



**CALIFORNIA STATE  
UNIVERSITY  
RISK MANAGEMENT AUTHORITY**



**2015-2016 CSURMA AORMA  
INSURANCE PROGRAM  
MANUAL**



Alliant Insurance Services, Inc.

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## COVERAGE SUMMARY

### INSURER:

Auxiliary Organization  
Risk Management  
Alliance (AORMA)

### POLICY TERM:

July 1, 2015 to  
July 1, 2016



### QUESTIONS:

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### COVERAGE:

The AORMA Liability Program will pay on behalf of the Member those sums the Member shall be obligated to pay by reason of liability imposed by law because of bodily injury, property damage, errors or omissions, unfair employment practices liability, personal injury or media wrongful acts.

### THE PARTIES COVERED:

1. All of the CSU Auxiliary Organizations who have joined the CSURMA Joint Powers Authority (the Members)
2. When acting solely within the scope of their duties, office or employment for the Member, the governing board, officers, employees and authorized individuals acting as volunteers
3. Any person using an auto with permission of the Member.
4. Additional covered parties to whom the Member is obligated by virtue of any written contract to provide coverage
5. Any employee pension benefits or employee welfare benefits trust formed under U.S. Internal Revenue Code Section 501(c)(9), including the Board of Trustees of the trust when acting solely within the scope of the duties, office or employment for the trust
6. Auxiliaries Multiple Employer VEBA
7. Auxiliary Organizations Association

### LIMITS:

\$5,000,000	Ultimate Net Loss for Each Member During the Policy Period; including Bodily Injury, Property Damage and Personal Injury
\$20,000,000	General Aggregate – Annual Aggregate for Each Member
\$5,000,000	Completed Operations Hazard – Each Occurrence
\$5,000,000	Unfair Employment Practices Liability – Each Occurrence
\$5,000,000	Errors & Omissions, including Directors & Officers Liability, and Media Wrongful Acts – Each Occurrence
\$5,000	Medical Payments – Per Any One Person
\$5,000,000	Non-Salaried Employees (of the California State University) Auto Liability – Each Occurrence
\$5,000,000	Automobile Liability – Each Accident
\$250,000	California Uninsured or Underinsured Motorist (Bodily Injury Only) – Each Accident
\$50,000	Domestic Hired Automobile Physical Damage – Each Accident
\$350,000	Fiduciary Liability, including Employee Benefits Liability Coverage (Claims Made Coverage Basis) – Each Occurrence
\$250,000	Funds, Grants or Appropriations (Defense Only) – Each Occurrence
\$250,000	Land Use (Defense Only) – Per Ultimate Net Loss
\$250,000	Nuclear Materials (Limited Coverage) – Each Occurrence
\$600,000	Mold – Each Occurrence for Each Member
\$850,000	Mold – Aggregate for Each Member

*Note: AORMA's pooled layer limit is \$350,000 per claim. General Reinsurance Corporation reinsures AORMA's limit - \$4,650,000 excess of \$350,000.*

*While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.*



# AORMA Liability Program

## COVERAGE SUMMARY

### DEDUCTIBLE:

- \$0 Bodily Injury, Property Damage and Personal Injury
- \$25,000 Unfair Employment Practices Liability (all Members except as noted below)
- \$50,000 Unfair Employment Practices Liability (CSU East Bay Foundation, Cal State L.A. University Auxiliary Services, Inc., Cal Poly Corporation, University Enterprises, Inc., CSU Sacramento)
- \$75,000 Unfair Employment Practices Liability (California State University, Fresno Foundation, The California State University, Long Beach Research Foundation, San Jose State University Research Foundation)
- \$100,000 Unfair Employment Practices Liability (Cal Poly Pomona Foundation, Inc., San Diego State University Research Foundation)
- \$0 Errors and Omissions, including Directors & Officers Liability, and Media Wrongful Acts
- \$0 Employee Benefits Liability Coverage
- \$0 Medical Payments
- \$1,000,000 Non-Salaried Employees (of the California State University) Auto Liability – Each Occurrence
- \$0 California Uninsured or Underinsured Motorists (Bodily Injury Only)
- \$1,000 Domestic Hired Automobile Physical Damage – Comprehensive and Collision
- \$5,000 Domestic Hired Automobile Physical Damage – Comprehensive and Collision when the use of the hired vehicle on a non-paved road violates the rental car agreement
- \$0 Fiduciary Liability

### RETROACTIVE DATES:

#### Fiduciary Liability, including Employee Benefits Liability Coverage

- 7/01/05 Associated Students of CSU Chico
- 7/01/08 CSU Long Beach Research Foundation
- 7/01/07 Associated Students Inc. CSU Los Angeles
- 10/01/91 The University Corporation, CSU Northridge
- 10/01/99 University Student Union, CSU Northridge
- 4/15/10 Capital Public Radio, CSU Sacramento
- 7/01/02 San Jose University Research Foundation
- 2/01/98 Spartan Shops, Inc.
- 7/01/10 Auxiliaries Multiple Employer VEBA
- 7/01/10 All other insureds

### WHAT'S COVERED:

1. General Liability
2. Automobile Liability (Owned, Non-owned, and Hired)
3. Errors & Omissions, including Directors & Officers Liability, and Media Wrongful Acts
4. Employment Practices Liability
5. Domestic Hired Automobile Physical Damage
6. Liquor Liability
7. Watercraft Liability, under 50 feet, or while on shore
8. Employee Benefits Liability
9. Fiduciary Liability

*While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.*



### EXCLUSIONS:

1. Aircraft (the exclusion does not apply to Unmanned Aerial Vehicles)
2. Asbestos
3. Assault and Battery
4. Aviation Activities
5. Contractual Obligation; except for liability assumed in a contract or agreement
6. Cyber Liability
7. Electronic Communication; if known to be false
8. Employment Benefits (workers' compensation, disability benefits, etc.)
9. Employment Liability (bodily injury to any employee)
10. ERISA; except as provided under Fiduciary Liability Endorsement
11. Fiduciary Liability; except as provided under Fiduciary Liability Endorsement
12. Fines, Penalties, Sanctions, Taxes or Fees
13. Funds, Grants, or Appropriations; but defense is provided up to \$250,000
14. Intentional Conduct
15. Lack of Occurrence
16. Land Use; but defense is provided up to \$250,000
17. Lead
18. Medical Malpractice; limited coverage is added back for your employees who are nurses, paramedics, EMTs, speech therapists, speech pathologists, nutritionists, psychologists, audiologists, phlebotomists or physical therapists
19. Mold; limited coverage up to \$600,000 per occurrence and \$850,000 aggregate, per member (*additional Mold Coverage is included in the AORMA Property Program*)
20. Nuclear, except materials for instructional or research activities up to \$250,000
21. Limited Time Element Pollution (*additional Pollution Coverage is included in the AORMA Property Program*)
22. Silica
23. Subsidence
24. War
25. Watercraft, over 50 feet, or not on shore

#### Errors and Omissions (Exclusions):

1. Bodily Injury, Property Damage, Employment Practices Liability or Personal Injury
2. Refund of Taxes, Fees or Assessments
3. Illegal remuneration or willful violation of a penal statute; etc.
4. Faulty bid specifications or plans, failure to award a contract; failure to perform or breach of a contractual obligation
5. Destruction or disappearance of tangible property
6. Breach of contractual obligation

#### Media Wrongful Acts (Exclusions):

1. Infringement of any patent
2. Violation of any law or regulation regarding communication including telephone calls, facsimiles and electronic mail
3. Illegal remuneration or willful violation of a penal statute; etc.

#### Fiduciary Liability (Exclusions):

1. Fines, Penalties or Taxes
  2. Payments due under a benefit plan or trust, unless recovery is based on a covered wrongful act
  3. Personal injury or bodily injury, contractual obligation, illegal remuneration or discrimination in violation of any law
- Any wrongful act which was reported to a prior insurer, any wrongful act known to the insured prior to inception of this policy or any deliberately fraudulent or dishonest act; willful violation of a statute or regulation



# AORMA Liability Program

## COVERAGE SUMMARY

### **PUBLIC ENTITY EXCESS LIABILITY:**

Carrier: **Ironshore Specialty Insurance Company**  
Limits: \$5,000,000 Excess of \$5,000,000

Carrier: **Allied World Assurance Company**  
Limits: \$10,000,000 Excess of \$10,000,000

### **EXCESS FIDUCIARY LIABILITY:**

Carrier: **Lloyd's of London**  
Limits: \$4,650,000 Excess of \$350,000

### **HOW TO REPORT A CLAIM:**

**Carl Warren & Co.**  
Mauri McGuire  
(805) 650-7020 x1003  
[mmcquire@carlwarren.com](mailto:mmcquire@carlwarren.com)

*While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.*



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
LIABILITY PROGRAM**

**MEMORANDUM OF COVERAGE**

**DECLARATIONS**

**Item 1: Member**

See the **Member** listing attached.

The AORMA Self-Insured Retention Liability Program agrees with the Named Member, in consideration of the payment of premium and in reliance upon statements in the Declarations and subject to the limits of liability, exclusions, conditions, and other terms of this memorandum, to provide the coverage as stated in this memorandum.

**Item 2: Coverage Period:**

July 1, 2015 to July 1, 2016

**Item 3: Form of Business:**

Auxiliary Organization of the California State University as defined by the Education Code of the State of California

**Item 4: Limits of Liability:**

1. Ultimate Net Loss for Each Member During the Policy Period; including Bodily Injury, Property Damage and Personal Injury ..... \$5,000,000 – each occurrence
2. General Aggregate..... \$20,000,000 – annual aggregate for each Member
3. Completed Operations Hazard ..... \$5,000,000 – each occurrence
4. Unfair Employment Practices Liability..... \$5,000,000 - each occurrence
5. Errors and Omissions, including Directors & Officers Liability, and Media Wrongful Acts ..... \$5,000,000 – each occurrence
6. Medical Payments ..... \$5,000 – per any one person
7. Non-Salaried Employees (of the California State University) Auto Liability ..... \$5,000,000 – each occurrence
8. Automobile Liability: ..... \$5,000,000 - each accident
9. California Uninsured or Underinsured Motorists (bodily injury only): ..... \$250,000 - bodily injury only

- 10. Domestic Hired Automobile Physical Damage..... \$50,000 - each accident
- 11. Fiduciary Liability, including Employee Benefits  
Liability Coverage:..... \$350,000 – each occurrence
- 12. Funds, Grants or Appropriations (defense only) ..... \$250,000 – each occurrence
- 13. Land Use (defense only).....\$250,000 – per ultimate net loss
- 14. Nuclear Materials (limited coverage):..... \$250,000 – each occurrence
- 15. Mold .....\$600,000 – each occurrence for each Member
- 16. Mold .....\$850,000 – aggregate for each Member

**Item 5: Member’s Retained Limit:**

- 1. Bodily Injury, Property Damage and Personal Injury:..... \$0
- 2. Unfair Employment Practices Liability (all Members  
except as noted below): .....\$25,000 - each occurrence
- 3. Unfair Employment Practices Liability..... \$50,000 – each occurrence
  - a. California State University, East Bay Foundation, Inc.
  - b. Cal State L.A. University Auxiliary Services, Inc.
  - c. Cal Poly Corporation
  - d. University Enterprises, Inc., CSU Sacramento
- 4. Unfair Employment Practices Liability
  - a. California State University, Long Beach Research Foundation
  - b. California State University, Fresno Foundation
  - c. San Jose State University Research Foundation
- 5. Unfair Employment Practices Liability..... \$100,000 – each occurrence
  - a. San Diego State University Research Foundation
  - b. Cal Poly Pomona Foundation, Inc.
- 6. Errors and Omissions, including Directors & Officers  
Liability, and Media Wrongful Acts: ..... \$0
- 7. Employee Benefits Liability Coverage ..... \$0
- 8. Medical Payments: ..... \$0
- 9. Non-Salaried Employees (of the California State  
University) Auto Liability ..... \$1,000,000 – each occurrence
- 10. California Uninsured or Underinsured Motorists  
(bodily injury only): ..... \$0
- 11. Domestic Hired Automobile Physical Damage –  
Comprehensive and Collision ..... \$1,000 - each accident
- 12. Domestic Hired Automobile Physical Damage –  
Comprehensive and Collision (*when the use of the  
hired vehicle on a non-paved road violates the rental  
car agreement*) ..... \$5,000 - each accident
- 13. Fiduciary Liability:..... \$0

**Item 6: Retroactive Dates:**

**Fiduciary Liability, including Employee Benefits Liability Coverage:**

1. Associated Students of California State University, Chico..... July 1, 2005
2. California State University, Long Beach Research Foundation..... July 1, 2008
3. Associated Students, California State University, Los Angeles, Inc. .... July 1, 2007
4. The University Corporation, CSU Northridge ..... October 1, 1991
5. University Student Union of California State University, Northridge..... October 1, 1999
6. Capital Public Radio, Inc., CSU Sacramento.....April 14, 2010
7. San Jose State University Research Foundation ..... July 1, 2002
8. Spartan Shops, Inc., San Jose State University .....February 1, 1998
9. Auxiliaries Multiple Employer VEBA..... July 1, 2010
10. All other Named Members ..... July 1, 2010

**Item 6: Claims Administrator:**

Carl Warren & Company  
Attn: Mauri McGuire  
P.O. Box 7059  
Ventura, CA 93006  
(805) 650-7020 Ext 1003  
mmcguire@carlwarren.com

To be valid, this agreement must be signed by our Program Administrator.



\_\_\_\_\_  
Authorized Signature



**Item 1: Member**

**Member Listing**

Campus		Auxiliary Organization
1	Bakersfield	Associated Students, California State University, Bakersfield, Inc.
2	Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs and Administration
3	Bakersfield	California State University, Bakersfield Foundation
4	Bakersfield	California State University, Bakersfield Student Union, Inc.
5	Chancellor's Office	California State University Foundation
6	Chancellor's Office	California State University Institute
7	Channel Islands	Associated Students of California State University, Channel Islands, Inc.
8	Channel Islands	California State University Channel Islands Foundation
9	Channel Islands	University Glen Corporation
10	Chico	Associated Students of California State University, Chico
11	Chico	The CSU, Chico Research Foundation
12	Chico	The University Foundation, California State University, Chico
13	Dominguez Hills	Associated Students, California State University, Dominguez Hills
14	Dominguez Hills	California State University, Dominguez Hills Foundation
15	Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated
16	Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation
17	East Bay	Associated Students, California State University, East Bay
18	East Bay	Cal State East Bay Educational Foundation
19	East Bay	California State University, East Bay Foundation, Inc.
20	Fresno	Associated Students, Inc. of California State University, Fresno
21	Fresno	California State University, Fresno Association, Inc.
22	Fresno	California State University, Fresno Foundation
23	Fresno	Fresno State Programs for Children, Inc.
24	Fresno	The Agricultural Foundation of California State University, Fresno
25	Fresno	The California State University, Fresno Athletic Corporation
26	Fullerton	Associated Students, California State University, Fullerton, Inc.

Campus		Auxiliary Organization
27	Fullerton	Cal State Fullerton Philanthropic Foundation
28	Fullerton	CSU Fullerton Auxiliary Services Corporation
29	Humboldt	Associated Students, Humboldt State University
30	Humboldt	Humboldt State University Advancement Foundation
31	Humboldt	Humboldt State University Center Board of Directors
32	Humboldt	Humboldt State University Sponsored Programs Foundation
33	Long Beach	Associated Students, California State University, Long Beach
34	Long Beach	California State University, Long Beach Research Foundation
35	Long Beach	CSULB 49er Foundation
36	Long Beach	Forty-Niner Shops, Inc., CSU Long Beach
37	Los Angeles	Associated Students, California State University, Los Angeles, Inc.
38	Los Angeles	Cal State L.A. University Auxiliary Services, Inc.
39	Los Angeles	California State University, Los Angeles Foundation
40	Los Angeles	University-Student Union Board, California State University, Los Angeles
41	Maritime Academy	California Maritime Academy Foundation, Inc.
42	Maritime Academy	The Associated Students of the California Maritime Academy
43	Monterey Bay	Foundation of California State University, Monterey Bay
44	Monterey Bay	The University Corporation at Monterey Bay
45	Northridge	Associated Students, California State University, Northridge, Inc.
46	Northridge	California State University, Northridge Foundation
47	Northridge	North Campus University Park Development Corporation
48	Northridge	The University Corporation, CSU Northridge
49	Northridge	University Student Union of California State University, Northridge
50	Pomona	Associated Students Inc., California State Polytechnic University, Pomona
51	Pomona	The Cal Poly Pomona Foundation, Inc.
52	Sacramento	Associated Students of California State University, Sacramento
53	Sacramento	Capital Public Radio, Inc., CSU Sacramento
54	Sacramento	The University Foundation at Sacramento State
55	Sacramento	University Enterprises, Inc., CSU Sacramento
56	Sacramento	University Union Operation of CSUS, Inc.
57	San Bernardino	Associated Students Inc., California State University, San Bernardino
58	San Bernardino	CSUSB Philanthropic Foundation

Campus		Auxiliary Organization
59	San Bernardino	Santos Manuel Student Union of California State University, San Bernardino
60	San Bernardino	University Enterprises Corporation at CSUSB
61	San Diego	Associated Students, San Diego State University
62	San Diego	Aztec Shops, Ltd., San Diego State University
63	San Diego	San Diego State University Research Foundation
64	San Diego	The Campanile Foundation
65	San Francisco	Associated Students, Inc., San Francisco State University
66	San Francisco	San Francisco State University Foundation
67	San Francisco	The University Corporation, San Francisco State
68	San Jose	Associated Student, San Jose State University
69	San Jose	San Jose State University Research Foundation
70	San Jose	Spartan Shops, Inc., San Jose State University
71	San Jose	The Student Union of San Jose State University
72	San Jose	The Tower Foundation, San Jose State University
73	San Luis Obispo	Associated Students, Inc., California Polytechnic State University at San Luis Obispo
74	San Luis Obispo	Cal Poly Corporation
75	San Luis Obispo	California Polytechnic State University Foundation
76	San Marcos	California State University San Marcos Foundation
77	San Marcos	San Marcos University Corporation
78	San Marcos	The Associated Students of California State University, San Marcos
79	San Marcos	University Auxiliary and Research Services Corporation
80	Sonoma	Associated Students of Sonoma State University
81	Sonoma	Sonoma State Enterprises, Inc.
82	Sonoma	Sonoma State University Academic Foundation, Inc.
83	Stanislaus	Associated Students, Inc., California State University, Stanislaus
84	Stanislaus	California State University, Stanislaus Auxiliary and Business Services
85	Stanislaus	California State University, Stanislaus Foundation
86	Stanislaus	University Student Union of California State University, Stanislaus
87	N/A	Auxiliary Organization Associations
88	N/A	Auxiliaries Multiple Employer VEBA



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
(CSURMA AORMA)  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE**

Throughout this Memorandum, words and phrases that appear in **boldface** type have special meanings. They are defined in SECTION VI, **DEFINITIONS** and/or with respect to **Covered Parties** in Section IV - **Covered Parties**.

The California State University Risk Management Authority Auxiliary Organizations Risk Management Alliance (hereinafter called CSURMA AORMA) is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code Sections 6500-6512, and other provisions of law.

This Memorandum of Coverage does not provide insurance, but instead provides for pooled-insurance. This Memorandum is a negotiated agreement among the **Members** of the CSURMA AORMA, and none of the parties to the Memorandum is entitled to rely on any contract interpretation principles which require interpretation of ambiguous language against the drafter of such agreement. This Memorandum shall be applied according to the principles of contract law, giving full effect to the intent of the **Members** of the CSURMA AORMA.

In consideration of payment of the contribution and subject to the limit of liability set forth in the Declarations and other terms of this Memorandum, as follows:

**SECTION I - COVERAGES**

Subject to the **Member's retained limit**, the CSURMA AORMA agrees:

To pay on behalf of any **Covered Party** those sums for **ultimate net loss** which the **Covered Party** shall become obligated to pay as **damages**, by reason of liability imposed by law, because of **bodily injury, property damage, errors and omissions, unfair employment practices liability, personal injury or media wrongful acts**, to which this Memorandum applies, caused by an **occurrence**.

**SECTION II - DEFENSE AND SETTLEMENT**

CSURMA AORMA shall assume charge of the control, negotiation, investigation, settlement, defense or appeal of any claims made, or suits brought, or proceedings instituted against the **Covered Party**, which in the opinion of the CSURMA AORMA is or may be covered by CSURMA AORMA under the terms of this Memorandum.

In accordance with the CSURMA AORMA Legal Counsel Selection Memorandum and Procedure, CSURMA AORMA shall appoint, through its' claims administrator, all legal counsel to represent the **Covered Parties** in defense of a covered claim. The **Covered Party** has the right to recommend legal counsel from the approved legal counsel list; however, CSURMA AORMA shall make the final selection of legal counsel. If the **Covered Party** disapproves of the selection as outlined in the CSURMA AORMA Legal Counsel Selection Memorandum and Procedure, the **Covered Party** may submit an appeal in writing.

