply to Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages.

This insurance does not apply to:

#### **a. Costs to Research or Correct Deficiencies**

Any costs to research any deficiency, except as specifically provided under **SECTION A – COVERAGES**, Paragraph 1.b.(2) **Forensic Analysis**, or any costs to correct any deficiency.

This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a "data breach".

#### **b. Criminal Investigation or Proceedings**

Any costs arising out of criminal investigations or proceedings.

#### **c. Fines, Penalties or Assessments**

Any "fines, penalties, fees or assessments". This includes but is not limited to fees or surcharges from financial institutions.

#### **d. Defense or Legal Liability**

Any fees, costs, settlements, judgments, or liability of any kind arising in the course of, or as a result of a claim for damages, lawsuit, administrative proceedings, or governmental investigation against or involving you, except as provided under **SECTION A – COVERAGES**, Paragraph 1.c.(6) **Data Breach Investigations**.



**e. Other Economic Costs**

Any other costs or expenses not expressly provided for under Data Breach Services, Data Breach Expense Coverages and Additional Expense Coverages provided in Paragraphs 1.a. through 1.c. Costs or expenses that we do not cover include but are not limited to expense to reissue credit or debit cards.

**f. Consequential Loss**

Any costs, or any other loss, caused by or resulting from delay, loss of use, loss of existing or prospective markets or any other consequential loss. This exclusion does not apply to **SECTION A – COVERAGES**, Paragraph 1.b.(5) **Cyber Business Interruption and Extra Expense**.

**g. Contractually Assumed Liability**

Legal obligations arising by reason of assumption of liability in a contract or agreement.

**h. Victim Expenses or Losses**

Costs or losses incurred by a victim of "data breach" or fraud activity except as provided for under Data Breach Services, Data Breach Expense Coverages and Additional Expenses Coverages provided in Paragraphs 1.a. through 1.c.

**i. Alternative Travel Arrangements or Fees**

Payment of alternative travel arrangements or additional fees.

**j. Psychological Counseling**

Psychological counseling for victims of a "data breach" or fraud activity.

**k. Legal Advice or Services**

Legal advice or other legal services, except as provided by the Legal Services Additional Expense Coverage, Paragraph 1.c.(1).

**l. Information Recapture**

Any costs or losses for the recapture of lost, stolen or destroyed information.

**m. Dishonesty**

Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of law by you, any of your partners, directors or trustees:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

**n. Governmental Action**

Seizure or destruction of property by order of governmental authority. Such loss or damage

is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

**o. Intentional or Willful Complicity**

Your intentional or willful complicity in a "data breach".

**p. Prior Discovery**

Any "data breach" discovered prior to the inception of this Data Breach Coverage Form.

**q. Threats, Extortion or Blackmail**

Any threat, extortion or blackmail including but not limited to, ransom payments and private security assistance except as provided in the Data Breach Ransom Coverage Additional Expense Coverage under Paragraph 1.(c)(4).

**r. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

**s. War and Military Action**

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. The following exclusions apply to Breach Restoration Expenses, Cyber Business Interruption and Extra Expense, Data Breach Investigations, and Data Breach Theft only.

This insurance does not apply to:

**a. Investigations**

Costs, fees or expenses incurred or paid by you in establishing the existence of, or amount of loss, damage or expense.

**b. Non-monetary Relief**

Costs of compliance with any order for, grant of or agreement to provide non-monetary relief, including injunctive relief.

**c. Potential Income**

Potential income including interest and dividends not realized by you; however, this Exclusion shall not apply to loss of "business income" as provided under **SECTION A –**

**COVERAGES, Paragraph 1.b.(5) Cyber Business Interruption and Extra Expense.**

**d. Return of Payments**

Return of fees, charges, commissions or other compensation paid to you.

**e. System Changes**

Costs or "expenses" incurred to replace, upgrade, update, improve, or maintain a "system".

**f. Uniform Commercial Code**

Loss, damage, costs or "expenses" you agree to incur or incur on behalf of another natural person or entity when you are not obligated to incur such loss, costs or "expenses" under the Uniform Commercial Code or any other law, statute, rule or code anywhere in the world, including the rules or codes of any clearing or similar entity. This Exclusion does not apply to **SECTION A – COVERAGES, Paragraph 1.b.(5) Cyber Business Interruption and Extra Expense.**

**SECTION C – LIMITS OF INSURANCE**

1. The most we will pay for all Data Breach Expense Coverages and Additional Expense Coverages combined is the Data Breach Coverage Aggregate Limit of Insurance shown in the **SCHEDULE** of this Data Breach Coverage Form. The Data Breach Coverage Aggregate Limit of Insurance is an annual aggregate limit and is the most we will pay for the total of the covered losses and expenses for all "data breach" events discovered by you during the current "policy period" regardless of the number of "data breach" events.
2. The Data Breach Expense Coverages Aggregate Sublimit of Insurance shown in the **SCHEDULE** of this Data Breach Coverage Form is the most we will pay under all Data Breach Expense Coverages combined for the total of all covered losses and expenses arising out of all "data breach" events during the "policy period" regardless of the number of "data breach" events. The Data Breach Expense Coverage Aggregate Sublimit of Insurance is part of, and not in addition to, the Data Breach Coverage Aggregate Limit of Insurance
3. The Additional Expense Coverages Aggregate Sublimit of Insurance shown in the **SCHEDULE** of this Data Breach Coverage Form is the most we will pay under all Additional Expense Coverages combined for the total of all covered losses and expenses for all "data breach" events during the "policy period" regardless of the number of "data breach" events. The Additional Expense Coverages Aggregate Sublimit of Insurance is part of, and not in addition to, the Data Breach Coverage Aggregate Limit of Insurance.

4. Regardless of the number of years this Data Breach Coverage Form remains in force or the number of premiums paid, no limits of insurance cumulate from this "policy period" to subsequent "policy periods".

**5. Discovery Policy Period Limits Apply**

A "data breach" may be first discovered by you in one "policy period", but cause covered loss or expenses in one or more subsequent "policy periods". If so, all covered loss or expenses for the "data breach" will be limited to the Data Breach Coverage Aggregate Limit of Insurance, the Data Breach Expense Coverages Aggregate Sublimit of Insurance and the Additional Expense Coverages Aggregate Sublimit of Insurance described respectively in Paragraphs 1., 2. and 3. above that are applicable to the "policy period" when the "data breach" was first discovered by you.

**6. Time Limits**

- a. You must report a "data breach", to us on or within 30 days of your discovery of the "data breach".
- b. You have up to one year from the date of reporting a "data breach", to initiate the services afforded to you.
- c. A "potentially-identified person" has up to one year from the date he or she receives notification of a "data breach" to initiate the services afforded to him or her.
- d. Once initiated, the services afforded to a "potentially-identified person" will continue for one year.
- e. Data Breach Services under **Section A – Coverages, Paragraph 1.a.** will be provided by our Designated Service Provider for a period one year from the date the Data Breach Services are initiated.

**SECTION D – DEDUCTIBLE**

The Data Breach Expense Coverages and Additional Expense Coverages provided under this Coverage Form are subject to the Data Breach Coverage Deductible shown in the **SCHEDULE** of this Coverage Form. The Data Breach Coverage Deductible applies to covered loss and expense arising out of each "data breach". Our obligation to make payments under Data Breach Expense Coverages and Additional Expense Coverages applies only to that part of covered loss and expense arising out of a single "data breach" event which is in excess of the Data Breach Coverage Deductible.

The Data Breach Coverage Deductible does not apply to **SECTION A –COVERAGES, paragraph 1.b.(6) Cyber Business Interruption and Extra Expense.** Losses payable under Cyber Business Interruption and Extra Expense are subject to the Cyber Business



Interruption Waiting Period Deductible shown on the **SCHEDULE** of this Coverage Form.

## SECTION E – CONDITIONS

### 1. Duties in the Event of a Data Breach.

You must see that the following are done in the event of a "data breach":

- a. Notify the police if a law may have been broken.
- b. Give us prompt notice of the "data breach". As stated in **SECTION A – COVERAGES**, paragraph b., you must report the "data breach" to us within 30 days of the date you first discover it.
- c. As soon as possible, give us, and/or our Designated Service Provider, a description of how, when and where the "data breach" occurred, including all of the following information as it becomes known to you:
  - (1) The method of "data breach";
  - (2) The approximate date and time of the "data breach";
  - (3) The approximate number of "potentially-identified persons" compromised as a result of the "data breach";
  - (4) A detailed description of the type and nature of the information that was compromised;
  - (5) Whether or not the information was encrypted, and, if so, the level of encryption;
  - (6) Whether or not law enforcement has been notified;
  - (7) If available, the states in which the "potentially-identified persons" are domiciled;
  - (8) If available, who received the "private personal data" as a result of the "data breach"; and any other access, information or documentation we reasonably require to investigate or adjust your claim.
- d. Take all reasonable steps to protect "private personal data" remaining in your care, custody or control.
- e. Preserve all evidence of the "data breach".
- f. Permit us to inspect the property and records proving the "data breach".
- g. If requested, permit us to question you under oath at such times as may be reasonably required about any matter relating to this insurance or your claim, including your books and records. In such event, your answers must be signed.

