



FOLLOW FORM EXCESS MANAGEMENT LIABILITY INSURANCE DECLARATIONS

NOTICE: PLEASE READ CAREFULLY. This Policy shall follow all the terms and conditions of the **Followed Form** except as stated herein. Terms defined in the **Followed Form** are used herein with the meaning assigned to them in the **Followed Form** unless otherwise indicated.

POLICY NUMBER: DOX10004746901

PRIOR POLICY NUMBER: DOX10004746900

Item 1. **Named Insured:** Behavioral Health Insurance Pool, Inc.
Address: 333 East Osborn Street
Suite 300
Phoenix, AZ 85012

Item 2. **Policy Period:** From: March 31, 2015 To: December 31, 2015
(12:01 AM Standard Time on both dates at the address of the **Named Insured** noted above.)

Item 3. **Limit of Liability:**
(including defense costs) \$ 5,000,000 excess of \$ 5,000,000

Item 4. Pending & Prior
Litigation Date: March 31, 2011
This policy follows the pending & prior litigation exclusion in the **Followed Form**, except that the applicable date in such exclusion shall be the date indicated in this Item 4.

Item 5. **Premium:** \$ 6,777

Item 6. **Producer:** Alliant Insurance Services- Houston TX
Address: 5847 San Felipe, Suite 2750
Houston, TX 77057

Item 7. **A. Underlying Policy(ies):**

Insurer	Policy Number	Limit of Liability	Attachment
Darwin National Assurance Company	0306-5135	\$ 5,000,000	Primary

B. Followed Form:

Insurer	Policy Number	Limit of Liability	Attachment
Darwin National Assurance Company	0306-5135	\$ 5,000,000	Primary

Item 8. **Forms and Endorsements Effective at Inception:**
See attached Forms and Endorsements Schedule, IL 0101.

FOLLOW FORM EXCESS MANAGEMENT LIABILITY INSURANCE DECLARATIONS

Item 9. Notice:

A. Claims or Potential Claims: Endurance U.S. Insurance – Claims
Attn: Claims Department
750 Third Avenue
18th Floor
New York, NY 10017
eclaims@enhinsurance.com
1-877-676-7575

B. All Other: Endurance Professional Solutions
Attn: Professional Lines Underwriting Department
750 Third Avenue
18th Floor
New York, NY 10017
EPS@enhinsurance.com

This Policy shall constitute the contract between the **Insureds** and the Insurer.

The Insurer hereby causes this Policy to be signed on the Declarations page by a duly authorized representative of the Insurer.



Authorized Representative

April 06, 2015

Date

FOLLOW FORM EXCESS MANAGEMENT LIABILITY INSURANCE POLICY

THIS POLICY CONTAINS CLAIMS MADE COVERAGES. READ THE ENTIRE POLICY CAREFULLY TO DETERMINE YOUR RIGHTS, DUTIES AND WHAT IS AND WHAT IS NOT COVERED.

In consideration of premium paid or payable and in reliance on all statements made and information furnished by the **Insureds** in the Application or the underwriting of this Policy, and subject to the terms, conditions and limitations of this Policy, Endurance American Insurance Company (herein referred to as the "Insurer") agrees as follows:

I. INSURING CLAUSE

Subject to the terms and conditions of this Policy, the Insurer shall provide to the **Insureds** insurance coverage for Claims first made during the **Policy Period**, including the Discovery Period if exercised. Liability for any covered Loss resulting from covered Claims shall attach to the Insurer only after (i) the insurers of the **Underlying Policy(ies)**, the **Insureds**, and/or any other party shall have paid in legal currency the full amount of the **Underlying Limit** pursuant to Section II.B.1 below, and (ii) the **Insureds** shall have paid the retention or deductible, if any, applicable under the **Primary Policy**. The Insurer shall then be liable to pay only covered Loss in excess of such **Underlying Limit** up to its **Limit of Liability** as set forth in Item 3 of the Declarations, which shall be the maximum aggregate liability of the Insurer under this Policy with respect to all Claims first made in each **Policy Period**, including the Discovery Period if exercised, against all **Insureds** irrespective of the time of payment by the Insurer.

