



AIG Property Casualty Company  
(Name of issuing company)

New Business

Effective:02/05/2016

## DECLARATIONS PAGE

Your Declarations Page shows at a glance the coverage you have and your premium. Your Declarations Page is part of your policy. Please read your policy carefully, including your Declarations Page and any attached Endorsements, for a description of your coverage.

**Policy Number**

PCG 0013001157

**Policy Period 02/05/2016 - 02/05/2017**

At 12:01 A.M. standard time at your mailing address shown below

**Name of Insured and Mailing Address**

WILLIAM AUGUST  
111 South College Street  
New York, NY 10001

**Agency Name, Address, Phone # & Code**

Frenkel Benefits  
601 Plaza 3, 6th Floor  
Harborside Financial Center  
Jersey City, NJ 07311

(201) 356-0114

0050017

**"YOU WILL BE BILLED SEPARATELY FOR ANY PREMIUM DUE".**

**A. PERSONAL EXCESS LIABILITY COVERAGE LIMIT**

\$1,000,000

Excess Uninsured/Underinsured Motorist Limit

\$0

**B. LIMITED EMPLOYMENT PRACTICES LIABILITY LIMIT**

Annual Aggregate

\$ NotApplicable

Per Wrongful Employment Act

\$ Not Applicable

Deductible

\$ Not Applicable

Defense Limits

**C. LIMITED CHARITABLE BOARD DIRECTORS AND TRUSTEES  
LIABILITY COVERAGE**

Annual Aggregate

\$ Not Applicable

Per Wrongful Act

\$ Not Applicable

Number of Boards

**D. CRISIS MANAGEMENT LIMIT**

\$ Not Applicable

Required Underlying Insurance		Minimum Required Underlying Limits
1. Personal Liability, Homeowners or Comprehensive Personal Liability	Bodily Injury/Property Damage Combined Single Limit	\$300,000 each occurrence
2. Private Passenger Auto and Licensed Recreational Vehicles	Bodily Injury and Property Damage or Combined Single Limit:	\$250,000 Bodily injury each person \$500,000 Bodily injury each accident \$ 25,000 Property damage each accident \$300,000 each accident
Uninsured/Underinsured Motorist Protection	Bodily Injury and Property Damage or Combined Single Limit:	\$250,000 Bodily injury each person \$500,000 Bodily injury each accident \$ 25,000 Property damage each accident \$300,000 each accident



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**New Business**      Effective: 02/05/2016

## PERSONAL EXCESS LIABILITY DECLARATIONS PAGE - CONTINUED

**Policy Number**  
PCG 0013001157

**Policy Period** 02/05/2016 - 02/05/2017  
At 12:01 A.M. standard time at your mailing address shown below

Required Underlying Insurance: Continued		Minimum Required Underlying Limits
3. Watercraft		
Less than 26 feet and less than 50 hp	Combined Single Limit:	\$300,000 each occurrence
26 - 42 feet	Combined Single Limit:	\$500,000 each occurrence
43 - 54 feet	Combined Single Limit:	\$500,000 each occurrence
55 - 75 feet and Hull value up to \$1,000,000	Combined Single Limit:	\$1,000,000 each occurrence
Over 75 feet and Hull value up to \$1,000,000	Combined Single Limit:	\$1,000,000 each occurrence
With a Hull value greater than \$1,000,000	Combined Single Limit:	Hull Value
4. Unlicensed Recreational Vehicles	Bodily Injury and Property Damage or Combined Single Limit:	\$300,000 each occurrence
5. Employers Liability	Combined Single Limit	\$100,000 each occurrence
6. Limited Charitable Board Directors and Trustees Liability Liability	Combined Single Limit	\$1,000,000 each occurrence

### FORMS AND ENDORSEMENTS:

78052 (04/14), 91222 (04/13), PCG-CL NO (06/06), PEL-OFAC (10/13), PEL-EPLI (07/01)  
PEL-SCHED (05/10), PEL-SDCE (07/01), PCG-FWNJ (01/01), NJDES-NOT (05/00), PEL-AENJ (08/07)  
PEL (03/06), PEL-FUNEX (07/02), PEL-DEC-NJ (10/06)

**Total Premium**    \$151

# **AIG Property Casualty U.S. Privacy and Data Security Notice**

## **About This Notice**

This Privacy and Data Security Notice applies only to your Personal Information (see definition below) obtained by one of the property-casualty insurance company subsidiaries or affiliates of American International Group, Inc. listed at the end of this notice (collectively, the "AIG Companies" or "we") in connection with the products or services one of those companies provided primarily for your personal, family, or household purposes in connection with which you are receiving this notice.

The AIG Companies have established practices, procedures and system protections that are designed to help protect the privacy and security of Personal Information that we collect in the course of conducting our business. This notice outlines how we collect, handle, and disclose Personal Information about you.

The term "Personal Information," as used in this Privacy and Data Security Notice, means information that identifies you personally. Examples of Personal Information include, but are not limited to, a first and last name, a home or other physical address, an email address, a financial account or credit card number, a driver's license number, and information on your physical condition or health status.

## **I. Information Privacy**

We may collect Personal Information from applications, enrollment forms, in claims processing, or in your other interactions with us and with our Affiliates. We may also collect Personal Information from credit reporting agencies and other third parties in connection with the sale of our products to you.

We will collect Personal Information only in accordance with applicable laws or regulations, whether we collect it in response to your request for a product or service from us or otherwise.

## **Information Sharing**

We may share your Personal Information with Affiliates and Non-Affiliates as described below.

### **With our Affiliates:**

Our Affiliates may include other insurance companies, insurance holding companies, insurance agents and agencies, claims administrators, marketing companies, e-commerce service providers, and companies providing administrative services.

We may share your Personal Information, including Personal Information of a health nature, with our Affiliates that assist us in servicing your insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share your Personal Information with our Affiliates for the purpose of detecting and preventing fraud, as directed or authorized by you, or as otherwise permitted or required by law.

### **With Non-Affiliates:**

We may share your Personal Information, including Personal Information of a health nature, with Non-Affiliates that assist us in servicing your insurance policies. Examples are administration (billing and collections), risk management, underwriting, and claims handling. We may also share your Personal Information with Non-Affiliates for the purpose of detecting and preventing fraud, as directed or authorized by you, or as otherwise permitted or required by law.

We may also enter into joint marketing agreements with Non-Affiliates to share your non-health Personal Information as permitted by law. These Non-Affiliates may include providers of financial products or services such as insurance companies, financial institutions, and securities firms.

Because we do not share Personal Information with either Affiliates or Non-Affiliates in any other way, there is no need for an opt-out process in our privacy procedures.

**For California and Vermont Residents:** If it becomes necessary to share your Personal Information with Non-Affiliates other than as specifically allowed by law, we will not do so without first obtaining your permission.

## **II. Data Security**

To help prevent unwarranted disclosure of your Personal Information and secure it from theft, we utilize secure computer networks. Access is restricted to those persons who have a business need to use your Personal Information to provide products or services to you. We also maintain physical, electronic, and procedural safeguards designed to protect your Personal Information in compliance with federal and state privacy and information security laws. Non-Affiliates that assist us in servicing insurance policies or who enter into joint marketing agreements with us are required to take measures to maintain the security of your Personal Information in compliance with federal and state privacy and information security laws.

## **III. Maintaining Personal Information**

We also maintain procedures to ensure that the Personal Information we collect is accurate, up-to-date, and as complete as possible. If you believe the information we have about you in our records or files is incomplete or inaccurate, you may request that we make additions or corrections, or if it is feasible, that we delete this information from our files. You may make this request in writing to (include your name, address and policy number):

**Chief Privacy Officer  
AIG Property Casualty  
175 Water Street 15th Floor New York, NY 10038  
Fax: 212 458-7081  
E-Mail: [CIPrivacy@aig.com](mailto:CIPrivacy@aig.com)**

**Special Notice:** You can obtain access to any non-public Personal Information we have about you if you properly identify yourself and submit a written request to the address above describing the information you want to review. We will also tell you the identity, if recorded, of persons to whom we have disclosed your non-public Personal Information within the preceding two years.

You may request that we correct, amend or delete information about you. If we do so, we will notify organizations that provided us with that information and, at your request, persons who received that information from us within the preceding two years. If we cannot grant your request to correct, amend or delete the information, you may give us a written statement of the reasons you disagree, which we will place in your file and give to the same parties who would have been notified of the requested change.