- h. Send us a signed, sworn statement containing the information we request to investigate the claim. You must do this within 30 days after our request. We will supply you with the necessary forms.
- i. Cooperate with us in the investigation or settlement of the claim.

### 2. Concealment, Misrepresentation or Fraud

This coverage is void in any case of fraud by you as it relates to this Data Breach Coverage Form. It is also void if you intentionally conceal or misrepresent a material fact concerning this Coverage Form or a claim under this Coverage Form.

### 3. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

### 4. Two or More Coverage Parts, Forms, Endorsements or Policies Issued By Us

It is our stated intent that the various coverage parts, forms, endorsements or policies issued to you by us or any company affiliated with us do not provide any duplication or overlap of coverage for the same loss, damage, expense or "data breach". If this coverage form and any other coverage part, form, endorsement or policy issued to you by us or any company affiliated with us apply to the same loss, damage, expense, or "data breach"; the maximum Limit of Insurance under all such coverage parts, forms, endorsements or policies combined shall not exceed the highest applicable Limit of Insurance under any one coverage part, form, endorsement or policy.

If two or more of the coverages provided under this coverage form apply to the same loss, damage, expense or "data breach"; we will not pay more than the actual amount of the loss, damage or expense.

### 5. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date of the "data breach" is first discovered by you.

### 6. Liberalization

If we adopt any revision that would broaden the coverage under this Data Breach Coverage Form

without additional premium within 45 days prior to or during the "policy period", the broadened coverage will immediately apply to this coverage form.

#### 7. No Benefit to Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

#### 8. Other Insurance

- a. If you may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Data Breach Coverage Form, we will pay only our share of the covered loss, damage or expense. Our share is the proportion that the applicable Limit of Insurance under this Coverage Form bears to the Limits of Insurance of all insurance covering on the same basis.
- b. If there is other insurance covering the same "data breach", other than that described in a. above, we will pay only for the amount for Data Breach Services, Data Breach Expense Coverages, and Additional Expense Coverages in excess of the amount due from that other insurance. We will not pay more than the applicable Limit of Insurance shown in the **SCHEDULE**.

#### 9. Policy Period, Coverage Territory

Under this Endorsement:

##### a. Policy Period

This policy applies only to "data breaches" that are first discovered by you during the "policy period".

##### b. Coverage Territory

Coverage applies anywhere in the world, provided that no trade or economic sanction, embargo, insurance or other laws or regulations prohibit the "insurer" from covering the loss. The "data breach" must involve "private personal data" that was within your care, custody or control.

Data Breach Services are only available in jurisdictions or countries that maintain "breach notice law" and, in the case of Fraud Alert, an operative credit monitoring service.

#### 10. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you

may waive your rights against another party in writing:

- a. Prior to a loss.
- b. After a loss only if, at time of loss, that party is one of the following:
  - (1) Someone insured by this insurance;
  - (2) A business firm:
    - (a) Owned or controlled by you; or
    - (b) That owns or controls you; or
- c. Your tenant.

This will not restrict your insurance.

#### 11. Cancellation

With regard to the cancellation of this policy, the provisions outlined in the Common Policy Conditions, Businessowners Coverage Part, Technology Professional Advantage, the Technology Professional Advantage Plus, whichever are included in the policy, shall apply and will automatically include the non-renewal or cancellation of this coverage form. You agree that no further notice regarding termination of this Coverage Form will be required.

#### 12. Due Diligence

You agree to use due diligence to prevent and mitigate loss covered under this Coverage Form. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for providing and maintaining the following:

- a. Physical security for your premises, computer systems and hard copy files;
- b. "Computer" and Internet security;
- c. Periodic backups of computer data;
- d. Protection, including but not limited to, encryption of data, for transactions such as processing credit card, debit card and check payments; and
- e. Disposal of files containing "personal private data", including but not limited to shredding hard copy files and destroying physical media used to store "data".

#### 13. No Legal Advice Provided

We are not your legal advisor and do not provide legal counsel to you. None of the services we provide under this Coverage Form constitute legal advice to you by us. Our determination of what is or is not covered under this Coverage Form does not represent legal advice or counsel from us about what you should or should not do.

#### 14. Pre-Notification Consultation

You agree to consult with us prior to the issuance of notification to "potentially-identified persons". We assume no responsibility under this Coverage





Form for any services promised to “potentially-identified persons” without our prior agreement. You must provide the following at our pre-notification consultation with you:

- a. The exact list of “potentially-identified persons” to be notified, including contact information.
- b. Information about the “data breach” that may appropriately be communicated with “potentially-identified persons”.

#### 15. Service Providers

- a. We will only provide Data Breach Services through our Designated Service Provider(s). Any such services that are provided by any other individual or entity will not be covered by this Coverage Form.
- b. We will only pay Data Breach Expense Coverages and Additional Expense Coverages (except for Data Breach Ransom Coverage and Data Breach Reward Coverage) that are provided by service providers approved by us prior to the start of any of these services. If we suggest a service provider(s) but you prefer to use an alternative service provider(s), our coverage is subject to the following limitations:
  - (1) Such alternate service provider(s) must be approved by us; and
  - (2) Our payment for services provided by any alternative service provider(s) will not exceed the amount that we would have paid using the service provider we had suggested.
- c. You will have a direct relationship with any service provider, including our Designated Service Provider, paid for in whole or in part under this Coverage Form. All service providers work for you.

#### 16. Data Breach Services

The following conditions apply with respect to any data breach services provided to you or to any “potentially-identified person” or “identified person” by our designees or any service firm paid for under this Data Breach Coverage Form:

- a. The effectiveness of data breach services depends on your cooperation and assistance.
- b. All data breach services may not be available or applicable to all “potentially identified persons” or “identified persons”. For example, “potentially identified persons” who are minors or foreign nationals may not have credit records that can be provided or monitored.
- c. We do not warrant or guarantee that the data breach services paid for in whole or in part by this Coverage Form will end or eliminate all

problems associated with a covered “data breach”.

- d. We are not liable for any act or omission by any Designated Service Provider who is not our employee nor the employee of a third party provider of the data breach services described in this Coverage Form. We cannot be held responsible for failure to provide or for the delay in providing services when such failure or delay is caused by conditions beyond our control
- e. Data Breach Services are only available in jurisdictions or countries that maintain “breach notice law” and, in the case of Fraud Alert, an operative credit monitoring service.

#### 17. Cooperation

You agree to cooperate with and provide full disclosure of the circumstances surrounding a “data breach” to applicable federal or state regulators, law enforcement personnel, to us, and to our Designated Service Provider(s).

If you fail to cooperate, we will not be obliged under this contract for any services and expenses that cannot be provided due to your failure to cooperate.

#### 18. Appraisal

If we and you disagree on the amount of net income, operating expense or loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of the net income, operating expense and loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

#### SECTION F – DEFINITIONS

##### 1. Account Takeover

“Account takeover” means the takeover by a third party of one or more existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit in the name of an “identified person”.

##### 2. Breach Notice Law

“Breach Notice Law” means any federal, state, local or foreign privacy legislation, regulation and

their functional equivalent that requires an entity to provide notice to affected natural persons or data protection authorities regarding any actual or potential unauthorized access to "private personal data".

### 3. Breach Restoration Expenses

"Breach Restoration Expenses" means the reasonable cost of the blank "media" and the reasonable cost of labor for the actual transcription or copying of "data" or "media" in order to reproduce such "data" or replace such "media" from "data" and/or media of comparable kind or quality.

### 4. Business Income

"Business Income" means your:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if there had been no impairment or denial of "business operations" due to a covered "data breach" and
- b. Continuing normal operating expenses incurred, including payroll.

"Business income" does not include interest or investment income.

### 5. Business Operations

"Business Operations" means your usual and regular business activities.

### 6. Computer

"Computer" means a device or group of hardware devices on which software, applications, script, code and "computer" programs containing "data" can be operated and viewed.

### 7. Cyber Attack

"Cyber Attack" means the transmission of fraudulent or unauthorized "data" that is intended to and successfully modifies, alters, damages, destroys, deletes, records, transmits, or consumes information within a "system" without authorization, including "data" that is self-replicating or self-propagating, and which causes the disruption of the normal operation of a "system".

### 8. Data

"Data" means a representation of information, knowledge, facts, concepts or instructions which are being processed or have been processed in a "computer".

### 9. Data Breach

"Data breach" means:

- a. The loss, theft, accidental release or accidental publication of "private personal data" entrusted to you as respects one or more "potentially-identified persons" if such loss, theft, accidental release or accidental

publication has or could reasonably result in the fraudulent use of such information;

- b. Failure to protect "private personal data" including a "Cyber Attack" on your "system" or the actions of a "rogue employee" which directly results in the unauthorized disclosure of "private personal data";
- c. The theft or negligent loss of hardware, "media", "system output", "data" or other documents owned or controlled by you, or on your behalf, on which "private personal data" is stored or recorded;
- d. The failure or violation of the security of your "system" including the impairment or denial of access to your "system", including a "Cyber Attack" or unauthorized acts or omissions by a "rogue employee" which damages or harms your "system" or the "system" of a third party for whom you provide "services" for a fee;
- e. The theft or loss of hardware or "media" controlled by you, or on your behalf, on which "data" is stored;
- f. Disposal or abandonment of "private personal data" without appropriate safeguards such as shredding or destruction, subject to the following provisions:
  - (1) Your failure to use appropriate safeguards must be accidental and not intentional, reckless or deliberate and not in violation of your Due Diligence obligations under Paragraph 2. **Additional Conditions**, Paragraph a.;
  - (2) Such disposal or abandonment must take place during the time period for which this Data Breach Coverage Form is effective; or
- g. The failure to disclose an event described in a. thru f. above which violates any "breach notice law".

