

EMPLOYERS MUTUAL CASUALTY COMPANY

I N S T A L L M E N T P R E M I U M P A Y M E N T
S C H E D U L E

POLICY PERIOD: 12/31/2013 TO 12/31/2014

* POLICY NUMBER *
* 3 J 6 - 2 2 - 5 0---14 *

N A M E D I N S U R E D

P R O D U C E R

BUSBOOM & RAUH CONSTRUCTION CO

LOCKTON COMPANIES, LLC/KC SERIE

145 1/2 S SANTA FE AVE

444 W 47TH ST STE 900

SALINA, KS.

KANSAS CITY, MO.

67401-2857

64112-1906

AGENT NO. AK-7386

THE (ADVANCE/ESTIMATED) PREMIUM WILL BE DUE AS FOLLOWS:

! SCHEDULE !	! INSTALLMENT !
! DUE DATE !	! AMOUNT !
! 12/31/13 !	! 3237.00 !
! 01/31/14 !	! 1078.00 !
! 02/28/14 !	! 1078.00 !
! 03/31/14 !	! 1078.00 !
! 04/30/14 !	! 1078.00 !
! 05/31/14 !	! 1078.00 !
! 06/30/14 !	! 1078.00 !
! 07/31/14 !	! 1078.00 !
! 08/31/14 !	! 1078.00 !
! 09/30/14 !	! 1078.00 !
! TOTAL !	! 12939.00 !

THIS INSTALLMENT SCHEDULE WILL NOT BE REVISED BY ANY FUTURE ENDORSEMENT
RESULTING IN PREMIUM CHANGES, UNLESS APPROVED BY THE COMPANY.

PLACE OF ISSUE: OVERLAND PARK, KS

DATE OF ISSUE: 12/20/2013

EMPLOYERS MUTUAL CASUALTY COMPANY

C O M M E R C I A L U M B R E L L A D E C L A R A T I O N S

Policy Period: From 12/31/13 to 12/31/14

* Policy Number *
* 3 J 6 - 2 2 - 5 0---14 *

N A M E D I N S U R E D

P R O D U C E R

BUSBOOM & RAUH CONSTRUCTION CO
145 1/2 S SANTA FE AVE
SALINA KS 67401-2857LOCKTON COMPANIES, LLC/KC SERIE
444 W 47TH ST STE 900
KANSAS CITY MO 64112-1906

AGENCY BILL

AGENT: AK 7386
AGENT PHONE: 816-960-9000

Insured is CORPORATION

Business Desc: CONTRACTOR

C L A I M S M A D E C O V E R A G E

The Following Claims Made Coverage Applies: Excess Employee Benefit
Liability. Please Read Your Policy Carefully.

L I M I T S O F I N S U R A N C E

Each Occurrence Limit (Liability Coverage) \$10,000,000

Personal & Advertising Injury Limit \$10,000,000
(Any one person or organization)Aggregate Limit (Liability Coverage) \$10,000,000
(except with respect to "covered autos")

PREMIUM NOT SUBJECT TO AUDIT \$ 12,939.00

A \$100 MINIMUM POLICY PREMIUM APPLIES
IF POLICY IS CANCELLED AFTER THE EFFECTIVE DATE.

Forms Applicable:

CU0001(12/07)*, CU0004(05/09)*, CU0133(04/13)*, CU0210(09/00)*,
CU0403(12/07)*, CU2113(09/00)*, CU2123(02/02)*, CU2127(12/04)*,
CU2130(01/08)*, CU2136(01/08)*, CU2414(09/00)*, CU7001A(04/05)*,
CU7272(08/06)*, CU7273(12/10)*, CU7276(12/10)*, CU7293(08/06)*,
CU7404.1(10/08)*, CU7405(10/08)*, CU7431(10/08)*, CU8312(10/08)*,
IL7131A(04/01)*, IL7605(01/08)*, IL8383.2(01/08)*, IL8384A(01/08)*

Date of Issue 12/20/13 BPP

FORM CU7000A ED. 01-07 BPP 11/19/13

402

K7

3J62250 1401

EMPLOYERS MUTUAL CASUALTY COMPANY

POLICY NUMBER: 3J6-22-50---14

BUSBOOM & RAUH CONSTRUCTION CO

EFF DATE: 12/31/13

EXP DATE: 12/31/14

C O M M E R C I A L U M B R E L L A P O L I C Y
D E C L A R A T I O N S

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ENDORSEMENT SCHEDULE

FORM	EDITION DATE	DESCRIPTION/ADDITIONAL INFORMATION	PREMIUM
*CU0001	12-07	COMM LIABILITY UMBRELLA COV FORM	
*CU0004	05-09	RECORD/DISTR MATRL INFO VIOL LAW EXC	
*CU0133	04-13	KANSAS CHANGES	
*CU0210	09-00	KS CHANGES - CANCELLATION & NONRENEW	
*CU0403	12-07	EMPLOYEE BENEFITS LIABILITY COVERAGE	
		LIMITS OF INSURANCE	
		\$ 10,000 RETAINED LIMIT	
		\$ 5,000,000 EACH EMPLOYEE	
		\$ 5,000,000 AGGREGATE	
		RETROACTIVE DATE: 12/31/2000	
*CU2113	09-00	AMENDMENT OF LIQUOR LIABILITY EXCL	
*CU2123	02-02	NUCLEAR ENERGY LIAB EXCL BROAD FORM	
*CU2127	12-04	FUNGI OR BACTERIA EXCLUSION	
*CU2130	01-08	CAP OF LOSSES FROM CERT ACTS OF TERR	
*CU2136	01-08	EXCL PUNITIVE DMG CERT ACTS OF TERR	
*CU2414	09-00	FELLOW EMPLOYEE AUTO COVERAGE	
*CU7001A	04-05	SCHED OF PRIMARY INS - AUTOMATED	
*CU7272	08-06	ASBESTOS EXCLUSION	
*CU7273	12-10	AUTO LIABILITY - FOLLOW FORM	
*CU7276	12-10	COMMERCIAL UMBRELLA AMENDMENT OF COV	
*CU7293	08-06	FOREIGN EXPOSURE FOLLOWING FORM	
*CU7404.1	10-08	UMBRELLA LIAB AMEND - FOLLOW FORM	
*CU7405	10-08	EXCL-EXT INSUL AND FINISH SYSTEMS...	
*CU7431	10-08	AMENDMENT OF EMPLOYEE BENEFITS PROG	
*CU8312	10-08	IMPORTANT NOTICE TO POLICYHOLDERS	
*IL7131A	04-01	COMM'L POLICY ENDORSEMENT SCHEDULE	
*IL7605	01-08	KANSAS COMPANY ELIMINATION	
*IL8383.2	01-08	DISCL PURSUANT TERRSM RISK INS. ACT	\$ 131
*IL8384A	01-08	TERRORISM NOTICE	

DATE OF ISSUE: 12/20/13

FORM: IL7131A (ED. 04-01)

BPP

402

K7

3J62250 1401

EMPLOYERS MUTUAL CASUALTY COMPANY
BUSBOOM & RAUH CONSTRUCTION CO

POLICY NUMBER: 3J6-22-50---14
EFF DATE: 12/31/13 EXP DATE: 12/31/14

T E R R O R I S M N O T I C E

This insurance may include coverage for certified acts of terrorism as defined in the Terrorism Risk Insurance Act, as amended.

Attached you will find a disclosure, which identifies the specific charge for certified acts of terrorism.

YOU MAY HAVE THE OPTION TO REJECT THIS TERRORISM COVERAGE

For additional information, please contact your agent

EMPLOYERS MUTUAL CASUALTY COMPANY
BUSBOOM & RAUH CONSTRUCTION COPOLICY NUMBER: 3J6-22-50---14
EFF DATE: 12/31/13 EXP DATE: 12/31/14

This disclosure is attached to your policy in response to the disclosure requirements of the Terrorism Risk Insurance Act. This disclosure does not grant any coverage or change the terms and conditions of any coverage under the policy.

D I S C L O S U R E P U R S U A N T T O
T E R R O R I S M R I S K I N S U R A N C E A C T

S C H E D U L E

Terrorism Premium (Certified Acts) \$131.00

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 terrorism acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the schedule of this disclosure or in the policy Declarations.

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.

THE FOLLOWING STATEMENT IS REQUIRED TO BE PART OF THE DISCLOSURE NOTICE IN MISSOURI:

The premium above is for certain losses resulting from certified acts of terrorism as covered pursuant to coverage provisions, limitations and exclusions in this policy. You should read the definition in your policy carefully, but generally speaking, "certified" acts of terrorism are acts that exceed \$5 million in aggregate losses to the insurance industry and which are subsequently declared by the U.S. Secretary of the Treasury as a certified terrorist act under the Terrorism Risk Insurance Act. Some losses resulting from certified acts of terrorism are not covered.