## **Our Customers Can Depend on Us**

We are committed to maintaining our trusted relationship with our Customers. We consider it our privilege to serve our Customers' insurance and financial needs and we value the trust they have placed in us. Our Customers' privacy is a top priority. We will continue to monitor our practices in order to protect that privacy and will comply with state privacy laws that require more restrictive practices than those set out in this notice.

## **Important Information Concerning the Applicability and Future Changes to this Privacy and Data Security Notice**

We may change this Privacy and Data Security Notice from time to time, and if particular changes are required by law to be communicated to you, we will do so.

The AIG Companies include: American Home Assurance Company; AIG Assurance Company; AIG Property Casualty Company; AIG Specialty Insurance Company; Commerce and Industry Insurance Company; Granite State Insurance Company; Illinois National Insurance Co.; Lexington Insurance Company; National Union Fire Insurance Company of Pittsburgh, Pa.; National Union Fire Insurance Company of Vermont; New Hampshire Insurance Company; The Insurance Company of the State of Pennsylvania; American International Life Assurance Company of New York; and American General Life Insurance Company of Delaware.



## **POLICYHOLDER NOTICE**

Thank you for purchasing insurance from a member company of American International Group Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at [www.aig.com/producercompensation](http://www.aig.com/producercompensation) or by calling AIG at 1-800-706-3102.

You may also get information concerning compensation paid to your broker or agent by contacting them directly.



## NOTICE

To report a claim, please contact:

1-888-760-9195

## AMENDATORY ENDORSEMENT - NEW JERSEY

PART 1 - Definitions, Paragraph Two is deleted and replaced with the following:

In this policy, the words "you", "your" and "yours" mean the person or persons named on the Declarations Page and his or her spouse or the person to whom he or she has entered into a civil union with under New Jersey law who lives in the same household. The words "we", "us", "our" and "ours" mean the insurance company named on the Declarations Page

PART V-WHAT IS NOT COVERED-EXCLUSIONS, item A.9. Controlled Substance(s) is deleted and replaced with the following:

**9. Controlled Substance(s)**

Arising out of the use, sale, manufacture, delivery, transfer or possession of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812.

However, this exclusion does not apply to:

- a. The legitimate use of prescription drugs of a person following the orders of a licensed physician; or
- b. The **insured persons** who have no knowledge of the involvement with a controlled substance(s). An **insured person's** knowledge of such involvement must be shown by us by competent evidence of such knowledge.

PART V - WHAT IS NOT COVERED - EXCLUSIONS, item A. 17. Transmitted Diseases is deleted.

PART V - WHAT IS NOT COVERED - EXCLUSIONS, item B. 3. Sexual Misconduct is deleted.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ECONOMIC SANCTIONS ENDORSEMENT**

PART VII CONDITIONS, Provision A. **Policy Period and Territory** is deleted in its entirety and replaced by the following:

**A. Policy Period and Territory.** The policy period is stated on the Declarations Page. This policy applies to:

1. An **occurrence** which takes place anywhere in the world; or
2. A **wrongful employment act** or **wrongful act** which takes place anywhere in the world but, only if the claim or the **directors and trustees claim** is made and a suit is brought for such **wrongful employment act** or **wrongful act** in the United States of America, its territories or possessions.

Provided, however, the Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.





## **YOUR PERSONAL EXCESS LIABILITY POLICY**

### **QUICK REFERENCE**

**Declarations Page**

**Your Name and Address**

**Policy Period**

**Policy Limit**

**Premium**

**Forms**

**Required Underlying Insurance**

**And Limits for Covered**

**Locations, Vehicles and Watercraft**

**Schedule of Underlying Insurance**

**COVERAGE IS PROVIDED BY THE AMERICAN INTERNATIONAL GROUP, INC., MEMBER COMPANY NAMED IN THE DECLARATIONS PAGE. EACH IS A STOCK COMPANY.**

<b><u>Policy Provisions</u></b>	<b><u>Beginning on Page</u></b>
<b>PART I - Definitions</b>	<b>1</b>
<b>PART II - What is Covered</b>	<b>3</b>
<b>PART III - Limits</b>	<b>6</b>
<b>PART IV - Defense Coverage and Claim Expense</b>	<b>7</b>
<b>PART V - What is Not Covered - Exclusions</b>	<b>8</b>
<b>PART VI - Your Duties</b>	<b>12</b>
<b>PART VII - Conditions</b>	<b>13</b>

The Contract together with the Declarations Page and Endorsements, if any, complete the Policy.

THIS POLICY IS NOT COMPLETE WITHOUT A DECLARATIONS PAGE

## PERSONAL EXCESS LIABILITY COVERAGE - POLICY PROVISIONS

The insurance company named on your Declarations Page will provide the insurance described in this policy. You agree to pay the premium and comply with your responsibilities described in this policy.

Various provisions in this policy restrict or exclude coverage. Read the entire policy carefully to determine your rights and duties, and what is and is not covered. We have no duty to provide coverage unless there has been full compliance with policy PART VI - YOUR DUTIES and PART VII - CONDITIONS.

### PART I - DEFINITIONS

Words with special meanings are defined here or in the part of the policy where they are used. Throughout the policy, defined terms will be bolded when used.

In this policy, the words "you", "your" and "yours" mean the person or persons named on the Declarations Page and his or her spouse who lives in the same household. The words "we", "us", "our" and "ours" mean the insurance company named on the Declarations Page. Also, in this policy, the word(s):

**Aircraft** means any contrivance used or designed for flight, except model or hobby craft not used or designed to carry people or cargo.

**Auto** means any motorized land vehicle which requires motor vehicle registration or operator licensing. This includes self-propelled motor homes, motorcycles and attached trailers or semi-trailers.

**Bodily Injury** means physical bodily harm, including sickness or disease that results from it, and required care, loss of services or resulting death.

**Business** means a part-time or full-time trade, occupation or profession, including farming or ranching, other than **incidental business**.

**Continuity Date** means the first date that we provided to the **insured person** Limited Charitable Board Directors and Trustees Liability coverage whether under this policy or under any other policy issued by us incepting before the inception date of this policy, and continuously renewed to the inception date of this policy.

**Damages** means the sum required to satisfy any claim covered by this policy, whether settled and agreed to in writing by us or resolved by judicial review.

**Discrimination** means violation of a person's civil rights with respect to such person's race, color, national origin, religion, gender, marital status, age, sexual orientation or preference, physical or mental condition, or any other protected class or charac-

teristic established by any federal, state or local statutes, rules or regulations.

**Director-Officer** means a director, trustee, trustee emeritus or governor of a **qualifying organization** who also holds the position of an unpaid, part-time officer of the **qualifying organization** for the period of time such individual holds both positions.

**Director and Trustee Claim** means:

- a. A written demand for monetary relief; or
- b. A civil, criminal, regulatory or administrative proceeding for monetary or non-monetary relief which is commenced by:
  - (i) service of a complaint or similar pleading alleging a **wrongful employment act**;
  - (ii) a return of a criminal indictment; or
  - (iii) a receipt or filing of a notice of charges.

**Director and Trustee Loss** means **damages** and those amounts properly paid under **PART IV - DEFENSE COVERAGE AND CLAIM EXPENSE, SECTION A. Director and trustee loss** also specifically includes any "Excess Benefits" penalty assessed in the amount of 10% by the Internal Revenue Service ("IRS") against you for your involvement in the award of an "Excess Benefit". The term "Excess Benefit" means an excess benefit as defined in the Taxpayer Bill of Rights Act 2, 26 U.S.C. 4958.

**Employment Crisis** means an allegation of, or your discovery of, a **wrongful employment act** committed against your **private staff** that has resulted in or, in your good faith opinion, is reasonably likely to result in a civil action against you or a **family member**.

**Family Member** means a person related to you by blood, marriage or adoption that lives in your household, including a ward or foster child.

**Financial Insolvency** Means, for a **qualifying organization**, (1) entering into proceedings in bankruptcy; or (2) becoming a debtor in possession; or (3) the taking of control, the supervision of, of the managing or liquidating the financial affairs of such entity

by a receiver, conservator, liquidator, trustee, rehabilitator, or similar official.

**Follow Form** means that the coverage provided under this policy shall apply to the extent it is provided under required underlying insurance, following the terms, definitions, conditions and exclusions of the required underlying insurance. The **damages** payable are in excess of the required underlying insurance exhausted by payments of covered claims. If a provision of the required underlying insurance policy conflicts with a provision of this policy, this policy's provision shall apply. In any event, for coverages designated as **Following Form**, this policy will not provide broader coverage than provided by the required underlying insurance policy.