In the event of an **occurrence** which involves more than one **Covered Party**, all **Covered Parties** involved agree to joint legal representation as selected by CSURMA AORMA.

The **Covered Party** may select and engage, at its own expense, monitoring counsel in addition to the legal counsel selected and engaged by CSURMA AORMA. However, legal counsel selected by CSURMA AORMA shall manage and control the litigation.

If there is a conflict of interest between CSURMA AORMA and a **Covered Party** which would be considered a “conflict of interest” between an insured and its insurer within the meaning of California Civil Code Section 2860, the **Covered Party** has the same rights to select and engage independent counsel as would an insured under Section 2860. CSURMA AORMA has all of the rights reserved to an insurer under Section 2860.

The **Covered Party** shall fully cooperate with the CSURMA AORMA in all matters pertaining to such claim, suit or proceeding. CSURMA AORMA shall have the right to settle any claim that in the CSURMA AORMA’s sole opinion may create indemnification obligations for the CSURMA AORMA under this Memorandum.

No claim, suit or proceeding shall be settled, whether by out of court settlement, stipulated judgment or otherwise, by a **Covered Party** wherein the **ultimate net loss** exceeds the **retained limit**, without the prior written consent of the CSURMA AORMA.

### SECTION III - LIMITATIONS UPON CSURMA AORMA'S LIABILITY

Regardless of the number of (1) persons or entities covered under this document, or (2) persons or organizations who sustain injury or damage, or (3) claims made, proceedings or suits brought because of injury or damage, CSURMA AORMA’s liability for **damages** is limited as follows:

The CSURMA AORMA’s liability for **damages** shall only be for the **ultimate net loss** less the amount of the **Member’s Retained Limit** not to exceed the limit of coverage shown in Item 1 of the Declarations, as the result of any one **occurrence** or the amount shown in Item 4 because of all **occurrences** for any one **Member** during each **coverage period**.

However, in the event of an **occurrence**, which involves more than one CSURMA AORMA **Member**, only one **retained limit** and one limit of liability shall apply to such **occurrence**, irrespective of the number of CSURMA AORMA **Members** involved in that **occurrence**. Liability for the **retained limit** shall be apportioned among all of the involved **Members** according to the amounts of their respective **retained limits** under this Memorandum.

For the purpose of determining the CSURMA AORMA limit of liability and the **retained limit** of the **Member**, all **damages** arising out of continuous repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.

This Memorandum applies to **occurrences**, which take place anywhere during the specified **coverage period** stated in the Declarations of this Memorandum. An **occurrence** with duration of more than one **coverage period** shall be treated as a single **occurrence** arising during the **coverage period** when the **occurrence** ends (which shall in no event be deemed later than the date on which the claimant files suit), and under no



circumstances shall the fact that said **occurrence** has a duration of more than one **coverage period** entitle a **Covered Party** to more than one limit of coverage.

With respect to liability for **damages** of the **Covered Party** arising from the conduct or activities of a third party, as between the **Member** and the CSURMA AORMA, the amount of the **Member's retained limit** as set forth in the Declarations of this Memorandum shall be satisfied in whole or in part (as applicable, depending on how much other coverage is available) by any insurance coverage of said third party/parties which is available and applicable to the liability for **damages** of the **Covered Party**. If such third-party insurance coverage exceeds the **Member's retained limit**, all of such third-party insurance coverage (whether written on a primary or an excess basis, or written as reinsurance) shall apply to the loss before the CSURMA AORMA's limits hereunder shall attach.

**Bodily injury** or **personal injury** damages resulting from **non-employment harassment** will be deemed to have occurred at the time of the last **non-employment harassment** and all such **bodily injury** or **personal injury** will be deemed to be a single occurrence whether committed by the same perpetrator or two or more perpetrators acting in concert and without regard to the number of (1) incidents of **non-employment harassment** taking place thereafter, (2) victims of **non-employment harassment**, or (3) locations where the **non-employment harassment** took place. Only the Memorandum of Coverage in effect during which such **non-employment harassment** last occurred will apply to such single occurrence of **non-employment harassment**. Coverage does not apply to any **covered party** who is found by a court of law to have committed a criminal act of **non-employment harassment**.

#### SECTION IV - COVERED PARTIES

The parties covered by this Memorandum are:

- A. The **Member** is a signatory to the CSURMA Joint Powers Authority and is named on the Declarations Page.
- B. The following individually and collectively are covered parties, when acting solely within the scope of their duties, office, or employment for the named **Member**:
  - 1. The governing board;
  - 2. Officers;
  - 3. **Employees**; and
  - 4. Authorized Individuals acting as volunteers.
- C. Any person while using an **owned automobile**, or **non-owned automobile**, or a **hired automobile** and any person or organization legally responsible for the use thereof, including garage operations, provided the actual use of the **automobile** is by or with permission of the named **Member**.

Coverage provided by this Memorandum with respect to any person or organization other than the named **Member** does not apply under this paragraph:

1. To any person or organization, or to any agent or **employee** thereof, engaged in selling, repairing, servicing, delivering, testing, road testing, parking or storing **automobiles**, with respect to any **occurrence** arising out of any such occupation, if there is other valid and collectible insurance available to such person as a named insured or as an agent or **employee** of the named insured under that other insurance Memorandum with limits at least equal to the requirements of the applicable Financial Responsibility Laws; or
2. With respect to any **hired automobile**, to the owner, or a lessee thereof other than the **Member**, or to any agent or **employee** of such owner or lessee.

D. **Additional Covered Party** as defined in Section VI A. of this Memorandum.

E. Any employee pension benefits or employee welfare benefits trust, formed under U.S. Internal Revenue Code Section 501(c)(9), in which a **Member** participates, provided the trust only serves auxiliary organizations who are **Members**.

The board of trustees of the trust are covered parties, when acting solely within the scope of their duties, office, or employment for the trust.

Coverage provided by this Memorandum with respect to covered trusts will not extend to any third party service provider to the covered trust.

Fraternal organizations are not covered parties under this Memorandum of Coverage.

## SECTION V – EXCLUSIONS

The coverage provided by this Memorandum does not apply to any of the following:

A. Aircraft

To any liability for **damages** arising out of the ownership, maintenance, loading or unloading, use or operation of any aircraft capable of flight, airfields, runways, hangers, buildings or other property in connection with aviation activities. This exclusion does not apply to static aircraft, or to an **unmanned aerial vehicle**.

B. Asbestos

To any liability for **damages** arising, in whole or in part, out of actual or alleged, threatened or suspected, inhalation of, ingestion or, contact with, exposure to, existence or, or presence of asbestos; or

Any loss, cost or expense arising, in whole or in part, 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 asbestos by any **Covered Party** or by any other person or entity.

C. Assault and Battery

To any liability for **damages** arising out of assaults and batteries, except for assault and battery committed or directed for the purpose of protecting persons or property or where same are not committed by or at the direction of the **Member**.

D. Aviation Activities

To liability for **damages** arising out of the ownership, maintenance, loading or unloading, use or operation of any:

1. **Aircraft**
2. Airfields;
3. Runways;
4. Hangars; or
5. Buildings of other properties in connection with aviation activities.

This exclusion shall not apply, however, to those areas open to the public for the purpose of entering, leaving, or using the airport facilities (including parking lots and garages).

This exclusion shall not apply, however, to the maintenance and operations of permanently stationary **aircraft** used for instructional purposes only.

E. Contractual Obligations

1. To any liability for **damages** of non-tort causes of action related to breach of contract proceedings; or
2. To any liability for which the **Member** is obligated to pay **damages** by reason of assumption of liability in any contract or agreement. This exclusion does not apply to liability for **damages**:
  - a. Assumed in a contract or agreement that is an executed **Member** contract as that term is defined herein, provided the **bodily injury** or **property damage** occurs subsequent to the execution of the contract or agreement: or
  - b. Liability for **damages** that the **Member** would have in the absence of the contract or agreement.

F. Cyber Liability

**Damages**, or loss, costs or expenses because of **bodily injury, personal injury, property damage, errors and omissions** or **media wrongful act** arising directly or indirectly out of:

1. Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or

2. The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if **damages** are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, costs or expenses incurred by any **covered party** or others arising out of that which is described in Paragraphs 1 and 2 above.

G. Electronic Communication

1. Arising out of electronic or other publication, transmission, dissemination or storage of material, if done by or at the direction of the **Member** with knowledge of its falsity;
2. Arising out of electronic or other publication, transmission, dissemination or storage of material whose first publication, transmission, dissemination or storage took place before the beginning of the policy period; or,
3. Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the **Member**.

This exclusion does not apply to:

1. Personal injury arising from a **Member's** broadcasting activities; or,
2. Liability arising from the managerial, advisory, supervisory or controlling obligation of one **Covered Party** over the actions of another **Covered Party**.

H. Employment Benefit

To any obligation for which the **Member** may be held liable under any Workers' Compensation or disability benefits law or under any similar law, plan or agreement; except as provided within the Fiduciary Liability Coverage endorsement.

I. Employment Liability

To **bodily injury**, to any **employee** of the **Member** arising out of and in the course of his/her employment by any **Member**; but this exclusion does not apply to liability assumed by any **Member** under any written contract.

J. ERISA

To any obligation of the **Member** under the "Employment Retirement Income Security Act of 1974" and any law amendatory thereto or any similar federal, state or local statute; except as provided within the Fiduciary Liability Coverage endorsement.

K. Fiduciary Liability

To liability arising out of;



California State University Risk Management Authority  
Auxiliary Organizations Risk Management Alliance

1. The purchase, or sale, or offer of sale, or solicitation of any security, debt, bank deposit or financial interest or instrument;
2. Any representation made at any time in relation to the price or value of any security, debt, bank deposit or financial interest or instrument; or
3. Any depreciation or decline in price or value of any security, debt, bank deposit or financial interest or instrument;

Except as provided within the Fiduciary Liability Coverage endorsement.

L. Funds, Grants or Appropriations

To any liability for **damages** for either the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations, nor for the return of such funds, grants, or appropriations for any reason(s).

However, CSURMA AORMA will defend any action or suits brought against any **Covered Party** for the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations or for the return of such funds, grants or appropriations for such causes of action, unless their alleged conduct was outside the scope of employment, subject to the CSURMA AORMA SIR program sublimit of \$250,000 per **occurrence**.

M. Intentional Conduct

Any liability arising out of criminal, fraudulent, known false or dishonest acts or omissions committed by or at the direction of the **Covered Party**. CSURMA AORMA may at its sole discretion, agree to waive this exclusion in order to supply certain payments under Section II. Defense and Settlements if the judgment or final adjudication is adverse to the participating **Covered Party**, the **Covered Party** will reimburse CSURMA AORMA for all defense costs.

This exclusion does not apply to liability arising from the managerial, advisory, supervisory, or controlling obligations of any **Covered Party** over the actions of another **Covered Party**.

N. Lack of Occurrence

To injuries or **damages** which do not arise out of an **occurrence** as defined in this Memorandum.

O. Land Use

To any liability for **damages** arising from any claim, suit or proceeding arising from allegations related to land use, land planning or land development. However, CSURMA AORMA shall defend the **Covered Party** up to an amount not exceeding \$250,000 **ultimate net loss** for such liability.

This exclusion shall not apply, however, to any land use litigation where suits or claims for land use litigation are a result of negligence proven on the part of a **Covered Party**. Nothing herein shall act to increase the limit of liability.

P. Lead



Any loss or liability arising out of, or contributed to or caused by lead as described below:

1. **Bodily injury, property damage or personal injury** arising out of , resulting from, caused by or contributed to by the toxic or pathological properties of lead, lead compounds or lead contained in any materials;
2. Any cost or expense to abate, mitigate, remove or dispose of lead, lead compounds or materials containing lead;
3. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with parts 1 or 2 above; or
4. Any obligation to share damages with or repay someone else who much pay damages in connection with parts 1, 2 or 3 above.

Q. Medical Malpractice

Liability arising out of the operation of any hospital, clinic, or health care facility, owned or operated by any **Member** including individuals providing professional medical services (Professional Medical Services include anyone engaged in the practice of medicine and whose operations are not exempted elsewhere in this exclusion). This includes, but is not limited to:

1. The rendering or failure to render:
  - a. Medical, surgical, dental, x-ray or nursing services or treatment, or the furnishing of food or beverages in connection therewith;
  - b. Any service or treatment related to physical or mental health or of a professional nature; or
  - c. Any cosmetic or tonsorial service or treatment.
2. The furnishing of or dispensing of drugs or medical, dental or surgical supplies or appliances.

This exclusion does not apply to any liability arising out of:

1. Ambulance operations, occupational physical examinations, student nursing programs, other student medical training programs, infirmaries, non-clinic nursing services or services of the **Member's employees** who are nurses, paramedics, emergency medical technicians, speech therapists, speech pathologists, nutritionists, psychologists, audiologists, phlebotomist, or physical therapists;
2. **Unfair employment practices** liability;
3. First Aid to any person;
4. Any medical services clinic that does not perform invasive surgery of any kind; or
5. Operations performed by coroners.

R. Mold

Any **bodily injury, personal injury, advertising injury or property damage** arising directly or indirectly out of, resulting from, caused by or contributed to by:

1. Any fungus(es) or spore(s);
2. Any solid, liquid, vapor, or gas produced by or arising out of any fungus(es) or spore(s);
3. Any material, product, building component, or building structure that contains, harbors, nurtures or acts as a medium for any fungus(es) or spore(s);
4. Any intrusion, leakage, or accumulation of water or any other liquid that contains, harbors, nurtures or acts as a medium for fungus(es) or spore(s);
5. The actual or threatened abatement, mitigation, removal or disposal of fungus(es) or spore(s) or any material, product, building component, or building structure that contains, harbors, nurtures or acts as a medium for any fungus(es) or spore(s);
6. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with subparagraphs 1, 2, 3, 4 or 5 above; or

For the purpose of this exclusion fungus(es) includes, but is not limited to, any form or type of mold, mushroom or mildew and spore(s) include any reproductive body produced by or arising out of any fungus(es).

However, CSURMA AORMA will provide coverage up to an amount not exceeding \$600,000 each occurrence and each **Member**, subject to an \$850,000 aggregate limit, per **Member**.

S. Nuclear Material

To any liability for **damages** arising out of injury, sickness, disease, death or destruction:

1. With respect to which a **Member** is insured under a nuclear energy liability memorandum issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be a **Covered Party** under any such memorandum 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 **Member** is, or had such coverage 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.
3. Resulting from the hazardous properties of nuclear material, if:

- a. The nuclear material is at any nuclear facility owned by, or operated by or on behalf of a **Member**, or has been discharged or dispersed therefrom;
- b. 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 a **Member**; or
- c. The injury, sickness, disease, death or destruction arises out of the furnishing by a **Member** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operations 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 part c. applies only to injury to or destruction of property at such nuclear facility.

However, this Exclusion shall not apply to liability arising from the use of radioactive materials in instructional laboratories operated by the **Member** and/or research activities sponsored by the **Member**, but only to a sublimit of \$250,000 each **occurrence**.

T. Pollution

To any liability for **damages**, loss, cost or expense:

1. Arising out of, or that would not have occurred in whole or in part but for, the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** anywhere in the world;
2. Arising out of any claim, suit, governmental direction or request, demand or order, whether by or on behalf of a governmental direction that any **Covered Party** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of pollution or **pollutants**; or
3. Arising from the cost of investigation or attorney's fees, incurred by a governmental unit or any other person or organization to test for, monitor, clean-up, remove, contain, treat, detoxify, neutralize, or in any way respond to **pollutants**.

However, this exclusion does not apply to liability arising out of:

- a. Water, whether recycled, reconditioned or reclaimed;
- b. Any discharge, dispersal, seepage, migration, release or escape directly or indirectly caused by fire, explosion, lightning, windstorm, vandalism, or malicious mischief, riot and civil commotion, flood, collision, or upset of a motor vehicle, railroad vehicle, mobile equipment, automatic sprinkler leakage or **aircraft**;
- c. Any liability arising out of police use of mace, oleoresin capsicum (o.c.), pepper gas or tear gas;
- d. Any liability arising from weed abatement or spraying;
- e. The products hazard or the completed operations hazard; and

- f. Any discharge, dispersal, seepage, migration, release or escape of **pollutants** that meets all of the following conditions:
  - i. It was accidental and neither expected nor intended by the **Covered Party**. This condition would not serve to deny coverage for a specific incident where such discharge, dispersal, seepage, migration, release or escape of **pollutants** was a result of an attempt by any **Covered Party** to mitigate or avoid a situation where substantial third party **bodily injury, property damage** or **personal injury** could occur; and
  - ii. It was demonstrated as having commenced on a specific date during the **coverage period**; and
  - iii. Its commencement became known to any **Covered Party** within seven (7) calendar days and was further reported to the person responsible for risk management at the **Member** within a reasonable time frame; and
  - iv. Its commencement was reported in writing to CSURMA AORMA within forty (40) calendar days of becoming known to the person responsible for risk management for the **Member**; and
  - v. Reasonable effort was expended by the **Member** to terminate the situation as soon as conditions permitted.

However, nothing contained in this provision f., shall operate to provide any coverage with respect to:

- a. Any site or location principally used by any **Member**, or by others on the **Member's** behalf, for the handling, storage, disposal, dumping, processing, or treatment of waste material;
- b. Any fines or penalties;
- c. Any clean-up costs ordered by the superfund program, or any federal, state or local governmental authority. However, this paragraph shall not serve to deny coverage for third party clean-up costs otherwise covered by this exception to this exclusions simply because of the involvement of a governmental authority;
- d. Acid rain;
- e. Clean up, removal, containment, treatment, detoxification or neutralization of **pollutants** situated on premises the **Member** owns, rents or occupies at the time of the actual discharge, dispersal, seepage, migration, release or escape of said **pollutants**; or
- f. Water pollution caused by oil or its derivatives.

U. Silica

Any loss or liability arising out of, or contributed to or caused by silica as described below:

1. Bodily injury, property damage or personal injury arising out of, resulting from, caused by, or contributed to by silica, exposure to silica or the use of silica;
2. Any damages or any loss, cost or expense arising out of any (1) claim or suit by or on behalf of any governmental authority or any other alleged responsible party because of, or (2) request, demand, order or statutory or regulatory requirement that any covered party or any other person or entity should be, or should be responsible for:
  - a. Assessing the presence, absence or amount or effects of silica;
  - b. Identifying, sampling or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating silica; or
  - c. Responding to silica in any way other than as described in (a) or (b) above;
3. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with any of the subsections above; or
4. Any obligation to share damages with or repay someone else in connection with any of the subsections above.

V. Subsidence

To **property damage** arising out of subsidence for any reason.

W. War

Any loss or damage arising directly or indirectly, out of war, including undeclared civil war; 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 insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

X. Watercraft

For liability for **damages** arising out of the ownership, maintenance, operation, use, entrustment to others, loading or unloading of any watercraft owned or operated by or rented or loaned by any **Member**, but this exclusion does not apply to:

1. Watercraft while ashore; or
2. Watercraft less than fifty (50) feet in length at the waterline.

Y. Under Errors and Omissions Liability

1. **Bodily injury** or **property damage** or **unfair employment practices** or **personal injury** as defined in the Memorandum;
2. The refund of taxes, fees or assessments;



3. a. Liability of any **Member** arising in whole or in part, out of any **Covered Party** obtaining remuneration or financial gain to which the **Covered Party** was not legally entitled;
- b. Liability arising out of the willful violation of a penal statute, code or ordinance committed by or with the knowledge or consent of any **Member**; except that any act for which a **Covered Party** is responsible shall not be imputed to any other **Covered Party** for purposes of this subpart 3.

This exclusion does not apply to liability arising from the managerial, advisory, supervisory, or controlling obligations of any **Covered Party** over the action of another **Covered Party**;

4. Liability for any **Member** arising out of estimates of probable costs or cost estimates being exceeded or faulty preparation of bid specifications or plans or failure to award contracts in accordance with statute or ordinance which under law must be submitted for bids;
5. Injury to, destruction or disappearance of any tangible property (including money) or the loss of use thereof; or
6. Liability arising out of the failure to perform or breach of a contractual obligation.

Nothing contained in this exclusion shall limit the **Covered Party's** right of recovery, where applicable, under **bodily injury, property damage, unfair employment practices liability, and personal injury** coverages as provided in this Memorandum.

Z. Under Media Wrongful Acts

1. Based upon, arising out of, directly or indirectly resulting from, in consequence of or in any way involving any actual or alleged infringement, contributing to the infringement, or inducing the infringement of any patent.
2. Actual or alleged violation of any federal, state or local statute, law or regulation regarding the dissemination of unsolicited communications, including but not limited to unsolicited telephone calls, facsimiles and electronic mail; or
3. a. Liability of any **Member** arising in whole or in part, out of any **Covered Party** obtaining remuneration or financial gain to which the **Covered Party** was not legally entitled;
- b. Liability arising out of the willful violation of a penal statute, code or ordinance committed by or with the knowledge or consent of any **Member**; except that any act for which a **Covered Party** is responsible shall not be imputed to any other **Covered Party** for purposes of this subpart 3.