Read your policy and endorsements carefully.

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DATE OF ISSUE: 12/20/13

EMPLOYERS MUTUAL CASUALTY COMPANY
BUSBOOM AND RAUH CONST

Policy Number: 3J62250---14
Eff Date: 12/31/13 Exp Date: 12/31/14

C O M M E R C I A L U M B R E L L A S C H E D U L E

R E T A I N E D L I M I T

Self Insured Retention \$10,000

SCHEDULE OF UNDERLYING INSURANCE

Commercial Auto Liability

Company: EMCASCO Insurance Company
Policy Number: 3E62250 Policy Period: 12/31/13 to 12/31/14

Minimum Applicable Limits
Each Accident

\$ 1,000,000

Commercial General Liability

Company: EMCASCO Insurance Company
Policy Number: 3D62250 Policy Period: 12/31/13 to 12/31/14

Occurrence Basis

Minimum Applicable Limits

General Aggregate	\$ 2,000,000
Products-Completed Operations Aggregate	\$ 2,000,000
Personal and Advertising Injury	\$ 1,000,000
Each Occurrence	\$ 1,000,000
Employee Benefit Liability	\$ 1,000,000 Each Employee
	\$ 2,000,000 Aggregate

Employers Liability

Company: Employers Mutual Casualty Company
Policy Number: 3H62250 Policy Period: 12/31/13 to 12/31/14

Minimum Applicable Limits

Bodily Injury by Accident	\$ 500,000 Each Accident
Bodily Injury by Disease	\$ 500,000 Each Employee
Bodily Injury by Disease	\$ 500,000 Policy Limit

Date of Issue 12/20/13 BPP

COMMERCIAL LIABILITY UMBRELLA COVERAGE FORM

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 II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay on behalf of the insured the "ultimate net loss" in excess of the "retained limit" because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking damages for such "bodily injury" or "property damage" when the "underlying insurance" does not provide coverage or the limits of "underlying insurance" have been exhausted. When we have no duty to defend, we will have the right to defend, or to participate in the defense of, the insured against any other "suit" seeking damages to which this insurance may apply. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. At our discretion, we may investigate any "occurrence" that may involve this insurance and settle any resultant claim or "suit", for which we have the duty to defend. But:

- (1) The amount we will pay for the "ultimate net loss" is limited as described in 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 under Coverages A or B.

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

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (2) The "bodily injury" or "property damage" occurs during the policy period; and
 - (3) Prior to the policy period, no insured listed under Paragraph 1.a. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1.a. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1.a. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;

- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

This exclusion does not apply to the extent that valid "underlying insurance" for the liquor liability risks described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury" and "property damage". Coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance" unless otherwise directed by this insurance.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. E.R.I.S.A.

Any obligation of the insured under the Employees' Retirement Income Security Act (E.R.I.S.A.), and any amendments thereto or any similar federal, state or local statute.

f. Auto Coverages

- (1) "Bodily injury" or "property damage" arising out of the ownership, maintenance or use of any "auto" which is not a "covered auto"; or
- (2) Any loss, cost or expense payable under or resulting from any first party physical damage coverage; no-fault law; personal injury protection or auto medical payments coverage; or uninsured or underinsured motorist law.

g. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) 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 to liability assumed by the insured under an "insured contract".

With respect to injury arising out of a "covered auto", this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits. For the purposes of this insurance, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

This exclusion does not apply to the extent that valid "underlying insurance" for the employer's liability risks described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury". Coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance" unless otherwise directed by this insurance.

h. Employment-Related Practices

"Bodily injury" to:

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

This exclusion applies whether the injury-causing event described in Paragraphs (a), (b) or (c) above occurs before employment, during employment or after employment of that person.

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.

i. Pollution

- (1) "Bodily injury" or "property damage" 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
- (2) "Pollution cost or expense".

This exclusion does not apply if valid "underlying insurance" for the pollution liability risks described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury" and "property damage". Coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance".

j. Aircraft Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion 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 "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 50 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft.
- (4) The extent that valid "underlying insurance" for the aircraft or watercraft liability risks described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury" or "property damage". Coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance" unless otherwise directed by this insurance; or

(5) Aircraft that is:

- (a) Chartered by, loaned to, or hired by you with a paid crew; and
- (b) Not owned by any insured.

k. Racing Activities

"Bodily injury" or "property damage" arising out of the use of "mobile equipment" or "autos" in, or while in practice for, or while being prepared for, any prearranged professional or organized racing, speed, demolition, or stunting activity or contest.

l. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (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.

m. Damage To Property

"Property damage" to:

- (1) Property:
 - (a) You own, rent, or occupy including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property; or
 - (b) Owned or transported by the insured and arising out of the ownership, maintenance or use of a "covered auto".
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (1)(b), (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs (3) and (4) of this exclusion do not apply to liability assumed under a written Trailer Interchange agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

n. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

o. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

p. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

q. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";

- (2) "Your work"; or
 - (3) "Impaired property";
- if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

r. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

s. Professional Services

"Bodily injury" or "property damage" due to rendering or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications by any architect, engineer or surveyor performing services on a project on which you serve as construction manager;
- (3) Inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager;
- (4) Engineering services, including related supervisory or inspection services;
- (5) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (6) Any health or therapeutic service treatment, advice or instruction;
- (7) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming or therapy;
- (8) Any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardio-vascular fitness, body building or physical training programs;
- (9) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

- (10) Body piercing services;
- (11) Services in the practice of pharmacy; but this exclusion does not apply if you are a retail druggist or your operations are those of a retail drugstore;
- (12) Law enforcement or firefighting services; and
- (13) Handling, embalming, disposal, burial, cremation or disinterment of dead bodies.

t. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access or inability to manipulate electronic data.

As used in this exclusion, electronic data means 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.

This exclusion does not apply if valid "underlying insurance" for the electronic data risks described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury" and "property damage". Coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance", unless otherwise directed by this insurance.

u. Distribution Of Material In Violation Of Statutes

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay on behalf of the insured the "ultimate net loss" in excess of the "retained limit" because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking damages for such "personal and advertising injury" when the "underlying insurance" does not provide coverage or the limits of "underlying insurance" have been exhausted. When we have no duty to defend, we will have the right to defend, or to participate in the defense of, the insured against any other "suit" seeking damages to which this insurance may apply. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. At our discretion, we may investigate any offense that may involve this insurance and settle any resultant claim or "suit", for which we have the duty to defend. But:

- (1) The amount we will pay for the "ultimate net loss" is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B.

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

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

- a. "Personal and advertising injury":

(1) Knowing Violation Of Rights Of Another

Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

(2) Material Published With Knowledge Of Falsity

Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

(3) Material Published Prior To Policy Period

Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

(4) Criminal Acts

Arising out of a criminal act committed by or at the direction of the insured.

(5) Contractual Liability

For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to:

- (a) Liability for damages that the insured would have in the absence of the contract or agreement.
- (b) Liability for false arrest, detention or imprisonment assumed in a contract or agreement.

(6) Breach Of Contract

Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

(7) Quality Or Performance Of Goods – Failure To Conform To Statements

Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

(8) Wrong Description Of Prices

Arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

(9) Infringement Of Copyright, Patent, Trademark Or Trade Secret

Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

(10) Insureds In Media And Internet Type Businesses

Committed by an insured whose business is:

- (a) Advertising, broadcasting, publishing or telecasting;
- (b) Designing or determining content of websites for others; or

- (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

(11) Electronic Chatrooms Or Bulletin Boards

Arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

(12) Unauthorized Use Of Another's Name Or Product

Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

(13) Pollution

Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

(14) Employment-Related Practices

To:

- (a) A person arising out of any:
 - (i) Refusal to employ that person;
 - (ii) Termination of that person's employment; or
 - (iii) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
- (b) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (i), (ii) or (iii) above is directed.

This exclusion applies whether the injury-causing event described in Paragraphs (i), (ii) or (iii) above occurs before employment, during employment or after employment of that person.

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.

(15) Professional Services

Arising out of the rendering or failure to render any professional service. This includes but is not limited to:

- (a) Legal, accounting or advertising services;
- (b) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications by any architect, engineer or surveyor performing services on a project on which you serve as construction manager;
- (c) Inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager.
- (d) Engineering services, including related supervisory or inspection services;
- (e) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (f) Any health or therapeutic service treatment, advice or instruction;
- (g) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming or therapy;
- (h) Any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardiovascular fitness, body building or physical training programs;
- i) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

- (j) Body piercing services;
- (k) Services in the practice of pharmacy; but this exclusion does not apply if you are a retail druggist or your operations are those of a retail drugstore;
- (l) Law enforcement or firefighting services; and
- (m) Handling, embalming, disposal, burial, cremation or disinterment of dead bodies.