All incidents of "data breach" that are discovered at the same time or arise from the same cause or from a series of similar causes would be considered one "data breach". All theft of "private personal data" caused by any person or in which that person is involved, whether the result of a single act or series of related acts, is considered a single incident of "data breach".

### 10. Defense Expenses

"Defense Expenses" means the reasonable and necessary legal fees and expenses including attorney fees and expert fees incurred by us or by you (other than regular or overtime wages, salaries, fees or benefits of you or your employees) in the investigation, defense, settlement and appeal of a claim, including but not



limited to cost of consultants and witnesses, premiums for appeal, injunction, attachment or supersedes bonds regarding such claim.

#### 11. Electronic Data

"Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

#### 12. Expense

"Expense" means "Business Income", "Extra Expense", "Breach Restoration Expenses", and loss payable under the Data Breach Theft coverage incurred by you.

#### 13. Extra Expense

"Extra Expense" means the reasonable and necessary expenses you incur during the "period of restoration" in an attempt to continue "business operations" that have been interrupted due to a "data breach" and that are over and above the expenses such you would have incurred if no loss had occurred. "Extra expense" does not include any costs of updating, upgrading or remediation of your "system" that are not otherwise covered under this Coverage Part.

#### 14. Fines, Penalties or Assessments

"Fines, penalties or assessments" means any fines, assessments, surcharges, attorneys' fees, court costs or other penalties which you shall be required to pay as a result of a "data breach" or pursuant to any contract, law, regulation or order.

#### 15. Identified Person

"Identified person" means a "potentially-identified person" who is or appears to be a victim of "identity theft" or "account takeover" that may reasonably have arisen from a covered "data breach".

#### 16. Identity Theft

"Identity theft" means the fraudulent use of "private personal data". This includes the fraudulent use of such information to establish credit accounts, secure loans, enter into contracts or commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

"Identity theft" does not include the use of a valid credit card, credit account or bank account. However, "identity theft" does include the fraudulent alteration of account profile information, such as the address to which statements are sent.

#### 17. Media

"Media" means electronic applications, software, scripts and programs on which "data" is stored so that it can be collected, read, retrieved or processed by a "computer". "Media" does not mean paper, or other tangible property, money, debt, equity, instruments, accounts, bonds, bills, records, abstracts, deeds or manuscripts.

#### 18. Network

"Network" means any services provided by or through the facilities of any electronic or "computer" communication system, allowing the input, output, examination, visualization or transfer of "data" or programs from one "computer" to your "computer". "Network" includes any shared networks, Internet access facilities, or other similar facilities for such systems, in which you participate.

#### 19. Period of Restoration

"Period of Restoration" means:

##### a. The period of time that begins:

- (1) For "Extra Expenses", immediately after the actual or potential impairment or denial of "business operations" occurs; and
- (2) For the loss of "Business Income", after 24 hours or the number of hours shown as the Cyber Business Interruption Waiting Period Deductible in the **SCHEDULE** on this Coverage Forms, whichever is greater, immediately following the time the actual impairment or denial of "business operations" first occurs.

##### b. The "Period of Restoration" ends on the earlier of the following:

- (1) The date "business operations" are restored, with due diligence and dispatch, to the condition that would have existed had there been no impairment or denial; or
- (2) Sixty (60) days after the date the actual impairment or denial of "business operations" first occurs;

The expiration date of this Policy or Coverage Part will not cut short the "period of restoration".

#### 20. Policy Period

"Policy Period" means the period of time from the inception date shown the Declarations to the earlier of the expiration date shown in the

Declarations or the effective date of termination of the Policy or Data Breach Coverage Form.

## 21. Potentially-Identified Person

"Potentially-identified person" means any person who is your current, former or prospective customer, employee, client, member, or patient and whose "private personal data" is lost, stolen, accidentally released or accidentally published by a "data breach" covered under this Coverage Form.

"Potentially-identified person" does not include any business or organization. Only an individual person may be a "potentially-identified person".

A "potentially-identified person" may reside anywhere in the world.

## 22. Private Personal Data

"Private Personal Data" means a natural person's first name or first initial and last name in combination with:

- a. Non-public personally identifiable information, as defined in applicable federal, state, local or foreign legislation or regulations including, social security number, driver's license number or other personal identification number (including an employee identification number or student identification number);
- b. Financial account number (including a bank account number, retirement account number or healthcare spending account number);
- c. Credit, debit or payment card numbers;
- d. Information related to employment by you;
- e. Individually identifiable information considered nonpublic personal information pursuant to Title V of the Gramm-Leach Bliley Act of 1999, as amended; or
- f. Individually identifiable information considered protected health information pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended;

which is intended to be accessible only by natural persons or entities you have specifically authorized to have such access.

"Private personal data" does not mean or include information that is otherwise available to the public, such as names and addresses with no

correlated Social Security numbers or account numbers.

## 23. Proactive Monitoring Services

"Proactive monitoring services" means the following services if you offer to provide them to "potentially-identified persons" who contact our Designated Service Provider:

- a. A credit report;
- b. credit monitoring; and or
- c. fraud/public records monitoring service or services.

## 24. Regulatory Investigation

"Regulatory Investigation" means a formal request for information, civil investigative demand or civil proceeding, including requests for information related thereto, brought by or on behalf of a state Attorney General, the Federal Trade Commission, the Federal Communications Commission or any other federal, state, local or foreign governmental agency.

## 25. Rogue Employee

"Rogue Employee" means a permanent employee of yours, other than an "executive", who has gained unauthorized access or has exceeded authorized access to a "system" or "private personal data" owned or controlled by you or an entity that is authorized by you to hold, process or store "private personal data" for your exclusive benefit.

## 26. Services

"Services" means "computer" time, data processing, storage functions or other uses of your "system".

## 27. System

"System" means a "computer", "media" and all input, output, processing storage and communication devices controlled, supervised or accessed by operating software that is proprietary to, or licensed to, the owner of the "computer".

## 28. System Output

"System Output" means a tangible substance on which "private personal data" is printed from a "System".



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EMPLOYEE AS CLIENT LIMITATION

This endorsement modifies insurance provided under the following:

PHYSICAL ABUSE, SEXUAL MISCONDUCT OR SEXUAL MOLESTATION LIABILITY COVERAGE  
 ENDORSEMENT (CLAIMS MADE – SEPARATE AGGREGATE)  
 PHYSICAL ABUSE, SEXUAL MISCONDUCT OR SEXUAL MOLESTATION LIABILITY COVERAGE  
 ENDORSEMENT (OCCURRENCE – SEPARATE AGGREGATE)  
 PHYSICAL ABUSE, SEXUAL MISCONDUCT OR SEXUAL MOLESTATION LIABILITY COVERAGE  
 ENDORSEMENT (OCCURRENCE –SUBLIMIT)

The following is added to paragraph **B.**, **SECTION I – COVERAGE, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, **2. Exclusions**, **e. Workers Compensation** and **f. Employer's Liability**:

This exclusion does not apply in the limited instance where an insured "employee" is also your client and receiving services within the scope of the human services you provide, and the claim arises out of the provision of such services.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EMPLOYEE AS CLIENT LIMITATION

This endorsement modifies insurance provided under the following:

PHYSICAL ABUSE, SEXUAL MISCONDUCT OR SEXUAL MOLESTATION LIABILITY COVERAGE  
ENDORSEMENT (CLAIMS MADE – SEPARATE AGGREGATE)  
PHYSICAL ABUSE, SEXUAL MISCONDUCT OR SEXUAL MOLESTATION LIABILITY COVERAGE  
ENDORSEMENT (OCCURRENCE – SEPARATE AGGREGATE)  
PHYSICAL ABUSE, SEXUAL MISCONDUCT OR SEXUAL MOLESTATION LIABILITY COVERAGE  
ENDORSEMENT (OCCURRENCE –SUBLIMIT)

The following is added to paragraph B., **SECTION I – COVERAGE, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, e. Workers Compensation and f. Employer's Liability:**

This exclusion does not apply in the limited instance where an insured "employee" is also your client and receiving services within the scope of the human services you provide, and the claim arises out of the provision of such services.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



POLICY NUMBER: ZBX 9601320 07

COMMERCIAL GENERAL LIABILITY  
CG 04 35 12 07**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****EMPLOYEE BENEFITS LIABILITY COVERAGE****THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.  
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Coverage	Limit Of Insurance		Each Employee Deductible	Premium
Employee Benefits Programs	\$1,000,000	each employee	\$1,000	\$316
	\$3,000,000	aggregate		
Retroactive Date:	07/01/1994			
Information required to	complete this Schedule, if not shown above, will be shown in the Declarations.			

**A. The following is added to Section I – Coverages:****COVERAGE – EMPLOYEE BENEFITS  
LIABILITY****1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph D. (Section III – Limits Of Insurance); and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

**b. This insurance applies to damages only if:**

- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
- (2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
- (3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide under Paragraph F. of this endorsement.