This exclusion does not apply to liability arising from the managerial, advisory, supervisory, or controlling obligations of any **Covered Party** over the action of another **Covered Party**;

## SECTION VI – DEFINITIONS

- A. **Additional Covered Party** means any person(s), entity(ies), or organization(s) to whom the **Member** is obligated by virtue of any written contract to provide coverage solely with respect to **bodily injury**,

**property damage** and **personal injury** arising out of the **Member's** operations or premises owned by or rented to the **Member**; and

For which a certificate of coverage has been issued to such person(s), entity(ies) or organization(s) and is on file with CSURMA AORMA evidencing their status as an additional insured under this coverage.

The coverage provided does not apply to any **occurrence** taking place:

1. Prior to the **Members'** operations or occupation of the premises; or
2. After the **Members'** operations have been completed or occupation of the premises has ceased.

The limits of coverage will be limited to the limits required within the terms of the written contract of the limits of liability of this Memorandum, whichever is less, and will apply in excess of the **Members' retained limit** shown in the Declarations. CSURMA AORMA will not be obligated for limits of coverage shown in the written contract that are greater than the limits of liability of this Memorandum.

- B. **Aircraft** means a vehicle designed for the transport of persons or property principally in the air, but does not include **unmanned aerial vehicle**.
- C. **Automobile** or **Auto** shall mean a land motor vehicle, trailer, or semi-trailer, subject to motor vehicle registration, including any attached machinery or equipment and including Mobile Equipment.

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

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - a. Power cranes, shovels, loaders, diggers or drills; or
  - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. 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:
  - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - b. Cherry pickers and similar devices used to raise or lower workers;

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

**D. Bodily Injury** means bodily harm, sickness, disability or disease. **Bodily injury** shall also mean mental injury, mental anguish, humiliation, shock or death if directly resulting from **bodily injury**, sickness, disability or disease. **Bodily injury** shall include cause and loss of services resulting at any time from the **bodily injury** of any person or persons.

**E. Completed Operations Hazard** – includes **bodily injury** and **property damage** arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the **bodily injury** or **property damage** occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the **Member**. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

1. When all operations to be performed by or on behalf of the **Additional Covered Party** under the contract have been completed; or
2. When all operations to be performed by or on behalf of the **Additional Covered Party** at the site of the operations have been completed; or
3. When the portion of the work out of which the injury or **damages** arise has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations as a part of the same project.

Operations with may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed.

**The completed operations hazard** does not include liability arising out of the existence of tools, uninstalled equipment or abandoned or unused materials.

**F. Coverage Period** means the period beginning with the effective date shown in the Declarations and ending on the expiration date shown in the Declarations, unless terminated.

**G. Damages** mean compensation in money which a **Covered Party** is legally obligated to pay as a result of a claim. **Damages** include: (1) attorney fees not based on any contract awarded against the **Covered Party**, (2) interest on judgments, or (3) costs, for which the **Covered Party** is liable either by adjudication or by compromise with the prior, written consent of the CSURMA AORMA, if the fees, interest or costs arise from an **occurrence** to which this coverage applies.

**Damages** shall not include those sums determined to be owed by a **Covered Party** as contract **damages**, including, but not limited to retroactive or prospective benefits, or any **damages** determined to be owed for breach of an express contract of employment or under an express obligation to make payments in the event of termination of employment.

**Damages** shall not include sums paid pursuant to any judgment or agreement, whether injunctive or otherwise, to undertake actions to correct past discriminatory or unlawful conduct or to establish

practices or procedures designed to eliminate or prevent future discriminatory or other unlawful conduct, or any non-monetary relief.

**Damages** shall not include fines, penalties, sanctions, taxes or fees assessed against any **covered party**.

- H. Discrimination**, as respects **unfair employment practices**, means the actual or alleged failure to employ, failure to promote, or transfer, or the suspension, demotion or termination of, any **employee** because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy.
- I. Employee**, as respects **unfair employment practices** and when appearing in boldface type in this Memorandum, means any present or former **employee** of the **Member** or any applicant for employment by the named **Member**, including independent contractors and /or persons working on retainer, while acting for or on behalf of the **Member** but only as respects unfair employment practices.
- J. Errors and Omissions** means any actual or alleged misstatement or misleading statement or act or omission or neglect or breach of duty including misfeasance, malfeasance or nonfeasance by any **Covered Party** individually or collectively in the discharge of their duties with the **Member**, or any matter claimed against them solely by reason of their being or having been public officials.
- K. Hired Automobile** shall mean an **automobile** used under contract on behalf of the **Member** provided such **automobile** is not owned in full or in part by or registered in the name of (1) the **Member**, or (2) any **Covered Party** who is granted an operating allowance of any sort for the use of such **automobile**.
- L. Media Wrongful Act** means any actual or alleged:
1. invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, or misappropriation of name or likeness;
  2. wrongful entry or eviction, trespass, eavesdropping, or other invasion of the right of private occupancy;
  3. libel, slander, disparagement, or any other form of defamation or harm to the character or reputation of any person or entity;
  4. outrage, infliction of emotional distress or prima facie tort;
  5. infringement or dilution of trademark, trade name, trade dress, title, slogan, service mark or service name;
  6. copyright infringement, plagiarism, piracy, beach of implied contract, or misappropriation of property rights, information or ideas;
  7. breach of a promise of confidentiality or anonymity;
  8. error or omission in content;

9. unfair competition or conspiracy

10. breach of an indemnification or hold harmless agreement relating to claims arising out of the media, but only when such claims allege a **Media Wrongful Act** falling within sections 1-9 above; solely when committed or allegedly committed by an **Covered Party** in his, her or its capacity as such and in connection with the creation or dissemination of media, or in connection with the creation or dissemination of advertising materials relating to media. **Member Contract** means:

1. A contract for a lease of premises including but not limited to premises rented or loaned to you;
2. A sidetrack agreement;
3. Any easement or license agreement;
4. An obligation, as required by ordinance;
5. An elevator maintenance agreement;
6. Any indemnification or hold harmless agreement entered into by a **covered party** in connection with the distribution of media; or
7. That part of any contract or agreement pertaining to the **Member's** business under which the **Member** assumes tort liability of another party to pay for **bodily injury, property damage, personal injury or media wrongful act** to a third party or organization or **unfair employment practices**. Tort liability means liability that would be imposed by law in the absence of any contract or agreement.

However, it does not include that part of any contract or agreement:

- a. That indemnifies an architect, engineer, or surveyor, his agents or "**employees**", for injury or damage arising out of preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs, or specifications or giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.
- b. To any claim, judgment or agreement from any arbitration proceeding wherein CSURMA AORMA is not entitled to exercise with the **Covered Party**, the **Covered Party's** rights in the choice of arbitrators, and in the conduct of such proceedings.

**M. Non-Owned Automobile** shall mean an **automobile** not owned by or furnished for the regular use of the **Member**.

**N. Non-employment harassment** means actual or alleged unwelcome or offensive;

1. Physical conduct, including sexual molestation; or
2. Verbal or written conduct or conduct using visual images, including such conduct by electronic means,

against anyone other than a present or former employee of, or an applicant for employment with, the **Member** and shall include any actual or alleged breach of duty by a **covered party** causing, contributing or leading to such **non-employment harassment**.

- O. Occurrence** means an accident or event, during the **coverage period** including continuous or repeated exposure to conditions, which result in injury or damage to which this coverage applies; provided, such injury or damage is neither expected nor intended from the standpoint of the **Member**.

With respect to **personal injury**, "**occurrence**" means an offense described in the definition of that term in this "Section VI - Definitions," that is committed during the **coverage period**.

With respect to **Errors & Omissions**, "**occurrence**" means an offense described in the definition of that term in this "Section - VI Definitions" that is committed during the **coverage period**, provided that the injury is neither expected nor intended from the standpoint of the **Member**.

- P. Owned Automobile** shall mean an **automobile** owned in full or in part by or registered in the name of the **Member**. **Automobile** furnished by the **Member** for driver education purposes shall be considered an **owned automobile**.

- Q. Personal Injury** means:

1. False arrest, detention, or imprisonment or malicious prosecution;
2. Publication or utterance of libel or slander or of other defamatory or derogatory material, or a publication or utterance in violation of an individual's right of privacy;
3. Wrongful entry or eviction or other invasion of the right of private occupancy;
4. **Discrimination** or violation of civil rights other than **unfair employment practices**, not intentionally committed by or at the direction of the **Member**;
5. Sexual harassment not intentionally committed by or at the direction of the **Member**; or
6. **Unfair Employment Practices**.

- R. 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. The term **pollutants** as used herein are not defined to mean potable water or agricultural water or water furnished to commercial users.

- S. Property Damage** means:

1. Physical injury to or destruction of tangible property which occurs during the **coverage period**, including the loss of use thereof at any time resulting there from; or
2. Loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an **occurrence** during the **coverage period**.



- T. Retained Limit**, as contained in the Declarations of this Memorandum, means the amount of paid claim liability for **damages** covered by this Memorandum, for which the **Member** is responsible on a per **occurrence** basis, and which the **Member** actually pays in cash, after making proper deduction for all recoveries and salvages collectible. The **Member's retained limit** also includes defense fees and costs expended by the **Member** in defense of a claim to the extent that the claim is potentially covered under this Memorandum, and also includes court costs, allocated loss adjustment expenses and other associated costs and expenses, but does not include any salaries of the **Member's** regular **employees**, nor any defense fees or costs incurred in the defense of claims for which there was never any potential for coverage under this Memorandum.
- U. Ultimate Net Loss** as contained in the Declarations of this Memorandum, means the amount of paid claims liability for **damages** for which the **Covered Party** is liable, on a per **occurrence** basis, either by (1) adjudication, or (2) compromise with the prior written consent of the CSURMA AORMA, and which the **Member** actually pays in cash, after making proper deduction for all recoveries and salvages collectible. The **ultimate net loss** also includes defense fees and costs incurred by the **Member** in defense of the claim and also includes court costs, allocated loss adjustment expenses, and other associated costs and expenses, but does not include any salaries of the **Member's** regular **employees**. **Ultimate net loss** shall not include any **damages** recovered against a **Member** or defense expenses incurred because of liability that is not covered by this Memorandum.
- V. Unfair Employment Practices** means:
1. Any circumstance relating to a past, present or prospective **employee** of the **Member** (and the spouse, child, parent, brother or sister of that person as a consequence of **unfair employment practices** that person at whom any of the employment-related practices described below is directed) for or arising out of any actual or alleged wrongful dismissal, discharge, or termination either actual or constructive, of employment, employment related misrepresentation, retaliation, wrongful failure or refusal to employ or promote, wrongful deprivation of career opportunity or reassignment, wrongful discipline, failure to grant tenure or negligent **employee** evaluations; or
  2. Sexual or workplace harassment or humiliation of any kind, including but not limited to, the alleged operation of a workplace harassing workplace environment, or
  3. Actual or alleged negligence resulting in **damages** to a person that is a “whistle blower”, unlawful **discrimination**, whether direct, indirect, intentional or unintentional, or
  4. Failure to provide adequate **employee** policies and procedures.

**Unfair employment practices** shall include actions brought under state, local, or federal law, whether common or statutory, and shall include, but not be limited to allegations of violations of the following federal laws, as amended, including regulations promulgated there under:

1. Americans with Disabilities Act of 1992 (ADA);
2. Civil Rights Act of 1991;
3. Age **Discrimination** in Employment Act of 1967 (ADEA), including the Older Workforce Benefit Protection Act of 1990;

4. Title VII of the Civil Rights Law of 1964, as amended (1983), including the **Pregnancy Discrimination Act** of 1978;
5. Civil Rights Act of 1866, Section 1981; and
6. Fifth and Fourteenth Amendments of the U.S. Constitution.

**W. Unmanned Aerial Vehicle** means any vehicle without a human pilot aboard capable of flight principally in the air that is designed for the transport of equipment and weighing no more than 100 lbs maximum take-off weight.

**X.** The following definitions are applicable only to Exclusion I:

Hazardous properties include radioactive, toxic or explosive properties;

Nuclear material means source material, special nuclear material or byproduct material;

Source material, special nuclear material and byproduct material have the meaning given in the Atomic Energy Act of 1954 or in any law amendatory thereof;

Spent fuel means 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 a byproduct material and (b) resulting from the operation by any person or organization of any nuclear facility included within the definition of **nuclear facility** under paragraph a. or b. thereof:

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 **Member** at the premises where such equipment or device is located consists of or contains more than 25 grams plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- d. Any structure, basin, excavation site 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 supporting chain reaction or to contain a critical mass of fissionable material.

With respect to injury to or destruction of property, the word injury or destruction includes all forms of radioactive contamination of property.

## SECTION VII – CONDITIONS

- A. Contribution Payment: The annual contribution payment shall be due and payable upon inception of coverage and each renewal thereafter. The amount of the annual contribution will be computed in accordance with CSURMA AORMA's rules and rates. CSURMA AORMA shall not be required to perform any obligations under this Memorandum if contributions are not paid.
- B. Termination: Coverage provided under this Memorandum, may be terminated by the CSURMA Board of Directors at any time in accordance with the JPA Agreement Section 23 Termination.
- C. Statutory Provisions: Terms of the Memorandum which are in conflict with the statutes of the State of California are amended to conform to such statutes.
- D. Other Coverage: If other valid and collectible coverage is available to the **Covered Party** for a covered claim, CSURMA AORMA's obligations are limited as follows:

1. Primary Coverage

This coverage is primary except when Paragraph 3 below applies. If this coverage is primary, CSURMA AORMA's obligations are not affected unless any of the other coverage is also primary. Then, CSURMA AORMA will share with all other coverage by the method described in Paragraph 3 below.

2. Excess Coverage:

- a. With respect to liability for **damages** of the **Covered Party** arising from the conduct or activities of a third party, as between the **Member** and the CSURMA AORMA, the amount of the **Member's retained limit** as set forth in the Declarations of this Memorandum shall be satisfied in whole or in part (as applicable, depending on how much other coverage is available) by any insurance coverage of said third party/parties which is available and applicable to the liability for **damages** of the **Covered Party**. If such third-party insurance coverage exceeds the **Member's retained limit**, all of such third-party insurance coverage (whether written on a primary or an excess basis, or written as reinsurance) shall apply to the loss before the CSURMA AORMA's limits hereunder shall attach.
- b. When this coverage is excess, CSURMA AORMA will have no duty to defend the **Covered Party** against any suit if any other coverage provider has a duty to defend the **Covered Party** against that suit. If no other coverage provider defends, CSURMA AORMA will undertake to do so, but CSURMA AORMA will be entitled to the **Covered Party's** rights against all those other coverage providers.
- c. CSURMA AORMA will share the remaining **ultimate net loss**, if any, with any other coverage that is not described in this provision and was not bought specifically to apply in excess of the limits of liability shown in the Declarations.

3. Method of Sharing:

- a. If all of the other coverage permits contribution by equal shares, CSURMA AORMA will also permit contribution by equal shares. Under this approach, each coverage provider contributes equal amounts until the applicable limit of liability has been paid or none of the **ultimate net loss** remains, whichever comes first; or
- b. If any of the other coverage providers does not permit contribution by equal shares, CSURMA AORMA will contribute by limits. Under this method, each coverage provider's share is based on the ratio of its applicable limit of liability to the total applicable limits of liability of all coverage providers.

E. Duties in the Event of an Accident, Occurrence, Offense, Claim, Suit or Proceeding: The following provisions and the provisions of the CSURMA AORMA Memorandum and Policy and Procedure on claims reporting and Claims Administration and Litigation Management are conditions precedent to coverage under this Memorandum. The **Covered Party's** failure to comply with any of these provisions will be cause for a reduction in or denial of coverage by CSURMA AORMA.

1. In the event of any **occurrence** or an offense which may result in a claim, suit or proceeding against a **Covered Party**, written notice (includes e-mail correspondence, fax transmissions and original hard copy notifications) shall be given by the **Member** to the Third Party Claims Administrator (TPA) as soon as practicable.
2. When the **Member** submits the first claim report, the following information shall be included, if available and applicable:
  - a. How, when and where the **occurrence** or offense took place;
  - b. The names and addresses of any injured persons and witnesses;
  - c. The nature and location of any injury or damage arising out of the **occurrence** or offense;
  - d. Incident reports;
  - e. Investigation reports;
  - f. Police reports;
  - g. Claim notices and **Member** and any other involved **Covered Party** response(s);
  - h. Medical reports; and
  - i. Other information helpful to CSURMA AORMA.
3. The **Member** and any other involved **Covered Party** shall provide immediate notice of any Pleadings, Summons, Complaints and any other legal papers received by the **Member** or other involved **Covered Party** to the TPA and authorize CSURMA AORMA to obtain records and other information;

- a. Late Reporting Penalties
  - i. If an **occurrence**, offense, claim, suit or proceeding is not reported by the **Member** to the TPA within the timeframes set below; the following late reporting schedule shall apply;
  - ii. If an **occurrence**, offense, claim or suit is reported 1-6 months late as determined by the TPA, a 25% reduction of coverage will apply;
  - iii. If an **occurrence**, offense, claim or suit is reported 7-12 months late as determined by the TPA, a 50% reduction of coverage will apply; or
  - iv. If an **occurrence**, offense, claim or suit is reported more than 12 months late as determined by the TPA, no recovery will be available to the **Member** or other involved **Covered Party**.
  
- 4. The **Member** and any other involved **Covered Party** will cooperate with CSURMA AORMA in the investigation or settlement of the claim, suit or proceeding or defense against and assist CSURMA AORMA, in the enforcement of any right against any person or organization which may be liable to the **Member** because of injury or damage to which this coverage may also apply.
  
- F. No Voluntary Payments: Except as stated below, no **Member** will, except at that **Member**'s own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the consent of CSURMA AORMA.
 

With respect to **unfair employment practices**, as stated in CSURMA AORMA Policy and Procedure on Claims Reporting, in no event shall any payments be made by CSURMA AORMA for any costs incurred to defend a covered claim more than thirty (30) days prior to written notification of an **occurrence**, offense, claim or suit to the TPA.

Moreover, no settlement of any claim shall be paid by CSURMA AORMA without prior written authorization of the Liability Claims Administrator.
  
- G. Bankruptcy or Insolvency: Bankruptcy or insolvency of the **Covered Party** shall not relieve CSURMA AORMA of any of its obligations hereunder.
  
- H. Separation of Insureds: Except with respect to the Section III – Limitations Upon CSURMA AORMA's Liability, and any rights or duties specifically assigned to this Memorandum, this coverage applies:
  - 1. As if each **Covered Party** were the only **Covered Party**; and
  - 2. Separately to each **Covered Party** against whom the claim is made or suit is brought.
  
- I. Limit of Liability: As provided in the Declarations.

- J. Assignment: No purported assignment of rights or interests under this Memorandum shall bind CSURMA AORMA without its written consent.
  
- K. Changes: This Memorandum may not be amended or changed in any respect, nor shall any provision of this Memorandum be deemed to have been waived by the CSURMA AORMA, unless and until a written endorsement which expressly so amends this Memorandum or waives a provision thereof has been duly issued by the CSURMA AORMA and made a part of the Memorandum, or unless the CSURMA AORMA Policies and Procedures regarding claims reporting and claims administration and litigation management have been amended by the CSURMA AORMA.
  
- L. Transfer of Rights of Recovery Against Others to CSURMA AORMA: If the **Member** or any other **Covered Party** has rights to recover all or part of any payment CSURMA AORMA has made under this coverage, those rights are transferred to CSURMA AORMA. The **Member** or any other **Covered Party** shall do nothing after the loss to impair the recovery. At CSURMA AORMA's request, the **Member** or any other **Covered Party** will bring suit or transfer the rights to CSURMA AORMA and help CSURMA AORMA enforce them.
  
- M. Claims Settlement: As stated in the CSURMA AORMA Policy and Procedures regarding Claims Reporting and Claims Administration and Litigation Management:
  - 1. Claim Settlement Authority
 

The following guidelines apply to settlement authority of CSURMA AORMA, within this Memorandum:

    - a. \$0 to 25,000 – Claims Administrator
 

The Liability Claims Administrator has authority to settle claims up to, and including, \$25,000 per claim.
    - b. Up to the **Pooled Layer Limit** – AORMA Committee
 

The AORMA Committee has authority to authorize claims settlement up to the **Pooled Layer Limit**.
  
  - 2. Claims Settlement Responsibility:
 

AORMA Committee shall have the primary responsibility to control and direct settlement negotiations and to determine the terms of any settlement. However, before effecting any settlement, AORMA Committee shall give notice to the **Member** of the terms of the proposed settlement.
  