II. TERMS AND CONDITIONS

A. FOLLOWING FORM

This Policy, except as stated herein, is subject to all terms, conditions, representations and limitations as contained in the **Followed Form** as of inception of this Policy, and to the extent coverage is further limited or restricted thereby, in any other **Underlying Policy(ies)**. In no event shall this Policy grant broader coverage than would be provided by any of the **Underlying Policy(ies)**. In the event of any conflict between the terms, conditions, and limitations of this Policy and any **Underlying Policy**, the terms, conditions and limitations of this Policy shall control.

B. UNDERLYING POLICIES

1. In the event and only in the event of the erosion or exhaustion of the **Underlying Limit** by reason of:
 - a. the insurer(s) of the **Underlying Policy(ies)**, the **Insureds**, and/or any other party paying in legal currency Loss covered under the respective **Underlying Policy(ies)**; and/or
 - b. the insurer(s) of the **Underlying Policy(ies)** paying loss under another policy(ies) issued by such underlying insurer to the **Named Insured** or any of its affiliates; but only to the extent such **Underlying Policy(ies)** explicitly requires that such loss payment erodes the limit of liability of such **Underlying Policy(ies)**.

this Policy shall: (i) in the event of erosion, pay excess of the eroded **Underlying Limit**, and (ii) in the event of exhaustion, continue in force as primary insurance; provided always that in the latter event this Policy shall only pay excess of the retention or deductible, if any, applicable under the **Primary Policy**, which retention or deductible shall be applied to any subsequent Loss in the same manner as specified in the **Primary Policy**.

2. Notwithstanding any of the terms of this Policy which might be construed otherwise, this Policy shall drop down only in the event of erosion or exhaustion of the **Underlying Limit** as described above, and shall not drop down for any other reason including, but not limited to, uncollectability (in whole or in part) of any **Underlying Policy(ies)**. The risk of uncollectability of the **Underlying Policy(ies)** (in whole or in part) whether because of financial impairment or insolvency of an underlying insurer or for any other reason, is expressly retained by the **Insureds** and is not in any way or under any circumstances insured or assumed by the Insurer.
3. If any **Underlying Policy(ies)** contains a specific grant of coverage that is subject to a sublimit of liability, then coverage under this Policy shall not apply to any Claim which is otherwise subject to such grant of coverage. However, any Loss paid under the **Underlying Policies** on account of such Claim shall erode or exhaust the **Underlying Limit**, as provided in Section II.B.1 above, for purposes of this Policy.
4. If any **Underlying Policy(ies)** is canceled or terminated during the **Policy Period** including the Discovery Period if exercised, the Insurer shall not be liable under this Policy to a greater extent than it would have been had such **Underlying Policy(ies)** been so maintained. To the extent the terms, conditions or limitations of any of the **Underlying Policy(ies)** are changed to limit or restrict coverage, this Policy shall become subject to such changes upon the effective date of the change in the **Underlying Policy(ies)**. To the extent the terms, conditions or limitations of any of the **Underlying Policy(ies)** are changed to expand or broaden coverage, this Policy shall become subject to such changes only if and to the extent the Insurer agrees to such changes in writing and the **Insureds** pay any additional premium reasonably required by the Insurer for such changes.

C. NOTICE

All notices under this Policy shall be in writing and properly addressed to the appropriate party. Notice to the **Insureds** may be given to the **Named Insured** at the address as shown in Item 1. of the Declarations. Notice to the Insurer of any Claim or potential Claim under this Policy shall be given to the Insurer at the address as shown in Item 9.A. of the Declarations. All other notices to the Insurer under this Policy shall be given to the Insurer at the address as shown in Item 9.B. of the Declarations.

Any notice to the insurer of an **Underlying Policy(ies)** shall not constitute notice to the Insurer unless also given to the Insurer as provided in this Section II.C.

D. CLAIMS PROVISIONS

1. The Insurer may, at its sole discretion, participate in the investigation, defense or settlement of any Claim or potential Claim reported to the Insurer under this Policy even if the **Underlying Limit** has not been exhausted.
2. No action by any other insurer shall bind the Insurer under this Policy. The Insurer shall not be liable under this Policy for any settlements, stipulated judgments or defense costs to which the Insurer has not consented, which consent shall not be unreasonably withheld.