**c. A "claim" seeking damages will be deemed to have been made at the earlier of the following times:**

- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or



- (2) When we make settlement in accordance with Paragraph a. above.

All "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

## 2. Exclusions

This insurance does not apply to:

### a. Dishonest, Fraudulent, Criminal Or Malicious Act

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. Bodily Injury, Property Damage, Or Personal And Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

### c. Failure To Perform A Contract

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

### d. Insufficiency Of Funds

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

### e. 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".

## f. Workers' Compensation And Similar Laws

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

## g. ERISA

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

## h. 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.

## i. Taxes, Fines Or Penalties

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

## j. Employment-Related Practices

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

## B. For the purposes of the coverage provided by this endorsement:

1. All references to Supplementary Payments – Coverages A and B are replaced by Supplementary Payments – Coverages A, B and Employee Benefits Liability.
2. Paragraphs 1.b. and 2. of the Supplementary Payments provision do not apply.

## C. For the purposes of the coverage provided by this endorsement, Paragraphs 2. and 4. of Section II – Who Is An Insured are replaced by the following:

2. Each of the following is also an insured:
  - a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
  - b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.



- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.
- 3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
  - b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.
- D. For the purposes of the coverage provided by this endorsement, **Section III - Limits Of Insurance** is replaced by the following:

#### 1. Limits Of Insurance

- a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
  - (1) Insureds;
  - (2) "Claims" made or "suits" brought;
  - (3) Persons or organizations making "claims" or bringing "suits";
  - (4) Acts, errors or omissions; or
  - (5) Benefits included in your "employee benefit program".
- b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
- c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
  - (1) An act, error or omission; or
  - (2) A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

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

#### 2. Deductible

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
- b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
- c. The terms of this insurance, including those with respect to:
  - (1) Our right and duty to defend any "suits" seeking those damages; and
  - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"

apply irrespective of the application of the deductible amount.
- d. We 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, you shall promptly reimburse us for such part of the deductible amount as we have paid.
- E. For the purposes of the coverage provided by this endorsement, Conditions 2. and 4. of **Section IV - Commercial General Liability Conditions** are replaced by the following:
- 2. **Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"**
  - a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:
    - (1) What the act, error or omission was and when it occurred; and



- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

b. If a "claim" is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

#### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

##### a. Primary Insurance

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

##### b. Excess Insurance

- (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:

(a) No Retroactive Date is shown in the Schedule of this insurance; or

(b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.

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

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

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

##### c. Method Of Sharing

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

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

- F. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

### EXTENDED REPORTING PERIOD

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
  - a. This endorsement is canceled or not renewed; or
  - b. We renew or replace this endorsement with insurance that:
    - (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
    - (2) Does not apply to an act, error or omission on a claims-made basis.
2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.
3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The "employee benefit programs" insured;
- b. Previous types and amounts of insurance;
- c. Limits of insurance available under this endorsement for future payment of damages; and
- d. Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph D.1.b. of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph D.1.c.

- G. For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** Section:

1. "Administration" means:
  - a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
  - b. Handling records in connection with the "employee benefit program"; or
  - c. 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.
2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.



4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
  - a. 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;
  - b. 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;
  - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
  - d. 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; and
  - e. Any other similar benefits designated in the Schedule or added thereto by endorsement.
- H. For the purposes of the coverage provided by this endorsement, Definitions 5. and 18. in the **Definitions** Section are replaced by the following:
  5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
  18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
    - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
    - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

## HUMAN SERVICES PROFESSIONAL LIABILITY COVERAGE OCCURRENCE

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the Company providing this insurance. The word "insured" means any person or organization qualifying as such under **SECTION III – WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION VI – DEFINITIONS**.

### SECTION I – COVERAGES

#### A. Insuring Agreement

1. We will pay on behalf of the insured those sums the insured becomes legally obligated to pay as "damages" arising out of a "wrongful act" to which this insurance applies.

We have the right and duty to defend the insured against any "suit" seeking those "damages". However, we will have no duty to defend the insured against any "suit" seeking "damages" because of a "wrongful act" to which this insurance does not apply.

We may at our discretion investigate any "wrongful act". We may settle any "claim" or "suit" provided we have the Named Insured's written consent, which shall not be unreasonably withheld. But:

- a. The amount we will pay for "damages" is limited as described in **SECTION IV – LIMITS OF INSURANCE AND DEDUCTIBLE**; and
- b. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided under **SECTION II – SUPPLEMENTARY PAYMENTS**.

2. This insurance applies to a "wrongful act" only if:
  - a. The "wrongful act" takes place in the "coverage territory";
  - b. The "wrongful act" occurs during the policy period; and
  - c. Prior to the policy period, no insured listed under **SECTION III – WHO IS AN INSURED**, paragraph **A.** and no "employee" authorized by you to give or

receive notice of a "wrongful act" knew that the "wrongful act" had occurred, in whole or in part. If any such person knew, prior to the policy period, that the "wrongful act" occurred, then any continuation, change or resumption of such "wrongful act" during or after the policy period will be deemed to have been known prior to the policy period.

3. A "wrongful act" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under **SECTION III – WHO IS AN INSURED**, paragraph **A.** or any "employee" authorized by you to give or receive notice of a "wrongful act" or "claim", includes any continuation, change or resumption of that "wrongful act" after the end of the policy period.
4. A "wrongful act" will be deemed to have been known to have occurred at the earliest time when any insured listed under **SECTION III – WHO IS AN INSURED**, paragraph **A.** or any "employee" authorized by you to give or receive notice of a "wrongful act" or "claim":
  - a. Reports all or any part of the "wrongful act" to us or any other insurer;
  - b. Receives a written or verbal demand or "claim" for "damages" because of the "wrongful act"; or
  - c. Becomes aware by any other means that the "wrongful act" has occurred or has begun to occur.
5. All "wrongful acts" arising from an interrelated series of acts, errors or omissions shall be deemed to be one "wrongful act" taking place at the time of the earliest "wrongful act".

#### B. Exclusions

This insurance does not apply to:

1. **Intentional, Willful, Dishonest or Criminal Act**

"Damages" arising out of:

- a. Any criminal, dishonest, fraudulent or malicious act or omission;
- b. Willful misconduct;
- c. Knowing violation of rights or law;
- d. Gaining of any profit or advantage to which you are not legally entitled;

by you or any person for whom you are legally responsible.

## 2. Failure to Maintain Insurance

Any "claim" arising out of the failure to purchase proper insurance or maintain adequate limits of insurance or obtain any bond.

## 3. Contractual

The assumption of liability by any insured in a contract or agreement. This exclusion does not apply to liability for "damages" that the insured would have in the absence of the contract or agreement.

## 4. Hospital, Pharmacy or Medical Facility Operations

Any "claim" arising out of the operation of any hospital, sanatorium, "medical clinic", pharmacy, or any other medical facility or laboratory.

## 5. Aircraft, Auto or Watercraft

### a. Unmanned Aircraft

"Damages" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading and unloading".

This paragraph applies even if the "claims" against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "wrongful act" which caused the "damages" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

### b. Aircraft (Other Than Unmanned Aircraft), Auto or Watercraft

"Damages" arising out of the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This paragraph applies even if the "claims" against any insured allege negligence or

other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "wrongful act" which caused the "damages" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

## 6. Furnishing or Utilizing Pharmaceuticals and Medical Supplies

Any "claim" arising out of the prescription, utilization, furnishing, or dispensing of drugs or medical, dental, or nursing supplies or appliances, except as directed by a physician, physician's assistant, nurse, or any other authorized medical professional as permitted by state law, and in the normal practice as a human services organization provider.

## 7. Psychiatrist

Any "claim" arising out of the professional services of any psychiatrist or psychiatric physicians' assistant.

However, with respect to you and your "employees" only, this exclusion does not apply to your vicarious liability for the "wrongful acts" of a psychiatrist or psychiatric physicians' assistant who is your "employee", volunteer or independent contractor when such "wrongful acts" occur while such psychiatrist or psychiatric physicians' assistant is performing duties related to the conduct of your business.

Coverage provided herein shall be excess over any other available insurance whether provided on a primary, excess, contingent or any other basis, except when purchased specifically to apply in excess of this insurance.

## 8. Specified Professional Services

Any "claim" arising out the rendering or failure to render any of the following professional or paraprofessional services, advice or instruction by you or on your behalf or for which you have assumed liability by reason of a contract or agreement and regardless of whether or not any such service, advice or instruction is ordinary to any insured's profession:

- a. Accountant;
- b. Anesthesiologist;
- c. Attorney,
- d. Architect;
- e. Engineer;

- f. Real Estate Agent, Broker or Manager;
- g. Investment Manager or Advisor;
- h. Physician or Physician Assistant;
- i. Dentist or Dental Assistant;
- j. Pharmacist or Pharmacy Technician;
- k. Nurse Anesthetist; Nurse Midwife;
- l. X-ray Therapist or Radiologist;
- m. Chiropractist or Chiropractor;
- n. Optometrist;
- o. Veterinarian;
- p. Hair or Skin Care Professional;
- q. Title Insurer;
- r. Stock Broker; or
- s. Mortician.