  - 3. **Member** Appeal Process:
 

First Level Appeal

If a **Member** wishes to appeal a decision regarding whether or not coverage is provided or to appeal a settlement decision, the **Member** must present an appeal in writing to the AORMA Committee within thirty (30) days of the disputed decision. The AORMA Committee will



review the appeal at its next regularly scheduled meeting and inform the **Member** within five (5) business days of its final decision.

#### Second Level Appeal

If a **Member** wishes to appeal the AORMA Committee's decision, the **Member** will notify the CSURMA Secretary in writing within five (5) business days of receipt of the AORMA Committee's decision. The CSURMA Executive Committee will then review the appeal at its next meeting or sooner. The CSURMA Executive Committee's decision will be the final determination.

- N. Action Against CSURMA AORMA: No action shall lie against CSURMA AORMA unless, as a condition precedent thereto, the **Covered Party** shall have fully complied with all the terms of this Memorandum or until the amount of the **Covered Party's** obligation to pay shall have been finally determined whether by judgment against the **Covered Party** after actual trial or by written agreement of the **Covered Party**, the claimant and CSURMA AORMA. Said judgment shall not be deemed final, if an appeal is prosecuted there from, until the suit has been finally determined on appeal. Any person or organization or legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Memorandum to the extent of the coverage afforded by this Memorandum. Nothing contained in this Memorandum shall give any person or organization any right to join CSURMA AORMA as a co-defendant in any action against the **Covered Party** to determine such **Covered Party's** liability.



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
(CSURMA AORMA)  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE**

**DOMESTIC HIRED AUTOMOBILE PHYSICAL DAMAGE  
AMENDATORY ENDORSEMENT - #1**

***THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE  
PLEASE READ IT CAREFULLY***

**The term “auto(s)” as used in this endorsement means a land motor vehicle designed for travel on public roads, but does not refer to those types of automobiles excluded under Exclusion # 1 below or to mobile equipment.**

**The term “loss” as used in this endorsement means direct and accidental loss or damage.**

**SECTION I - COVERED AUTOS**

Domestic Hired Autos Only – Only “autos” the Covered Party may hire, lease, rent or borrow for no more than thirty (30) consecutive days by execution of a contract within the coverage territory. This does not include any automobile a Covered Party may lease, hire, rent or borrow from any of Member employees or members of their household.

**SECTION 2 - PHYSICAL DAMAGE COVERAGE**

**A. Coverage Extensions**

1. CSURMA AORMA will pay for “loss” to a covered **auto** or its equipment under Comprehensive and Collision coverage.
2. The coverage provided by this Endorsement is excess over any other collectible coverage
3. For Hired Auto Physical Damage, CSURMA AORMA will pay expenses for which a Covered Party becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. However, the most CSURMA AORMA will pay for any expenses for loss of use is \$60 per day, to a maximum of \$1,800.

CSURMA AORMA will pay up to the limits shown in the Declarations for towing and labor costs incurred each time a covered **auto** of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

#### **B. Limit of Coverage**

1. The most CSURMA AORMA will pay for “loss” in any one “accident” is the lesser of:
  - (1) The actual cash value of the damaged or stolen property at the time of the “loss”; or
  - (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

#### **C. Deductible**

For each covered **auto**, CSURMA AORMA’s obligation to pay for repair, return or replace damaged or stolen property will be reduced by the applicable deductible of \$1,000. A deductible of \$5,000 will apply to all losses covered subject to the add-back of coverage detailed in Exclusions G and N.

#### **D. Coverage Territory**

Under this Endorsement, CSURMA AORMA will cover accidents and losses occurring:

1. During the Memorandum period shown in the Declarations Page.
2. Within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America; and Puerto Rico.

### **SECTION 3 – EXCLUSIONS**

- A. CSURMA AORMA will not pay for loss to any expensive, exotic or antique automobile,; semi-trailer trucks; motorcycles, mopeds, or motorbikes. Antique automobile is defined as any vehicle over twenty (20) years old or any vehicle that has not been manufactured for ten (10) years or more. Examples of excluded expensive or exotic automobiles include but are not limited to those manufactured by Aston Martin, Bentley, Bricklin, Daimler, DeLorean, Excalibur, Ferrari, Jensen, Lamborghini, Lotus, Maaserati, Porsche and Rolls Royce. However, selected models of BMW, Mercedes-Benz, Cadillac and Lincoln are covered.
- B. CSURMA AORMA will not pay for loss to any covered **auto** while used in any professional or organized racing or demolition contest or stunt activity, or while practicing for such contest or activity. CSURMA AORMA will also not pay for loss to any covered **auto** while that covered **auto** is being prepared for such contest or activity.

- C. CSURMA AORMA will not pay for loss caused by or resulting from any of the following unless caused by other loss that is covered by this coverage:
1. Wear and tear, freezing or mechanical or electrical breakdown; or
  2. Blowouts, punctures or other road damage to tires.
- D. CSURMA AORMA will not pay for loss to any of the following:
1. Tapes, records, discs, or other similar audio, visual data electronic devices designed for use with audio, visual or data electronic equipment.
  2. Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measuring equipment.
  3. Any electronic equipment, without regard to whether the equipment is permanently installed, that receives or transmits audio, visual, or data signals and that is not designed solely for the reproduction of sound.
  4. Any accessories used with the electronic equipment described in Paragraph c. above Exclusions 2.c. and 2.d. do not apply to:
    - a. Equipment designed solely for the reproduction of sound and accessories, provided such equipment is permanently installed in the covered **auto** at the time of the loss or such equipment is removable from a housing unit which is permanently installed in the covered **auto** at the time of loss, and such equipment is designed to be solely operated by use of the power from the **auto's** electrical system, in or upon the covered **auto**.
    - b. Any other electronic equipment that is:
      - 1) Necessary for the normal operation of the covered **auto** or the monitoring of the covered **auto's** operating system
      - 2) An integral part of the same unit housing any sound reproducing equipment described above in i. above and permanently installed in the opening of the dash or console of the covered **auto** normally used by the manufacturer for installation of a radio.
- E. CSURMA AORMA will not pay for loss to a covered **auto** due to diminution of value.
- F. CSURMA AORMA will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provisions of this Endorsement.
- G. CSURMA AORMA will not pay for loss arising out of any violation of the rental car agreement. This exclusion does not apply to operation of an **auto** on non-paved roads, subject to Exclusion N.
- H. CSURMA AORMA will not cover damage to **autos** that are hired, rented or borrowed for more than thirty (30) consecutive days.
- I. CSURMA AORMA will not pay for loss or theft of personal belongings.
- J. CSURMA AORMA will not pay for loss caused by or resulting from the use of **auto** by Member volunteers.
- K. CSURMA AORMA will not pay for damages resulting from any Covered Party's personal liability.
- L. CSURMA AORMA will not pay for depreciation of the rental **auto** caused by loss or damage including but not limited to "diminished value".



California State University Risk Management Authority  
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- M. CSURMA AORMA will not pay for loss due to intentional acts, or due to the driver(s) being under the influence of alcohol, intoxicants, or drugs, or due to contraband or illegal activities.
- N. CSURMA AORMA will not cover loss due to operation of the rented **auto** on non-paved roads, except when (1) the off-road operation is authorized by a Covered Party for an appropriate business operation, and (2) the rented **auto** is appropriate for the condition of the non-paved road.
- O. CSURMA AORMA will not pay for confiscation by authorities.
- P. CSURMA AORMA will not pay for **autos** that do not meet the definition of covered **autos**.
- Q. CSURMA AORMA will not pay for losses reported more than forty-five (45) days from the date of loss.

*All other terms and conditions in the Memorandum remain unchanged.*



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
(CSURMA AORMA)  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE**

**MEDICAL PAYMENTS  
AMENDATORY ENDORSEMENT - #2**

***THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE  
PLEASE READ IT CAREFULLY***

It is agreed that this Memorandum will pay medical expense limit of \$5,000 per any one person as described below for **bodily injury** caused by an accident:

1. On premises the **Member** owns or rents,
2. On ways next to premises the **Member** owns or rents, or
3. Because of the **Member's** operations;
4. Provided that:
  - a. The accident takes place in the covered territory and during the **coverage period**;
  - b. The expenses are incurred and reported to CSURMA AORMA within one (1) year or the date of the accident; and
  - c. The injured person submits to examination, at CSURMA AORMA's expense, by physicians of the CSURMA AORMA's choice as often as CSURMA AORMA reasonably require.

CSURMA AORMA will make these payments regardless of fault. These payments will not exceed the applicable limit of coverage. CSURMA AORMA will pay reasonable expenses for:

1. First aid administered at the time of an accident;
2. Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
3. Necessary ambulance, hospital, professional nursing and funeral services.

The Program will not pay expenses for **bodily injury**:

1. To any **Member**;
2. To a person hired to do work for or on behalf of any **Member** or a tenant of any **Member**;
3. To a person injured on that part of premises the **Member** owns or rents that the person normally occupies;





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4. To a person, whether or not an employee of any **Member**, if benefits for **bodily injury** are payable or must be provided under workers' compensation or disability benefits law or a similar law;
5. To a person injured while taking part in athletics;
6. To a person who is a student of the California State University or a participant enrolled in a CSU sponsored program;
7. Included with the products-completed operations hazard; and
8. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

*All other terms and conditions in the Memorandum remain unchanged.*



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
(CSURMA AORMA)  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE**

**CALIFORNIA UNINSURED OR UNDERINSURED MOTORISTS  
COVERAGE BODILY INJURY  
AMENDATORY ENDORSEMENT - #3**

***THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE  
PLEASE READ IT CAREFULLY***

For a covered automobile licensed or principally garaged in or with operations conducted in California this endorsement modifies the Memorandum provided under the following:

**Bodily injury** to which this additional coverage applies.

With respect to the additional coverage provided by this endorsement, the provisions of the Memorandum apply unless modified by this endorsement. This endorsement changes the Memorandum effective on the inception date unless another date is indicated below.

**SCHEDULE:** Limit of Liability - \$250,000 per **occurrence**

**A. Coverage**

1. CSURMA AORMA will pay all sums the **Covered Party** is legally entitled to recover as compensatory damages from the owner or driver of an **uninsured or underinsured motor vehicle**. The damages must result from “**bodily injury**” sustained by the **Covered Party** caused by an **occurrence**. The owner’s or driver’s liability for these damages must result from the ownership, maintenance or use of the **uninsured or underinsured motor vehicle**.
2. CSURMA AORMA will pay only after the limits of liability under any liability bonds or policies have been exhausted by payment of judgments or settlements.
3. Any judgment for damages arising out of a claim, suit or proceeding brought without the written consent of CSURMA AORMA is not binding.

**B. Exclusions**

This additional coverage does not apply to any of the following:

1. Punitive or exemplary **damages**.

2. Any claim settled without consent of the CSURMA AORMA. However, this exclusion does not apply to a settlement made with the insurer of an **auto** described in Paragraph b. of the definition of **uninsured or underinsured motor vehicle**.
3. The direct or indirect benefit of any insurer or self-insurer under any worker's compensation, disability benefits or similar law or to the direct benefit of the United States, a state or its political subdivisions.
4. **Bodily injury** sustained by any **Covered Party** while occupying or when struck by any **auto** owned by that **Covered Party** that is not a covered **automobile** for **uninsured or underinsured motorists** Coverage under this Coverage Form;  
  
 However, Exclusion 4 shall not apply to **bodily injury** sustained by any **Covered Party** when struck by an **auto** owned by the **Member** and operated or caused to be operated by a person without that **Member's** consent in connection with criminal activity that has been documented in a police report and to which that **Covered Party** is not a party to.
5. Anyone using an **automobile** without a reasonable belief that the person is entitled to do so.
6. **Bodily injury** sustained by a **Covered Party** while occupying any **automobile** that is rented or leased to that **Covered Party** for use as a public or livery conveyance.
7. **Bodily injury** 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.

### C. Limit of Liability

1. Regardless of the number of covered **automobiles**, the **Member**, premiums paid, claims made or **automobiles** involved in the **occurrence**, the most CSURMA AORMA will pay for all damages resulting from any one **occurrence** is the limit of liability for **uninsured or underinsured motorists** coverage shown in the schedule of declarations.
2. For an **automobile** described in Paragraph b. of the definition of **uninsured motor vehicle**, our limit of liability shall be reduced by all sums paid because of **bodily injury** by or for anyone who is legally responsible, including all sums paid or payable under this policy's liability coverage.
3. No one will be entitled to receive duplicate payment under this coverage for any element of **damages** for which payment has been made by or for anyone who is legally responsible.
4. CSURMA AORMA will not make a duplicate payment under this coverage for any element of **damages** for which payment has been made by or for anyone who is legally responsible.
5. CSURMA AORMA will not pay for any element of **damages** if a person is entitled to receive payment for the same element of **damages** under any workers' compensation, disability benefits or similar law.

#### D. Changes in Conditions

The conditions are changed for California **uninsured motorist's** coverage – **bodily injury** as follows:

1. Duties in the Event of Accident, Claim, Suit or Proceeding is changed by adding the following:
  - a. Promptly notify the police if a hit-and-run driver is involved; and
  - b. Send CSURMA AORMA copies of the legal papers if a claim, suit or proceeding is brought. In addition, a person seeking coverage under Paragraph b. of the definition of **uninsured motor vehicle** must:
    - (1) Provide CSURMA AORMA with a copy of the complaint by personal service or certified mail if the **Covered Party** brings an action against the owner or operator of such **uninsured motor vehicle**;
    - (2) Within a reasonable time, make all pleadings and depositions available for copying by CSURMA AORMA or furnish CSURMA AORMA copies at the expense of CSURMA AORMA; and
    - (3) Provide CSURMA AORMA with proof that the limits of liability under any applicable liability bonds or policies have been exhausted by payment of judgments or settlements.
2. Action Against CSURMA AORMA is replaced by the following:
 

No legal action may be brought against CSURMA AORMA under this endorsement until there has been full compliance with all the terms of this endorsement and with respect to Paragraphs a., c. and d. of the definition of **uninsured motor vehicle** unless within two (2) years from the date of the **occurrence**:

  - a. Agreement as to the amount due under this Memorandum has been concluded;
  - b. The **Covered Party** has formally instituted arbitration proceedings against CSURMA AORMA. In the event that the **Covered Party** decides to arbitrate, the **Covered Party** must formally begin arbitration proceedings by notifying CSURMA AORMA in writing, sent by certified mail, return receipt requested; or
  - c. Claim, suit or proceeding, for **bodily injury** has been filed against the **uninsured motorist** in a court of competent jurisdiction.
3. Transfer of Rights of Recovery Against Others to CSURMA AORMA is replaced by the following:
  - a. With respect to Paragraphs a., c. and d. of the definition of **uninsured or underinsured motor vehicle**, if CSURMA AORMA makes any payment, CSURMA AORMA is entitled to recover what CSURMA AORMA paid from other parties. Any person to or for whom CSURMA AORMA makes payment must transfer to CSURMA AORMA his or her rights of recovery against any other party. This person must do everything necessary to secure these rights and must do nothing that would jeopardize them.
  - b. With respect to Paragraph b. of the definition of **uninsured or underinsured motor vehicle**, if CSURMA AORMA makes any payment and the **Covered Party** recovers from another party, the **Covered Party** shall hold the proceeds in trust for CSURMA AORMA and pay back the amount CSURMA AORMA has paid.
4. Other Insurance is replaced by the following:

If there is other applicable insurance available under one or more policies or provisions of coverage:

- a. The maximum recovery under all endorsements and the memorandum combined may equal but not exceed the highest applicable limit for any one **automobile** under any endorsement and the memorandum providing coverage on either a primary or excess basis.
- b. Any coverage CSURMA AORMA provides with respect to an **automobile** the **Member** does not own shall be excess over any other collectible **uninsured or underinsured motorists** insurance providing coverage on a primary basis.
- c. If the coverage under this endorsement is provided:
  - (1) On a primary basis, CSURMA AORMA will pay only the share of the **damages** that must be paid under this Memorandum providing coverage on a primary basis. CSURMA AORMA's share is the proportion that the limit of liability bears to the total of all applicable limits of liability for coverage on a primary basis.

**E. Additional Definitions**

- 1. **Occupying** means in, upon, getting in, on, out or off.
- 2. **Uninsured or underinsured motor vehicle** means a land motor **automobile** or trailer:
  - a. For which no liability bond or policy at the time of an **occurrence** provides at least the amounts required by the applicable law where a covered **automobile** is principally garaged;
  - b. That is an **underinsured motor vehicle**. An **underinsured motor vehicle** is a land motor vehicle or for which the sum of all liability bonds or policies at the time of an **occurrence** provides at least the amounts required by the applicable law where a covered **automobile** is principally garaged but that sum is less than the limit of liability for this coverage;
  - c. For which an insuring or bonding company denies coverage or refuses to admit coverage except conditionally or with reservation or becomes insolvent;
  - d. That is a hit-and-run **automobile** and neither the driver nor owner can be identified. The **automobile** must make physical contact with a **Covered Party**, a covered **automobile** or an **automobile** a **Covered Party** is occupying; or
  - e. That is owned by the **Member** and operated or caused to be operated by a person without the owner's consent in connection with criminal activity that has been documented in a police report.

However, **uninsured motor vehicle** does not include any **automobile**:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law;
- b. Owned by a governmental unit or agency; or
- c. Designed or modified primarily for use off public roads while not on public roads.

*All other terms and conditions in the Memorandum remain unchanged.*



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
(CSURMA AORMA)  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE**

**NON-SALARIED EMPLOYEE AUTO LIABILITY  
AMENDATORY ENDORSEMENT - #4**

***THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE  
PLEASE READ IT CAREFULLY***

The following is added to Section IV – COVERED PARTIES, Section C.

As respects motor vehicles operated by a **Non-Salaried Employee** of the California State University, CSURMA AORMA agrees to provide coverage directly in excess of the Motor Vehicle Liability Self-Insurance Program as defined by the State Administrative Manual of the State of California, section 2420 including any amendment or successor thereto, subject to all other terms and conditions of this Memorandum of Coverage. The coverage added does not involve the AORMA pooling layer of liability.

The coverage provided herein includes liability arising from the use of any owned, non-owned or hired vehicle operated by a **Non-Salaried Employee** while on **State** business.

For the purpose of the coverage provided by this endorsement, the following definitions are added:

1. **Non-Salaried Employee:** Means anyone, including but not limited to a student assistant or volunteer, operating a motor vehicle while on **State** business.
2. **State:** Means the State of California; the Trustees of the California State University; the California State University, and its campuses.

**2420 MOTOR VEHICLE LIABILITY SELF-INSURANCE PROGRAM (Revised 12/04)**

The ORIM administers the State Motor Vehicle Liability Self-Insurance Program (VELSIP), which provides unlimited self-insured liability coverage for the state, agencies, and employees who operate covered self-propelled land vehicles on state business (California Vehicle Code Sections 17000 and 17001). Effective January 1, 2004, liability coverage is limited to \$1 million per occurrence/accident when the state vehicle is operated by a non-salaried employee (i.e. student assistant, volunteer, etc.) on state business. The driver's employing department/agency will be financially responsible for the payment of any claims, settlements, judgments or verdicts in excess of \$1 million. The VELSIP provides excess liability coverage for state employees on state business while driving non-state vehicles, but only after the vehicle owner's liability policy limits have been paid. The VELSIP does not provide coverage for injury to state employees nor for damage to state vehicles. Employee injuries are handled through Workers' Compensation coverage. Damage to state vehicles are handled through the budget of the owning state agency.



**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
(CSURMA AORMA)  
LIABILITY PROGRAM  
MEMORANDUM OF COVERAGE**

**FIDUCIARY LIABILITY  
AMENDATORY ENDORSEMENT - #5**

***THIS ENDORSEMENT CHANGES THE MEMORANDUM OF COVERAGE  
PLEASE READ IT CAREFULLY***

**This is claims made and reported coverage; therefore, the coverage is limited to Claims that are first made against the Member during the coverage period and are reported to CSURMA AORMA during the coverage period.**

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

**A. SUBJECT TO THE LIMIT STATED BELOW CSURMA AORMA AGREES:**

To pay on behalf of any **Covered Party** those sums for **loss** including **Claims Expenses** incurred in the defense and settlement of any **Claim** first made against the **Covered Party** and reported to Underwriters during the **Policy Period**, alleging a **Wrongful Act(s)** of any **Covered Party**, first committed, or allegedly committed on or subsequent to the **Retroactive Date** shown herein, in the **administration** of **Covered Party's Employee Benefit Plans or Covered Party's Trusts**.

**B. LIMIT OF LIABILITY: \$350,000 ANY ONE CLAIM**

For the purpose of determining the limit of liability of CSURMA AORMA under this endorsement, all **damages** arising out of continuous repeated exposure to substantially the same general conditions shall be considered as arising out of one **loss**.