E. DISCOVERY PERIOD

The **Insureds** shall have the right to elect a Discovery Period under this Policy as described in, and subject to the terms of, the **Followed Form**. The additional premium for the Discovery Period shall be the same percentage of this Policy's annual premium as the percentage stated in the **Followed Form** for calculating the Discovery Period premium thereunder. The Discovery

Period shall not be available unless the **Insured** has elected the Discovery Period in all unexhausted **Underlying Policies** and has provided proof thereof to the Insurer.

F. DEFINITIONS

1. Terms defined in the **Followed Form** are used herein with the meaning assigned to them in the **Followed Form** unless otherwise stated herein. Other words and phrases that appear in bold have special meaning and can be found below or in any endorsement or the specific Policy provision where they appear.
2. **Followed Form, Underlying Policy(ies)** and **Limit of Liability** have the meanings attributed to them in the Declarations.
3. **Insured(s)** means all natural persons and entities insured by the **Followed Form**.
4. **Named Insured** means the entity named in Item 1 of the Declarations.
5. **Primary Policy** means the first listed policy in Item 7.A of the Declarations.
6. **Policy Period** means the period of time specified in Item 2. of the Declarations, subject to prior termination in accordance with the **Followed Form**.
7. **Underlying Limit** means an amount equal to the aggregate of all limits of liability, as set forth in Item 7. of the Declarations, for all **Underlying Policies**, plus the retention or deductible, if any, applicable under the **Primary Policy**.



Endurance American Insurance Company

**750 3rd Avenue
New York, NY 10017**

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President and Senior Vice President and countersigned where required by law on the Declarations page by its duly authorized representative.

Senior Vice President

President

FORMS AND ENDORSEMENT SCHEDULE

FOLLOW FORM EXCESS MANAGEMENT LIABILITY INSURANCE POLICY

End. No.	Title	Number
	Follow Form Excess Management Liability Insurance Declarations	EML 0001 0712
	Follow Form Excess Management Liability Insurance Policy	EML 0201 0712
	Signature Page	IL 1007 0114
	Forms and Endorsement Schedule	IL 0101 0712
1.	General Change (Follow Anti-trust sublimit)	IL 1001 0712
2.	Non-Following Provision (Non-Recognition of Erosion)	EML 1311 0712
3.	Disclosure Pursuant to the Terrorism Risk Insurance Act	IL 1214 0712
4.	Cap on Losses from Certified Acts of Terrorism	IL 1204 0712
	U.S. Treasury Department's Office of Foreign Assets Control (OFAC)	PN 0001 0712

The titles of the endorsements listed above are solely for convenience and form no part of the terms and conditions of coverage.

ENDORSEMENT

Named Insured: Behavioral Health Insurance Pool, Inc. **Policy Number:** DOX10004746901

Endorsement

Effective Date: March 31, 2015
12:01 AM Standard Time at the address
of the **Named Insured** as shown in the
Declarations.

Endorsement

Number: 1

GENERAL CHANGE (FOLLOW ANTI-TRUST SUBLIMIT)

It is agreed that:

The following is added to the end of Section II B.3:

This section shall not apply solely with respect to coverage provided under the sublimit of liability for any **Claim** for **Antitrust Violation** in Insuring Agreement D. in the Management Liability Coverage Section of the **Primary Policy**, including any endorsements or provision pertaining to this coverage.



Authorized Representative

This endorsement does not change any other provision of the Policy. The title and any headings in this endorsement are solely for convenience and do not affect its meaning.

ENDORSEMENT

Named Insured: Behavioral Health Insurance Pool, Inc. **Policy Number:** DOX10004746901

Endorsement

Effective Date: March 31, 2015
(12:01 AM Standard Time at the address of the
Named Insured as shown in the Declarations)

Endorsement

Number: 2

NON-FOLLOWING PROVISION (NON-RECOGNITION OF EROSION)

It is agreed that:

Coverage under this Policy shall not be subject to or follow the provision(s) of the **Followed Form** referenced below. Any payment by the insurer(s) of any **Underlying Policy(ies)** of Loss which is covered thereunder by reason of the provision(s) referenced below shall not erode or exhaust the **Underlying Limit** for purposes of this Policy.