However, with respect to you and your "employees" only, this exclusion does not apply to your vicarious liability for "wrongful acts" arising out of professional services, performed on your behalf by a physician, physician assistant, dentist, pharmacist, or optometrist who is not your "employee" or volunteer, which occur while such individual is performing duties related to the conduct of your business.

To the extent the exception to this exclusion as described in the paragraph above applies, this coverage is excess over any other valid and collectible insurance (including deductible and self-insured retention) available to the insured whether primary, excess, contingent, or on any other basis, except when purchased specifically to apply in excess of this insurance.

#### 9. Membership and Accreditation

Any "claim" arising out of membership in a formal accreditation or similar professional board or committee or any hospital, professional society or similar organization.

#### 10. Bodily Injury to an Insured

Any "claim" arising out of "bodily injury" to any insured, or any consequential injury to the spouse, child, parent, or sibling of that insured.

This exclusion applies:

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

This exclusion does not apply in the limited instance where your "employee" is also your client or consumer, is receiving services within

the scope of the services you provide, and the "claim" arises out of the provision of such services.

#### 11. Workers' Compensation

Any obligation of the insured under a workers' compensation, disability benefits, or unemployment compensation law or any similar local, state, federal or foreign law or regulation. This exclusion does not apply in the limited instance where your "employee" is also your client or consumer, is receiving services within the scope of the services you provide, and the "claim" arises out of the provision of such services.

#### 12. Employment Practices

Any "claim" made by or on behalf of:

- a. A person because of any:
  - (1) Refusal to employ that person;
  - (2) Termination of that person's employment; or
  - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- b. The spouse, child, parent, or sibling of that person as a consequence of any "damages" or injury to that person at whom any of the employment-related practices described in paragraphs (1), (2), or (3) above is directed.

This exclusion applies:

- c. Whether the insured may be liable as an employer or in any other capacity;
- d. To any obligation to share "damages" with or repay someone else who must pay "damages"; and
- e. Whether the injury-causing event described in (1), (2), or (3) above occurred before employment, during employment or after employment of that person.

#### 13. Employers Liability

Any "claim" made by or on behalf of:

- a. An "employee" or former "employee" of the insured arising out of and in the course of:
  - (1) Employment by the insured; or
  - (2) Performing duties related to conduct of the insured's business; or
- b. A spouse, child, parent, sibling, domestic partner or any other relative of that

"employee" as a consequence of Paragraph a. above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply in the limited instance where your "employee" is also your client or consumer, is receiving services within the scope of the services you provide, and the "claim" arises out of the provision of such services.

#### 14. Personal and Advertising Injury

Any "claim" arising out of "personal and advertising injury".

However, this exclusion does not apply to "personal and advertising injury" when the offense is directly resulting from a "wrongful act" and the "personal and advertising injury" does not arise out of:

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

#### 15. Property Damage

Any "claim" arising out of physical injury to tangible property, including all resulting loss of use, to:

- a. Property owned, occupied or used by any insured; or
- b. Property rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by any insured; or
- c. Property which is or was in the possession of any insured or any person acting on behalf of any insured; or
- d. Property that is real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are or were performing operations; or
- e. Electronic data, information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data

processing devices or any other media which are used with electronically controlled equipment.

#### 16. Asbestos

Any "claim" arising out of any actual or alleged:

- a. Inhaling, ingesting or prolonged physical exposure by any person to asbestos or asbestos fibers or goods or products containing asbestos; or
- b. Use of asbestos in constructing or manufacturing any good, product or structure; or
- c. Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of asbestos or asbestos fibers from any good, product or structure; or
- d. Manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos; or
- e. Products manufactured, sold, handled or distributed by or on behalf of the insured which contain asbestos; or
- f. Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing, or disposal of asbestos, asbestos fibers or products containing asbestos.

General supervision includes the rendering of or failure to render any instructions, recommendations, warnings, or advice.

#### 17. Lead

Any "claim" arising out of any actual or alleged lead poisoning due to:

- a. Inhaling, ingesting or prolonged physical exposure by any person to any premises, structures or goods or products containing lead; or
- b. Use of lead in constructing or manufacturing any good, product or structure; or
- c. Intentional or accidental removal including encapsulation, dispersal, sealing or disposal of lead from any good, product or structure; or
- d. Manufacturing, transportation, storage or disposal of goods or products containing lead; or
- e. Any product manufactured, sold, handled or distributed by or on behalf of the insured which contain lead; or



- f. Acts or omissions of the insured in connection with the general supervision of any job involving the removal, enclosure, encapsulation, dispersal, sealing, or disposal of products containing lead.

General supervision includes the rendering of or failure to render any instructions, recommendations, warnings, or advice.

## 18. Pollution

This insurance does not apply to:

- a. Any "claim" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time; or
- b. Any loss, cost or expense arising out of any:
  - (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants"; or
  - (2) "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".

For the purpose of this exclusion, "pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

## 19. Fungi or Bacteria

Any liability or expense arising out of "fungi" or bacteria which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

This exclusion also applies to any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way

responding to or assessing the effects of, "fungi" or bacteria, by you or by any other person or entity.

For the purposes of this exclusion, "fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by "fungi".

This exclusion does not apply to any "fungi" or bacteria that are on or are contained in a good or product intended for bodily consumption.

## 20. Nuclear Energy Hazards

To any "claim" or "damages":

- a. With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limits of insurance;
- b. Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
  - (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or
  - (2) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization;
- c. To any "claim" or "damages" resulting from "hazardous properties" of "nuclear material", if:
  - (1) The "nuclear material":
    - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured";
    - (b) Has been discharged or dispersed therefrom; or
    - (c) Is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of any "insured"; or



- (2) The "claim" or "damages" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (2) applies only to "property damage" to such "nuclear facility" and any property thereat.

As used in this exclusion:

"Hazardous properties" includes radioactive, toxic, or explosive properties;

"Nuclear material" means "source material", "special nuclear material" or "by-product material";

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

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

"Waste" means any waste material (a) containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and (b) resulting from the operation of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility";

"Nuclear facility" means:

- (1) Any "nuclear reactor";
- (2) Any equipment or device designed or used for:
  - (a) separating the isotopes of uranium or plutonium,
  - (b) processing or utilizing "spent fuel", or
  - (c) handling, processing or packaging "waste";
- (3) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any

combination thereof, or more than 250 grams of uranium 235;

- (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations; and

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

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

## 21. Antitrust or Unfair Competition

Any "claim" arising out of unfair competition or violation of any anti-trust laws.

## 22. Failure to Collect or Pay

Any "claim" arising out of the inability or failure of the insured or others to collect or pay money.

## 23. Illegal Financial Gain

Any "claim" arising out of or attributable to obtaining or attempting to obtain remuneration or financial gain to which you are not legally entitled.

## 24. Employment Benefit Plans

Any "claim" or "suit" arising out of any insureds rendering or failing to render any services in the administering, managing, investing the assets of, or funding any employee benefit plan, including, but not limited to, any employee benefit plan under Employee Retirement Income Security Act of 1974, its amendments or any other similar state or local law.

## 25. Cross Insureds

Any "claim" for "damages" sustained by any insured that arises out of the activities of any other person or organization qualifying as an insured under this policy.

This exclusion does not apply in the limited instance where your "employee" is also your client or consumer, is receiving services within the scope of the services you provide, and the "claim" arises out of the provision of such services.

## 26. Abuse and Molestation

Any "claim" directly or indirectly arising out of or in any way related to:

- a. The actual or threatened abuse or molestation by anyone of any person

regardless of whether the abuse or molestation was specifically intended or resulted from negligent conduct and regardless of whether any insured subjectively intended the injury or damage for which a "claim" is made, or

**b. The negligent:**

- (1) Employment;
- (2) Investigation;
- (3) Supervision;
- (4) Reporting to the proper authorities, or failure to so report; or
- (5) Retention

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by **a.** above; or

**c. The negligent failure to provide professional services or neglect of the therapeutic needs of a client or consumer, patient or other person because of the conduct which would be excluded by paragraph **a.** above.**

**27. War**

"Damages", however caused, arising directly or indirectly out of:

- a.** War, including undeclared or civil war;
- b.** Warlike action by a military force, including action in the hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c.** Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**28. Managed Health Care Services**

Any "claim" arising out of any act or omission in the furnishing or failure to furnish Managed Health Care Services when appointed or contracted as a Managed Care Organization or Gatekeeper.

**29. Discrimination**

Any "claim" arising out of any actual or alleged discrimination because of age, race, creed, color, sex, disability, national origin, marital status, gender identification or sexual preference.

**30. Managerial and Administrative Duties**

Any "claim" arising out of acts, errors or omissions of a managerial or administrative nature.