**Incidental Business** means a **business** activity that does not produce gross revenues in excess of \$10,000 in any year, has no employees subject to workers' compensation or other similar disability laws, and conforms to federal, state and local laws. **Incidental business** includes the **business** of farming provided that it does not involve employment of others for more than 1,250 hours of farm work during the Policy Period, and does not produce more than \$25,000 in gross annual revenues from the raising or care of animals or agriculture. A **qualifying organization** is not considered an **incidental business**.

**Incidental Worker** means a person, such as a babysitter, hired for casual employment by you, working less than 15 hours per week.

**Insured Person** means:

- a. You or a family member;
- b. An additional insured named in the policy; or
- c. Any person given permission by you or a **family member** to use a vehicle or **watercraft** covered under this policy with respect to their legal responsibility arising out of its use.

For the purposes of the Limited Charitable Board Directors and Trustees Liability Coverage, **insured person** means you.

**Leased Workers** means a person employed by a firm under an agreement between you and the firm, to perform duties related to the conduct of your domestic, personal or **incidental business**.

**Non-Employment Discrimination** means any actual or alleged **sexual harassment** or unlawful **discrimination**, or the violation of the civil rights of a person relating to such **sexual harassment** or **discrimination**, when such acts are alleged to be committed against anyone other than a director, trustee, trustee emeritus, governor, employee or volunteer of the **qualifying organization**.

**Occurrence** means:

- a. An accident, including continuous or re-

peated exposure to substantially the same general harmful conditions, which first results during the Policy Period in **bodily injury** or **property damage**; or

- b. An offense, including a series of related offenses, committed during the Policy Period that results in **personal injury**.

**Personal injury** means the following injuries, or resulting death:

- a. **Bodily injury**;
- b. Wrongful detention, false imprisonment or false arrest;
- c. Shock, emotional distress, mental injury;
- d. Invasion of privacy;
- e. Defamation, libel or slander;
- f. Malicious prosecution;
- g. Wrongful entry or eviction; or
- h. Assault and battery when committed with the intent of protecting persons.

**Private Staff** means individual(s) employed by you to perform duties related to your residential affairs, personal affairs or **incidental business**. **Private staff's** labor or service is engaged by and directed by you for remuneration. **Private staff** includes **temporary workers**, including full-time or part-time **leased workers**. Independent contractors and **incidental workers** are not considered **private staff**. Full-time means regularly employed by you 30 hours or more per week, while part-time means regularly employed by you less than 30 hours but more than 15 hours per week.

**Property Damage** means physical injury to, destruction of, or loss of use of tangible property and the resulting loss of its use.

**Qualifying Organizations** means any not-for-profit organization qualifying for tax exempt status under Section 501(c)(3), (4) or (7) of the Internal Revenue Code of the United States, or any **subsidiary** thereof, including such organizations which are:

- a. A religious, educational, charitable, scientific or literary organization;
- b. A civic League, social welfare organization or local association of employees; or
- c. A social or recreation club.

Provided, however, that **qualifying organizations** shall not mean:

- a. Organizations in operation for less than 1 year or for which IRS certification is pending,
- b. Healthcare Organizations of any type or variety,

- c. Secondary Education Organizations (including Colleges, Universities or any organization providing post-12th grade educational services), except Alumni Organizations, or
- d. Organizations (other than residential cooperatives) with total assets (inclusive of **subsidiaries**) greater than \$50,000,000 as stated in their most recent financial statement at inception of this policy.

**Recreational Motor Vehicle** means:

- a. A motorized land vehicle designed for use off public roads and not subject to motor vehicle registration or operator licensing;
- b. A motorized land vehicle in dead storage at your residence; or
- c. A motorized land vehicle used solely on and to service a location shown on the Declarations Page.

**Sexual Harassment** means unwelcome sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature when such conduct:

- a. Is linked with a decision affecting an individual's employment;
- b. Interferes with an individual's job performance; or
- c. Creates an intimidating, hostile or offensive working environment for an individual.

**Subsidiary** means any not-for-profit organization qualifying for tax exempt status under Section 501(c)(3), (4) or (7) of the Internal Revenue Code of the United States at the time of the alleged **wrongful act** that the **qualifying organization** owns more than fifty percent (50%) of the voting interest, either directly, or indirectly through one or more of its **subsidiaries**, or has, at the time of the alleged **wrongful act**, the right to elect or appoint more than fifty percent (50%) of the voting directors, or trustees, either directly or indirectly through one or more of its **subsidiaries**; and meets the other requirements of a **qualifying organization** as defined in this policy.

**Temporary Worker** means a person who is furnished to you to substitute for a permanent **private staff** member on leave or to meet seasonal or short-term workload conditions.

**Watercraft** means a boat or craft designed for use on, over or under water.

**Wrongful Act** means any breach of duty, neglect, error, misstatement, or misleading statement, omission or act by you, in your capacity as a director, officer (in cases of a director-officer) trustee, trustee emeritus or governor of a **qualifying organization**, or any matter claimed against you by reason of your status as such. Wrongful Act includes:

- a) A **wrongful employment act**;
- b) **Non-employment discrimination**;
- c) Libel, slander, defamation or publication or utterance in violation of an individual's right of privacy;
- d) Wrongful entry or eviction or other invasion of the right of occupancy;
- e) False arrest or wrongful detention;
- f) Violation of the Sherman Antitrust Act or similar federal, state, or local statutes or rules; and
- g) Plagiarism, infringement of copyright or trademark or unauthorized use of title.

**Wrongful Employment Act** means actual or alleged employment related **wrongful termination, sexual harassment, or discrimination**.

For the purposes of the Limited Charitable Board Directors and Trustees Liability Coverage, **wrongful employment act** also includes actual or alleged retaliation; wrongful failure to employ or promote; wrongful discipline; wrongful deprivation of career opportunity; wrongful demotion or negligent employee evaluation, including the giving of negative or defamatory statements in connection with an employee reference.

**Wrongful Termination** means:

- a. Violation of your **private staff's** rights, other than rights based on an express, written, or oral agreement of employment, when terminating an employment relationship; or
- b. Failure to exercise duty and care on the part of you or a **family member** when terminating an employment relationship, or
- c. Violation of the rights of others in the employ of a **qualifying organization**, other than rights based on an express, written, or oral agreement of employment, when terminating an employment relationship.

## PART II - WHAT IS COVERED

### A. EXCESS LIABILITY

#### 1. Insuring Agreement

We will pay **damages** an **insured person** is legally obligated to pay because of **personal injury** or **property damage** caused by an **occurrence**, covered by this policy anywhere in the world:

- a. In excess of **damages** covered by the required underlying insurance or the Minimum Required Underlying Limit, whichever is greater; or

- b. From the first dollar of **damages** where required underlying insurance either:

- 1) Exists but, coverage does not apply for a particular **occurrence**; or
- 2) Is not required under this policy and no underlying insurance exists.

2. Excess Uninsured and Underinsured Motorists Protection Coverage

This coverage is in effect only if an Excess Uninsured/Underinsured Motorists Limit is shown on the Declarations Page:

a. Excess Uninsured/Underinsured Motorists Protection Coverage

We cover **damages** for **bodily injury** an **insured person** is legally entitled to receive from the owner or operator of an uninsured or underinsured **auto** if the **bodily injury** is caused by an **occurrence** during the Policy Period. We cover these **damages** in excess of the underlying insurance or the Minimum Required Underlying Limit, whichever is greater.

This coverage will **follow form**.

b. Excess Uninsured/Underinsured Motorists Protection Arbitration

- 1) If we and an **insured person** do not agree:

- a) Whether that **insured person** is legally entitled to recover **damages** from the owner or operator of an uninsured or underinsured **auto**; or
- b) As to the amount of **damages** which are recoverable by that **insured person**;

either party may make a written demand for arbitration.

Both parties must agree to arbitration. If the amount in demand is \$40,000 or less, it shall be settled by a single neutral arbitrator. If the amount in demand is greater than \$40,000, each party will select an arbitrator, and the two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court of jurisdiction.

- 2) Each party will:

- a) Pay the expenses it incurs; and
- b) Bear the expenses of the third arbitrator equally.