(16) War

"Personal and advertising injury", 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 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.

(17) Distribution Of Material In Violation Of Statutes

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (a) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (b) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (c) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

- b. "Pollution cost or expense".

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend, when the duty to defend exists:
 - a. All expenses we incur.
 - b. Up to \$2000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "occurrence" we cover. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
 - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - f. 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.
 - g. All interest on the full amount of any 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.
2. When we have the right but not the duty to defend the insured and elect to participate in the defense, we will pay our own expenses but will not contribute to the expenses of the insured or the "underlying insurer".
 3. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

- (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
- (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph **f.** above, are no longer met.

SECTION II – WHO IS AN INSURED

1. Except for liability arising out of the ownership, maintenance or use of "covered autos":

a. If you are designated in the Declarations as:

- (1) An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- (2) A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

(3) A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

(4) An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

(5) A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

b. Each of the following is also an insured:

(1) Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(a) "Bodily injury" or "personal and advertising injury":

(i) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" in the course of his or her employment or performing duties related to the conduct of your business or to your other "volunteer workers" while performing duties related to the conduct of your business;

(ii) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(a)(i)** above; or

(iii) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(a)(i)** or **(ii)** above.

- (b) "Property damage" to property:
 - (i) Owned, occupied or used by,
 - (ii) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by
you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- (2) Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
- (3) Any person or organization having proper temporary custody of your property if you die, but only:
 - (a) With respect to liability arising out of the maintenance or use of that property; and
 - (b) Until your legal representative has been appointed.
- (4) 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 Coverage Part.
- c. 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 there is no other similar insurance available to that organization. However:
 - (1) 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;
 - (2) Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - (3) Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
- 2. Only with respect to liability arising out of the ownership, maintenance or use of "covered autos":
 - a. You are an insured.
 - b. Anyone else while using with your permission a "covered auto" you own, hire or borrow is also an insured except:
 - (1) The owner or anyone else from whom you hire or borrow a "covered auto". This exception does not apply if the "covered auto" is a trailer or semitrailer connected to a "covered auto" you own.
 - (2) Your "employee" if the "covered auto" is owned by that "employee" or a member of his or her household.
 - (3) Someone using a "covered auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
 - (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their "employees", while moving property to or from a "covered auto".
 - (5) A partner (if you are a partnership), or a member (if you are a limited liability company) for a "covered auto" owned by him or her or a member of his or her household.
 - (6) "Employees" with respect to "bodily injury" to any fellow "employee" of the insured arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.
 - c. Anyone liable for the conduct of an insured described above is also an insured, but only to the extent of that liability.
- 3. Any additional insured under any policy of "underlying insurance" will automatically be an insured under this insurance.

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance required by the contract, less any amounts payable by any "underlying insurance".

Additional insured coverage provided by this insurance will not be broader than coverage provided by the "underlying insurance".

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

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made, "suits" brought, or number of vehicles involved; or
 - c. Persons or organizations making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for the sum of all "ultimate net loss" under:
 - a. Coverage A, except "ultimate net loss" because of "bodily injury" or "property damage" arising out of the ownership, maintenance or use of a "covered auto"; and
 - b. Coverage B.
3. Subject to Paragraph 2. above, the Each Occurrence Limit is the most we will pay for the sum of all "ultimate net loss" under Coverage A because of all "bodily injury" and "property damage" arising out of any one "occurrence".
4. Subject to Paragraph 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all "ultimate net loss" because of all "personal and advertising injury" sustained by any one person or organization.
5. If there is "underlying insurance" with a policy period that is non-concurrent with the policy period of this Commercial Liability Umbrella Coverage Part, the "retained limit(s)" will only be reduced or exhausted by payments for:
 - a. "Bodily injury" or "property damage" which occurs during the policy period of this Coverage Part; or
 - b. "Personal and advertising injury" for offenses that are committed during the policy period of this Coverage Part.

However, if any "underlying insurance" is written on a claims-made basis, the "retained limit(s)" will only be reduced or exhausted by claims for that insurance that are made during the policy period, or any Extended Reporting Period, of this Coverage Part.

The Aggregate Limit, as described in Paragraph 2. above, applies 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.

SECTION IV – CONDITIONS

1. Appeals

If the "underlying insurer" or insured elects not to appeal a judgment in excess of the "retained limit", we may do so at our own expense. We will be liable for taxable costs, pre- and postjudgment interest and disbursements.

2. Bankruptcy

a. Bankruptcy Of Insured

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

b. Bankruptcy Of Underlying Insurer

Bankruptcy of the "underlying insurer" will not relieve us of our obligations under this Coverage Part.

However, this insurance will not replace the "underlying insurance" in the event of bankruptcy or insolvency of the "underlying insurer". This insurance will apply as if the "underlying insurance" were in full effect.

3. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense, regardless of the amount, which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- 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 injury or damage 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, other than for first aid, without our consent.

4. Legal Action Against Us

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

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

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; 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.

5. Other Insurance

- a. This insurance is excess over, and shall not contribute with any of the other insurance, whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically written as excess over this Coverage Part.

When this insurance is excess, we will have no duty under Coverages **A** or **B** 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.

- b. When this insurance is excess over other insurance, we will pay only our share of the "ultimate net loss" that exceeds the sum of:
 - (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - (2) The total of all deductible and self-insured amounts under all that other insurance.

6. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. 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.
- c. 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.

7. Representations Or Fraud

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us;
- c. We have issued this policy in reliance upon your representations; and
- d. This policy is void in any case of fraud by you as it relates to this policy or any claim under this policy.

8. Separation Of Insureds

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

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

9. 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.

10. When We Do Not Renew

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.

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

11. Loss Payable

Liability under this Coverage Part shall not apply unless and until the insured or insured's "underlying insurer" has become obligated to pay the "retained limit". Such obligation by the insured to pay part of the "ultimate net loss" shall have been previously determined by a final settlement or judgment after an actual trial or written agreement between the insured, claimant, and us.

12. Transfer Of Defense

When the underlying limits of insurance have been used up in the payment of judgments or settlements, the duty to defend will be transferred to us. We will cooperate in the transfer of control to us of any outstanding claims or "suits" seeking damages to which this insurance applies which would have been covered by the "underlying insurance" had the applicable limit not been used up.

13. Maintenance Of/Changes To Underlying Insurance

The "underlying insurance" listed in the Schedule of "underlying insurance" in the Declarations shall remain in full effect throughout the policy period except for reduction of the aggregate limit due to payment of claims, settlement or judgments.

Failure to maintain "underlying insurance" will not invalidate this insurance. However, this insurance will apply as if the "underlying insurance" were in full effect.

If there is an increase in the scope of coverage of any "underlying insurance" during the term of this policy, our liability will be no more than it would have been if there had been no such increase.

You must notify us as soon as practicable when any "underlying insurance" is no longer in effect or if the limits or scope of coverage of any "underlying insurance" is changed.

14. Expanded Coverage Territory

- a. If a "suit" is brought in a part of the "coverage territory" that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law, or otherwise, from defending the insured, the insured will initiate a defense of the "suit". We will reimburse the insured, under Supplementary Payments, for any reasonable and necessary expenses incurred for the defense of a "suit" seeking damages to which this insurance applies, that we would have paid had we been able to exercise our right and duty to defend.

If the insured becomes legally obligated to pay sums because of damages to which this insurance applies in a part of the "coverage territory" that is outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law, or otherwise, from paying such sums on the insured's behalf, we will reimburse the insured for such sums.

- b. All payments or reimbursements we make for damages because of judgments or settlements will be made in U.S. currency at the prevailing exchange rate at the time the insured became legally obligated to pay such sums. All payments or reimbursements we make for expenses under Supplementary Payments will be made in U.S. currency at the prevailing exchange rate at the time the expenses were incurred.
- c. Any disputes between you 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), Canada or Puerto Rico.
- d. The insured must fully maintain any coverage required by law, regulation or other governmental authority during the policy period, except for reduction of the aggregate limits due to payments of claims, judgments or settlements.

Failure to maintain such coverage required by law, regulation or other governmental authority will not invalidate this insurance. However, this insurance will apply as if the required coverage by law, regulation or other governmental authority was in full effect.

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, disability, 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".
4. "Coverage territory" means anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.
5. "Covered auto" means only those "autos" to which "underlying insurance" applies.
6. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
7. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work", or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".
- g. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraphs **f.** and **g.** do not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
- (2) That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
- (3) That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a "covered auto" over a route or territory that person or organization is authorized to serve by public authority.

10. "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".