**SECTION II – SUPPLEMENTARY PAYMENTS**

**A. We will pay, with respect to any "claim" or "suit" we defend:**

1. All expenses we incur including defense costs;
2. The costs of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds;
3. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claims" or "suit", including actual loss of earnings up to \$750 a day because of time off from work;
4. All court costs taxed against you in a "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against you;
5. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer; and
6. All interest on the full amount of a judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- B. We will reimburse you for reasonable legal fees and expenses charged by a lawyer approved by us, that you incur in the investigation and defense of "disciplinary proceeding(s)" brought against any insured arising out of a "wrongful act" that is otherwise covered by this policy. This payment is limited to \$100,000 per "wrongful act".**
- C. We will reimburse you for reasonable legal fees and expenses charged by a lawyer we agree to that you incur arising out of any act or omission in the furnishing of or failure to furnish services as a formal accreditation, standards review or similar board. This payment is limited to \$100,000 per incident.**
- D. The payments in paragraphs **A.** through **C.** will not reduce the limits of insurance. However, we will not be obligated to reimburse any insured for any expense listed above after the limits of insurance of this policy have been used up in the payment of judgments or settlements.**

### SECTION III – WHO IS AN INSURED

**A.** You are an insured. Your “executive officers” and directors are insureds, but only with respect to their duties as your “executive officers” and directors.

**B.** Each of the following is also an insured:

1. Your medical directors, board members and administrators, but only while acting within the scope of and during the course of their duties as such. Such duties do not include the furnishing of or failure to furnish professional services by any physician or psychiatrist in the treatment of a patient;
2. Your “employees”, other than your “executive officers”, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your organization. Your “employees” includes teachers and substitute teachers employed by you;
3. Your volunteers, but only for acts within the scope of their duties related to the conduct of your organization;
4. Students in training, including student teachers, but only for acts within the scope of their duties related to the conduct of your organization or while serving in a supervised internship program sponsored by you;
5. Any social workers and/or case managers, but only for acts within the scope of their duties related to the conduct of your organization;
6. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will be deemed to be a Named Insured if there is no other similar insurance available to that organization.

However:

- a. Coverage under this provision is afforded only until the 90<sup>th</sup> day after you acquire or form the organization or the end of the policy period, whichever is earlier; and
- b. Professional Liability Coverage does not apply to a “wrongful act” that occurred before you acquired or formed the organization; and
7. Parent-teacher organizations or associations, but only if under your direct supervision and only while performing services authorized by you.

**C.** A person or organization with whom you agreed in a written contract, written agreement or permit to provide insurance, is an Additional Insured only with respect to liability for “damages” caused, in

whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf, in the performance of your professional services as a human services organization for that Additional Insured.

However, the insurance afforded to such Additional Insured only applies:

1. To the extent permitted by law;
2. If the “claim” against the Additional Insured arises out of a “wrongful act” to which this insurance applies; and
3. The “wrongful act” must take place subsequent to the execution of the written contract or written agreement or the issuance of the permit.

The insurance afforded to such additional insured will not be broader than the insurance which you are required to provide by the written contract, written agreement or permit for such additional insured.

The Additional Insured’s status as an Additional Insured ends when your professional services for that additional insured are completed.

The most we will pay on behalf of the additional insured for a covered claim is the lesser of the amount of insurance:

4. Required by the written contract, written agreement or permit; or
5. Available under the applicable Limits of Insurance shown in the Declarations.

This Section does not apply to any person or organization included as an insured by an endorsement issued by us and made part of this Coverage Part.

No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

### SECTION IV – LIMITS OF INSURANCE AND DEDUCTIBLE

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

1. Insureds;
2. “Claims” made or “suits” brought; or
3. Persons or organizations making “claims” or bringing “suits”.

**B.** The Aggregate Limit is the most we will pay for all “damages” to which this insurance applies.

**C.** Subject to paragraph B. above, the Each Wrongful Act Limit is the most we will pay for the sum of all “damages” arising out of any one “wrongful act” to which this insurance applies.

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

**E. Deductible**

Any deductible option that applies to this Coverage Part will be indicated in the Declarations.

1. If the Deductible Type **"Damages" Only** is indicated in the Declarations, the deductible amount shown applies to each "wrongful act" arising out of all "claims" alleging the same "wrongful acts" to which this insurance applies.
2. If the Deductible Type **"Damages" and "Claim Expense"** is indicated in the Declarations, the deductible amount shown applies to each "wrongful act" and to both "damages" and "claim expense" arising out of all "claims" alleging the same "wrongful acts" to which this insurance applies.
3. For each "claim", we will only pay those sums that are in excess of the deductible amount.

However, we may pay any part or all of the Deductible to effect settlement of any "claim" and upon notification of the action taken you will promptly reimburse us for such part of the deductible we have paid.

4. The terms of this Coverage Part, including those with respect to our right and duty to defend any "claim" and your duties in the event of a "claim", apply irrespective of the application of the deductible.

For the purpose of this paragraph E., the following definition applies:

"Claim expense" means payments allocated to a specific "claim" for investigation or defense including:

5. Any reasonable and necessary legal fees and expenses, including attorney fees and expert fees, incurred in the defense and appeal of a "claim";
6. Reasonable and necessary fees of attorneys the insured retains when by mutual agreement or court order the insured is given the right to retain defense counsel to defend a "claim";
7. The cost of appeal bonds or bonds to release attachments in any "claims" we are defending, but only for bond amounts within the

applicable Limit of Insurance. We do not have to furnish these bonds;

8. **Costs taxed against the insured in the "claim"**; however, these payments do not include attorney's fees or attorney's expenses taxed against the insured; and
9. Up to \$750 per day per insured individual for reasonable expenses incurred for attendance at hearings, trials or depositions at our request or with our consent by such insured individual.

"Claim expense" does not include:

10. Salaries, wages, fees, overhead or benefit expenses associated with any insured except as specified in paragraph e. above;
11. Salaries and expenses of our employees, including our employed attorneys, salaries and expense of the insured's "employees" (other than those described in paragraph e. above);
12. Any damages, including punitive damages, exemplary damages, multiplied damages, fines or penalties;
13. Any amounts incurred in defense of a "claim" for which any other insurer has a duty to defend, regardless of whether or not such other insurer undertakes that duty; or
14. Claimant's attorney's fees.

**SECTION V – CONDITIONS**

**A. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

**B. Your Authority and Duties**

The first Named Insured shown in the Declarations agrees to act on behalf of all insureds with respect to cancellation, notice of any "wrongful act", "claim" or "suit", payment or return of any premium, or consent to a "claim" settlement that we recommend. Each insured, by accepting this insurance, agrees to:

1. Have the first Named Insured act for them in such matters; and
2. Promptly notify the first Named Insured, in writing, of any "wrongful act" which may result in a "claim", or any "claim" or "suit" brought against them.

**C. Duties in the Event of "Wrongful Act", "Claim" or "Suit"**

1. You must see to it that we are notified as soon as practicable of any "wrongful act" which may result in a "claim". To the extent possible, notice should include:
  - a. How, when, and where the "wrongful act" took place;



- b. The names and addresses of persons involved in the "wrongful act" and witnesses; and
  - c. The nature of the harm resulting from the "wrongful act".
2. If a "claim" is received by an insured, you must:
- a. Immediately record the specifics of the "claim" and the date received;
  - b. Notify us as soon as practicable; and
  - c. Forward written notice of the "claim" to us as soon as practicable.
3. You and any other involved insured must:
- a. Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the "claim" or "suit";
  - b. Authorize us to obtain records and other information;
  - c. Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
  - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to an insured because of "damages" arising out of a "wrongful act" to which this insurance may also apply.

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

#### **D. Legal Action Against Us**

No person or organization has a right under this Coverage Part:

- 1. To join us as a party or otherwise bring us into a "suit" asking for "damages" from an insured; or
- 2. To sue us under this Coverage Part unless all of its terms have been fully complied with.

Any disputes between the insured and us as to whether there is coverage under this policy must be filed in the courts of the United States of America (including its territories and possessions), Puerto Rico or Canada.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for "damages" that are not payable under the terms of this Coverage Part or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the

insured, and the claimant or the claimant's legal representative.

#### **E. Other Insurance**

If other valid and collectible insurance is available to the insured for "damages" we cover under this Coverage Part, our obligations are limited as follows:

##### **1. Primary Insurance**

This insurance is primary except when 2. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in 3. below.

##### **2. Excess Insurance**

- a. This insurance is excess over any other valid and collectible insurance, whether primary, excess, contingent or on any other basis available:
  - (1) To your "employee" or volunteer who has other insurance covering his or her professional liability; or
  - (2) That you have purchased from a company other than us or a company affiliated with us which is more specific than this insurance.
- b. When this insurance is excess, we will have no duty to defend any "claim" or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- c. When this insurance is excess over other insurance, we will pay only our share of the amount of the "damages", if any, that exceeds the sum of:
  - (1) The total amount that all such other insurance would pay for the "damages" in the absence of this insurance; and
  - (2) The total of all deductible and self-insured amounts under all that other insurance.
- d. We will share the remaining "damages", if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

Other valid and collectible insurance includes, but is not limited to, policies or insurance programs purchased or established by or on

behalf of a named insured to insure against liability arising from activities of the named insured and its employees, whether primary, excess, contingent, or on any other basis. The person seeking coverage shall cooperate with us to determine the existence, availability and coverage of any such other insurance policy, insurance program or defense or indemnification arrangement.

Other valid and collectible insurance does not include any umbrella policy issued by us or any coverage specifically issued by us as excess over this policy. Nothing in this provision shall be construed to require any such umbrella or excess coverage issued by us to apply unless and until all other valid and collectible insurance is exhausted.