- 3) Unless both parties agree otherwise, arbitration will take place in the county in which the **insured person**

lives. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding as to:

- a) Whether the **insured person** is legally entitled to recover **damages**; and

- b) The amount of **damages**. This applies only if the amount does not exceed the minimum limit for **bodily injury** liability specified by the financial responsibility law of the state in which the covered **auto** is principally garaged. If the amount exceeds that limit, either party may demand the right to a trial. This demand must be made within 60 days of the arbitrators' decision. If this demand is not made, the amount of **damages** agreed to by the arbitrators will be binding.

This provision supercedes any arbitration provision in any underlying insurance policy.

In no event may an arbitration award exceed the Excess Uninsured/Underinsured Limit shown on the Declarations Page.

This provision does not apply to any disputes regarding the application of the Excess Uninsured/Underinsured Motorist Protection. Any disputes regarding coverage shall be resolved by a court of competent jurisdiction.

3. Additional Coverage

a. Coverage for Rented or Borrowed Autos

We cover **damages** an **insured person** is legally obligated to pay for **bodily injury** or **property damage** caused by an **occurrence** during the Policy Period resulting from an **insured person's** use of a rented or borrowed **auto**, provided the rental or loan does not exceed 45 days.

We will provide this coverage in excess of any underlying insurance that applies to these **damages**. If no underlying coverage exists, we will pay total **damages**.

This coverage does not cover **damages** an **insured person** is legally entitled to receive from the owner or operator of an uninsured or underinsured **auto**.

b. Limited Residence Premises Business Liability

We cover **damages** an **insured person** is legally obligated to pay for **personal injury** or **property damage** arising out of the physical condition of a residence shown on the Declarations Page when **business** or professional activities are legally con-

ducted by an **insured person** at that residence. This coverage applies only if:

- 1) You do not have any employees conducting **business** activities at your residence who are subject to workers' compensation or other similar disability laws;
- 2) You are not a home day care provider; and
- 3) There is no other valid and collectible insurance.

We will provide this coverage in excess of any underlying insurance that applies to these **damages**. If no underlying coverage exists, we will pay total **damages**.

c. Newly Acquired Auto and Watercraft

- 1) We cover **damages** an **insured person** is legally obligated to pay for **bodily injury** or **property damage** caused by an **occurrence** for newly acquired **autos** providing you give us notice within 365 days after you become the owner. We reserve our right not to continue to insure the **auto** once notified.
- 2) We also cover **damages** an **insured person** is legally obligated to pay for **bodily injury** or **property damage** caused by an **occurrence** for newly acquired **watercraft** provided you give us notice within 45 days after you become the owner for **watercraft** that is 26 feet or more in length or 50 or more horsepower, which you will be required to pay the additional premium from the date of acquisition. We reserve our right not to continue to insure the **watercraft** once notified.

We will provide this coverage in excess of any underlying insurance that applies to these **damages**. If no underlying coverage exists, we will pay total **damages**.

d. Limited Employers' Liability

We will provide coverage in excess over any underlying insurance for **damages** which are not compensable under workers' compensation or similar laws and which an **insured person** is legally obligated to pay for **bodily injury** to **private staff**.

**B. LIMITED EMPLOYMENT PRACTICES LIABILITY COVERAGE**

1. This coverage is in effect only if a Limited Employment Practices Liability Coverage Limit is shown on the Declarations Page:
  - a. Insuring Agreement

We will pay **damages** you or a **family member** is legally required to pay to compensate **private staff** arising out of your **wrongful employment act** to which this insurance applies. This coverage applies only if:

- 1) The number of **private staff** does not exceed five (5) at the inception date of the Policy Period; and
- 2) The **wrongful employment act** occurs during the Policy Period.

All **wrongful employment acts** arising out of continuous, repeated or related **wrongful employment acts** shall be treated as one **wrongful employment act** and shall be deemed to occur at the time of the first **wrongful employment act**.

b. Additional Coverage

**Employment Crisis Fund™**

We cover reasonable fees and necessary expenses incurred by a crisis management firm for services performed to minimize potential loss as a result of an **employment crisis**. A crisis management firm means any public relations firm, media management consultant, investigative firm or law firm. This coverage applies only if:

- a. The **employment crisis** arises from a **wrongful employment act** committed during the Policy Period; and
- b. The **employment crisis** is reported to us as soon as practicable but in no event later than thirty (30) days after you first contact a crisis management firm regarding the **employment crisis**.

There is no requirement for you to obtain approval before incurring fees and expenses with a crisis management firm following an **employment crisis** provided you select a firm from our panel of pre-approved crisis management firms. Prior written approval from us is required for this coverage to apply to fees and expenses incurred with any crisis management firm that is not listed on our pre-approved panel.

The most we will pay is the fees and expenses of the crisis management firm until they advise us that the **employment crisis** no longer exists or \$25,000, whichever is less. The most we will pay is \$25,000 regardless of the number of **employment crises** occurring during the Policy Period. This limit is in addition to the Limited Employment Practices Liability limit stated on the Declarations Page. This coverage is not subject to a deductible.

### C. LIMITED CHARITABLE BOARD DIRECTORS AND TRUSTEES LIABILITY COVERAGE

This coverage is in effect only if a Limited Charitable Board Directors and Trustees Liability Coverage Limit is shown on the Declarations Page:

#### Insuring Agreement

We will pay a **director and trustee loss** you are legally required to pay arising out of a **director and trustee claim** against you in your capacity as a director, officer (in cases of a director-officer), trustee, trustee emeritus or governor of a **qualifying organization** alleging a **wrongful act** to which this insurance applies. This coverage applies only if:

- 1) The number **qualifying organizations** you are a director, trustee, trustee emeritus or governor of does not exceed five (5) at the inception of the Policy Period;
- 2) The **director and trustee claim** is made against you during the Policy Period and reported to us in accordance with the provisions of this policy for this coverage;
- 3) The **director and trustee loss** is not indemnified by the **qualifying organization** or the **qualifying organization** does not indemnify you due to **financial insolvency**; and
- 4) The **director and trustee loss** is excess of the greater of the **director and trustee loss** covered by any applicable underlying insurance or the Deductible indicated on your Declarations Page for this coverage.

All **wrongful acts** arising out of continuous, repeated or related **wrongful acts** shall be treated as one **wrongful act** and shall be deemed to occur at the time of the first **wrongful act**.

## PART III - LIMITS

### A. Excess Liability Coverage

The most we will pay for all claims for **personal injury** and **property damage** for any one **occurrence** is the Personal Excess Liability Policy Limit shown on the Declarations Page. This insurance applies separately to each **insured person** against whom a claim is made or suit is brought but, we will not pay more than this amount in any one **occurrence** regardless of how many coverages, claims, people, or **autos** are involved in the **occurrence**. There is no limit to the number of **occurrences** during the Policy Period for which claims may be made.

### B. Excess Uninsured/Underinsured Motorist Pro-

### tection Coverage

Subject to the Personal Excess Liability Policy Limit above, the most we will pay in covered **damages** under this coverage for any one **occurrence** is the Excess Uninsured/Underinsured Motorist Limit shown on the Declarations Page, regardless of the number or type of **autos** listed on the Declarations Page. We will not pay more than this amount in any one **occurrence** regardless of how many claims, people, or **autos** are involved in the **occurrence**. There is no limit to the number of **occurrences** during the Policy Period for which claims may be made.

### C. Limited Employment Practices Liability

#### 1. Limits

##### a. Annual Aggregate

The most we will pay for the sum of all losses for all claims under this coverage during the Policy Period is the limit shown as 'Annual Aggregate' for Limited Employment Practices Liability. Each loss payment we make for such claims reduces the Annual Aggregate limit by the amount of the payment. This reduced limit will then be the amount available for any further claims for the remaining portion of the Policy Period.

##### b. Each Wrongful Employment Act

Subject to the Annual Aggregate Limit, the most we will pay for all losses for all claims because of any **wrongful employment act** or series of related acts is the 'Each Wrongful Employment Act' limit shown for Limited Employment Practices Liability.

This insurance applies separately to each **insured person** against whom a claim is made or suit is brought but we will not pay more than the Annual Aggregate regardless of how many claims or people are involved.

#### 2. Deductible

The Deductible amount shown for Employment Practices Liability shall be subtracted from the amount of **damages** as a result of any **wrongful employment act** or series of related acts, regardless of how many claims or people are involved.

The limits will not be reduced by the application of the Deductible amount. Notice of claim or suit and our right to investigate and negotiate any such claim or suit, apply irrespective of the application of the Deductible amount.