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

- a.** After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b.** While it is in or on an aircraft, watercraft or "auto"; or
- c.** While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

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

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

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

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

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

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

- f.** Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

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

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

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

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a.** False arrest, detention or imprisonment;
- b.** Malicious prosecution;
- c.** 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;
- d.** 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;
- e.** Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f.** The use of another's advertising idea in your "advertisement"; or
- g.** Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean 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.

16. "Pollution cost or expense" means any loss, cost or expense arising out of any:

- a. 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
- b. 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".

17. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

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

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

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

18. "Property damage" means:

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

With respect to the ownership, maintenance or use of "covered autos", property damage also includes "pollution cost or expense", but only to the extent that coverage exists under the "underlying insurance" or would have existed but for the exhaustion of the underlying limits.

For the purposes of this insurance, with respect to other than the ownership, maintenance or use of "covered autos", electronic data is not tangible property.

As used in this definition, electronic data means 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.

19. "Retained limit" means the available limits of "underlying insurance" scheduled in the Declarations or the "self-insured retention", whichever applies.

20. "Self-insured retention" means the dollar amount listed in the Declarations that will be paid by the insured before this insurance becomes applicable only with respect to "occurrences" or offenses not covered by the "underlying insurance". The "self-insured retention" does not apply to "occurrences" or offenses which would have been covered by "underlying insurance" but for the exhaustion of applicable limits.

21. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" 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 or the "underlying insurer's" consent.

22. "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.

23. "Ultimate net loss" means the total sum, after reduction for recoveries or salvages collectible, that the insured becomes legally obligated to pay as damages by reason of settlement or judgments or any arbitration or other alternate dispute method entered into with our consent or the "underlying insurer's" consent.

24. "Underlying insurance" means any policies of insurance listed in the Declarations under the Schedule of "underlying insurance".

25. "Underlying insurer" means any insurer who provides any policy of insurance listed in the Schedule of "underlying insurance".

26. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

27. "Your product":

a. Means:

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

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

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

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

28. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and

(2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

- A. Exclusion u. of Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

u. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1)** The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2)** The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3)** The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4)** Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

- B. Exclusion a.(17) of Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

a. "Personal and advertising injury":

(17) Recording And Distribution Of Material Or Information In Violation Of Law

Arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (a)** The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (b)** The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (c)** The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (d)** Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KANSAS CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

Paragraph **d.** of the **Representations Or Fraud** Condition is replaced by the following:

d. No payment will be made under this policy if you or any other insured in relation to an insurance application, rating, claim or coverage under this policy knowingly and with intent to defraud:

(1) Presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement which such person knows to contain materially false information concerning any material fact; or

(2) Conceals information concerning any material fact for the purpose of misleading.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

KANSAS CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

- A.** If you are an individual and a "covered auto" you own is of the "private passenger type", and this policy covers fewer than five "autos" and does not insure the motor vehicle hazard of garages, motor vehicle sales agencies, repair shops, service stations or public parking places, the **Cancellation** Common Policy Condition is replaced by the following:

ENDING THIS POLICY

1. Cancellation

- a.** You may cancel the policy by mailing or delivering to us advance written notice of cancellation.
- b.** We may cancel this policy by mailing you notice of cancellation. If we cancel for non-payment of premium, we will mail you at least 10 days notice. If we cancel for any other reason, we will mail you at least 30 days written notice.
- c.** When this policy is in effect 60 days or more or is a renewal or continuation policy, we may cancel Liability Coverage and Personal Injury Protection only for one or more of the following reasons:
 - (1)** Nonpayment of premium.
 - (2)** Fraudulent misrepresentation in obtaining this policy.
 - (3)** The insured violates any terms or conditions of the policy.

- (4)** You or any other operator who either resides in the same household or customarily operates a "covered auto":
 - (a)** Has had his or her driver's license suspended or revoked during the policy period.
 - (b)** Is or becomes subject to epilepsy or heart attacks and cannot produce a physician's certificate stating that he or she can operate a motor vehicle safely.
 - (c)** Has been convicted during the policy period or 36 months before it, for:
 - (i)** Any felony, or
 - (ii)** Criminal negligence resulting in death, homicide or assault, arising from the operation of a motor vehicle, or
 - (iii)** Driving a motor vehicle while intoxicated or under the influence of drugs, or
 - (iv)** Leaving the scene of an accident without stopping to report, or
 - (v)** Theft of a motor vehicle, or
 - (vi)** Making false statements when applying for a driver's license, or

(vii) A third moving violation, committed within a period of 18 months of:

- i. Any regulation limiting the speed of motor vehicles, or
- ii. Any of the provisions in the motor vehicle laws of any state, the violation of which constitutes a misdemeanor or traffic infraction, or
- iii. Any ordinance traffic infraction, or ordinance which prohibits the same acts as a misdemeanor statute of the uniform act regulating traffic on highways, whether or not the violations were repetitions of the same offense or were different offenses.

(5) We replace this policy with another one providing similar coverages and the same limits for the "covered auto". The replacement policy will take effect when this policy is cancelled, and will end a year after this policy begins or on this policy's expiration date, whichever is earlier.

- d. Renewal or continuation of this policy does not act as a waiver or estoppel of any reasons for cancellation which existed before the effective date of renewal or continuation.
- e. If this policy is cancelled, we will send you any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the refund may be less than pro rata. The cancellation will be effective even if we have not offered a refund.
- f. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

2. Nonrenewal

- a. If we decide not to renew or continue this policy we will mail you written notice at least 30 days before the end of the policy period.

b. We may not renew or continue this policy only for one or more of the following reasons:

- (1) When we are required or have been permitted by the Commissioner of Insurance, in writing, to reduce premium volume in order to preserve our financial integrity.
 - (2) When we cease to transact such business in this state.
 - (3) When we are able to show competent medical evidence that the insured has a physical or mental disablement that impairs his or her ability to drive in a safe and reasonable manner.
 - (4) When unfavorable underwriting factors, pertinent to the risk, are existent, and of a substantial nature, which could not have reasonably been ascertained by us at the initial issuance or the last renewal of the policy.
 - (5) When the policy has been continuously in effect for a period of 5 years, provided that such 5 year period shall begin at the first anniversary date following the policy effective date.
 - (6) When any of the reasons specified as reasons for cancellation are existent.
- c. If we offer to renew or continue this policy and you do not accept, this policy will terminate at the end of the policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
 - d. If we fail to mail proper notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.

3. Mailing Of Notices

We will mail any notice of cancellation or nonrenewal by certified or registered mail or United States post office certificate of mailing to your last mailing address known to us. Proof of mailing will be sufficient proof of notice.

- B. For all policies not described in Paragraph A. above, the **Cancellation** Common Policy Condition is replaced by the following:

ENDING THIS POLICY

1. Cancellation

- a. You may cancel the policy by returning it to us or by giving us advance notice of the date cancellation is to take effect.
- b. We may cancel this policy by mailing you written notice of cancellation, stating our reasons for cancellation. If we cancel for nonpayment of premium we will mail you at least 10 days notice. If we cancel for any other reason, we will mail you at least 30 days notice.
- c. When this policy is in effect for 90 days or more or is a renewal or continuation policy, we may cancel only for one or more of the following reasons:
 - (1) Nonpayment of premium.
 - (2) This policy was issued because of material misrepresentation.
 - (3) Any insured violated any of the material terms and conditions of this policy.
 - (4) Unfavorable underwriting factors, specific to the insured, exist that were not present at the inception of this policy.
 - (5) A determination by the insurance commissioner that continuation of coverage could place us in a hazardous financial condition or in violation of the laws of Kansas.
 - (6) A determination by the insurance commissioner that we no longer have adequate reinsurance to meet our needs.

- d. The effective date of cancellation stated in the notice shall become the end of the policy period.
- e. If this policy is cancelled, we will send you any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the refund may be less than pro rata. The cancellation will be effective even if we have not offered a refund.

2. Nonrenewal

- a. If we decide not to renew or continue this policy, we will mail you written notice at least 60 days before the end of the policy period stating the reasons for nonrenewal. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
- b. If we fail to mail proper notice and you obtain other insurance, this policy will end on the effective date of that insurance.

3. Mailing Of Notices

Any notice of cancellation or nonrenewal will be mailed by certified or registered mail or United States post office certificate of mailing to the first named insured's last mailing address known to us. Proof of mailing of any notice will be sufficient proof of notice.

4. Notice To Director Of Vehicles

If you are a Vehicle Dealer or Mobile Home Dealer, the following provision applies:

If the policy is cancelled, we will notify the Director of Vehicles 30 days before the effective date of cancellation.

- C. Condition **10. When We Do Not Renew** of **Section IV – Conditions** does not apply.