**Loss**, with duration of more than one **policy period** shall be treated as a single **loss** arising during the **policy period** when the **Claim** is first made, and under no circumstances shall the fact that said **loss** has duration of more than one **policy period** entitle a **Covered Party** to more than one limit of coverage.

**C. EXCLUSIONS**

Exclusions H - Employee Benefits; J – ERISA; and L - Fiduciary Liability do not apply to the **administration** of the **Covered Party's Employee Benefit Plans or Covered Party's Trusts**, but only up to the limit of liability stated above for CSURMA AORMA .

Underwriters shall not be liable to make any payment for that part of **Loss**, other than Defense Expenses:

1. Which constitutes civil or criminal fines or penalties, taxes, or the multiple portion of any multiplied damage award;
2. Which constitutes payments due under the terms of the Benefit Plan or Trust , unless recovery is based upon a covered **Wrongful Act**;
3. **Loss made against the Covered Party:**
  - a. For libel, slander, bodily injury, emotional distress, disease, sickness or death of any person. Or any damage to or destruction of any tangible property including loss of use thereof;
  - b. For liability of others assumed by the **Covered Party** under any oral, written or implied contract or agreement; however, this exclusion shall not apply to the extent the **Covered Party** would have been liable in the absence of such contract or agreement; or the liability was assumed in accordance with or under the **Benefit Plan or Trust** agreement or equivalent document pursuant to which the plan was established;
  - c. Any **Insured's** gain of any profit, remuneration or advantage to which they were not legally entitled; or
  - d. For discrimination in violation of any law.
4. CSURMA AORMA shall not be liable to make any payment for **Loss** in connection with any claim based upon, arising out of, directly or indirectly resulting from or in consequence of:
  - a. Any fact, circumstance, situation, transaction event or **Wrongful Act** which was the subject to any notice given under any prior coverage for fiduciary liability or other similar insurance;
  - b. Any litigation or administrative or regulatory proceeding against any **Insured** pending on or before the effective date of this endorsement, or any actual, alleged fact, circumstance, situation, transaction, event or **Wrongful Act** underlying or alleged therein which was known to the **Covered Party** prior to the inception of this endorsement, or
  - c. Any deliberately fraudulent or dishonest act or omission or any willful violation of any statute or regulation by any **Insured**; however, this exclusion shall not apply unless a judgment or other final adjudication adverse to such **Insured** establishes such a deliberately fraudulent or dishonest act or omission or willful violation.

#### **D. DEFINITIONS**

For the purpose of the coverage provided by this endorsement, the following definitions are added:

1. **Administration** means:

- a. Providing information, advice, counsel or notice to employees or **Trust** beneficiaries, with respect to the **Employee Benefits Plan** or **Trust**;
  - b. Providing interpretations of the **Employee Benefits Plan** or **Trust**;
  - c. Handling records in connection with the **Employee Benefits Plan** or **Trust**, or
  - d. Effecting enrollment, termination or cancellation of employees, participants, or beneficiaries under the **Employee Benefit Plan**.
2. **Claim** means:
- a. A written demand for specific monetary, non-pecuniary, or injunctive relief;
  - b. A criminal or civil proceeding for monetary, non-pecuniary or injunctive relief which is commenced by:
    - i. Service of a complaint or similar pleading; or
    - ii. Return of an indictment (in the case of criminal proceeding); or
    - iii. Receipt or filing of a notice of changes; or
  - c. A formal agency or regulatory proceeding to which a **Covered Party** is subject  
Made against a Covered Party alleging a **Wrongful Act**.
3. **Claims Expenses** mean reasonable expenditures incurred by a **Covered Party** in defense of a Claim covered under this endorsement, including but not limited to, cost of investigations, experts, adjustment services, legal services, court costs and similar expenses; provided however that **Claims Expenses** does not include wages or salaries of a **Covered Party**, or cost of attachment or similar bonds.
4. **Covered Party** means any natural person who was, is now, or becomes:
- a. A trustee, member of the board of directors, officer, in-house general counsel or an employee of the Member of an **Employee Benefit Plan** or **Trust**, while acting in his or her capacity as a fiduciary of an **Employee Benefit Plan** or **Trust** or as a person performing **Administration** for an **Employee Benefit Plan** or **Trust**, or who is;
  - b. Assigned to act as a trustee, or an agent for finances of an **Employee Benefit Plan** or **Trust**.
5. **Employee Benefit Plan** means a program providing some or all of the following benefits to employees:
- 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. Pension 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; and
  - 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.
6. **Insured** means:
- a. **Member**
  - b. CSU and CSU Campus Auxiliary Organizations
  - c. Elected/Appointed Officials: all past, present and future, including the Member Designated Professional Fiduciary
  - d. Employees: all past, present, and future
7. **Loss** means the amount which a **Covered Party** is legally and personally liability to pay on account of a **Claim** first made or instituted during the coverage period covered under and not excluded by this additional coverage endorsement.
8. **Member** means the signatory to the CSURMA Joint Powers Authority
9. **Retroactive Date** shall mean any Claim or Loss reported pursuant to the terms and conditions herein and rendered on or after the date set forth herein:

For all Members other than those Members specifically listed below the retroactive date for this endorsement is: July 1, 2010. For all Members listed below the retroactive date is as stated.

<u>Campus</u>	<u>AORMA Member</u>	<u>Retroactive Date</u>
Chico	Associated Students of CSU Chico	July 1, 2005
Long Beach	CSU Long Beach Foundation	July 1, 2008
Los Angeles	Associated Students Inc. CSU Los Angeles	July 1, 2007
Northridge	The University Corp., CSU Northridge	October 1, 1991
Northridge	University Student Union, CSU Northridge	October 1, 1999
Sacramento	Capital Public Radio, CSU Sacramento	April 15, 2010
San Jose	San Jose University Research Foundation	July 1, 2002
San Jose	Spartan Shops, Inc.	February 1, 1998

10. **Trust(s)** means charitable remainder trusts, charitable lead trusts, pooled income funds, or any combination thereof, or any employee pension benefits or employee welfare benefits trust, formed under U.S. Internal Revenue Code Section 501(c)(9), in which a **Member** participates, provided the trust only serves auxiliary organizations who are **Members**.
11. **Wrongful Act** means:
  - a. Any actual or alleged breach of the responsibilities, obligations or duties imposed upon **Covered Party** for the **Trusts** by common or statutory law or regulation of the United States or any state;
  - b. Any other actual or alleged matter claimed against a **Covered Party** solely because of his or her service as the designated fiduciary of any **Employee Benefit Plans** or **Trusts**; or
  - c. Any actual or alleged negligent act, error or omission solely in the **Administration** of any **Employee Benefit Plan** or **Trust**, and
  - d. Any actual or alleged breach of duties, obligations and responsibilities imposed by ERISA or by COBRA or by any similar or related federal, state or local law or regulation in the discharge of the **Covered Party's** duties with respect to any **Employee Benefit Plans** or **Trust**.

*All other terms and conditions in the Memorandum remain unchanged.*

**ENDORSEMENT NO. 5**

Attached to and made a part of  
**AGREEMENT OF REINSURANCE  
NO. C437**

between the

**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE**  
(herein referred to as the "CSURMA AORMA")

and

**GENERAL REINSURANCE CORPORATION**  
(herein referred to as the "Reinsurer")

**IT IS MUTUALLY AGREED** that, as respects Occurrences covered by the MOC during its coverage period, July 1, 2015 to July 1, 2016, at 12:01 A.M. Standard Time at the address of the named member, this Agreement is renewed, subject to all its terms, conditions and limitations except as modified below, for such one year period. Accordingly, the dates in **Article IV - REINSURANCE PERIOD** are amended to apply to such period.

**IT IS FURTHER AGREED** that, as respects Occurrences covered by the MOC effective July 1, 2015 at 12:01 A.M. Standard Time at the address of the named member, this Agreement is amended as follows:

I - **Article XI** is amended to read:

**"Article XI - FEDERAL TERRORISM EXCESS RECOVERY**

(This article shall apply only if the CSURMA AORMA is eligible to receive financial assistance under the Terrorism Risk Insurance Act of 2002 ("the Act") as amended.)

As respects any "insured loss", as defined in the Act, for which the Reinsurer make a payment to the CSURMA AORMA under this Agreement, the following provisions shall apply.

If the sum of:

- (a) Financial assistance, if any, provided under the Act to the CSURMA AORMA with respect to all "insured loss" that applies to each "program year", as defined in the Act; and
- (b) Amounts recoverable by the CSURMA AORMA under all reinsurance which the CSURMA AORMA purchases, including but not limited to this reinsurance, all other treaty reinsurance and all facultative reinsurance for any such "insured loss",

exceeds the amount of the CSURMA AORMA's gross "insured loss", the excess amount shall be allocated to the Reinsurer in the ratio that the Reinsurer's liability for the "insured

loss" under this Agreement bears to the total reinsurance recoverables for the "insured loss" under (b) above.

Upon receipt of payment under the Act by the CSURMA AORMA, the CSURMA AORMA shall pay to or credit the Reinsurer under this Agreement with the Reinsurer's share of such excess amount determined in accordance with the preceding paragraph."

II - **Article XII** is amended to read:

**"Article XII - REINSURANCE PREMIUM**

The CSURMA AORMA shall pay to the Reinsurer:

- (a) As respects the members on file with the Reinsurer as of the inception of the current term of the Agreement, a flat annual reinsurance premium of \$                      and
- (b) As respects any new members added during the current term of the Agreement, an additional reinsurance premium determined by the Reinsurer, prorated based on the Reinsurer's time on risk

All reinsurance premiums above are net and are not subject to commission."




IN WITNESS WHEREOF, the parties hereto have caused this Endorsement to be executed in duplicate, through their duly authorized representatives,

**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE**

this 13<sup>th</sup> day of September, 2015,

DATE SIGNED BY CSURMA AORMA



CSURMA AORMA OFFICER SIGNATURE

Zachary Gifford

PRINTED CSURMA AORMA OFFICER NAME

Sect Auditor

CSURMA AORMA OFFICER TITLE

\_\_\_\_\_  
CSURMA AORMA WITNESS SIGNATURE

**GENERAL REINSURANCE CORPORATION**

and this 18<sup>th</sup> day of August, 2015,

DATE SIGNED BY GRC



GRC OFFICER SIGNATURE

Christopher J. Fallon

PRINTED GRC OFFICER NAME

Vice President

GRC OFFICER TITLE



GRC WITNESS SIGNATURE

**ENDORSEMENT NO. 4**

Attached to and made a part of  
**AGREEMENT OF REINSURANCE  
NO. C437**

between the

**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE**

(herein referred to as the "CSURMA AORMA")

and

**GENERAL REINSURANCE CORPORATION**

(herein referred to as the "Reinsurer")

**IT IS MUTUALLY AGREED** that, as respects Occurrences covered by the MOC during its coverage period, July 1, 2014 to July 1, 2015, at 12:01 A.M. Standard Time at the address of the named member, this Agreement is renewed, subject to all its terms, conditions and limitations except as modified below, for such one year period. Accordingly, the dates in **Article IV - REINSURANCE PERIOD** are amended to apply to such period.

**IT IS FURTHER AGREED** that, as respects Occurrences covered by the MOC effective July 1, 2014 at 12:01 A.M. Standard Time at the address of the named member, **Article XII** to this Agreement is amended to read:

**"Article XII - REINSURANCE PREMIUM**

The CSURMA AORMA shall pay to the Reinsurer:

- (a) As respects the members on file with the Reinsurer as of the inception of the current term of the Agreement, a flat annual reinsurance premium of \_\_\_\_\_ and
- (b) As respects any new members added during the current term of the Agreement, an additional reinsurance premium determined by the Reinsurer, prorated based on the Reinsurer's time on risk

All reinsurance premiums above are net and are not subject to commission."

**IN WITNESS WHEREOF**, the parties hereto have caused this Endorsement to be executed

in duplicate, through their duly authorized representatives,

**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE**

this 24<sup>th</sup> day of July, 2014,  
DATE SIGNED BY CSURMA AORMA



CSURMA AORMA OFFICER SIGNATURE

**ROBERT EATON**

PRINTED CSURMA AORMA OFFICER NAME

**SECRETARY**

CSURMA AORMA OFFICER TITLE



CSURMA AORMA WITNESS SIGNATURE

**GENERAL REINSURANCE CORPORATION**

and this 30<sup>th</sup> day of June, 2014,  
DATE SIGNED BY GRC



GRC OFFICER SIGNATURE

**Christopher J. Fallon**

PRINTED GRC OFFICER NAME

**Vice President**

GRC OFFICER TITLE



GRC WITNESS SIGNATURE

- 2 -

Endorsement No. 4  
Agreement No. C437  
GENERAL REINSURANCE CORPORATION

**ENDORSEMENT NO. 3**

Attached to and made a part of  
**AGREEMENT OF REINSURANCE  
NO. C437**

between the  
**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE**  
(herein referred to as the "CSURMA AORMA")  
and  
**GENERAL REINSURANCE CORPORATION**  
(herein referred to as the "Reinsurer")

**IT IS MUTUALLY AGREED** that, as respects Occurrences covered by the MOC during its coverage period, July 1, 2013 to July 1, 2014, at 12:01 A.M. Standard Time at the address of the named member, this Agreement is renewed, subject to all its terms, conditions and limitations, for such one year period. Accordingly, the dates in **Article IV - REINSURANCE PERIOD** are amended to apply to such period.

**IN WITNESS WHEREOF**, the parties hereto have caused this Endorsement to be executed in duplicate, through their duly authorized representatives,

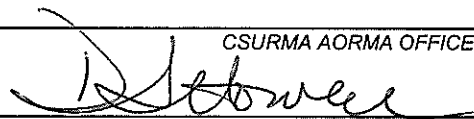
**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE**

this 27<sup>th</sup> day of June, 2013,  
DATE SIGNED BY CSURMA AORMA

  
CSURMA AORMA OFFICER SIGNATURE

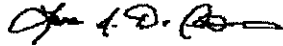
\_\_\_\_\_  
PRINTED CSURMA AORMA OFFICER NAME

\_\_\_\_\_  
CSURMA AORMA OFFICER TITLE

  
CSURMA AORMA WITNESS SIGNATURE

**GENERAL REINSURANCE CORPORATION**


and this 25<sup>th</sup> day of June, 2013,  
*DATE SIGNED BY GRC*



\_\_\_\_\_  
*GRC OFFICER SIGNATURE*

Lane A. DeCoster  
\_\_\_\_\_  
*PRINTED GRC OFFICER NAME*

Vice President  
\_\_\_\_\_  
*GRC OFFICER TITLE*

  
\_\_\_\_\_  
*GRC WITNESS SIGNATURE*

**ENDORSEMENT NO. 2**

Attached to and made a part of  
**AGREEMENT OF REINSURANCE**  
**NO. C437**  
between the  
**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY**  
**AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE**  
(herein referred to as the "CSURMA AORMA")  
and  
**GENERAL REINSURANCE CORPORATION**  
(herein referred to as the "Reinsurer")

**IT IS MUTUALLY AGREED** that, as respects Occurrences covered by the MOC during its coverage period, **July 1, 2012 to July 1, 2013**, at 12:01AM Standard Time at the address of the named member, this Agreement is renewed, subject to all its terms, conditions and limitations except as modified below. Accordingly, the dates in **Article IV - REINSURANCE PERIOD** are amended to apply to such period.

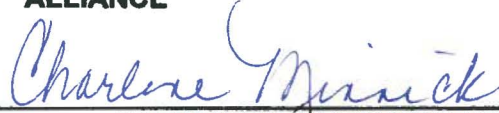
**IT IS FURTHER AGREED** that, as respects Occurrences covered by the MOC during its coverage period effective July 1, 2012 at 12:01AM Standard Time at the address of the named member, exclusion (m) under **Article VIII – EXCLUSIONS** to this Agreement is deleted.

**IN WITNESS WHEREOF**, the parties hereto have caused this Endorsement to be executed

in duplicate, through their duly authorized representatives,

this 5<sup>th</sup> day of July, 2012,  
DATE SIGNED BY CSURMA AORMA

**CALIFORNIA STATE UNIVERSITY RISK  
MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT  
ALLIANCE**



CSURMA AORMA OFFICER SIGNATURE

Charlene Minnick

PRINTED CSURMA AORMA OFFICER NAME

CSURMA AORMA OFFICER TITLE



CSURMA AORMA WITNESS SIGNATURE

and this 3rd day of July, 2012,  
DATE SIGNED BY GRC

**GENERAL REINSURANCE CORPORATION**



GRC OFFICER SIGNATURE

Christopher J. Fallon

PRINTED GRC OFFICER NAME

Vice President

GRC OFFICER TITLE



GRC WITNESS SIGNATURE



**ENDORSEMENT NO. 1**

Attached to and made a part of  
**AGREEMENT OF REINSURANCE  
NO. C437**

between the  
**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE**  
(herein referred to as the "CSURMA AORMA")  
and  
**GENERAL REINSURANCE CORPORATION**  
(herein referred to as the "Reinsurer")

**IT IS MUTUALLY AGREED** that, as respects Occurrences covered by the MOC during its coverage period, **July 1, 2011 to July 1, 2012**, at 12:01AM Standard Time at the address of the named member, this Agreement is renewed, subject to all its terms, conditions and limitations, except as modified below. Accordingly, the dates in **Article IV – REINSURANCE PERIOD** are amended to apply to such period.

**IT IS FURTHER AGREED** that, as respects Occurrences covered by the MOC effective 12:01AM Standard Time, July 1, 2011, this Agreement is amended as follows:

I - **Article V** is amended to read:

**“Article V - LIABILITY OF THE REINSURER**

The Reinsurer shall pay to the CSURMA AORMA, with respect to each member covered by the MOC, the amount of Ultimate Net Loss in excess of the CSURMA AORMA Retention but not exceeding the Limit of Liability of the Reinsurer as set forth in the Schedule of Reinsurance.

**SCHEDULE OF REINSURANCE**

CSURMA AORMA Retention	Limit of Liability of the Reinsurer
------------------------	-------------------------------------

(a) As respects all coverages reinsured hereunder, except as provided in (b) and (c) below:

The first \$350,000 each Occurrence, each member	\$4,650,000 each Occurrence, each member
--	--

(b) As respects auto liability coverage for owned/non-owned/hired vehicles operated by non-salaried employees of California State University while on state business:

The first \$1,000,000 each Occurrence, each member	\$4,000,000 each Occurrence, each member
--	--

**SCHEDULE OF REINSURANCE (continued)**

CSURMA AORMA Retention	Limit of Liability of the Reinsurer
---------------------------	--

(c) As respects liability which would otherwise be excluded by Exclusion (h) **Mold.** of this Agreement, but for which this article provides the following exception:

The first \$350,000 each Occurrence, each member	\$250,000 each Occurrence, each member, subject to a \$500,000 aggregate limit, per member, in respect of all reinsurance periods reinsured by the Reinsurer, combined.
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However, it is warranted or so deemed that, as respects all liability for damages arising out of the operation of any motor vehicle by a salaried employee on state business, CSURMA AORMA is self-insured, without limitation, under the State Motor Vehicle Liability Program (VELSIP) administered by the State of California Office of Risk and Insurance Management.”

II - **Article XII** is amended to read:

**“Article XII - REINSURANCE PREMIUM**

The CSURMA AORMA shall pay to the Reinsurer:

- (a) As respects the members on file with the Reinsurer as of the inception of the current term of the Agreement, a flat annual reinsurance premium of \_\_\_\_\_ and
- (b) As respects any new members added during the current term of the Agreement, an additional reinsurance premium determined by the Reinsurer, prorated based on the Reinsurer’s time on risk

All reinsurance premiums above are net and are not subject to commission.”

**IN WITNESS WHEREOF**, the parties hereto have caused this Endorsement to be executed

in duplicate, through their duly authorized representatives,

this 26<sup>th</sup> day of July, 2011,  
DATE SIGNED BY CSURMA AORMA

**CALIFORNIA STATE UNIVERSITY RISK  
MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT  
ALLIANCE**

Charlene Minnick  
CSURMA AORMA OFFICER SIGNATURE

Charlene Minnick  
PRINTED CSURMA AORMA OFFICER NAME

Secy  
CSURMA AORMA OFFICER TITLE

[Signature]  
CSURMA AORMA WITNESS SIGNATURE

and this 6<sup>th</sup> day of July, 2011,  
DATE SIGNED BY GRC

**GENERAL REINSURANCE CORPORATION**

[Signature]  
GRC OFFICER SIGNATURE

Christopher J. Fallon  
PRINTED GRC OFFICER NAME

Vice President  
GRC OFFICER TITLE

[Signature]  
GRC WITNESS SIGNATURE

**AGREEMENT OF REINSURANCE  
NO. C437**

between

the  
**CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE**  
having its principal offices at  
401 Golden Shore, 5th Floor, Long Beach, CA 90802-4210  
(herein referred to as the "CSURMA AORMA")

and

**GENERAL REINSURANCE CORPORATION**  
a Delaware corporation  
having its principal offices at  
120 Long Ridge Road  
Stamford, Connecticut 06902  
(herein referred to as the "Reinsurer")

---

In consideration of the promises set forth in this Agreement, the parties agree as follows:

**Article I - SCOPE OF AGREEMENT**

As a condition precedent to the Reinsurer's obligations under this Agreement, the CSURMA AORMA shall cede to the Reinsurer the pooled insurance described in the article entitled BUSINESS COVERED, and the Reinsurer shall accept a portion of such pooled insurance as reinsurance from the CSURMA AORMA. The terms of this Agreement shall determine the rights and obligations of the parties.