### D. Limited Charitable Board Directors and Trustees Liability

#### 1. Annual Aggregate

The most we will pay for the sum of all **director and trustee losses** for all **director and trustee claims** under this coverage during the Policy Period is the limit shown as 'Annual Aggregate' for Limited Charitable Board Directors and Trustees Liability. Each **director and trustee loss** payment we make for such **director and trustee claims** reduces the Annual Aggregate limit by the amount of the payment. This reduced limit will then be the amount available for any further **director and trustee claims** for the remaining portion of the Policy Period. Payment for Defense Coverage and Claims Expenses reduces the Annual Aggregate limit.

## 2. Each Wrongful Act

Subject to the Annual Aggregate Limit, the most we will pay for all **director and trustee losses** for all **director and trustee claims** because of any **wrongful act** or series of related acts is the 'Each Wrongful Act' limit shown for Limited Charitable Board Directors and Trustees Liability.

This insurance applies separately to each **insured person** against whom a **director and trustee claim** is made or suit is brought but we will not pay more than the Annual Aggregate regardless of how many **director and trustee claims** or people are involved.

## PART IV - DEFENSE COVERAGE AND CLAIM EXPENSE

### A. As respects Excess Liability, Limited Employment Practices Liability, or Limited Charitable Board Directors and Trustees Liability:

We will defend an **insured person** against any suit seeking **damages** covered by Excess Liability, Limited Employment Practices Liability, or Limited Charitable Board Directors and Trustees Liability under this policy and where:

- 1) The underlying insurance has been exhausted by payment of claims;
- 2) No underlying insurance applies; or
- 3) With respect to Limited Charitable Board Directors and Trustee Liability, any applicable Deductible has been exhausted.

even if the allegations of the suit are groundless, false, or fraudulent.

With respect to Limited Charitable Board Directors and Trustee Liability, Defense Coverage and Claim Expenses are subject to the applicable Deductible.

You may choose counsel from a panel of firms selected by us. If a panel counsel is not established in your jurisdiction, we reserve the

right to select counsel. We may investigate and settle any claim or suit at our discretion.

Additionally, we will pay:

- a. All court costs and expenses on judgements assessed against any **insured person**;
- b. Reasonable expenses incurred by an **insured person** at our request, up to a total of \$10,000 for assisting us in the investigation or defense of a claim or suit;
- c. The cost of bail bonds required of an **insured person** because of a covered loss;
- d. All premiums on bonds required in a suit we defend, but not for bond amounts more than the coverage amount (we need not apply for or furnish any bond);
- e. All expenses incurred by us;
- f. Interest on the entire judgment against an **insured person** which accrues after entry of the judgment and before we pay or tender, or deposit in court, that part of the judgment which does not exceed the amount of coverage; and
- g. All prejudgment interest awarded against an **insured person** on that part of the judgment we pay or offer to pay. We will not pay any prejudgment interest based on that period of time after we make an offer to pay the amount of coverage.

In jurisdictions where we are prevented from defending an **insured person** for a covered loss because of laws or other reasons, we will pay any expenses incurred with our prior consent for the **insured person's** defense.

### B. As respects Excess Liability and Limited Chartable Board Directors and Trustees Liability, the following also applies:

We will have the right, but not the duty, to defend any **insured person** against any suit seeking **damages** covered by this policy and also covered by required underlying insurance.

We will have the right to participate, at our own expense, with the **insured person** or insurer of any underlying insurance policy in the investigation, defense or settlement of any claim or suit which we believe may require a loss payment under this policy. We will not contribute to the costs and expenses incurred by any insurer of an underlying insurance policy, which an insurer of such policy is obligated to provide.

### C. When Our Duty To Defend Ends

1. As respects Excess Liability:
  - a. Our duty to defend any **insured person** against any claim or suit arising out of any one **occurrence** ends when the



- b. Payments under this provision, Defense Coverage and Claim Expense, except a settlement payment, are in addition to the Personal Excess Liability Policy Limit shown on the Declarations Page.
2. As respects Limited Employment Practices Liability:
  - a. Our duty to defend any **insured person** against any claim or suit arising out of any one **wrongful employment act** or a series of related **wrongful employment acts** ends when the amount we have paid in **damages** for that **wrongful employment act** equals the Limited Employment Practices Liability limits shown on the Declarations Page.
  - b. Payments under this provision Defense Coverage and Claim Expense, except a settlement payment, are in addition to the Limited Employment Practices Liability limits shown on the Declarations Page.
3. As respects Limited Charitable Board Directors and Trustees Liability:
  - a. Our duty to defend any **insured person** against any **director and trustee claim** or suit arising out of any one **wrongful act** or a series of related **wrongful acts** ends when the amount we have paid in **director and trustee loss** for that **wrongful act** equals the Limited Charitable Board Directors and Trustees Liability limits shown on the Declarations Page.
  - b. Payments under this provision Defense Coverage and Claim Expense are part of and not in addition to the Limited Charitable Board Directors and Trustees Liability limits shown on the Declarations Page.

If we are defending an **insured person** for any suit seeking covered **damages**, we will reimburse you, up to \$10,000, for the reasonable expenses for a law firm of your choice to review and consult on the defense covered under this policy. This coverage only applies to expenses incurred after the date our defense has begun and any applicable Deductible has been applied. This provision does not apply to coverage under the Limited Charitable Board Directors and Trustees Liability.

## 5. Auto Services

Arising out of the use of an **auto**, or a temporary substitute for such **auto**, by any **insured person** while employed or otherwise engaged in the **business** of:

- a. Selling;
- b. Repairing;
- c. Servicing;
- d. Storing;
- e. Parking;
- f. Testing; or
- g. Delivering;

**autos** designed for use mainly on public highways.

#### 6. Business Pursuits

Arising out of an **insured person's business** property or **business** pursuits, investment activity or any activity intended to realize a profit for either an **insured person** or others.

However, this exclusion does not apply to:

- a. Volunteer work for an organized charitable, religious or community group;
- b. **Incidental business** activity;
- c. Limited Residence Premises **Business** Liability coverage; or
- d. Residences held for rentals which are listed on the Declarations Page.

#### 7. Professional Services

Arising out of an **insured person** performing or failure to perform professional services, or for professional services for which any **insured person** is legally responsible or licensed.

#### 8. Intentional Act

Arising out of any criminal, willful, fraudulent, dishonest, intentional or malicious act or omission by any person, or the gaining of any profit or advantage to which an **insured person** is not entitled. We will not cover any amount for which the **insured person** is not financially liable or which are without legal recourse to the **insured person**; We also will not cover claims for acts or omissions of any person which are intended to result in, or would be expected by a reasonable person to cause, **property damage** or **personal injury**. This exclusion applies even if the injury or damage is of a different kind or degree, or is sustained by a different person, than expected or intended. This exclusion does not apply to **bodily injury** if the **insured person** acted with reasonable force to protect any person or property.

#### 9. Controlled Substance(s)

Arising out of the use, sale, manufacture, delivery or transfer or possession of a controlled substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C. Sections 811 and 812. However, this exclusion does not apply to the legitimate use of prescription drugs of a person following the orders of a licensed physician.

#### 10. War

Caused directly or indirectly by war, including the following and any consequences of the following:

- a. Undeclared war, civil war, insurrection, rebellion or revolution;
- b. Warlike acts by military forces or personnel; or
- c. The destruction or seizure of property for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

#### 11. Nuclear

Caused directly or indirectly by nuclear reaction, radiation, or radioactive contamination.

#### 12. Assessments

For any assessment charged against an **insured person** as a member of an association, corporation, community of property owners, condominium or cooperative association.

#### 13. Contracts

For any **damages** arising from:

- a. Contracts or agreements made in connection with any **qualifying organization** or **insured person's business**;
- b. Unwritten contracts or agreements; or
- c. Contracts or agreements in which the liability of others is assumed after a loss.

#### 14. Workers Compensation, Unpaid Wages or Disability

For any **damages** or benefits an **insured person** is legally obligated to provide under any worker's compensation, disability benefits, Jones Act or General Maritime Law, unemployment compensation, occupational disease or similar law; For any **damages** or benefits an **insured person** is legally obligated to provide for employment-related benefits, retirement benefits, stock options, perquisites, deferred compensation or any other type of similar compensation, improper payroll deductions, for unpaid wages, overtime pay for hours actually worked or labor actually performed.