### 3. Method of Sharing

- a. If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.
- b. If the other insurance does not permit contribution by equal shares, we will continue by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

### F. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to the first Named Insured, this insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom "claim" is made or "suit" is brought.

### G. Transfer of Rights of Recovery Against Others to Us

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

### H. Cancellation and Nonrenewal

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

6. If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

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

### I. Governmental Immunity

If you are a public institution, you may be entitled to governmental immunity. This Coverage Part does not constitute a waiver of any charitable or governmental immunity to which you are entitled.

### J. Consent to Settle

If the first Named Insured refuses to consent to the settlement of any "claim" or "suit" which we recommend and which is acceptable to the claimant, then, subject to the provision of **SECTION IV – LIMITS OF INSURANCE AND DEDUCTIBLE**, our liability for the "claim" will not exceed the amount for which the "claim" could have been settled, plus the cost of defense incurred by us up to the date of such refusal.

### K. Two or More Coverage Parts, Forms, Endorsements or Policies Issued by Us

It is our stated intent that the various coverage parts, forms, endorsements or policies issued to you by us, or any company affiliated with us, do not provide any duplication or overlap of coverage for the same "claim", "wrongful act", offense, accident, loss or "suit".

If this policy and any other coverage part, form, endorsement, or policy issued to you by us, or any



company affiliated with us, apply to the same "claim", "wrongful act", offense, accident, loss, or "suit", the maximum Limit of Insurance under all such coverage parts, forms, endorsements or policies combined shall not exceed the highest applicable Limit of Insurance under any one coverage part, form, endorsement or policy.

This condition does not apply to any Excess or Umbrella Policy issued by us specifically to apply as excess insurance over this policy.

#### L. Representations

By accepting this policy you agree:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this policy in reliance upon your representations.

#### M. Premium Audit

1. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
2. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we have the right to compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

#### N. Liberalization

If we adopt any revisions to the terms and conditions of this coverage part to provide more coverage without an additional premium charge during the policy term, the broadened coverage will immediately apply. However, the broadened terms and conditions will not apply to any "claims" that were first made against you prior to the effective date of the revision.

### SECTION VI – DEFINITIONS

- A. **"Auto"** means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment.
- B. **"Bodily Injury"** means bodily injury, sickness, or disease sustained by a person, including death resulting from any of these at any time. "Bodily injury" includes mental anguish or other mental injury resulting from "bodily injury".

#### C. "Claim" means:

1. A written demand for "damages"; or
2. A "suit" against an insured for a "wrongful act" to which this insurance applies.

#### D. "Coverage territory" means:

1. The United States of America (including its territories and possessions), Puerto Rico, and Canada;
2. All parts of the world if:
  - a. The injury or damage arises out of the activities of a person whose home is in the territory described in 1. above, but is away for a short time on your business; and
  - b. The insured's responsibility to pay "damages" is determined in a "suit" on the merits in the territory described in 1. above or in a settlement we agree to.

If the Insured normally conducts its business or has a location outside the territory described in 1. above, no coverage applies to any claim or "suit" arising out of any territory not listed in 1. above.

Notwithstanding the definition of "coverage territory" this insurance does not apply to any "wrongful act" occurring in a country or jurisdiction subject to OFAC sanctions.

#### E. "Damages" means a compensatory monetary award, settlement or judgment that the insured is legally obligated to pay, including costs and attorney's fees awarded pursuant to a judgment.

However, "damages" do not include:

1. Any sum awarded for punitive damages, exemplary damages, multiplied damages, taxes, fines or penalties imposed by law; or
2. The cost of compliance with injunctive or other non-monetary relief.

#### F. "Disciplinary proceedings" means any proceeding brought against you by a state regulatory or disciplinary official or agency to investigate charges alleging professional misconduct.

#### G. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker", but does include a teacher and substitute teacher.

#### H. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws, or any other similar governing document.

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



"Leased worker" does not include a "temporary worker".

J. **"Loading or unloading"** means the handling of property:

1. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
2. While it is in or on an aircraft, watercraft or "auto"; or
3. While it is being moved from an aircraft, watercraft, or "auto" to the place where it is finally delivered;

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

K. **"Medical Clinic"** means any medical facility open to the general public. A medical clinic does not include facilities operated for the sole treatment of your clients or consumers, for whom you provide professional services.

L. **"Personal and advertising injury"** means injury, other than bodily injury, arising out of one or more of the following offenses:

1. False arrest, detention, or imprisonment;
2. Malicious prosecution;
3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
4. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
5. Oral or written publication, in any manner, of material that violates a person's right to privacy;

6. The use of another's advertising idea in your "advertisement"; or

7. Infringing upon another's copyright, trade dress, or slogan in your "advertisement".

M. **"Suit"** means a civil proceeding in which "damages" are claimed and to which this insurance applies. "Suit" also includes:

1. An arbitration proceeding in which such "damages" are claimed and to which you must submit or do submit with our consent; or
2. Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which you submit with our consent.

N. **"Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions. However, a "temporary worker" does include a substitute teacher.

O. **"Unmanned aircraft"** means an aircraft that is not:

1. Designed;
2. Manufactured; or
3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

P. **"Wrongful act"** means any actual or alleged negligent act, error, omission or breach of duty in the rendering of or failure to render professional services to others, including counseling services, educational instruction and teaching, in your capacity as a human services organization, including the furnishing of food, beverages, medications or appliances in connection therewith.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## MINNESOTA CHANGES – HUMAN SERVICES

This endorsement modifies insurance provided under the following:

HUMAN SERVICES PROFESSIONAL LIABILITY COVERAGE OCCURRENCE  
HUMAN SERVICES PROFESSIONAL LIABILITY COVERAGE CLAIMS-MADE

**A. SECTION V – CONDITIONS, A. Bankruptcy** is replaced by the following:

**A. Bankruptcy**

Bankruptcy, insolvency or dissolution of the insured or of the insured's estate will not relieve us of our obligation under this policy, and in case an execution against the insured on a final judgment is returned unsatisfied, then such judgment creditor shall have a right of action on this policy against the company to the same extent that the insured would have, had the insured paid the final judgment.

**B. The following is added to SECTION V – CONDITIONS, C. Duties in the Event of "Wrongful Act", "Claim" or "Suit":**

The requirement to notify us can be satisfied by notifying our agent. Notice can be by any means of communication.

**C. The following is added to SECTION V – CONDITIONS, G. Transfer of Rights of Recovery Against Others to Us:**

Our rights do not apply against any person or organization insured, under this or any other policy we issue, with respect to the same "wrongful act", provided the "wrongful act" was not intentionally caused by such insureds.

**D. SECTION V – CONDITIONS, H. Cancellation and Nonrenewal**, is replaced by the following:

**H. Cancellation and Nonrenewal**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy, subject to the provisions of 3. below, by first class mailing, or by delivery, of a written notice of cancellation to the first Named Insured and any agent, to their last mailing addresses known to us. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

**3. Policies in Effect:**

**a. Less Than 90 Days**

If this policy is a new policy and has been in effect for fewer than 90 days, we may cancel for any reason by giving notice 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 other reason.

**b. 90 Days Or More**

If this policy has been in effect for 90 days or more, or if it is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

- (1) Nonpayment of premium;
  - (2) Misrepresentation or fraud made by you or with your knowledge in obtaining the policy or in pursuing a claim under the policy;
  - (3) An act or omission by you that substantially increases or changes the risk insured;
  - (4) Refusal by you to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed;
  - (5) Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the contract;
4. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.



5. If we decide not to renew this policy, we may do so by giving the first Named Insured and any agent written notice of our intent not to renew at least 60 days before the expiration date of this policy. Such notice will be delivered or mailed by first class mail to their last mailing addresses known to us.

We need not mail or deliver this notice if you have:

- a. Insured elsewhere;
  - b. Accepted replacement coverage; or
  - c. Agreed not to renew this policy.
6. Proof of mailing of any notice shall be sufficient proof of notice.

- E. With respect to only the **HUMAN SERVICES PROFESSIONAL LIABILITY COVERAGE CLAIMS-MADE** coverage form, **SECTION V – CONDITIONS, O. Your Right to “Claim” and “Wrongful act” Information**, paragraph 4. is replaced by the following:

4. If we cancel or elect not to renew this policy and receive a written request from the first Named Insured or their agent or broker that we provide “claim” information, we will provide this information to the first Named Insured within 45 days of receipt of the request. Cancellation or nonrenewal will be effective even if we inadvertently fail to provide this information, or provide inaccurate or incomplete information.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – NURSE PRACTITIONER**

This endorsement modifies insurance provided under the following:

HUMAN SERVICES PROFESSIONAL LIABILITY COVERAGE OCCURRENCE  
HUMAN SERVICES PROFESSIONAL LIABILITY COVERAGE CLAIMS-MADE

The following is added to **SECTION I – COVERAGES, B. Exclusions:**

### **Nurse Practitioner**

Any "claim" arising out the rendering or failure to render any nurse practitioner services, advice or instruction by you or on your behalf or for which the insured assumed liability by reason of a written contract or written agreement regardless of whether or not any such service, advice or instruction is ordinary to any insured's profession.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.