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 LIABILITY UMBRELLA COVERAGE PART

SCHEDULE

Additional Covered Employee Benefits Programs	
Limit Of Insurance	Retained Limit
\$ Each Employee	\$
\$ Aggregate	
Retroactive Date:	
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 on behalf of the insured the "ultimate net loss" in excess of the "retained limit" 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 damages for such an act, error or omission when the "underlying insurance" does not provide coverage or the limits of "underlying insurance" have been exhausted. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. At our discretion, we may investigate any report of an act, error or omission and settle any resultant "claim" or "suit", for which we have a duty to defend. But:

- (1) The amount we will pay for "ultimate net loss" 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 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 the "underlying insurer" or us if the limits of the "underlying insurance" have been used up, whichever comes first; or
- (2) When we make settlement in accordance with Paragraph 1.a. above or settlement is made by the "underlying insurer" with our agreement.

A "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 3. of the Supplementary Payments provision do not apply.

C. For the purposes of the coverage provided by this endorsement, Paragraphs **1.b.** and **1.c.** of **Section II – Who Is An Insured** are replaced by the following:

1. Except for liability arising out of the ownership, maintenance, or use of "covered autos":

b. Each of the following is also an insured:

- (1) Each of your "employees" who is or was authorized to administer your "employee benefit program".
- (2) 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.
- (3) 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.

c. 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:

- (1) 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.
- (2) 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. Our obligation to pay damages on behalf of the insured applies only to the amount of "ultimate net loss" in excess of the "retained limit" shown in the Schedule of this endorsement. If there is "underlying insurance" with a policy period that is non-concurrent with the policy period of this endorsement, the "retained limit" will only be reduced or exhausted by "claims" for that insurance that are made during the policy period or the Extended Reporting Period of this endorsement.

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

- (a) Insureds;
- (b) "Claims" made or "suits" brought;
- (c) Persons or organizations making "claims" or bringing "suits";
- (d) Acts, errors or omissions; or
- (e) Benefits included in your "employee benefit program".

3. The Aggregate Limit is the most we will pay for the sum of all "ultimate net loss" because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

4. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for the sum of all "ultimate net loss" for damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:

- (a) An act, error or omission; or
- (b) 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.

E. For the purposes of the coverage provided by this endorsement, Condition 3. of **Section IV – Commercial Liability Umbrella Conditions** is replaced by the following:

3. 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.

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, replace 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.3.** 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.4.**

- 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 **6.** and **21.** in the **Definitions** Section are replaced by the following:

6. "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".

21. "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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF LIQUOR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

Exclusion **c.** of Paragraph **2.**, **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

- c.** "Bodily injury" or "property damage" for which any insured may be held liable by reason of:
- (1)** Causing or contributing to the intoxication of any person;
 - (2)** The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
 - (3)** Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you:

- (1)** Manufacture, sell or distribute alcoholic beverages;

- (2)** Serve or furnish alcoholic beverages for a charge whether or not such activity:
 - (a)** Requires a license;
 - (b)** Is for the purpose of financial gain or livelihood; or
- (3)** Serve or furnish alcoholic beverages without a charge, if a license is required for such activity.

This exclusion does not apply to the extent that valid "underlying insurance" for the liquor liability risks described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury" and "property damage". Coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance" unless otherwise directed by this insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

I. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

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

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

B. Under any Liability Coverage, to "bodily injury" or "property damage" 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 or (b) has been discharged or dispersed therefrom;

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

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

II. As used in this endorsement:

"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 by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a) Any "nuclear reactor";
- (b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing or packaging "waste";
- (c) 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;

- (d) 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.

"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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

- A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

2. Exclusions

This insurance does not apply to:

FUNGI OR BACTERIA

- a. "Bodily injury" or "property damage" 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.
- b. 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 any insured or by any other person or entity.

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

- B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

FUNGI OR BACTERIA

- a. "Personal and advertising injury" which would not have taken place, 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.
- b. Any loss, cost or expense 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 any insured or by any other person or entity.

- C. The following definition is added to the Definitions Section:**

"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 ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

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

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FELLOW EMPLOYEE AUTO COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE PART

With respect to coverage provided for the ownership, maintenance, or use of "covered autos", the Coverage Form is modified as follows:

Paragraph **2.b.(6)** contained in Section **II** – Who Is An Insured does not apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE FORM

The policy does not apply to "bodily injury," "personal and advertising injury" or "property damage" (including any associated clean-up obligations) arising out of the installation, existence, removal, or disposal of asbestos or any substance containing asbestos fibers.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AUTO LIABILITY – FOLLOW FORM

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE FORM

Item **(1)** of **exclusion f. – Auto Coverages** under **Section I – Coverages, Coverage A – Bodily Injury and Property Damage Liability**, is replaced by the following:

- (1)** "Bodily injury" and "property damage" arising out of the ownership, maintenance, operation, use (including loading or unloading), or entrustment to others of any "auto" unless coverage is provided by the insurance specifically listed on the Schedule of "underlying insurance". In the event that the coverage provided by this policy applies to liability arising out of the ownership, maintenance, operation, use (including loading or unloading), or entrustment to others of any "auto" then the coverage provided by this policy will not be broader than the coverage provided by the insurance specifically listed on the Schedule of "underlying insurance".

This exclusion does not apply to parking of an "auto" on, or in the ways next to, premises you own or rent provided the "auto" is not owned by, rented or loaned to you.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL UMBRELLA AMENDMENT OF COVERAGE

This endorsement modifies insurance provided under the following

COMMERCIAL UMBRELLA COVERAGE FORM

- A. Section I – Coverages, Coverage A – Bodily Injury and Property Damage Liability, 1. Insuring Agreement, Paragraph a.** is replaced by the following:

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay on behalf of the insured the “ultimate net loss” in excess of the “retained limit” because of “bodily injury” or “property damage” to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking damages for such “bodily injury” or “property damage” when the “underlying insurance” does not provide coverage or the limits of any “underlying insurance” have been exhausted. We will have no duty to defend any “suit” that any other insurer has a duty to defend. When we have no duty to defend, we will have the right to defend, or to participate in the defense of, the insured against any other “suit” seeking damages to which this insurance may apply. However, we will have no duty to defend the insured against any “suit” seeking damages for “bodily injury” or “property damage” to which this insurance does not apply. At our discretion, we may investigate any “occurrence” that may involve this insurance and settle any resultant claim or “suit”, for which we have the duty to defend. But:

- (1) The amount we will pay for the “ultimate net loss” is limited as described in **Section III – Limits Of Insurance**; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments – Coverages A and B**.

- B.** The following paragraph is added to **Section I – Coverages, Coverage A – Bodily Injury and Property Damage Liability, Paragraph 1. Insuring Agreement**:

This policy applies to “bodily injury” and “property damage” that is subject to an applicable “retained limit”. If the “underlying insurance” shown in the Schedule of “underlying insurance” in this policy is provided at limits below the Minimum Applicable Limits for “underlying insurance” listed on the Schedule of “underlying insurance”, this policy does not apply.

- C. Section I – Coverage B – Personal and Advertising Injury Liability 1. Insuring Agreement, Paragraph a.** is replaced by the following:

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay on behalf of the insured the “ultimate net loss” in excess of the “retained limit” because of “personal and advertising injury” to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking damages for such “personal and advertising injury” when the “underlying insurance” does not provide coverage or the limits of any “underlying insurance” have been exhausted. We will have no duty to defend any “suit” that any other insurer has a duty to defend. When we have no duty to defend, we will have the right to defend, or to participate in the defense of, the insured against any other “suit” seeking damages to which this insurance may apply. However, we will have no duty to defend the insured against any “suit” seeking damages for “personal and advertising injury” to which this insurance does not apply. At our discretion we may investigate any offense that may involve this insurance and settle any resultant claim or “suit”, for which we have the duty to defend. But:

- (1) The amount we will pay for the “ultimate net loss” is limited as described in **Section III – Limits Of Insurance**; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments – Coverages A and B.**

D. The following paragraph is added to Section I – Coverages, Coverage B – Personal and Advertising Injury, Paragraph 1. Insuring Agreement;

This policy applies to "personal and advertising injury" that is subject to an applicable "retained limit". If the "underlying insurance" shown in the Schedule of "underlying insurance" in this policy is provided at limits below the Minimum Applicable Limits for "underlying insurance" listed on the Schedule of "underlying insurance", this policy does not apply.

E. The following paragraph is added to Section I – Coverages, Coverage A – Bodily Injury and Property Damage Liability, 2. Exclusions Paragraph i.(2) Pollution:

This exception does not apply at or from any oil gas lease premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations.