**Article II - PARTIES TO THE AGREEMENT**

This Agreement is solely between the CSURMA AORMA and the Reinsurer. Performance of the obligations of each party under this Agreement shall be rendered solely to the other party. However, if the CSURMA AORMA becomes insolvent, the liability of the Reinsurer shall be modified to the extent set forth in the article entitled INSOLVENCY OF THE CSURMA AORMA. In no instance shall any member of the CSURMA AORMA or any claimant against a member of the CSURMA AORMA have any rights under this Agreement.

**Article III - BUSINESS COVERED**

This Agreement shall apply to the CSURMA AORMA's Liability Program Memorandum of Coverage and all forms and endorsements forming a part thereof (collectively referred to the "MOC"), as on file with the Reinsurer, except as specifically excluded herein.

Such business includes liability coverage for bodily injury, property damage, errors and omissions, unfair employment practices liability and personal injury and first-party coverage

for premises medical payments, bodily injury caused by uninsured motorists, and physical damage coverage in respect of domestic hired autos.

The business set forth above is limited to the covered members of the CSURMA AORMA and other covered parties as described in the MOC as of the inception of this Agreement, as on file with the Reinsurer, and to any members or other covered parties added during the Reinsurance Period, provided each such new member or other covered party falls within the CSURMA AORMA's Underwriting Guidelines on file with the Reinsurer.

**Article IV - REINSURANCE PERIOD**

This Agreement shall apply to Occurrences covered by the MOC during its coverage period, July 1, 2010 to July 1, 2011, at 12:01AM Standard Time at the address of the named member.

**Article V - LIABILITY OF THE REINSURER**

The Reinsurer shall pay to the CSURMA AORMA, with respect to each member covered by the MOC, the amount of Ultimate Net Loss in excess of the CSURMA AORMA Retention but not exceeding the Limit of Liability of the Reinsurer as set forth in the Schedule of Reinsurance.

**SCHEDULE OF REINSURANCE**

CSURMA AORMA Retention	Limit of Liability of the Reinsurer
(a) As respects all coverages reinsured hereunder, except as provided in (b) and (c) below:	
The first \$350,000 each Occurrence, each member	\$4,650,000 each Occurrence, each member
(b) As respects auto liability coverage for owned/non-owned/hired vehicles operated by non-salaried employees of California State University while on state business:	
The first \$1,000,000 each Occurrence, each member	\$4,000,000 each Occurrence, each member
(c) As respects liability which would otherwise be excluded by Exclusion (h) <b>Mold</b> . of this Agreement, but for which this article provides the following exception:	
The first \$350,000 each Occurrence, each member	\$250,000 each Occurrence, each member, subject to a \$500,000 aggregate limit, per member, in respect of all reinsurance periods reinsured by the Reinsurer, combined.

**Article VI - MEMORANDUM OF COVERAGE AMOUNTS**

The limits of liability of CSURMA AORMA under the MOC with respect to each member shall be deemed to not exceed \$5,000,000 each Occurrence, nor \$20,000,000 Annual Aggregate.

## **Article VII - DEFINITIONS**

(a) **CSURMA AORMA Retention**

This term shall mean the amount the CSURMA AORMA shall retain for its own account.

(b) **Ultimate Net Loss**

This term shall mean all payments by the CSURMA AORMA within the terms and limits of its MOC in settlement of claims or losses, payment of benefits, or satisfaction or judgments or awards after deduction of subrogation and other recoveries and after deduction of amounts due from all other reinsurance, whether collectible or not.

This term shall also include Adjustment Expense.

If the CSURMA AORMA becomes insolvent, this definition shall be modified to the extent set forth in the article entitled INSOLVENCY OF THE CSURMA AORMA.

Nothing in this definition shall imply that losses are not recoverable hereunder until the CSURMA AORMA's Ultimate Net Loss has been fully ascertained.

(c) **Adjustment Expense**

This term shall mean expenditures by the CSURMA AORMA within the terms of its MOC in the direct defense of claims and as allocated to an individual claim or loss (other than for office expenses and for the salaries and expenses of employees of the CSURMA AORMA) made in connection with the disposition of a claim, loss, or legal proceeding including investigation, negotiation, and legal expenses; court costs; prejudgment interest; and post judgment interest.

(d) **Occurrence**

This term shall have the same meaning as "occurrence" or "accident or whichever such similar term in the reinsured MOC is the basis on which the MOC's per-incident limit is applied to the particular claim.

## Article VIII - EXCLUSIONS

This Agreement shall not apply to:

- (a) **Assumed Reinsurance.** Reinsurance assumed by the CSURMA AORMA;
- (b) **Nuclear Incident Exclusion Clause.** Loss or liability per the "Nuclear Incident Exclusion Clause - Liability - Reinsurance" attached hereto;
- (c) **Pools and Associations business.** Any loss or liability accruing to the CSURMA AORMA directly or indirectly from any insurance written by or through any pool or association (other than the CSURMA AORMA) including pools and associations in which membership by the CSURMA AORMA is required under any statutes or regulations;
- (d) **Insolvency Fund Assessments.** Any liability of the CSURMA AORMA arising from its participation or membership in any insolvency fund;
- (e) **War.** Any loss or damage arising directly or indirectly, out of war, including undeclared civil war; 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 insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these;
- (f) **Lead.** Any loss or liability arising out of, or contributed to or caused by lead as described in parts (1) through (4) below:
  - (1) "Bodily Injury", "property damage" or "personal and advertising injury" arising out of, resulting from, caused by or contributed to by the toxic or pathological properties of lead, lead compounds or lead contained in any materials;
  - (2) Any cost or expense to abate, mitigate, remove or dispose of lead, lead compounds or materials containing lead;
  - (3) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with parts (1) or (2) above; or
  - (4) Any obligation to share damages with or repay someone else who must pay damages in connection with parts (1), (2) or (3) above.
- (g) **Silica.** Any loss or liability arising out of, or contributed to or caused by silica as described in parts (1) through (4) below:
  - (1) "Bodily injury," "property damage," or "personal and advertising injury" arising out of, resulting from, caused by, or contributed to by silica, exposure to silica or the use of silica;



- (2) Any damages or any loss, cost or expense arising out of any (i) claim or suit by or on behalf of any governmental authority or any other alleged responsible party because of, or (ii) request, demand, order or statutory or regulatory requirement that any covered party or any other person or entity should be, or should be responsible for:
  - (aa) Assessing the presence, absence or amount or effects of silica;
  - (bb) Identifying, sampling or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating silica; or
  - (cc) Responding to silica in any way other than as described in (aa) and (bb) above;
- (3) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with any of the subsections above; or
- (4) Any obligation to share damages with or repay someone else in connection with any of the subsections above.
- (h) **Mold.** Any “bodily injury”, “personal injury”, “advertising injury”, or “property damage” arising directly or indirectly out of, resulting from, caused by or contributed to by:
  - (1) Any “fungus(es)” or “spore(s)”;
  - (2) Any solid, liquid, vapor, or gas produced by or arising out of any “fungus(es)” or “spore(s)”;
  - (3) Any material, product, building component, or building structure that contains, harbors, nurtures or acts as a medium for any “fungus(es)” or “spore(s)”;
  - (4) Any intrusion, leakage, or accumulation of water or any other liquid that contains, harbors, nurtures or acts as a medium for “fungus(es)” or “spore(s)”;
  - (5) The actual or threatened abatement, mitigation, removal or disposal of “fungus(es)” or “spore(s)” or any material, product, building component, or building structure that contains, harbors, nurtures or acts as a medium for any “fungus(es)” or “spore(s)”;
  - (6) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with subparagraphs 1., 2., 3., 4., or 5. above; or

- (7) Any obligation of the CSURMA AORMA to indemnify or contribute with any party in connection with subparagraphs 1., 2., 3., 4., 5., or 6. above.

For the purpose of this exclusion “fungus(es)” includes, but is not limited to, any form or type of mold, mushroom or mildew and “spore(s)” include any reproductive body produced by or arising out of any “fungus(es)”.

Exception: This Exclusion (h) is subject to a limited exception for Ultimate Net Loss in excess of CSURMA AORMA’s Retention as set forth in the article entitled LIABILITY OF THE REINSURER.

(i) **Personal Injury specific exclusions (not applicable to broadcasting injury).** Personal injury:

- a) Arising out of electronic or other publication, transmission, dissemination or storage of material, if done by or at the direction of the “Covered Party” (as defined in the MOC) with knowledge of its falsity;
- b) Arising out of electronic or other publication, transmission, dissemination or storage of material whose first publication, transmission, dissemination or storage took place before the beginning of the policy period; or
- c) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the Covered Party.

This exclusion (i) does not apply to:

- a) Personal injury arising from a member's broadcasting activities; or
  - b) Liability arising from the managerial, advisory, supervisory or controlling obligations of any “insured” over the actions of another “insured”.
- (j) **Electromagnetic Radiation.** Bodily injury, personal injury, advertising injury, or property damage arising directly or indirectly out of, resulting from, caused or contributed to by electromagnetic radiation, provided that such loss, cost or expense results from or is contributed to by the hazardous properties of electromagnetic radiation. This includes any costs for the actual or threatened abatement, mitigation, or removal.
- (k) **Subsidence.** Bodily injury, personal injury, advertising injury or property damages arising from subsidence, settling, sinking, slipping, falling away, caving in, shifting, eroding, mud flow, rising, tilting, or any other land or earth movement, including earthquake.
- (l) **Gaining Profit to Which Not Entitled.** Any liability arising out of or attributable to the member gaining profit, advantage, or remuneration to which the member is not entitled. The actual or alleged conduct of any

member will not be imputed to any other member for the applicability of this exclusion;;

- ~~(m) **Experiments on Human Beings (including clinical trials or medical studies).** Bodily injury or personal injury that the member is obligated to pay, including costs or expenses, arising out of, resulting from, caused by or contributed to by any experiments performed on human beings. This includes but is not limited to clinical trials and or medical studies. This exclusion was deleted effective 7/01/12. See Endt. #2.~~

## **Article IX - MANAGEMENT OF CLAIMS AND LOSSES**

The CSURMA AORMA, or its designated third party administrator, shall investigate and settle or defend all claims and losses. When requested by the Reinsurer, the CSURMA AORMA shall permit the Reinsurer, at the expense of the Reinsurer, to be associated with the CSURMA AORMA in the defense or settlement of any claim, loss, or legal proceeding which involves or is likely to involve the Reinsurer. All payments of claims or losses by the CSURMA AORMA within the terms and limits of its MOC and the limit(s) set forth in this Agreement shall be binding on the Reinsurer, subject to the terms of this Agreement.

## **Article X - RECOVERIES**

The CSURMA AORMA shall pay to or credit the Reinsurer with the Reinsurer's portion of any recovery obtained from salvage, subrogation, other insurance, or otherwise. Adjustment Expense for recoveries shall be deducted from the amount recovered. However, if the Adjustment Expense incurred in obtaining recoveries exceeds the amount recovered, if any, the excess Adjustment Expense shall be apportioned between the parties in proportion to the liability of each party for the loss before the recovery was obtained.

The Reinsurer shall be subrogated to the rights of the CSURMA AORMA to the extent of its loss payments to the CSURMA AORMA. The CSURMA AORMA agrees to enforce its rights of salvage, subrogation, and its rights against insurers or other parties or to assign these rights to the Reinsurer.

Recoveries shall be distributed to the parties in an order inverse to that in which their respective liabilities accrued.

## **Article XI - FEDERAL TERRORISM EXCESS RECOVERY**

As respects any "insured loss", as defined in the Act, for which the Reinsurer make a payment to the CSURMA AORMA under this Agreement, the following provisions shall apply.

If the sum of:

- (a) Financial assistance, if any, provided under the Act to the CSURMA AORMA with respect to all "insured loss" that applies to each "program year", as defined in the Act; and

- (b) Amounts recoverable by the CSURMA AORMA under all reinsurance which the CSURMA AORMA purchases, including but not limited to this reinsurance, all other treaty reinsurance and all facultative reinsurance for any such "insured loss",

exceeds the amount of the CSURMA AORMA's gross "insured loss", the excess amount shall be allocated to the Reinsurer in the ratio that the Reinsurer's liability for the "insured loss" under this Agreement bears to the total reinsurance recoverables for the "insured loss" under (b) above.

Upon receipt of payment under the Act by the CSURMA AORMA, the CSURMA AORMA shall pay to or credit the Reinsurer under this Agreement with the Reinsurer's share of such excess amount determined in accordance with the preceding paragraph.

## **Article XII - REINSURANCE PREMIUM**

The CSURMA AORMA shall pay to the Reinsurer:

- (a) As respects the members on file with the Reinsurer as of inception, a flat annual reinsurance premium of \$990,000; and
- (b) As respects any new members added during the term of the Agreement, an additional reinsurance premium determined by the Reinsurer, prorated based on the Reinsurer's time on risk

All reinsurance premiums above are net and are not subject to commission.

## **Article XIII - REPORTS AND REMITTANCES**

### **(a) Reinsurance Premium**

No later than 30 days after the effective date of this Agreement, the CSURMA AORMA shall pay to the Reinsurer the flat annual reinsurance premium stipulated in paragraph (a) of the article entitled REINSURANCE PREMIUM.

Promptly after acceptance by the Reinsurer of any new insured member of CSURMA AORMA accepted by the Reinsurer on a special acceptance basis, the CSURMA AORMA shall render to the Reinsurer the reinsurance premium agreed upon for such special acceptance.

### **(b) Claims and Losses**

The CSURMA AORMA shall report promptly to the Reinsurer, but within no more than 25 days after becoming aware of any claim or loss that falls within any of the criteria listed below:

- (1) Each claim or loss for which the CSURMA AORMA's estimated amount of Ultimate Net Loss is 33% or more of the amount of the CSURMA AORMA Retention;

- (2) All cases of serious injury which, regardless of considerations of liability or coverage, might involve this reinsurance, including but not limited to the following:
- (i) Death;
  - (ii) An amputation or loss of use of a major extremity;
  - (iii) Brain damage affecting mentality or central nervous system - such as permanent disorientation, behavior disorder, personality change, seizures, motor deficit, inability to speak (aphasia), hemiplegia or unconsciousness (comatose);
  - (iv) Blindness;
  - (v) Any injury to the spinal cord;
  - (vi) Multiple fractures;
  - (vii) Nerve damage causing paralysis and loss of sensation in arm and hand, including but not limited to, RSD or brachial plexus nerve damage;
  - (viii) Massive internal injuries affecting body organs;
  - (ix) Burns - involving over 20% of the body with third degree, or over 40% of the body with second degree;
  - (x) Any disability where it appears reasonably likely that there will be disability that lasts for more than one year;
  - (xi) Firearm discharge resulting in bodily injury or death;
  - (xii) Rape and/or sexual molestation of any individual;
  - (xiii) Class actions or putative class actions; or
  - (xiv) Any other serious injury which, in the judgment of the CSURMA AORMA, might involve the Reinsurer.

The CSURMA AORMA shall advise the Reinsurer of the estimated amount of Ultimate Net Loss in connection with each such claim or loss and of any subsequent changes in such estimates.

Promptly upon receipt of a definitive statement of Ultimate Net Loss from CSURMA AORMA, but within no more than 25 days after receipt of such statement, the Reinsurer shall pay to CSURMA AORMA the Reinsurer's portion of Ultimate Net Loss. CSURMA AORMA shall report to the Reinsurer any subsequent changes in the amount of

Ultimate Net Loss and the amount due either party shall be remitted promptly but within no more than 25 days after receipt of such report.

(c) **Pool Forms**

The CSURMA AORMA has furnished the Reinsurer with the materials listed below and shall inform the Reinsurer in advance before making any material change therein:

- (1) Specimen copies of the CSURMA AORMA's memorandum of coverage memoranda and all special endorsements used in conjunction therewith;
- (2) A copy of the CSURMA AORMA's guidelines for membership selection.

(d) **Other Information**

In addition to the reports required in (a), (b) and (c) above, the CSURMA AORMA shall furnish such other information as may be required by the Reinsurer for the completion of the Reinsurer's quarterly and annual statements and internal records.

All reports shall be rendered on forms or in format acceptable to the CSURMA AORMA and the Reinsurer.

**Article XIV - RESERVES**

The Reinsurer shall maintain the required reserves as to the Reinsurer's portion of unearned premium, claims, losses, and Adjustment Expense.

**Article XV - OFFSET**

The CSURMA AORMA or the Reinsurer may offset any balance, whether on account of premium, commission, claims or losses, Adjustment Expense, salvage, or otherwise, due from one party to the other under this Agreement or under any other agreement heretofore or hereafter entered into between the CSURMA AORMA and the Reinsurer.

**Article XVI - SPECIAL ACCEPTANCES**

Business not within the terms of this Agreement may be submitted to the Reinsurer for special acceptance and, if accepted by the Reinsurer in writing, shall be subject to all of the terms of this Agreement except as modified by the special acceptance.

## **Article XVII - ERRORS AND OMISSIONS**

The Reinsurer shall not be relieved of liability because of an error or accidental omission of the CSURMA AORMA in reporting any claim or loss or any business reinsured under this Agreement, provided that the error or omission is rectified promptly after discovery.

The Reinsurer shall be obligated only for the return of the premium paid for business reported but not reinsured under this Agreement.

## **Article XVIII - INSPECTION OF RECORDS**

The CSURMA AORMA shall allow the Reinsurer to inspect, at reasonable times, the records of the CSURMA AORMA relevant to the business reinsured under this Agreement, including the CSURMA AORMA's files concerning claims, losses, or legal proceedings which involve or are likely to involve the Reinsurer. The Reinsurer's right of inspection shall continue after the termination of this Agreement.

## **Article XIX - ARBITRATION**

All unresolved differences of opinion between the CSURMA AORMA and the Reinsurer relating to this Agreement, including its formation and validity, shall be submitted to arbitration consisting of one arbitrator chosen by the CSURMA AORMA, one arbitrator chosen by the Reinsurer, and a third arbitrator chosen by the first two arbitrators.

The party demanding arbitration shall communicate its demand for arbitration to the other party by registered or certified mail, identifying the nature of the dispute and the name of its arbitrator, and the other party shall then be bound to name its arbitrator within 30 days after receipt of the demand.

Failure or refusal of the other party to so name its arbitrator shall empower the demanding party to name the second arbitrator. If the first two arbitrators are unable to agree upon a third arbitrator after the second arbitrator is named, each arbitrator shall name three candidates, two of whom shall be declined by the other arbitrator, and the choice shall be made between the two remaining candidates by drawing lots. The arbitrators shall be disinterested and shall be active or retired officers of property or casualty insurance or reinsurance companies.

The arbitrators shall adopt their own rules and procedures and are relieved from judicial formalities. In addition to considering the rules of law and the customs and practices of the insurance and reinsurance business, the arbitrators shall make their award with a view to effecting the intent of this Agreement.

The decision of the majority of the arbitrators shall be in writing and shall be final and binding upon the parties.

Each party shall bear the cost of its own arbitrator and shall jointly and equally bear with the other party the expense of the third arbitrator and other costs of the arbitration. In the event both arbitrators are chosen by one party, the fees of all arbitrators shall be equally divided between the parties.



The arbitration shall be held at the times and places agreed upon by the arbitrators.

#### **Article XX - INSOLVENCY OF THE CSURMA AORMA**

In the event of the insolvency of the CSURMA AORMA, the reinsurance proceeds will be paid to the CSURMA AORMA or the liquidator, with reasonable provision for verification, on the basis of the claim allowed in the insolvency proceeding without diminution by reason of the inability of the CSURMA AORMA to pay all or part of the claim, except as otherwise specified in the statutes of any state having jurisdiction of the insolvency proceedings or except where the Agreement, or other written agreement, specifically provides another payee of such reinsurance in the event of insolvency.

The Reinsurer shall be given written notice of the pendency of each claim against the CSURMA AORMA on the coverage memoranda reinsured hereunder within a reasonable time after such claim is filed in the insolvency proceedings. The Reinsurer shall have the right to investigate each such claim and to interpose, at its own expense, in the proceeding where such claim is to be adjudicated, any defenses which it may deem available to the CSURMA AORMA or its liquidator. The expense thus incurred by the Reinsurer shall be chargeable, subject to court approval, against the insolvent Pool as part of the expense of liquidation to the extent of a proportionate share of the benefit which may accrue to the CSURMA AORMA solely as a result of the defense undertaken by the Reinsurer.