#### 15. Uninsured/Underinsured Motorists

For any claim for uninsured motorists, underinsured motorists, or no-fault insurance benefits unless a limit amount is shown for the Excess Uninsured/Underinsured Motorist Limit on the Declarations Page of this policy.

#### 16. Insured Person

For **personal injury** to an **insured person** under this policy.

#### 17. Transmitted Diseases

For **personal injury** resulting directly or indirectly from any illness, sickness or disease transmitted intentionally or unintentionally by an **insured person** to anyone. We do not cover any **damages** for any threat of exposure or any consequences resulting from the illness, sickness or disease.

#### 18. Care, Custody or Control

For **property damage** to property in the care, custody and control of an **insured person** to the extent that the **insured person** is required by contract to provide insurance.

This exclusion does not apply to:

- a. Coverage provided under the Additional Coverages, Rented or Borrowed Auto and Newly Acquired Auto and Watercraft; or
- b. **Property damage** caused by fire, smoke or explosion.

#### 19. Owned Property

For **property damage** to property owned by an **insured person**.

#### B. As respects Excess Liability, the following also applies:

This insurance does not provide coverage for liability, defense costs or any other cost or expense:

##### 1. Wrongful Employment Acts

Arising out of any **wrongful employment act**, including but not limited to **wrongful termination** of employment.

##### 2. Discrimination

Arising out of any actual, alleged or threatened **discrimination**.

##### 3. Sexual Misconduct

Arising out of any actual, alleged or threatened:

- a. Sexual misconduct, molestation or harassment;
- b. Corporal punishment; or
- c. Sexual, physical or mental abuse.

#### 4. Director's Errors or Omissions

Arising out of any **insured person's** acts, errors or omissions as an officer or member of the board of directors of any corporation or organization. This exclusion does not apply to an **insured person's** actions for a non-profit corporation or organization, a condominium or cooperative association or coverage provided under the Limited Charitable Board Directors and Trustees Liability coverage of this policy.

#### C. As respects Limited Employment Practices Liability and Limited Charitable Board Directors and Trustees Liability, the following also applies:

This insurance does not provide coverage for liability, defense costs or any other cost or expense:

##### 1. Property Damage or Bodily Injury

Arising out of **property damage** or **bodily injury**.

##### 2. Punitive Damages, Taxes

For, or arising out of, fines, penalties, taxes, punitive, exemplary or multiplied **damages**, except where required by law. This exclusion does not apply to the IRS imposed "Excess Benefits" 10% penalty specified in the definition of **director and trustee loss**.

##### 3. Uninsurable Losses

For, or arising out of, matters which may be deemed uninsurable according to the law under which the Policy is construed.

##### 4. Breach of an Employment Contract

Arising out of a **wrongful employment act** for which the **insured person** is obligated to pay **damages** by reason of an express, written, or oral agreement of employment.

##### 5. Non-Monetary Relief

For, or arising out of, that part of any claim or suit seeking non-monetary relief including, but not limited to, injunctive relief, declaratory relief, disgorgement, job reinstatement, or other equitable remedies.

This exclusion does not apply to coverage provided under the Limited Charitable Board Directors and Trustees Liability coverage of this policy; however, a **directors and trustee loss** does not include the cost of complying with any judgment or settlement of a **director and trustee claim** for non-monetary relief.

##### 6. Violations of Laws Applicable to Employers

Arising out of a violation of any of the responsibilities, obligations or duties imposed by the Employment Retirement Income Se-

curity Act of 1974, Fair Labor Standards Act (except the Equal Pay Act), the Workers' Adjustment and Retraining Notification Act, National Labor Relations Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, the Immigration Reform & Control Act of 1986, any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar provisions of any federal, state, local or foreign statutory law or common law.

#### 7. Social Security Benefits

Arising out of any obligation under the Social Security Act including, but not limited to, any claim for lost or diminished Social Security benefits, including any amendments thereto or any similar provisions of any federal, state, local or foreign statutory law or common law.

### D. As respects Limited Charitable Board Directors and Trustees Liability:

#### 1. Pending or Prior claims

Arising out of:

- a. Litigation; or
- b. Administrative or regulatory proceeding or investigation of which a **qualifying organization** or the **insured person** had notice, which was prior to or pending as of the **continuity date**; or arising out of essentially the same facts as alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation.

#### 2. Prior Notice

Arising out of any facts alleged, or to the same or related **wrongful act** alleged, in any **director and trustee claim** which has been reported, or in any circumstances of which notice has been given, under any insurance policy of the **insured person** or the **qualifying organization** prior to the inception date of this coverage.

#### 3. Qualifying Organization or Director Claim

Arising out of any **director and trustee claim** brought by, against or on the behalf of the **qualifying organization**, or any affiliate thereof, or brought by a director, trustee, trustee emeritus or governor of the **qualifying organization**. No coverage is afforded to the **qualifying organization** and this policy does not provide any defense or pay any **director and trustee loss** of the **qualifying organization**. This exclusion shall not apply to any derivative claim brought and maintained independently of the **qualifying organization** or the **insured person**.

#### 4. Specific Laws

Arising out any alleged violations of the Alien Tort Claim Act or any other similar law whether statutory, regulatory or common law.

#### 5. Securities

Arising out of any purchase or sale of securities, including annuities, or **director and trustee claim** brought by securities holders.

#### 6. Intellectual Property

Arising out of any allegation of misappropriation of patent, trade secret or any other intellectual property rights.

#### 7. Pollution

Arising out of any alleged or threatened discharge, dispersal, release or escape of pollutants, or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants. Pollutants include any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste.

#### 8. Sponsor Developer

Arising out of any **director or trustee claim(s)** brought by, against, or on behalf of the developer of the condominium units, cooperative corporation property or other real or personal property managed by the **qualifying organization(s)** (hereafter the property); which are brought by or on behalf of the sponsor for conversion of the property to cooperative or condominium ownership; or any **director or trustee claim** which alleges or arises out of any alleged conflict of interest between the fiduciary responsibility of any member of the Board of the **qualifying organization** to the **qualifying organization** and their relationship with the sponsor or developer of the **qualifying organization** property.

#### 9. Medical Malpractice

Arising out of any alleged medical or professional malpractice including, but not limited to, the rendering or failure to render of medical or professional service or treatment.

#### 10. Sexual Misconduct

Arising out of, or in any way involving, directly or indirectly, any alleged sexual misconduct, child abuse or neglect, including but not limited to the employment, supervision, reporting to the proper authorities, failure to so report or retention of any person. "Sexual Misconduct" means any licentious, immoral or sexual behavior, sexual abuse, sexual assault, or molestation intended to lead to or culminating in any sexual act against any individual(s).

## 11. Failure to Maintain Insurance

Arising out of any alleged failure or omission on the part of the **qualifying organization** or an **insured person** to effect or maintain adequate insurance.

## 12. IRS Assessment

For, or arising out of, the assessment, by the IRS, of a penalty greater than or equal to 25% against a **qualifying organization**, any other director, trustee, trustee emeritus or governor, or an **insured person** deemed to have received an Excess Benefit will void ab initio all Limited Charitable Board Directors and Trustees Liability coverage. **Director and trustee loss** does not include: (1) any penalty in excess of 10% assessed by the IRS; and (2) Defense Coverage and Claim Expense incurred to defend you if it has been in fact determined that you received an Excess Benefit which resulted in penalties in excess of 10%.

# PART VI - YOUR DUTIES

## A. Maintain Underlying Insurance (other than Limited Charitable Board Directors and Trustees Liability Coverage)

### 1. Underlying Insurance

We will pay for that part of covered **damages** in excess of all underlying insurance, even if the underlying coverage is for more than the Minimum Required Underlying Limits shown on the Declarations.

"Underlying Insurance" includes all liability insurance, other than this policy or insurance purchased specifically to be excess of this policy that applies to the covered **damages**.

### 2. Required Underlying Insurance

a. You and your **family members** must maintain insurance in full effect for the Minimum Required Underlying Limit amounts shown on the Declarations Page, covering your exposures for:

- 1) Personal liability resulting from **personal injury** and **property damage** caused by an **occurrence**; and
- 2) **Bodily injury** and **property damage** resulting from an **occurrence** for all **autos, watercraft, or recreational motor vehicles** you or your **family members** own, lease, regularly use, or rent for longer than 45 days.

b. If, at the time of an **occurrence**, the underlying insurance that is applicable to the **occurrence** is not fully collectible be-

cause:

- 1) You or a **family member** have failed to maintain required underlying insurance;
- 2) The limits, terms or conditions of the required underlying insurance have been reduced or restricted for specific exposures;
- 3) The insurer of the required underlying insurance is bankrupt, insolvent or in receivership; or
- 4) You or a **family member** have failed to meet your contractual responsibilities under the required underlying insurance;

then we will pay only as though the required underlying insurance was in effect for the Minimum Required Underlying Limits stated on the Declarations Page.