F. Exclusion j. Aircraft or Watercraft under Section I – Coverages, Coverage A – Bodily Injury and Property Damage Liability, 2. Exclusions is replaced by the following:

"Bodily injury" or "property damage" arising out of the:

- (1) ownership;
- (2) maintenance;
- (3) use;
- (4) entrustment to others; or
- (5) contractual agreement involving the use of any aircraft or watercraft that is owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the:

- (1) supervision;
- (2) hiring;
- (3) employment;
- (4) training; or
- (5) monitoring

of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the:

- (1) ownership;
- (2) maintenance;
- (3) use;

(4) entrustment to others; or

(5) contractual agreement involving the use of any aircraft or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 50 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Liability assumed under any "insured contract" for the ownership, maintenance or use of watercraft;
- (4) The extent that valid "underlying insurance" for the watercraft liability risks described above exists or would have existed but for the exhaustion of the limits of such "underlying insurance" for "bodily injury" or "property damage". Coverage provided under this policy will follow the provisions, exclusions and limitations of the "underlying insurance" unless otherwise directed by this policy.

G. Exclusion s. – Professional Services under Section I – Coverages, Coverage A – Bodily Injury and Property Damage Liability, 2. Exclusions is replaced by the following:

s. Professional Services

"Bodily injury" or "property damage" due to rendering or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications by any architect, engineer or surveyor performing services on a project on which you serve as construction manager;
- (3) Inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager;
- (4) Engineering services, including related supervisory or inspection services;
- (5) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (6) Any health or therapeutic service treatment advice or instruction;
- (7) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming or therapy;

- (8) Any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardiovascular fitness, body building or physical training programs;
- (9) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (10) Body piercing services;
- (11) Services in the practice of pharmacy; but this exclusion does not apply if you are a retail druggist or your operations are those of a retail drugstore;
- (12) Law enforcement or firefighting services;
- (13) Handling, embalming, disposal, burial, cremation or disinterment of dead bodies;
- (14) Liability arising out of any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty by the insured or its directors and officers in the discharge of their duties, individually or collectively, or any matter claimed against them solely because of their being directors and officers of the insured;
- (15) Liability arising out of the administration of any employee benefit programs;
- (16) Loss caused by any of the following which occur during the discharge of organizational duties:
 - (a) Actual or alleged errors;
 - (b) Misstatement or misleading statement; or
 - (c) Act or omission or neglect or breach of duty by an insured.
- (17) Liability for errors and omissions that result in violation of odometer, truth in lending, used car buyers guide, prior damage disclosures, lemon car or competitive auto parts statutes, as well as, failure to properly specify loss payables on titles;
- (18) Liability for errors and omissions arising from the placing of credit life, accident, and health insurance, as well as auto physical damage insurance;
- (19) Liability arising out of any error or omission while acting in any fiduciary capacity;
- (20) Data processing or computer software development;
- (21) Services of travel agents; and
- (22) Publishing, printing or broadcasting.

This exclusion does not apply to the extent that Professional Services liability coverage is provided to you by a policy shown in the Schedule of "underlying insurance".

H. Exclusion t. – Electronic Data under Section I – Coverages, Coverage A – Bodily Injury and Property Damage Liability, 2. Exclusions is replaced by the following:

t. Electronic Data

Damages arising out of the loss or, loss of use of, damage to, corruption of, inability to access or inability to manipulate electronic data.

As used in this exclusion electronic data means 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.

This exclusion does not apply if valid "underlying insurance" for the electronic data risks described above exists or would have existed but for the exhaustion of underlying limits for "bodily injury" and "property damage". Coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance", unless otherwise directed by this insurance.

I. Exclusions (15) – Professional Services under Section I – Coverages, Coverage B – Personal and Advertising Injury Liability, 2. Exclusions is replaced by the following:

(15) Professional Services

Arising out of the rendering or failure to render any professional service. This includes but is not limited to:

- (a) Legal, accounting or advertising services;
- (b) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications by any architect, engineer or surveyor performing services on a project on which you serve as construction manager;
- (c) Inspection, supervision, quality control, architectural or engineering activities done by or for you on a project on which you serve as construction manager.
- (d) Engineering services, including related supervisory or inspection services;
- (e) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (f) Any health or therapeutic service treatment, advice or instruction;
- (g) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming or therapy;

- (h) Any service, treatment, advice or instruction relating to physical fitness, including service, treatment, advice or instruction in connection with diet, cardiovascular fitness, body building or physical training programs;
- (i) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (j) Body piercing services;
- (k) Services in the practice of pharmacy; but this exclusion does not apply if you are a retail druggist or your operations are those of a retail drugstore;
- (l) Law enforcement or firefighting services;
- (m) Handling, embalming, disposal, burial, cremation or disinterment of dead bodies;
- (n) Liability arising out of any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty by the insured or its directors and officers in the discharge of their duties, individually or collectively, or any matter claimed against them solely because of their being directors and officers of the insured;
- (o) Liability arising out of the administration of any employee benefit programs;
- (p) Loss caused by any of the following which occur during the discharge of organizational duties:
 - a. Actual or alleged errors;
 - b. Misstatement or misleading statement; or
 - c. Act or omission or neglect or breach of duty by an insured;
- (q) Liability for errors and omissions that result in violation of odometer, truth in lending, used car buyers guide, prior damage disclosures, lemon car or competitive auto parts statutes, as well as, failure to properly specify loss payables on titles;
- (r) Liability for errors and omissions arising from the placing of credit life, accident, and health insurance, as well as auto physical damage insurance;
- (s) Liability arising out of any error or omission while acting in any fiduciary capacity;
- (t) Data processing or computer software development;
- (u) Services of travel agents; and
- (v) Publishing, printers or broadcasters

This exclusion does not apply to the extent that Professional Services liability coverage is provided to you by a policy shown in the Schedule of "underlying insurance".

J. Condition 6. Premium Audit of Section IV – Conditions is replaced by the following:

6. PREMIUM AUDIT

- a. We will compute all premiums for this coverage part in accordance with our rules and rates.
- b. Your premium may be flat or adjustable (subject to audit). The Declarations page will show which applies.

If your premium is flat, no additional premium is normally collected during the policy period unless there is a substantial change in type and/or scope of your operations. If there is a substantial change in your operations and if there is an additional charge for your "underlying insurance," we have the right to charge an additional premium also.

If your premium is adjustable, we charge you the total advance premium as shown on the policy Declarations and then at the end of the policy period, we review your records and determine final premium based upon the predetermined rate and exposure basis shown in the Declarations.

Regardless of whether your premium is flat or adjustable, the premium amount shown in the Declarations as the minimum will be the least amount that will be charged for this policy unless the policy is cancelled.

- c. 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.

K. Condition 5. Other Insurance of Section IV – Conditions is replaced by the following:

5. OTHER INSURANCE

- a. This insurance is excess over and shall not contribute with:

- (1) any other valid and collectible insurance;
- (2) self insurance; or
- (3) deductible amounts

whether such other insurance, self insurance, or deductible is stated to be primary, contributing, excess, contingent or otherwise. This condition does not apply to a policy bought specifically to apply in excess of this insurance.

- b. When this insurance is excess, we will have no duty under Coverages **A** or **B** 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 have the right but not the duty to undertake to do so, but if we do, we will be entitled to the insured's rights against all those other insurers.

- c. When this insurance is excess, we will pay only our share of the "ultimate net loss" that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all such other insurance.

L. The following Definitions under Section V – Definitions are replaced by the following:

19. "Retained Limit" means the available limits of all "underlying insurance" and the "self-insured retention", whichever applies.

24. "Underlying Insurance" includes:

- a. any policies of insurance listed in the declarations under the Schedule of "underlying insurance"; and
- b. any other insurance available to the insured (whether primary, excess, excess umbrella, umbrella or contingent and irrespective of whether the insured elects to call upon such insurance to respond), but only when such other insurance provides the same type of coverage provided in the policies listed in the Schedule of "underlying insurance".

"Underlying insurance" does not include any policy which was purchased specifically to apply in excess of the limits of liability that apply under this policy.

25. "Underlying Insurer" means any insurer which provides any policy of insurance falling within the definition of "underlying insurance".

M. The following definitions under Section V – Definitions are amended as follows:

2. "Auto" – item **b.** is deleted.

12. "Mobile Equipment" – The last paragraph regarding "mobile equipment" subject to compulsory and financial responsibility law or other motor vehicle insurance law is deleted.

N. Section II – Who is an Insured is amended by adding the following:

- 4. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

O. Fellow Employee

Section II – Who is an Insured is amended by adding the following:

Paragraph **1. b.(1)(a)(i), (ii) and (iii)** and paragraph **2. b.(6)** and do not apply if valid coverage for injury to co-employees and/or "volunteer workers" is listed in the "underlying insurance".