Non-Following Provision(s) : Employment Practices Liability Coverage Section



Authorized Representative

This endorsement does not change any other provision of the Policy. The title and any headings in this endorsement are solely for convenience and do not affect its meaning.

ENDORSEMENT

Named Insured: Behavioral Health Insurance Pool, Inc. **Policy Number:** DOX10004746901

Endorsement

Effective Date: March 31, 2015
12:01 AM Standard Time at the address of the
Named Insured as shown in the Declarations.

Endorsement

Number: 3

DISCLOSURE PURSUANT TO THE TERRORISM RISK INSURANCE ACT

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

It is agreed that:

SCHEDULE: Terrorism Premium (Certified Acts): \$0

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act as amended and reauthorized in 2007. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement.

B. Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

ENDORSEMENT

A handwritten signature in black ink that reads "Joe Kelly III". The signature is written in a cursive style with a horizontal line under the "III".

Authorized Representative

This endorsement does not change any other provision of the **Policy**. The title and any headings in this endorsement are solely for convenience and do not affect its meaning.

(*) Notice Includes copyrighted material of Insurance Services Office, Inc. with its permission.

ENDORSEMENT

Named Insured: Behavioral Health Insurance Pool, Inc. **Policy Number:** DOX10004746901

Endorsement

Effective Date: March 31, 2015
12:01 AM Standard Time at the address of the
Named Insured as shown in the Declarations.

Endorsement

Number: 4

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that:

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and the Insurer has met its deductible under the Terrorism Risk Insurance Act, the Insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.



Authorized Representative

This endorsement does not change any other provision of the **Policy**. The title and any headings in this endorsement are solely for convenience and do not affect its meaning.

(*) Notice Includes copyrighted material of Insurance Services Office, Inc. with its permission.

POLICYHOLDER NOTICE

U. S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL (OFAC)

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

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

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

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

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

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

ENDORSEMENT

Named Insured: Behavioral Health Insurance Pool, Inc. **Policy Number:** DOX10004746901

Endorsement

Effective Date: July 15, 2015
(12:01 AM Standard Time at the address of the
Named Insured as shown in the Declarations)

Endorsement

Number: 5

POLICY PERIOD EXTENSION

It is agreed that:

1. ITEM 2. of the Declarations, "**Policy Period**", is deleted in its entirety and replaced with the following:

ITEM 2. **Policy Period:** From: March 31, 2015 To: January 01, 2016
(12:01 AM Standard Time at the address stated in Item 1.)

2. The **Limit of Liability** stated in Item 3. of the Declarations shall be the maximum aggregate liability of the Insurer under this Policy with respect to all Claims first made during the extended **Policy Period** set forth in paragraph 1. above.

3. Item 5. of the Declarations, Premium, is deleted and replaced with the following:

ITEM 5. **Premium:** \$ 6,777



Authorized Representative

This endorsement does not change any other provision of the **Policy**. The title and any headings in this endorsement are solely for convenience and do not affect its meaning.



Management Liability

303 West Madison, Suite 1800
Chicago, IL 60606

Premium Payment Invoice

(Please remit payment no later than August 29, 2015)

If you have any questions regarding
remittance, please contact:
Endurance Accounting Business Services Group
Email: ESUAccounting@EnduranceServices.com

Invoice Date: July 24, 2015

Attention: Alliant Insurance Services-
Houston TX
Matthew Raymer
5847 San Felipe, Suite 2750
Houston, TX 77057

Sent Via: E-mail
Invoice Number: 30-156545
Phone: 832485

Policy Number: DOX10004746901
Named Insured: Behavioral Health Insurance
Pool, Inc.
Insurer: Endurance American
Insurance Company
Effective Date: July 15, 2015
Expiration Date: January 01, 2016
Underwriter: Joseph Kelly

Total Premium: \$ 0
Less Commissions: 0%
Total Amount Due: \$ 0

Via Electronic Endurance
Transfer:

Bank Name: Wells Fargo
Account number: 4122220049
WIRE/ ACH ABA: 1210-0024-8

Via Check:

Make Check Endurance
Payable to :

Send check to: LockBox 9027
PO Box 789027
Philadelphia, PA 19178-9027

Overnight Endurance
Address: LockBox 9027
101 North Independence Mall
East
Philadelphia, PA 19106