## B. Maintain Underlying Insurance (Limited Charitable Board Directors and Trustees Liability Coverage only)

### 1. Underlying Insurance

We will pay for that part of covered **director and trustee loss** in excess of all underlying insurance, even if the underlying coverage is for more than the Minimum Required Underlying Limits shown on the Declarations.

"Underlying Insurance" includes all liability insurance, other than this policy or insurance purchased specifically to be excess of this policy that applies to the covered **director and trustee loss**.

### 2. Required Underlying Insurance

- a. "Required underlying insurance" means any insurance issued to the **qualifying organization** and applicable to **director and trustee claims** against you for **director and trustee loss**.
- b. The "required underlying insurance" must be maintained by the **qualifying organization** in full effect for the Minimum Required Underlying Limit amounts shown on the Declarations Page, which in all events shall not be less than one million dollars (\$1,000,000) in the aggregate.
- c. If, at the time of a **director and trustee loss**, the underlying insurance that is applicable to the **director and trustee loss** is not fully collectible because:
  - 1) The **qualifying organization** has failed to maintain required underlying insurance;

- 2) The limits, terms or conditions of the required underlying insurance are not applicable to the particular **director and trustee claim** against you;
- 3) The insurer of the required underlying insurance is bankrupt, insolvent or in receivership; or
- 4) You have failed to meet your contractual responsibilities under the required underlying insurance;

then we will pay only as though the required underlying insurance was in effect for the Minimum Required Underlying Limits stated on the Declarations Page.

3. Subject to the preceding, if the limit of liability of "required underlying insurance" is reduced or exhausted by payments made thereunder, we will:
  - a. In the event of reduction, pay excess of the remaining limits of "required underlying insurance"; and
  - b. In the event of exhaustion, continue in force as underlying insurance.

#### C. Your Duties After a Loss

In the event of an **occurrence, wrongful employment act, or wrongful act** which is likely to involve this policy, or if you or any other **insured person** under this policy are sued or a claim or **director and trustee claim** is made against you in connection with an **occurrence, wrongful employment act or wrongful act** which may be covered under this policy:

1. You must notify us or our agent as soon as practicable of the time, place and other circumstances of the **occurrence, wrongful employment act or wrongful act** and provide us with the names and addresses of any persons injured and any available witnesses. Further, in the event coverage will be sought under the Limited Charitable Board Directors and Trustees Liability coverage of this policy, the following also applies:
  - a. Notice hereunder shall be given in writing to  
 Attn. Segmentation Department  
 AIG Domestic Claims, Inc.  
 175 Water Street, 9<sup>th</sup> Floor  
 New York, NY 10038  
  
 Notice shall include and reference this Policy Number as indicated on the Declarations Page. If mailed, the date of mailing shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.
  - b. Your notification must occur as soon as

practical and no later than the end of the Policy Period of this policy. You may also report the **director and trustee claim** within thirty days after the end of the Policy Period as long as you are reporting the **director and trustee claim** no later than thirty days after the **director and trustee claim** was made against you. Notice of **director and trustee claim** and our right to investigate and negotiate any such **director and trustee claim**, apply irrespective of the application of the "required underlying insurance".

- c. If you notify us as above then any **director and trustee claim** which is subsequently made against the **insured person** and reported to us alleging the facts alleged, or the same or related **wrongful acts** alleged in the earlier **director and trustee claim** for which notice has been given, shall be considered made at the time such earlier notice was given.
2. An **insured person** must:
    - a. Provide us with any suit papers and any other documents which will help us defend the **insured person**; and
    - b. Assist and cooperate with us in the conduct of the defense by helping us:
      - 1) To make settlement;
      - 2) To enforce any right of contribution or indemnity against any person or organization who may be liable to an **insured person**;
      - 3) To attend hearings and trials; and
      - 4) To secure and give evidence and obtain the attendance of witnesses.
    - c. With respect to the Limited Charitable Board Directors and Trustees Liability coverage:

In the event you do not consent to a settlement proposed by us and agreeable to the plaintiff, then our liability for all **directors and trustee loss** shall not exceed the amount for which we could have settled the **director and trustee claim** against you plus Defense Coverage and Claim Expenses incurred as of the date such settlement was proposed. We may also in our discretion tender the defense of the **director and trustee claim** to you in which case you shall thereafter on your own behalf negotiate and defend the **director and trustee claim** independently of us.

#### PART VII - CONDITIONS

**A. Policy Period and Territory.** The policy period is stated on the Declarations Page. This policy applies to:

1. An **occurrence** which takes place anywhere in the world; or
2. A **wrongful employment act** or **wrongful act** which takes place anywhere in the world but, only if the claim or the **directors and trustees claim** is made and a suit is brought for such **wrongful employment act** or **wrongful act** in the United States of America, its territories or possessions.

Provided, however if coverage for a claim under this policy is in violation of any United States of America economic or trade sanction, including but not limited to, sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), then coverage for that claim shall be null and void.

**B. Suit Against Us.**

1. No action can be brought against us unless there has been full compliance all of the terms under this policy.
2. No one will have the right to join us as a party to any action against an **insured person**.
3. Also, no action can be brought against us until the obligation of such **insured person** has been determined by final judgment or agreement signed by us.
4. We will also not be liable for the **insured person's** share of any payment due because of a settlement or judgment for which the **insured person** is responsible under any deductible provision.

**C. Appeals.** If the **insured person** or the insurer of an underlying policy elects not to appeal a judgment, which would require payment of loss under this policy, we may appeal the judgment. We will pay the cost and interest incidental to the appeal. We will not be liable for more than the policy limit shown on the Declarations Page plus the incidental cost and interest.

**D. Recovery.** If the **insured person** has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. This shall specifically include any right to indemnification against the **qualifying organization** pursuant to law, contract or by its charter or by-laws. The **insured person** must do nothing after loss to impair such rights of recovery. At our request, the **insured person** will bring suit or transfer those rights to us and help us enforce them.

**E. Assignment.** No one covered under this policy may assign or turn over any right or interest in

regard to the policy without our written consent.

**F. Changes.** This policy may only be changed by written endorsement issued by us.

**G. Conformity to Statutes.** Any provision of this policy, which is in conflict with state or local law, is amended to conform to the law.

**H. Liberalization.** If we broaden the coverages provided by our Personal Excess Liability Policy without additional premium charge, the changes will automatically apply to your policy as of the effective date on which the changes are adopted in your state.

**I. Bankruptcy or Death.** The **insured person's** bankruptcy or insolvency shall not relieve us of any of our obligations. However, if the **insured person** dies or becomes bankrupt or insolvent during the Policy Period, this policy, unless cancelled, will cover the **insured person's** legal representative for the remainder of the Policy Period.

**J. Other Insurance.** This policy shall apply as excess over any other insurance, except when the other insurance is specifically written to apply in excess of this policy.

**K. Cancellation.** You may cancel this policy by mailing or delivering to our agent, or to us, advance notice of the date on which the cancellation is to take effect, and returning your copy of the policy to us. Your premium refund, if any, will be pro rata.

We may cancel by mailing to you, at the last mailing address known to us, written notice stating when cancellation will be effective. If the policy is cancelled by us due to your failure to discharge when due any of your obligations in connection with the payment of premium for this policy or any premium installment, whether payable directly to us or our agent or indirectly under any premium finance plan or extension of credit, written notice of cancellation must be mailed at least ten (10) days prior to the effective date of such cancellation. However, if we cancel for any reason other than non-payment of premium, written notice of cancellation must be mailed at least thirty (30) days before the effective date of cancellation. Your premium refund, if any, will be pro rata. Proof of mailing of notice as mentioned above shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall become the end of the Policy Period.