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

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### Schedule

<b>Disclosure of Premium:</b>	
Total Terrorism Premium	<b>\$ 110</b>
Fire Following Premium	<b>\$ 0</b>
Other than Fire Following Premium	<b>\$ 110</b>

### 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.

### 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.

**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.

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Applicant/Policyholder Signature

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Print Name

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Date

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Citizens Insurance Company Of America

Insurance Company

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ZBX 9601320 07

Quote or Policy Number

## IMPORTANT NOTICE TO POLICYHOLDERS

### LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION ENDORSEMENT REVISION

#### Summary of Form Changes

**THIS NOTICE CONTAINS IMPORTANT SUMMARY INFORMATION ABOUT CHANGE IN COVERAGE. PLEASE READ IT CAREFULLY.**

**THIS NOTICE DOES NOT PROVIDE ANY COVERAGE AND DOES NOT REPLACE ANY PROVISIONS IN YOUR POLICY. READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

The Hanover Insurance Group, in an effort to further address the needs of our policyholders, has modified the LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION endorsements. New policy forms and endorsements are designed to provide an enhanced and streamlined product.

Your expiring policy may have one or more of the following forms attached. This notice does **not** reference every editorial change made in these endorsements. If you have any questions or concerns, please contact your agent.

Not all endorsements are included on a particular policy. Please read your policy language carefully.

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#### **CG 21 44 LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION**

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##### **Changes Which May Reduce Coverage**

For consistency with this endorsement's original intent:

- Coverage is limited to "bodily injury" and "property damage" which occurs at the Scheduled location on the endorsement;
- Coverage is limited to "personal and advertising injury" which occurs at the Scheduled location on the endorsement if the "personal and advertising injury" is caused by false arrest, detention or imprisonment, or the wrongful eviction from, wrongful entry into or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor.
- Coverage for Medical Payments is limited to "bodily injury" which occurs at the Scheduled location on the endorsement.

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#### **475-0413 LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION**

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##### **Changes Which May Reduce Coverage**

For consistency with this endorsement's original intent:

- Coverage is limited to "bodily injury" and "property damage" which occurs at the Scheduled location on the endorsement;
- Coverage is limited to "personal and advertising injury" which occurs at the Scheduled location on the endorsement if the "personal and advertising injury" is caused by false arrest, detention or imprisonment, or the wrongful eviction from, wrongful entry into or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor.

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#### **CX 21 10 LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION**

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##### **Changes Which May Reduce Coverage**

- Coverage is limited to "bodily injury" and "property damage" which occurs at the Scheduled location on the endorsement;
- Coverage is limited to "personal and advertising injury" which occurs at the Scheduled location on the endorsement if the "personal and advertising injury" is caused by false arrest, detention or imprisonment, or the wrongful eviction from, wrongful entry into or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor.



# IMPORTANT NOTICE TO POLICYHOLDERS

## HUMAN SERVICES PROFESSIONAL LIABILITY COVERAGE FORMS AND ENDORSEMENTS REVISION

### Summary of Form Changes

**THIS NOTICE CONTAINS IMPORTANT SUMMARY INFORMATION ABOUT CHANGE IN COVERAGE. PLEASE READ IT CAREFULLY.**

**THIS NOTICE DOES NOT PROVIDE ANY COVERAGE AND DOES NOT REPLACE ANY PROVISIONS IN YOUR POLICY. READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

The Hanover Insurance Group, in an effort to further address the needs of our policyholders, has modified the Human Services Professional Liability Coverage Parts and several of their endorsements. New policy forms and endorsements have been designed to provide an enhanced and streamlined product.

Your expiring Human Services Professional Liability policy has been **replaced** in its entirety with the new **Human Services Professional Liability Coverage – Occurrence** and the **Human Services Professional Liability Coverage – Claims Made**. In addition, many of the endorsements which modify the new Human Services Professional Liability Coverage Parts have been updated and new endorsements have been added. The following is a summary of major changes which will apply to your policy at renewal. This notice does **not** reference every editorial change made in your policy. If you have any questions or concerns, please contact your agent.

The material is organized by coverage form and endorsements. However not all coverages, coverage forms or endorsements are included on a particular policy. Please read your policy language carefully.

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#### **421-0542 06 18 HUMAN SERVICES PROFESSIONAL LIABILITY COVERAGE OCCURRENCE**

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#### **421-0544 06 18 HUMAN SERVICES PROFESSIONAL LIABILITY COVERAGE CLAIMS MADE**

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#### **Changes That Clarify Coverage:**

Language has been modified for clarification throughout the form.

- The insuring agreement on both forms has been modified to clarify that:
  - We pay “on behalf of the insured”;
  - We may settle any “claim” or “suit” provided we have the Named Insured’s written consent, which shall not be unreasonably withheld; and
  - All “wrongful acts” arising from an interrelated series of acts, errors or omission shall be deemed to be one “wrongful act” taking place at the time of the earliest “wrongful act”.
- The insuring agreement on 421-0544 has been further modified to clarify that:
  - If no Retroactive Date is shown in the Declarations, the Retroactive Date will be the first day of the policy period shown in the Declarations;
  - This insurance applies only if you did not give notice of the “wrongful act” to any prior insurer, or give notice under any policy of which this policy was a renewal, replacement or succeeds in time; and
  - This insurance applies only if there was no prior notice by any insured, or “employee” authorized by you to give or receive notice of a “wrongful act”, of the “wrongful act” prior to the policy inception date.
- Supplementary Payments has been modified to clarify that court costs taxed against you in a “suit” do not include attorneys’ fees or attorneys’ expenses taxed against you.
- 421-0544 has a new claims made warning at the top of the form.





**Changes That May Broaden Coverage:**

- Exclusions that have been modified and may broaden coverage:
  7. **Psychiatrist** exclusion has been modified so it does not apply to you and your “employees” with respect to your vicarious liability for the “wrongful acts” of a psychiatrist or psychiatric physicians’ assistant who is your “employee”, volunteer or independent contractor and performing duties related to the conduct of your business.
  8. **Specified Professional Service** exclusion no longer contains a requirement that there be a written contract or agreement between you and the specific itemized professionals before providing an exception to the exclusion for your vicarious liability arising out of such professional services.
  10. **Bodily Injury to an Insured** exclusion now has an exception where the exclusion does not apply when your “employee” is also your client or consumer, is receiving services within the scope of the services you provide, and the “claim” arises out of the provision of such services.
  11. **Workers’ Compensation** exclusion now has an exception where the exclusion does not apply when your “employee” is also your client or consumer, is receiving services within the scope of the services you provide, and the “claim” arises out of the provision of such services.
  13. **Employers Liability** exclusion now has an exception where the exclusion does not apply when your “employee” is also your client or consumer, is receiving services within the scope of the services you provide, and the “claim” arises out of the provision of such services.
  25. **Cross Insureds** exclusion now has an exception where the exclusion does not apply when your “employee” is also your client or consumer, is receiving services within the scope of the services you provide, and the “claim” arises out of the provision of such services.
- **WHO IS AN INSURED** now specifically includes teachers and substitute teachers employed by you, as well as student teachers and parent-teacher organizations or associations.
- **WHO IS AN INSURED** now also includes additional insured status within certain conditions for a person or organization with whom you agreed in a written contract, written agreement or permit to provide insurance.
- A **Liberalization** clause has been added to **CONDITIONS**: any revision to the terms and conditions of the coverage parts to provide more coverage without an additional premium charge during the policy term will immediately apply.
- The definition of “**Wrongful Act**” has been revised to specifically include educational instruction and teaching.
- 421-0544 modifies the Extended Reporting Period section to allow for a broader range of options for the optional extended reporting periods from one year to one, two or three years.

**Changes That May Reduce Coverage:**

- Exclusions that have been modified and may reduce coverage:
  1. **Intentional or Criminal Act** exclusion has been changed to **1. Intentional, Willful, Dishonest or Criminal Act**.
  5. **Aircraft, Auto or Watercraft** exclusion has been modified to include “unmanned aircraft”.
  8. **Specified Professional Services** exclusion: paraprofessional services related to the specified professional services listed have been added.
  29. **Discrimination** exclusion now includes gender identification.

**Other Changes:**

- There are now two options for insureds to select a deductible: A “Damages” Only option, and a “Damages” and “Claim Expense” option. There was no deductible option previously.
- Any dispute between you and us with respect to coverage must be filed in the courts of the United States of America (including its territories and possessions), Puerto Rico or Canada.
- 421-0544 has added a **CONDITION** clarifying your right to “claim” and “wrongful act” information.

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Beyond the base form, we revised the existing endorsements below. One or more of these endorsements may be attached to your policy.

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**Endorsements That May Broaden Coverage:**

421-0596 06 18 Human Services Professional Liability Optional Extended Reporting Period – No Refreshed Aggregate

421-2386 06 18 Punitive Damages – Human Services

421-2387 06 18 Vicarious Punitive Damages – Human Services

**Endorsements with No Coverage Impact:**

421-0547 06 18 Specified Professional Additional Insured

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Beyond the base form, we created the new endorsements below. One or more of these endorsements may be attached to your policy.

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**Endorsements That May Broaden Coverage:**

421-4273 06 18 Other Specified Professional Liability – Human Services

**Endorsements That May Reduce Coverage:**

421-4322 06 18 Exclusion – Specified Professional Services

421-4353 06 18 Exclusion – Nurse Practitioner