P. Duties in the Event of Occurrence, Offense, Claim or Suit.

Paragraph **3.a.** of the **Duties in The Event Of Occurrence, Offense, Claim Or Suit Condition – (Section IV – Conditions)** is replaced by the following:

3. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense, regardless of the amount, which may result in a claim. If you notify and "underlying insurer" of an "occurrence" or an offense involving "bodily injury" or "personal and advertising injury" you must see to it that we are also notified in writing as soon as practicable. To the extent possible, notice should include"

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FOREIGN EXPOSURE FOLLOWING FORM

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE FORM

This policy does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of any on going operations or "bodily injury" or "property damage" included within the "products-completed operations hazard" outside of the United States of America (including its territories and possessions), Canada, and Puerto Rico unless coverage is provided by "underlying insurance". Coverage provided by this insurance will not be broader than the coverage provided by the "underlying insurance".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

UMBRELLA LIABILITY AMENDMENT – FOLLOWING FORM

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE FORM

This endorsement does not apply to liability arising out of the following unless coverage is provided by "underlying insurance". Coverage provided by this endorsement will not be broader than such "underlying insurance".

A. NEWLY ACQUIRED INTERESTS

In paragraph 1.c.(1) of **SECTION II – WHO IS AN INSURED**, 90th day is changed to 180th day.

B. DUTIES IN THE EVENT OF OCCURRENCE, CLAIM OR SUIT

Paragraph 3. of **SECTION IV – CONDITIONS** is amended by the following provision:

1. The requirement in **Condition 3.a.** that you must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim, applies only when the "occurrence" or offense is known to:
 - a. You, if you are an individual or a limited liability company;
 - b. A partner, if you are a partnership;
 - c. A manager, if you are a limited liability company;
 - d. An "executive officer" or insurance manager, if you are a corporation; or
 - e. A trustee, if you are a trust.
2. The requirement in **Condition 3.b.** that you must see to it that we receive notice of a claim or "suit" as soon as practicable will not be considered breached unless the breach occurs after such claim or "suit" is known to:
 - a. You, if you are an individual or a limited liability company;
 - b. A partner, if you are a partnership;
 - c. A manager, if you are a limited liability company;

- d. An "executive officer" or insurance manager, if you are a corporation; or
- e. A trustee, if you are a trust.

C. UNINTENTIONAL FAILURE TO DISCLOSE EXPOSURES

Paragraph 7. – **REPRESENTATIONS OR FRAUD OF SECTION IV – CONDITIONS** is replaced as follows:

7. REPRESENTATIONS OR FRAUD

By accepting this policy, you agree:

- a. The statements in the Application are accurate and complete;
- b. The information in "underlying insurance" is accurate and complete;
- c. Those statements are based upon representations you made to us; and
- d. We have issued this policy in reliance upon your representations.
- e. This policy may be voided in case of fraud or material misrepresentation by you.

If you unintentionally fail to disclose any exposures existing at the inception date of your policy, we will not deny coverage under this Coverage Part solely because of such failure to disclose. However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

This provision does not apply to any known injury or damage which is excluded under any other provision of this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – EXTERIOR INSULATION AND FINISH SYSTEMS
OR DIRECT – APPLIED EXTERIOR FINISH SYSTEMS**

This endorsement modifies insurance provided under this the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE FORM

- A.** This insurance does not apply to “bodily injury,” or “property damage” included within the “products – completed operations hazard” or “personal and advertising injury” arising out of, caused by or attributable to, whether in whole or in part the design, manufacture, construction, fabrication, preparation, distribution and sale, installation, application, alteration, maintenance or repair, including remodeling, service, correction or replacement, of any “exterior insulation and finish system” or “direct-applied exterior finish system” or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system.
- B.** The following definitions are added to the **Definitions** Section:
- “Exterior Insulation and Finish System” means a non-load bearing exterior cladding or finish system, and all component parts therein, used on any part of any structure and consisting of:
1. A rigid or semi-rigid insulation board made of expanded polystyrene or other materials;
 2. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate;
 3. A reinforced or unreinforced base coat;
 4. A finish coat providing surface texture to which color may be added; and
 5. Any flashing, caulking or sealant used with the system for any purpose.
- “Direct-Applied Exterior Finish System” means a non-load bearing system, and all component parts therein, used on any part of any structure and consisting of:
1. A rigid or semi-rigid substrate such as Durock or other materials;
 2. The adhesive and/or mechanical fasteners used to attach the substrate to the structure;
 3. A reinforced or unreinforced base coat;
 4. A finish coat providing surface texture to which color may be added; and
 5. Any flashing, caulking or sealant used with the system for any purpose.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF EMPLOYEE BENEFITS PROGRAM DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL LIABILITY UMBRELLA COVERAGE ENDORSEMENT

- A.** Paragraph **G.4** of the Employee Benefits Liability Coverage Endorsement (**CU0403**) is replaced by the following:
- 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, prescription 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, individual retirement account (IRA) 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.

2007 COMMERCIAL LIABILITY UMBRELLA MULTISTATE FORMS REVISION ADVISORY NOTICE TO POLICYHOLDERS

This is a summary of the major changes to your policy. This notice does not reference every editorial change made in the coverage form. No coverage is provided by this summary nor can it be construed to replace any provisions of your policy or endorsements. You should 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 summary, **THE PROVISIONS OF THIS POLICY SHALL PREVAIL.**

The major areas within the policy that broaden or reduce coverage are highlighted below. Also, the areas within the policy that do not impact coverage are highlighted below.

COVERAGE FORM CU0001(12-07) CHANGES

NO IMPACT IN COVERAGE

PROFESSIONAL SERVICES EXCLUSION

The Professional Services Exclusion has been revised to reinforce that the Commercial Liability Umbrella Coverage Form is not intended to provide coverage for injury or damage arising out of: (1) professional services of an insured contractor who, in addition to performing construction projects, also serves as a construction manager; and (2) professional services performed by the insured in conjunction with any spas or personal enhancement facilities.

Additionally, the professional services exclusion revises the list of professional services performed by architects, engineers or surveyors to conform to standard industry-wide terms.

DISTRIBUTION OF MATERIAL IN VIOLATION OF STATUTES EXCLUSION

Previously, this exclusion was added to your policy, via mandatory endorsement. The endorsement contained an exclusion addressing injury or damage arising out of any action or omission that violates or is alleged to violate the Telephone Consumer Protection Act (TCPA), the CAN-SPAM Act of 2003 or any other similar statute, ordinance or regulation that prohibits or limits the sending, transmitting, communicating or distribution of material or information. This exclusion has now been incorporated directly into your policy.

INFRINGEMENT OF COPYRIGHT, PATENT, TRADEMARK OR TRADE SECRET EXCLUSION

The Infringement Of Copyright, Patent, Trademark Or Trade Secret Exclusion in your policy has been revised to reinforce that the exclusion does **not** apply to coverage for personal and advertising injury arising out of infringement of other intellectual property rights involving the use of another's advertising idea in your advertisement.

SUPPLEMENTARY PAYMENTS SECTION

The Supplementary Payments Section in your policy provides coverage for your defense costs with respect to any claim we investigate or settle, or any suit against you that we defend. The Supplementary Payments Section has been revised to reinforce that coverage is provided for court costs taxed against you, but this section does not provide coverage for plaintiff's attorneys' fees or attorneys' expenses taxed against you.

While this change is considered to be a reinforcement of coverage intent, it may result in a decrease in coverage in jurisdictions where courts have ruled that plaintiff's attorneys' fees or attorneys' expenses taxed against the insured can be levied as a supplementary payment.

NON-CONCURRENCY OF POLICY PERIODS – RETAINED LIMIT CONDITION

Previously, this condition was added to your policy via mandatory endorsement, which indicated that if there is underlying insurance with a policy period that is not concurrent with the policy period of the Commercial Liability Umbrella Coverage Part, then the retained limit will only be reduced or exhausted if the injury or damage occurred or was committed during the policy period of the Umbrella Coverage Part. This condition has been incorporated directly into your policy.

MAINTENANCE OF/CHANGES TO UNDERLYING INSURANCE CONDITION

The Maintenance of Underlying Insurance Condition has been revised to reinforce that if there is an increase in the scope of coverage in underlying insurance during the term of this policy, commercial liability umbrella insurance will apply as if there had been no increase. Also, this condition has been revised to provide that you are obligated to notify the insurer as soon as practicable of any change in the underlying insurance.

BROADENINGS IN COVERAGE

ELECTRONIC DATA EXCLUSION AND PROPERTY DAMAGE DEFINITION

The Electronic Data Exclusion has been revised in order to maintain coverage that is at least as broad as coverage provided under the various Commercial Auto coverage forms. Specifically, it has been revised to show that the exclusion does not apply if valid underlying insurance for the electronic data risks exists or would have existed but for the exhaustion of underlying limits for bodily injury and property damage. This exclusion also provides that coverage provided will follow the provisions, exclusions and limitations of the "underlying insurance", unless otherwise directed by this commercial liability umbrella insurance.

In addition, the definition of property damage has been revised in order to reflect that electronic data is not tangible property with respect to **other** than the ownership, maintenance or use of covered autos.