**L. Non-Renewal.** If we elect not to renew this policy, we shall mail to you at the last address known to us written notice of non-renewal not less than thirty (30) days before the end of the Policy Period as stated on the Declarations Page. Regardless, this policy will terminate at

the end of the Policy Period stated on the Declarations Page if you have failed to discharge when due any of your obligations in connection with the payment of premium for the renewal of this policy, or if you have notified us or our agent that you do not wish this policy to be renewed. Proof of mailing of notice mentioned above shall be sufficient proof of notice.

**M. Transfer of Control.** You may take over control of any outstanding claim or suit previously reported to us only if we both agree that you should, or if a court orders you to do so. If your limits are exhausted, we will notify you of all outstanding claims or suits so that you can take over control of the defense. We will help transfer control to you. We shall take whatever steps are necessary to continue the defense of any outstanding claim, and avoid a default judgment during the transfer of control to you. If we do so, we shall not waive or give up any of our rights. You shall pay all reasonable expense we incur for taking such steps after the limits have been exhausted.

In addition, with Respect to Limited Charitable Board Directors and Trustees Liability Coverage:

**N. Concealment or Fraud**

The Limited Charitable Board Directors and Trustees Liability coverage will be void if, whether before or after a loss, you have:

1. Intentionally concealed or misrepresented any material fact or circumstance;

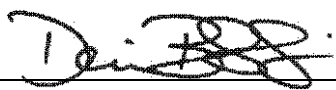
2. Engaged in fraudulent conduct; or
  3. Made false statements;
- relating to this coverage.


**O. Coordination of Limits.** With respect to any **director and trustee claim(s)** against an **insured person** under this policy for which coverage is also provided by one or more other policies issued by the Insurer or any other member of AIG Inc., (or would be provided but for the exhaustion of the limit of liability or the applicability of the retention amount or deductible or the failure of the Insured(s) to submit a notice of a Claim), the limit of liability provided by virtue of this policy shall be reduced by the Limit of Liability provided by said other AIG policy. Notwithstanding the above, in the event such other AIG policy contains a provision which is similar in intent to the foregoing paragraph, then the foregoing paragraph will not apply, but instead:

1. The Insurer shall not be liable under this policy for a greater proportion of the **director and trustee loss** than the applicable limit of liability under this policy bears to the total limit of liability of all such policies, and
2. The maximum amount payable under all such policies shall not exceed the limit of liability of the policy which has the highest available limit of liability.

The foregoing will not apply to directors and officers insurance purchased by the **qualifying organization**.

AIG Property Casualty Company

  
\_\_\_\_\_  
Secretary

  
\_\_\_\_\_  
President

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In Witness Whereof, we have caused this policy to be executed and attested, and if required by state law this policy shall not be valid unless countersigned by our authorized representative.



Endorsement to Policy # 0013001157

Policy Period : 02/05/2016 - 02/05/2017

## PERSONAL EXCESS LIABILITY POLICY

### EMPLOYMENT PRACTICES LIABILITY EXCLUSION

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

It is agreed and understood that for a reduced premium, the following is amended:

PART I - DEFINITIONS is amended as follows:

The definitions for **private staff, incidental worker, leased worker and temporary worker** are deleted.

PART II - WHAT IS COVERED is amended as follows:

Section B., Limited Employment Practices Liability Coverage is deleted.

PART III - LIMITS is amended as follows:

Section C., Limited Employment Practices Liability Coverage is deleted.

PART IV - DEFENSE COVERAGE AND CLAIM EXPENSE is amended as follows:

Section A. reference to 'or Limited Employment Practices Liability Coverage' is deleted.

Section C.2., is deleted.

PART V - WHAT IS NOT COVERED - EXCLUSIONS is amended as follows:

Section A. reference to 'and Limited Employment Practices Liability Coverage' is deleted.

Section C. is deleted.

PART VI - YOUR DUTIES is amended as follows:

Section B. reference to 'or **wrongful employment act**' is deleted.

PART VII - CONDITIONS is amended as follows:

Section A., Policy Period and Territory is deleted and replaced with the following:

**A. Policy Period and Territory.** The policy period is stated on the Declarations Page. This policy applies to an **occurrence** which takes place anywhere in the world.

## **Fungi Liability Exclusion**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

It is agreed and understood that:

**Part V. WHAT IS NOT COVERED - EXCLUSIONS.** The following paragraph is added:

Fungi, Wet or Dry Rot, or Bacteria

Arising directly or indirectly, in whole or in part, out of the actual or alleged or threatened inhalation of, ingestion of, contact with, aggravated by, exposure to, existence of, or presence of any fungi, wet or dry rot, or bacteria.

For the purposes of this exclusion, the following definition is added to the Policy:

Fungi means any type or form of fungus, including but not limited to all forms of mold or mildew, and any mycotoxins, spores, scents, vapors, gas or substance, including any by-products, produced or released by fungi.

## **FRAUD WARNING - NEW JERSEY**

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

## IMPORTANT NOTICE TO SENIOR POLICYHOLDERS

Insureds sixty-two years of age or older may make a written request to their insurer to name a designee to receive notices of cancellation and nonrenewals. If for any reason a cancellation or nonrenewal notice is sent to the named insured, the named insured's designee will also receive a copy of that notice.

New Jersey law requires that the notification by the senior citizen insured to the insurance company of the third party designation shall include a written acceptance by the third party designee. Such notification must be delivered to the company by certified mail, return receipt requested.

**If you want to name a third-party designee, please provide the designee's information below. Please sign your name and have the designee provide their signature as well.**

\_\_\_\_\_  
PCG 0013001157  
Policy number

Signature: \_\_\_\_\_

### ATTENTION DESIGNEE

DESIGNATION AS A THIRD PARTY DOES NOT CONSTITUTE ACCEPTANCE OF ANY LIABILITY. IF AT ANY TIME YOU WANT TO TERMINATE THIS DESIGNEE AGREEMENT YOU MUST SEND WRITTEN NOTIFICATION TO BOTH THE COMPANY AND THE SENIOR INSURED.

Designee name: \_\_\_\_\_  
(please print)

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

\_\_\_\_\_  
Signature of Designee

\_\_\_\_\_  
Date

## IMPORTANT NOTICE TO SENIOR POLICYHOLDERS

Insureds sixty-two years of age or older may make a written request to their insurer to name a designee to receive notices of cancellation and nonrenewals. If for any reason a cancellation or nonrenewal notice is sent to the named insured, the named insured's designee will also receive a copy of that notice.

New Jersey law requires that the notification by the senior citizen insured to the insurance company of the third party designation shall include a written acceptance by the third party designee. Such notification must be delivered to the company by certified mail, return receipt requested.

**If you want to name a third-party designee, please provide the designee's information below.  
Please sign your name and have the designee provide their signature as well.**

\_\_\_\_\_  
PCG 0013001157  
Policy number

Signature: \_\_\_\_\_

### ATTENTION DESIGNEE

DESIGNATION AS A THIRD PARTY DOES NOT CONSTITUTE ACCEPTANCE OF ANY LIABILITY. IF AT ANY TIME YOU WANT TO TERMINATE THIS DESIGNEE AGREEMENT YOU MUST SEND WRITTEN NOTIFICATION TO BOTH THE COMPANY AND THE SENIOR INSURED.

Designee name: \_\_\_\_\_  
(please print)

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

\_\_\_\_\_  
Signature of Designee

\_\_\_\_\_  
Date



AIG Property Casualty Company

(Name of issuing company)

Policy Number:0013001157

**Schedule of Underlying Insurance**

**Homeowners**

**Location**

**Insuring Company**

1

**Private Passenger Auto and Licensed Recreational Vehicles**

**Description**

**Insuring Company**

none

**Unlicensed Recreational Vehicles**

**Description**

**Insuring Company**

NONE

**Yacht and Personal Watercraft**

**Description**

**Insuring Company**

none

Endorsement to Policy #: 0013001157

Transaction Effective Date: 02/05/2016

Policy Period: 02/05/2016 - 02/05/2017

## **PERSONAL EXCESS LIABILITY POLICY**

### **SUPPLEMENTAL DEFENSE COVERAGE - EXCESS LIABILITY**

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

It is agreed and understood that PART IV, DEFENSE COVERAGE AND CLAIM EXPENSE, Expanded Defense Coverage, is deleted and replaced with the following:

For an additional premium, we will provide supplemental defense coverage in the amount of \$ 10000 while defending an insured person for any suit seeking covered damages for the reasonable expenses for a law firm of your choice to review and consult on the defense of any **occurrence** covered by Excess Liability under this policy. This coverage applies only to expenses incurred after the date our defense has begun and any applicable deductible has been applied.