#### **Article XXI - ENTIRE AGREEMENT**

This Agreement constitutes the entire Agreement between the parties with respect to the business reinsured hereunder. Any change or modification to this Agreement shall be made by written amendment to this Agreement and signed by the parties hereto.

#### **Article XXII - SEVERABILITY**

If any provision of this Agreement shall be rendered illegal or unenforceable by the laws, regulations or public policy of any jurisdiction, such provision shall be considered void in such jurisdiction, but this shall not affect the validity or enforceability of any other provision of this Agreement or the enforceability of such provision in any other jurisdiction.

#### **Article XXIII - GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

#### **Article XXIV - MODE OF EXECUTION**

The Reinsurer and the CSURMA AORMA agree that this Agreement and all amendments hereto may be executed as follows:

1. By an original written ink signature of paper documents; or

2. By an exchange of facsimile copies or digitally scanned copies showing the original written ink signature of paper documents; or
3. By an electronic signature employing any technology to capture a person's signature in such a manner that the signature is unique to the person signing, is capable of verification to authenticate the signature, and is linked to the document signed.

The use of any one or a combination of these modes of execution will constitute a legally binding and valid signature.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed in duplicate, through their duly authorized representatives,

this 5th day of August, 2010,  
DATE SIGNED BY CSURMA AORMA

**CALIFORNIA STATE UNIVERSITY RISK  
MANAGEMENT AUTHORITY AUXILIARY  
ORGANIZATIONS RISK MANAGEMENT ALLIANCE**



\_\_\_\_\_  
CSURMA AORMA OFFICER SIGNATURE

Charlene M. Minnick

\_\_\_\_\_  
PRINTED CSURMA AORMA OFFICER NAME

CSURMA Secretary

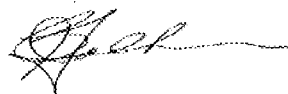
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CSURMA AORMA OFFICER TITLE



\_\_\_\_\_  
CSURMA AORMA WITNESS SIGNATURE

and this 13<sup>th</sup> day of July, 2010,  
DATE SIGNED BY GRC

**GENERAL REINSURANCE CORPORATION**



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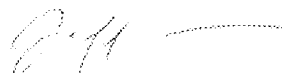
GRC OFFICER SIGNATURE

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**Christopher J. Fallon**  
PRINTED GRC OFFICER NAME

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**Vice President**  
GRC OFFICER TITLE



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GRC WITNESS SIGNATURE

## NUCLEAR INCIDENT EXCLUSION CLAUSE - LIABILITY - REINSURANCE - USA

(1) This Agreement does not cover any loss or liability accruing to the Company as a member of, or subscriber to, any association of insurers or Reinsurer formed for the purpose of covering nuclear energy risks or as a direct or indirect reinsurer of any such member, subscriber or association.

(2) Without in any way restricting the operation of paragraph (1) of this Clause it is understood and agreed that for all purposes of this Agreement all the original policies of the Company (new, renewal and replacement) of the classes specified in Clause (ii) of this paragraph (2) from the time specified in Clause (iii) in this paragraph (2) shall be deemed to include the following provision (specified as the Limited Exclusion Provision):

### Limited Exclusion Provision\*

- (i) It is agreed that the policy does not apply under any liability coverage, to injury, sickness, disease, death or destruction bodily injury or property damage 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 or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability.
- (ii) Family Automobile Policies (liability only), Special Automobile Policies (private passenger automobiles, liability only) Farmers Comprehensive Personal Liability Policies (liability only), Comprehensive Personal Liability Policies (liability only) or policies of a similar nature; and the liability portion of combination forms related to the four classes of policies stated above, such as the Comprehensive Dwelling Policy and the applicable types of Homeowners Policies.
- (iii) The inception dates and thereafter of all original policies as described in (ii) above, whether new, renewal or replacement, being policies which either
  - (a) become effective on or after 1st May, 1960, or
  - (b) become effective before that date and contain the Limited Exclusion Provision set out above;

provided this paragraph (2) shall not be applicable to Family Automobile Policies, Special Automobile Policies, or policies or combination policies of a similar nature, issued by the Company on New York risks, until 90 days following approval of the Limited Exclusion Provision by the Governmental Authority having jurisdiction thereof.

(3) Except for those classes of policies specified in Clause (ii) of paragraph (2) and without in any way restricting the operation of paragraph (1) of this Clause, it is understood and agreed that for all purposes of this Agreement the original liability policies of the Company (new, renewal and replacement) affording the following coverages:

Owners, Landlords and Tenants Liability, Contractual Liability, Elevator Liability, Owners or Contractors (including railroad) Protective Liability, Manufacturers and Contractors Liability, Product Liability, Professional and Malpractice Liability, Storekeepers Liability, Garage Liability, Automobile Liability (including Massachusetts Motor Vehicle or Garage Liability)

shall be deemed to include, with respect to such coverages, from the time specified in Clause (v) of this paragraph (3), the following provision (specified as the Broad Exclusion Provision):

### Broad Exclusion Provision\*

It is agreed that the policy does not apply:

- (i) Under any Liability Coverage, to injury, sickness, disease, death or destruction bodily injury or property damage:
  - (a) with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
  - (b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- (ii) Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to immediate medical or surgical relief first aid to expenses incurred with respect to bodily injury, sickness, disease or death bodily injury resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- (iii) Under any Liability Coverage, to injury, sickness, disease, death or destruction bodily injury or property damage resulting from the hazardous properties of nuclear material if
  - (a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom;

- (b) 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
- (c) the injury, sickness, disease, death or destruction 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 (c) applies only to injury to or destruction of property at such nuclear facility property damage to such nuclear facility and any property thereat.

(iv) As used in this endorsement:

"hazardous properties" include radioactive, toxic or explosive properties; "nuclear material" means source material, special nuclear material or byproduct material; "source material", "special nuclear material", and "byproduct 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 (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof; "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;

With respect to injury to or destruction of property the word "injury" or "destruction" includes all forms of radioactive contamination of property.

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

- (v) The inception dates and thereafter of all original policies affording coverages specified in this paragraph (3), whether new, renewal or replacement, being policies which become effective on or after 1st May, 1960, provided this paragraph (3) shall not be applicable to
  - 1. Garage and Automobile Policies issued by the Company on New York risks, or
  - 2. Statutory liability insurance required under Chapter 90, General Laws of Massachusetts, until 90 days following approval of the Broad Exclusion Provision by the Governmental Authority having jurisdiction thereof.

(4) Without in any way restricting the operation of paragraph (1) of this Clause, it is understood and agreed that paragraphs (2) and (3) above are not applicable to original liability policies of the Company in Canada and that with respect to such policies this Clause shall be deemed to include the Nuclear Energy Liability Exclusion Provisions adopted by the Canadian Underwriters' Association or the Independent Insurance Conference of Canada.

\*NOTE. The words underlined in the Limited Exclusion Provision and in the Broad Exclusion Provision shall apply only in relation to original liability policies which include a Limited Exclusion Provision or a Broad Exclusion Provision containing those words.

**NOTICE:**

**1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**

**2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**

**3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**

**4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT WWW.NAIC.ORG.**

**5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE’S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

**6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**

**7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: [WWW.INSURANCE.CA.GOV](http://WWW.INSURANCE.CA.GOV).**

**8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.**

**D-2 (Effective July 21, 2011)**





**IRONSHORE SPECIALTY INSURANCE COMPANY**

Mailing Address:  
 75 Federal Street  
 5th Floor  
 Boston, MA 02110  
 Toll Free: (877) IRON411


California Premium:	\$1,181,803.00
Filing Fee:	N/A
Fees:	N/A
Surplus Lines Tax:	\$35,454.09
Stamping Fee:	\$2,363.61

**SPECIAL EXCESS LIABILITY POLICY FOR PUBLIC ENTITIES  
 DECLARATIONS**

**Policy Number:** 000541305

**Renewal Of:** 000541304

ITEM 1. Named Insured and Address		Agent Name and Address	
California State University Risk Management Authority (CSURMA); California State University (CSU); Auxiliary Organizations Risk Management Alliance (AORMA) (Please see Endorsements 2 & 3) 401 Golden Shore Long Beach, CA 90802		AmWINS Insurance Brokerage of California 19867 Prairie Street, Suite 250 Chatsworth, CA 91311	
<b>ITEM 2. Policy Period</b>		<b>From:</b> July 01, 2015	<b>To:</b> July 01, 2016
<b>ITEM 3.</b>	INSURED'S RETAINED LIMIT:		
	Item 3A (1)	\$ <u>5,000,000</u>	Any one Occurrence or Wrongful Act or series of continuous, repeated or related Occurrences or Wrongful Acts – Defense erodes Retained Limit
	COMPANY'S LIABILITY:		
	Item 3B (1)	\$ <u>5,000,000</u>	Any one Occurrence or Wrongful Act or series of continuous, repeated or related Occurrences or Wrongful Acts in excess of your Retained Limit.
	Item 3B (2)	\$ <u>5,000,000</u>	Aggregate Policy Limit during each Policy Period as a result of: Completed Operations Hazard
	Item 3B (3)	\$ <u>N/A</u>	Aggregate Policy Limit during each Policy Period as a result of: Wrongful Acts arising out of Public Officials' Errors and Omissions Liability
<b>Limit of Liability</b>	Item 3B (4)	\$ <u>N/A</u>	Aggregate Policy Limit during each Policy Period as a result of: Wrongful Acts arising out of Employment Practices Liability
	Item 3B (5)	\$ <u>N/A</u>	Aggregate Policy Limit during each Policy Period as a result of: Wrongful Acts arising out of Employee Benefits Liability

<b>ITEM 4. Premium Compensation</b>	
<b>Minimum Premium</b>	<b>35%</b>
<b>ITEM 5. Policy Fee</b>	Not applicable
<b>Self-Insured Claims Servicing Organization:</b> Self-Administered – Campus; Carl Warren & Company – AORMA	
<b>Policy Coverage Form:</b> CSURMA – Manuscript Form	
<b>Endorsements Attached to Policy At Inception:</b> Please see Schedule of Endorsements – Endorsement 1	
<b>These Declarations together with the coverage form and endorsements, if any, issued to form a part of the Policy thereof, complete the above numbered Special Excess Liability Policy For Public Entities.</b>	
<b>Countersigned:</b> <u>September 3, 2015</u>	<b>By:</b> 
<b>DATE</b>	<b>AUTHORIZED REPRESENTATIVE</b>



## IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:  
75 Federal Street  
5th Floor  
Boston, MA 02110  
Toll Free: (877) IRON411

### SPECIAL EXCESS LIABILITY POLICY FOR PUBLIC ENTITIES

**Policy Number:** 000541305

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

Throughout this Policy the words **you** and **your** refer to the **Named Insured(s)** shown in the **DECLARATIONS** and any other person(s) or organization(s) qualifying as an **Insured** under this Policy. The words **we**, **us**, and **our** refer to the **Company** providing this insurance.

Other words and phrases that appear in boldface have special meaning. Refer to **SECTION VII. DEFINITIONS**.

In consideration of the payment of the premium, in reliance upon the statements in the **DECLARATIONS** made a part hereof and subject to all of the terms of this Policy, **we** agree with **you** as follows:

#### SECTION I. INSURING AGREEMENT

- Coverage A **Personal Injury** Liability
- Coverage B **Property Damage** Liability
- Coverage C **Public Officials' Errors and Omissions** Liability
- Coverage D **Employment Practices** Liability
- Coverage E **Employee Benefits** Liability

**We** will pay on **your** behalf the **Ultimate Net Loss** in excess of **your Retained Limit** hereinafter stated which **you** become legally obligated to pay as **Damages** because of.

- (A) **Personal Injury;**
- (B) **Property Damage;**
- (C) **Public Officials Errors and Omissions;**
- (D) **Employment Practices Claims; or**
- (E) **Employee Benefits Wrongful Act**

to which this Policy applies caused by an **Occurrence** or a **Wrongful Act** that takes place during the Policy Period.

#### SECTION II. DEFENSE AND DEFENSE COSTS

- (A) **We** will have the right and duty to defend any **Claim** or **Suit** against the **Insured** seeking **damages** arising out of any **Occurrence** or **Wrongful Act** to which this insurance applies even if the **Claim** or **Suit** is groundless, false or fraudulent when the **Retained Limit** has been exhausted by the payment of **damages**

including **defense costs** to which this insurance applies and provided further that no other insurer has a duty to defend or is defending such **Claim** or **Suit**.

- (B) We will have no duty to defend the **Insured** against any **Claim** or **Suit** seeking **damages** arising out of any **Occurrence** or **Wrongful Act** to which this insurance does not apply.
- (C) When **we** assume the defense of any **Claim** or **Suit** on **your** behalf, **we** will:
- (1) Investigate, negotiate and settle the **Claim** or **Suit** as we deem expedient; and
  - (2) Pay the following to the extent that they are not covered by any other insurance:
    - (a) Premiums on bonds to release attachments for amounts not exceeding our Limits of Insurance, but **we** are not obligated to apply for or furnish any such bond;
    - (b) Premiums on appeal bonds required by law to appeal any **Claim** or **Suit** **we** defend, but **we** are not obligated to apply for or furnish any such bond;
    - (c) All reasonable costs taxed against **you** in any **Claim** or **Suit** that **we** defend;
    - (d) Pre-judgment interest awarded against **you** on that part of the judgment **we** pay. If we make an offer to pay the applicable Limit(s) of Liability, we will not pay any pre-judgment interest accrued for that period of time after the offer;
    - (e) All interest that accrues after entry of judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within our applicable Limit(s) of Liability; or
    - (f) Your reasonable expenses incurred with **our** consent or at **our** request.
- (D) **We** will not defend any **Claim** or **Suit** after our applicable Limit(s) of Liability has been exhausted by payments of judgments or settlements including **Defense Costs**.
- (E) Except as provided in Paragraph A above, we will have no duty to defend any **Claim** or **Suit** against the **Insured**. We will, however, have the right, but not the duty, to participate in the defense of any **Suit** and the investigation of any **Claim** to which this Policy may apply, and the **Insured** shall cooperate fully with us in such participation. If we exercise this right, we will do so at our own expense.
- (F) All expenses **we** incur in the defense of any **Claim** or **Suit** are included in our Limit of Liability and are not paid in addition to our Limit of Liability.

### SECTION III. YOUR RETAINED LIMIT - OUR LIMIT OF LIABILITY

Regardless of the number of (1) **Insureds** under this Policy, (2) persons or organizations who sustain injury or **Damage**, or (3) **Claims** made or **Suits** brought on account of **Personal Injury** Liability, **Property Damage** Liability, **Public Officials Errors & Omissions** Liability, **Employment Practices** Liability or **Employee Benefit** Liability, **our** liability is limited as follows:

With respect to **Personal Injury, Property Damage, Public Officials Errors & Omissions, Employment Practices or Employee Benefit Wrongful Act**, or any combination thereof, **our** liability shall be only for the **Ultimate Net Loss** in excess of **your Retained Limit** as specified in Item 3. of the Limit of Liability section of the **DECLARATIONS** as the result of any one **Occurrence** or **Wrongful Act**, and then for an amount not exceeding the amount specified in Item 3B(1) of the Limit of Liability section of the **DECLARATIONS** as the result of any one **Occurrence** or **Wrongful Act**.

This Policy is subject to aggregate Limits of Liability as stated in the **DECLARATIONS** as stated in Items 3B(2), 3B(3), 3B(4) and 3B(5). These aggregate Limits of Liability are the maximum amount that will be paid under this Policy for all **Occurrences, Wrongful Acts, Employee Benefit Wrongful Act or Related Employee Benefit Wrongful Acts**, as the case may be, during the Policy Period applying separately to:

- (A) **Completed Operations Hazard;**
- (B) **Public Officials' Errors and Omissions;**
- (C) **Employment Practices Claims**
- (D) **Employee Benefit Claims**

In the event the **Named Insured** is an entity established pursuant to a Joint Powers Authority or Joint Insurance Fund, by whatever name called, and there are multiple **Named Insureds** shown on the respective Named Insured endorsement under this policy, the **Company's** each **Occurrence** or **Wrongful Act** Limit of Liability and the **Named Insured's Retained Limit** under this policy shall apply separately to each **Named Insured**.

However, an **Occurrence** or **Wrongful Act** involving more than one **Named Insured** shall be treated as a single **Occurrence** or **Wrongful Act**. A single **Company** each **Occurrence** or **Wrongful Act** Limit of Liability and a single **Retained Limit** shall apply.

It is understood and agreed that nothing will be construed to increase our Limit of Liability. It is further understood and agreed that the Aggregate Limits of Liability as set forth in the **DECLARATIONS** shall be applied separately to each **Named Insured**.

For the purpose of determining the limit of **our** liability, the **Ultimate Net Loss** arising from **Damages** for **Personal Injury, Property Damage, Public Officials Errors and Omissions, Employment Practices Claims** or **Employee Benefit Wrongful Act** arising out of continuous, repeated, or related exposure to substantially the same general conditions shall be considered as arising out of one **Occurrence** or **Wrongful Act**.

**Personal Injury, Property Damage, Public Officials Errors and Omissions, Employment Practices Claims** or **Employee Benefit Wrongful Act** taking place over more than one Policy Period insured by **us** shall be deemed to have taken place during the last Policy Period and only that limit shall apply.

#### **SECTION IV. POLICY PERIOD - TERRITORY**

The Policy Period commences on the effective date shown in the **DECLARATIONS**. The Policy Period ends on the earlier of either the expiration date or the effective date of cancellation of this Policy. If a person or organization becomes an **Insured** under this Policy after the effective date, the Policy Period for that person or organization begins on the date the person or organization became an **Insured**.

This Policy applies to **Personal Injury, Property Damage, or Public Official's Errors and Omissions** arising out of an **Occurrence** or a **Wrongful Act** that takes place during the Policy Period, anywhere in the world, but only if a **Claim** is made and a **Suit** is brought for such **Occurrence** or **Wrongful Act** in the United States of America.

#### **SECTION V. PERSONS OR ENTITIES INSURED**

The following are **Insureds**;

- (A) The **Named Insured** as designated in the **DECLARATIONS**.
- (B) Commissions, boards, districts, authorities, committees, agencies, not-for-profit corporations or other entities under the direction or control of the **Named Insured**, while acting solely within the course and scope of their duties with and for the direct benefit or on behalf of the **Named Insured**.
- (C) Past or present employees, directors, officers, trustees or any equivalent position, volunteers, elected or appointed officials of the **Named Insured**, including **Contract Employees** of the **Insured**, while acting within

the course and scope of their employment or under the direction and control for or on behalf of the **Named Insured**. This does not include any person working on retainer or as an independent contractor.

(D) Any person:

- (1) Designated in paragraphs (A) through (C) with respect to any **Automobile** not owned by **you** that is used in **your** operations as a public entity; and
- (2) Using any **Automobile** owned by the **Named Insured** or hired **Automobile** or any person legally responsible for the use thereof, provided that the **Automobile** is being used with **your** permission and while acting on **your** behalf.

The coverage granted by this provision, however does not apply to:

- (1) Any person operating an **Automobile** while working in a business that sells, services, repairs, delivers, tests, parks, or stores **Automobiles** unless it is your business; or
- (2) The owner or lessee of any hired **Automobile**, other than you or any agent or employee of such owner or lessee.

However, with respect to California State University owned, hired or non-owned **Automobiles**, coverage afforded under **Section V – Persons or Entities Insured, (D)** – only applies to **Non-Employee Drivers**.

**Non-Employee Drivers** means any volunteer, student, or any individual who is not an employee of the **Named Insured** while driving an **Automobile** and acting for or on behalf of the **Named Insured**.

- (E) Student Organizations including those involved with radio, television and publishing, but only those organizations formally recognized by the **Named Insured** as student organizations.
- (F) Students, but only with respect to liability arising out of service by the student as a teaching assistant or student teacher; while serving in a supervised internship program in satisfaction of course requirements; while participating in activities required to complete nurse training or similar allied health courses; while participating in teacher certification programs; while serving or acting under the direction of an entity included as a **Named Insured**.
- (G) All special districts governed by the entity's board and all other districts or agencies named on the policy.
- (H) Police Officers currently employed by you as respects secondary employment specifically authorized by your Police Department (commonly referred to as "moonlighting"); however:
  - (1) This coverage would only apply to extent that you were joined in any Suit naming said Police Officers; and
  - (2) This coverage is excess over any other valid and collectible insurance covering any loss for which this insurance would otherwise be applicable; and
  - (3) Nothing provided hereunder would serve to increase any Limits of Liability of this Policy.