This represents a broadening of coverage only to the extent that underlying auto coverage is available for liability arising out of the loss of, loss of use of, damage to, corruption of, inability to access or inability to manipulate electronic data.

LOADING OR UNLOADING DEFINITION

The definition of "loading or unloading" has been revised to include the word "auto" in order to be consistent with the current definition of "products-completed operations hazard" in the Commercial Liability Umbrella Coverage Form, which provides for the treatment of a vehicle.

REDUCTIONS IN COVERAGE

EMPLOYMENT-RELATED PRACTICES EXCLUSION

The Employment-related Practices Exclusion is revised to reinforce that, when these endorsements are attached to your policy, coverage is not provided for any injury to a person associated with the employment of that person, whether it occurs before employment, during employment or after employment of that person. Additionally, the exclusion is revised to reinforce that coverage does not apply for injury to a person caused by the malicious prosecution of that person.

While these changes are each a reinforcement of coverage intent, they may result in a decrease in coverage in jurisdictions where courts have ruled the exclusion to be inapplicable in employment-related malicious prosecution claims and/or post-employment claims. For that reason, out of caution, we are listing it as a decrease.

MULTISTATE ENDORSEMENTS

BROADENINGS IN COVERAGE

Existing Endorsements

CU2215(12-07) – Limitation Of Coverage – Real Estate Operations

When this revised endorsement is attached to your policy, coverage is provided for injury and damage arising out of the ownership, operation, maintenance or use of premises listed **or shown** by you. The addition of the words "or shown" accommodates real estate agents who provide real estate professional services for properties shown but not listed by such agents.

CU2227(12-07) – Leasing Or Rental Concerns – Exclusion Of Certain Leased Autos

This endorsement is revised to limit the exclusion to bodily injury or property damage resulting from the acts or omissions of the lessee/rentee, or their employees or agents, or any person, except the Named Insured or the Named Insured's employees or agents, operating a leased auto with the permission of the lessee/rentee or their employees or agents.

CU2231(12-07) – Garage Endorsement

The Who Is An Insured provision has been revised to expressly provide that employees are insureds while using a covered auto you do not own, hire or borrow in your business or personal affairs.

In addition, Paragraph **A.1.a. in Section I – Bodily Injury And Property Damage Liability** has been added to track with the applicable portion of the corresponding Care, Custody Or Control Exclusion in the underlying Garage Coverage Form.

Also, Paragraph **A.1. in Section III – Definitions** has been revised to eliminate reference to electronic data.

New Endorsements

CU2226 – Emergency Vehicles – Fellow Volunteer Firefighters And Workers Injuries Exclusion Buyback

This endorsement, when used in conjunction with Endorsement **CU2225 – Emergency Vehicles – Volunteer Firefighters And Workers Injuries Exclusion**, provides coverage for bodily injury to fellow volunteer firefighters and workers.

CU2440 – Canoes Or Rowboats

This endorsement, when attached, provides liability coverage arising out of the operation of any canoe or rowboat owned or used by or rented to you.

REDUCTIONS IN COVERAGE

Existing Endorsements

CU2124(12-07) – Exclusion – Non-owned Aircraft

This endorsement has been revised to reflect that it 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 occurrence which caused the bodily injury or property damage involved the ownership, maintenance, use or entrustment to others of any aircraft or watercraft that is owned or operated by or rented or loaned to any insured.

While this change is a reinforcement of coverage intent, it may result in a decrease in coverage in jurisdictions where courts have ruled the Aircraft Or Watercraft Exclusion to be inapplicable to negligent supervision claims and other similar type claims. For that reason, out of caution, we are listing it as a decrease.

New Endorsements

CU2170(12-07) – Abuse Or Molestation Exclusion – Specified Professional Services

When this endorsement is attached to your policy, coverage is not provided for injury or damage arising out of the actual or threatened abuse or molestation of a person while in the care, custody or control of any insured, during the rendering of the specified professional service.

CU2175(12-07) – Exclusion – Insurance And Related Operations

When this endorsement is attached to your policy, coverage is not provided for injury or damage arising out of any obligation assumed by any insured; failure to discharge or the improper discharge of, any obligation or duty with respect to any contract or treaty of insurance, reinsurance, suretyship, annuity; because of the membership in or contribution to or management or administration of any insurance plan, pool, association, insolvency or guarantee fund; or resulting from the rendering of, or failure to render, professional services.

CU2284(12-07) – Exclusion – Testing Or Consulting Errors And Omissions

When this endorsement is attached to your policy, coverage is not provided for liability arising out of any professional services related to testing, evaluation, advice or consulting performed by or on behalf of the insured.

CU2285(12-07) – Exclusion – Internet Service Providers And Internet Access Providers Errors And Omissions

When this endorsement is attached to your policy, coverage is not provided for injury or damage arising out of an error or omission in any consultation given with respect to internet service or internet access or the failure to adequately provide internet services or access.

CU2286(12-07) – Professional Liability Exclusion – Web-site Designers

When this endorsement is attached to your policy, coverage is not provided for injury or damage arising out of any act, error or omission with respect to Web-site designer or consultant services.

NO IMPACT IN COVERAGE

CU2218(12-07) – Optical And Hearing Aid Endorsement

This endorsement has been revised to reflect that Commercial Liability Umbrella Coverage Form is not intended to provide coverage for injury or damage arising out of: (1) professional services of an insured contractor who, in addition to performing construction projects, also serves as a construction manager; and (2) professional services performed by the insured in conjunction with any spas or personal enhancement facilities.

Additionally, the Professional Services Exclusion revises the list of professional services performed by architects, engineers or surveyors to conform to standard industry-wide terms.

CU2423(12-07) – Coverage For Professional Services

This endorsement has been revised to reflect that coverage provided for professional services will follow the provisions, exclusions and limitations of the underlying insurance unless otherwise directed by this commercial liability umbrella insurance.

Your policy also includes the following mandatory endorsement form. The comments here regarding the changes made by this endorsement will supersede any comments regarding broadening, restrictions or clarifications made earlier in this notice.

CU7276(10-08) or CU7276.1(10-08)– Commercial Umbrella Amendment of Coverage

Broadening of Coverage

Fellow employee – Wording revised to indicate coverage will apply to any “employee” of yours as an insured with respect to any liability arising from another “employee” of yours if coverage is listed in the “underlying insurance”.

Clarification of Coverage

Electronic Data exclusion and property damage definition is revised to indicate that the exclusion does not apply if valid underlying insurance, at minimum applicable limits shown in the schedule of underlying insurance, for electronic data risks exists or would have existed but for the exhaustion of underlying limits for bodily injury and property damage.

Duties in the Event of Occurrence, Offense, Claim or Suit has been amended. If you notify any “underlying insurer” of an “occurrence” or an offense involving “bodily injury” or “personal and advertising injury”, you must see to it that we are also notified in writing as soon as practicable.

Reduction in Coverage

The Pollution exclusion is revised by adding a restriction to the exception in the exclusion for operations at or from any oil or gas lease premises, site or location.

Your policy may include the following endorsement:

CU7426(10-08), CU7428(10-08) in Ohio, **CU7427(10-08)** in Louisiana, **CU7429(10-08)** in Texas, **CU7430(10-08)** in Wisconsin – Garage Endorsement. If this endorsement is attached to your policy, Garagekeepers Coverage has been deleted. This is a reduction in coverage.

KANSAS COMPANY ELIMINATION ENDORSEMENT

The Kansas Insurance Department requires the company to explain by this endorsement that:

Employers Mutual Casualty Company,

is licensed to do insurance business in Kansas, but:

EMCASCO Insurance Company
Union Insurance Company of Providence
EMC Property & Casualty Company
Dakota Fire Insurance Company
Illinois EMCASCO Insurance Company and
Hamilton Mutual Insurance Company

are either not licensed companies in Kansas or are not authorized to provide the insurance afforded by this policy and reference to such is hereby deleted from the policy.

This endorsement in no way affects the coverage under the policy/bond to which it is attached but is intended only to clarify the name of the issuing company.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

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

SCHEDULE*

Terrorism Premium (Certified Acts) \$

*If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.

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 terrorism acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this disclosure or in the policy Declarations.

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.

The following is required as part of the disclosure notice in MISSOURI

The premium above is for certain losses resulting from certified acts of terrorism as covered pursuant to coverage provisions, limitations and exclusions in this policy. You should read the definition in your policy carefully, but generally speaking, "certified" acts of terrorism are acts that exceed \$5 million in aggregate losses to the insurance industry and which are subsequently declared by the U.S. Secretary of the Treasury as a certified terrorist act under the Terrorism Risk Insurance Act. Some losses resulting from certified acts of terrorism are not covered.

Read your policy and endorsements carefully.