## **SECTION VI. EXCLUSIONS**

This Policy does not apply:

- (A) To any obligation for which **you** or any carrier as the insurer for **you** may be held liable under any workers compensation, occupational disease, unemployment compensation or disability benefits law, or under any similar federal, state or local law.

(B) To **Bodily Injury** to any of **your** employees arising out of and in the course of employment by **you**, but this exclusion does not apply to Workers' Compensation Coverage B, Employers Liability, or Stop Gap Liability, as defined by the National Council on Workers' Compensation Insurance or **Employment Practice Liability**.

(C) To any liability for **Property Damage** to:

(1) Real property owned, occupied by or leased to **you, your** agents or subcontractors;

(2) Real or personal property in **you, your** agents or subcontractors care, custody or control or as to which **you, your** agents or subcontractors are for any purpose exercising physical control;

The above exclusions (C)(1) and (C)(2) do not apply to:

(a) Real and personal property including **Automobiles** and mobile equipment that is in **your** custody as part of the operations of impound lots or seizure activities as well as personal property in **your** care, custody and control at the time of arrest or incarceration;

(b) Non-owned **Automobiles** that are in **your** care, custody or control;

(c) Real property that is leased or rented by **you** for losses arising out of fire, smoke or resulting water damage.

(a), (b) and (c) are subject to a maximum limit of coverage of \$1,000,000 per **Occurrence**.

(D) As respects liability assumed by **you** under any contract:

(1) To any **Claim**, judgment or agreement from any arbitration proceeding wherein **we** are not entitled to exercise **your** rights in the choice of arbitrators, and in the conduct of such proceedings;

(2) If the indemnitee of the **Insured** is an architect, engineer or surveyor, for the liability of the indemnitee, his agents or employees, arising out of:

(a) The preparation or approval of contracts, maps, plans, drawings, opinions, reports, tests, inspections, surveys, change orders, designs or specifications;

(b) The giving or the failure to give directions or instructions by the indemnitee, his agents or employees, provided such giving or failure to give results in **Personal Injury** or **Property Damage**.

(E) To liability arising out of the ownership, maintenance, **Loading** or **Unloading**, use of, or operation of any **Aircraft**, airfields, runways, hangars, buildings, or other properties in connection with aviation activities. **Loading** or **Unloading** of **Aircraft** shall not apply to paramedics, nurses or emergency medical technicians employed by **you** or a static aircraft used for instructional aircraft maintenance training, non-flight purposes only.

This exclusion shall not apply, however, to those areas open to the public for the purpose of entering, leaving, or using the airport facilities (including parking lots, and garages) or to liability arising out of the ownership, operation, rental, or loan of vehicles licensed for highway use while being operated away from the premises of any airfield

(F) To any liability arising out of the operation of any hospital, clinic, or health care facility, owned or operated by any **Insured**. This includes, but is not limited to:

a. The rendering or failure to render:

(1) Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;

(2) Any service or treatment related to physical or mental health or of a professional nature; or



(3) Any cosmetic or tonsorial service or treatment.

b. The furnishing of or dispensing of drugs or medical, dental or surgical supplies or appliances.

This exclusion does not apply to any liability arising out of

1. Ambulance operations, occupational physical examinations, student nursing programs, infirmaries, non-clinic nursing services or services of the **Insured's** employees who are nurses, physician assistants, paramedics, emergency medical technicians, speech therapists, speech pathologists, nutritionists, psychologists, audiologists, or physical therapists;
2. **Employment Practices Liability;**
3. First aid to any person. For the purposes of this exception, first aid means the immediate and emergency care given to an ill or injured person before regular medical aid can be obtained.
4. Any nursing services clinic that does not perform invasive surgery of any kind; or
5. Operations performed by coroners.
6. Volunteer medical personnel while attending an activity sponsored by the Insured or while on school premises under the **Insured's** control.

(G) To **Claims** for loss or **Damage** or any liability arising out of or in connection with the principles of eminent domain, condemnation proceedings or inverse condemnation, or by whatever name used whether such **Claims** are made directly against **you** or by virtue of any agreement entered into, by or on **your** behalf.

(H) To liability arising out of the failure to adequately supply electrical power, fuel or water or to liability arising out of the interruption of the electrical power, fuel or water supply.

However, this exclusion does not apply to the failure to supply water if:

- (1) Such failure is caused by an **Occurrence** or **Wrongful Act** as defined in this Policy; and
- (2) The combined capacity of **your** installed production facilities and contractual supply arrangements is equal to or greater than one hundred (100) percent of the water demand on **your** water system.

(I) To **Personal Injury** or **Property Damage** arising out of out of the ownership, maintenance, operations, use, **Loading** or **Unloading** of (1) any **Watercraft** owned or operated by or rented or loaned to you, or (2) **Watercraft** operated by any person in the course of employment by you.

However, this exclusion shall not apply to: (a) any owned and/or non-owned **Watercraft** less than fifty-one (51) feet in length, (b) any **Watercraft** while ashore or on premises owned or controlled by you, or (c) rowing or sculling shells regardless of length.

(J) To **Personal Injury, Property Damage** or **Public Officials' Errors and Omissions:**

- (1) With respect to which **you** are also an **Insured** under a nuclear energy policy issued by the Nuclear Energy Liability-Property Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, 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 (i) any person or any organizations required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, (ii) **you** are, or had this Policy not been available 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;
- (3) Under any liability coverage, to **Bodily Injury** or **Property Damage**, resulting from **hazardous properties** of **nuclear material**, if:
  - (a) The **nuclear material** (i) is at any **nuclear facility** owned by, or operated by or on **your** behalf, or (ii) has been discharged or dispensed therefrom;

- (b) 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 **your** behalf;
- (c) **Bodily Injury or Property Damage** arising out of the furnishing by **you** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operating 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 (c) applies only to **Property Damage** to such **nuclear facility** and any property thereat.

(4) As used in this exclusion:

- (a) **hazardous properties** includes radioactive, toxic or explosive properties;
- (b) **nuclear material** means "source material", special "nuclear material" or "byproducts material";
- (c) **source material**, "special nuclear material" and "by-products material" have the meaning given them in the Atomic Energy Act of 1954 or any law amendatory thereof;
- (d) **spent fuel** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**;
- (e) **waste** means any waste material (1) containing "by-products 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** contents, and (ii) resulting from the operation by any person or organization of a **nuclear facility** included within the first two paragraphs of the definition of **nuclear facility** below;
- (f) **nuclear facility** means:
  - (i) Any **nuclear reactor**;
  - (ii) 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 **wastes**;
  - (iii) 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 **your** custody 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 grains of uranium 235;
  - (iv) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste**, including the site on which any of the foregoing is located and all operations conducted on such site and all premises used for such operations;
- (g) **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;
- (h) With respect to **Property Damage**, the words injury or destruction includes all forms of radioactive contamination of property.

(K) As respects any liability arising out of **Pollutants**:

- (1) To any **Claim** for **Personal Injury**, or **Property Damage**, or **Public Officials' Errors and Omissions** arising out of the actual or alleged generation, storage, transportation, discharge, dispersal, escape, treatment, removal of, disposal of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gasses, waste materials or other irritants, contaminants or **Pollutants** into or upon the land, atmosphere or water, to include ground water;
- (2) To any obligation to defend any **Claim** or **Suit** against **you** alleging **Personal Injury**, or **Property Damage**, or **Public Officials' Errors and Omissions**, if such **Claim** or **Suit** arose from **Personal Injury**, or **Property Damage**, or **Public Officials' Errors and Omissions** arising out of the discharge, dispersal, release or escape of **Pollutants**, anywhere in the world;

- (3) To any loss, cost or expense arising out of any governmental demand, direction or request that **you** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**;
- (4) To any loss, cost or expense arising out of the arranging to dispose of, the transporting of, or disposing of **Pollutants**;
- (5) To any loss, cost or expense incurred by a governmental unit or other third party, including but not limited to costs of investigation and monitoring, and attorneys' fees, relating to activities in connection with efforts to test for, monitor, clean up, remove, contain, trace, detoxify or neutralize **Pollutants**;
- (6) To any loss, cost or expense arising from any **Underground Storage Tank** unless satisfactory documentation is received and approved by, and are on file with, the **Company**. Coverage is only available for those **Underground Storage Tanks** specifically approved in writing by the **Company** and scheduled in the Policy by endorsement.

However, this exclusion shall not apply to the following:

- (a) Loss or **Damage** arising out of **Pollution Conditions** caused by heat, smoke or fumes from a **Hostile Fire** involving a property which is owned, rented or occupied by the **Insured** or upon which operations are being performed by or on **your** behalf.
- (b) Loss or **Damage** arising out of **Pollution Conditions** caused by **your** fire fighting activities or on **your** behalf, including fires intentionally set for training, intentional demolition or fires intentionally set for the purpose of limiting or controlling a fire.
- (c) Loss or **Damage** arising out of **Pollution Conditions** caused by the collision, upset, or overturn of any **Automobile** or mobile equipment.
- (d) Loss or **Damage** arising out of **Pollution Conditions** caused by chemicals used in weed abatement or tree spraying activities conducted by **you**.
- (e) Loss or **Damage** arising out of **Pollution Conditions** caused by classroom activities conducted by or on **your** behalf.

However, exceptions (a) – (e) above do not apply to loss or **Damage** due to asbestos, silica or lead, including but not limited to lead based paint.

- (f) Loss or **Damage** arising out of **Pollution Conditions** caused by the use of pepper sprays, mace, or other chemicals designed to temporarily incapacitate persons as long as the use is deemed to be reasonable force.
- (g) **Personal Injury** or **Property Damage** which is within the Products Hazard or the Completed Operations Hazard
- (h) Loss or **Damage** arising out of **Pollution Conditions** caused by water, whether recycled, reconditioned or reclaimed.
- (i) Loss or **Damage** arising out of **Pollution Conditions** caused by explosion, lightning, windstorm, vandalism and malicious mischief, riot and civil commotion, flood.
- (j) Loss or **Damage** arising out of **Pollution Conditions** that meet the following conditions:
  - (I) It was accidental and neither expected nor intended by the **Insured**; and
  - (II) It was demonstrable as having commenced on a specific date during the term of this policy; and

- (III) Its commencement became known to the **Insured** within ten (10) calendar days; and was further reported to the person responsible for Risk Management within a reasonable timeframe; and
- (IV) Its commencement was reported in writing to the Company within forty (40) calendar days of becoming known to the person responsible for Risk Management; and
- (V) Reasonable effort was expended by the **Insured** to terminate the discharge, dispersal, release or escape of **pollutants** as soon as conditions permitted;
- (VI) Its termination was within seventy-two (72) hours of its commencement.

However, nothing contained in this provision (j) shall operate to provide any coverage with respect to:

- (a) Any site or location principally used by any **Insured**, or others on the **Insured's** behalf for the handling, storage, disposal, dumping, processing or treatment of waste material;
- (b) Any fines or penalties;
- (c) Any clean-up costs ordered by the superfund program, or any federal, state or local governmental authority. However, this paragraph shall not serve to deny coverage for third party clean-up costs otherwise covered by this exception to this exclusion simply because of the involvement of a governmental authority;
- (d) Acid rain;
- (e) Clean-up, removal, containment, treatment, detoxification or neutralization of **pollutants** situated on premises the **Insured** owns, rents or occupies at the time of the actual discharge, dispersal, seepage, migration, release or escape of said **pollutants**; or
- (f) Water pollution caused by oil or its derivatives.

As used herein loss or **Damage** means **Ultimate Net Loss** as defined in the **DEFINITIONS** section of this Policy.

- (L) As respects any liability arising out of asbestos and/or silica:
  - (1) To any liability arising out of the manufacture, mining, use, sale, installation, removal, storage, disposal, distribution, or exposure to asbestos products, asbestos fibers, silica or asbestos dust.
  - (2) To any liability to indemnify any party because of **Damage** arising out of **Personal Injury** or loss due to a **Wrongful Act** at any time as a result of the manufacture, sale installation, removal, distribution, transportation or exposure to asbestos, asbestos products, asbestos fibers, silica or asbestos dust.
  - (3) To any liability to defend any **Claim** or **Suit** against **you** seeking **Damages** arising out of **Personal Injury** or **Property Damage** or **Public Officials' Errors and Omissions** due to an **Occurrence** or loss due to a **Wrongful Act**, if such **Claim** or **Suit** results from any of the following: manufacture, mining, use, sale, installation, removal, distribution, transportation, or exposure to asbestos, asbestos products, asbestos fibers, silica or asbestos dust.
- (M) As respects any liability imposed upon **you** under the Employee Retirement Income Security Act of 1974 and any amendatory law thereof.
- (N) To any liability arising out of the rupture, bursting, overtopping, accidental discharge or partial or complete failure of any **Dam**.
- (O) Under Coverage C, **Public Officials' Errors and Omissions** Liability, for:

- (1) Personal Injury or Property Damage, as defined, that does not arise out of a Claim or Suit for Public **Officials' Errors and Omissions**;
- (2) Refund of taxes, fees or assessments;
- (3) **Your** liability arising out of estimates of probable costs or cost estimates being exceeded or for faulty preparation of plans or failure to award contracts in accordance with any statute or ordinance which under law must be submitted for bids;
- (4) Injury to, destruction or disappearance of any tangible property (including money) or the loss of use thereof;
- (5) Failure to perform or breach of a contractual obligation except employment contracts;
- (6) Liability arising from the deliberate violation of any statute, law, act, ordinance, rural, or regulation whether federal, state, city, county, district, or local committed by or with the knowledge or consent of any **Insured**;

**We** shall not pay any cost that results from the defense, investigation, and settlement of any **Occurrence** or **Wrongful Act** arising out of any losses excluded herein.

- (P) It is agreed that the following exclusions are hereby included in the Policy only for **Wrongful Acts** resulting from **your Employment Practices Claims**.
- (1) **Strikes and Lockouts.** This Policy does not apply to any **Claim** or **Claims** for loss arising out of a lockout, strike, picket line, replacement or similar actions in connection with labor disputes or labor negotiations.
  - (2) **W.A.R.N. Act.** This Policy does not apply to any **Claim** or **Claim** for loss arising out of the Workers Adjustment and Retraining Notification Act, Public Law 100-379 (1988), or any amendment thereto or any similar federal, state or local law.
  - (3) This Policy does not apply to any **Claim** or **Claims** for any costs incurred by **you** to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person.
- (Q) To any **Claims** or **Suits** arising from all pending or prior litigation or hearing as well as future **Claims** or **Suits** arising out of said pending or prior litigation or hearing, and arising out of, based upon or attributable to the facts alleged, or to the same or related **Wrongful Acts**, alleged or contained in any **Claim** or **Suit** arising out of any **Wrongful Act** prior to the inception of this Policy.
- (R) For **Personal Injury, Property Damage, or Bodily Injury** or any other loss, cost or expense arising in whole or part, out of the installation, repair, removal, encapsulation, abatement, replacement or handling of, presence, ingestion, inhalation, absorption of or exposure to, or testing for, lead in any form or products containing lead.
- (S) For any loss, injury, **Damage**, cost or expense, including, but not limited to, losses, costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:
- (1) Any **fungus(i), mold(s)**, mildew or yeast;
  - (2) Any **spore(s)** or toxins created or produced by or emanating from such **fungus(i), mold(s)**, mildew or yeast;

- (3) Any substance, vapor, gas, or other emission or organic or inorganic body or substance produced by or arising from any **fungus(i), mold(s)**, mildew or yeast; or
- (4) Any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbors, nurtures or acts as a medium for any **fungus(i), mold(s)**, yeast, or **spore(s)** or toxins emanating therefrom.

Regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that loss, injury, **Damage**, cost or expense.

- (T) For injunctions, equitable relief, or any other form of relief other than the payment of money damages.
- (U) Liability arising out of an alleged willful commission of a crime by **you** or other dishonest fraudulent, or malicious act. At **our** discretion, however, **we** will pay for **Defense Costs** until final adjudication, judgment, or settlement to which **we** have agreed. If the judgment or final adjudication is adverse to **you**, **you** will reimburse **us** for all costs associated with the defense.

This exclusion shall not apply to any vicarious liability that any **insured** has with regard to the managerial, advisory, supervisory, or controlling obligations over the actions of another **insured**.

- (V) Liability arising out of **your Wrongful Act** for gain, profit, or advantage to which **you** are not legally entitled. At **our** discretion, however, **we** will pay for **Defense Costs** for any **Claim** or **Suit** arising from an alleged willful commission of a crime by **you** or other dishonor, fraudulent or malicious act, for any **Claim** or **Suit** arising out of **your Wrongful Act** for gain, profit, or advantage to which **you** are not legally entitled until final adjudication, judgment, or settlement to which **we** have agreed. If the judgment or final adjudication is adverse to **you**, **you** will reimburse **us** for all costs associated with the defense.

This exclusion shall not apply to any vicarious liability that any **insured** has with regard to the managerial, advisory, supervisory, or controlling obligations over the actions of another **insured**.

- (W) Liability arising out of a **Wrongful Act** by **you** or on **your** behalf in the handling of **Claims** or **Suits** within **your Retained Limit** whenever **you** investigate, defend, or settle such **Claims** or **Suits** or elect a third party to investigate, defend or settle such **Claims** or **Suits**.

- (X) To **Personal Injury, Property Damage** or **Wrongful Acts** arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (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 or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against of these.

- (Y) To liability arising out of or in connection with any transit authority, transit system, or public transportation system owned, operated, or regulated by **you**. This exclusion shall not apply to transit or public transportation systems operating over non-fixed routes, including, but not limited to, Dial-a-Ride, senior citizen transportation, or handicapped persons transportation, or to contingent liability coverage where such services are contracted.

- (Z) For any **Property Damage** arising out of **Land Subsidence** for any reason whatsoever.

- (AA) For **Personal Injury**:

- (1) Arising out of oral or written publication of material, if done by or at the direction by **you** with knowledge if its falsity; or

- (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the Policy Period. All **Personal Injury** arising out of publication of the same or similar material subsequent to the beginning of the Policy Period is also excluded.
- (BB) For any **Claim** or **Suit** under any Uninsured Motorists or Underinsured Motorists or any similar law, and to any sums you may be legally entitled to recover as **damages** from the owner or operator of any uninsured or underinsured **Automobile** because of **Bodily Injury** and **Property Damage** sustained by any **Insured**, caused by an Occurrence and arising out of the ownership, maintenance, operation, use, **Loading** or **Unloading** of such **Automobile**.
- (CC) To any liability arising out of the operation of an Automobile by an employee of the Named Insured as designated in the Declarations of this policy; however, this exclusion only applies to California State University owned, hired or non-owned **Automobiles**.
- (DD) Under Coverage E – Employee Benefit Liability, for **Claims**:
- (1) Arising out of any **Claims** or part thereof which may be alleged as covered under this Coverage Part if we have accepted coverage or coverage has been held to apply for such **Claim** or part thereof under any other Coverage Part (s) of this Policy.
  - (2) Arising out of any representations made at any time in relation to the price or value of any security, bank, bank deposit or financial interest or instrument, including, but not limited to, advice given to any person to participate in any plan included in the **Employee Benefit Program**.
  - (3) Arising out of any depreciation or decline in price or value of any security, debt, bank deposit or financial interest or instrument.
  - (4) Arising out of any insufficiency of funds to meet any obligation under any **Employee Benefit Program**.
  - (5) Arising out of an act, error, or omission by **you** to effect or maintain insurance or bonding for plan property or assets of **Employee Benefit Program**.
  - (6) Arising out of failure of performance or performance under any contract by an insurer of benefits subject to the **Employee Benefit Program**.
  - (7) Arising from any **Employee Benefit Wrongful Act** or Related **Employee Benefit Wrongful Act** of which **you** were aware prior to the Policy Period if such **Employee Benefit Wrongful Act** or Related **Employee Benefit Wrongful Act** could reasonably be expected to give rise to a **Claim**.
  - (8) For **damages** arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by **you**, including the willful or reckless violation of any statute.
  - (9) For **damages** arising out of **Bodily Injury, Property Damage, or Personal Injury**.
  - (10) For **damages** arising out of wrongful termination of employment, discrimination, or other employment related practices.
  - (11) For 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.
  - (12) For **damages** for which **you** are 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.



- (13) For any **claim** for benefits to the extent that such benefits are available, with reasonable effort and cooperation by **you**, from the applicable funds accrued or other collectible insurance
- (EE) To any liability arising out of the purchase, sale, or offer of sale, or solicitation, or decline in price or value of any security, debt, bank deposit or financial interest or instrument

## SECTION VII. DEFINITIONS

When used in this Policy (including endorsements forming a part hereof):

- (A) **Aircraft** means a vehicle designed for the transport of persons or property principally in the air.
- (B) **Automobile** means any licensed land motor vehicle, trailer, or semi-trailer.
- (C) **Bodily Injury** means bodily injury, sickness, disease or death, including but not limited to shock, mental anguish, mental injury and humiliation sustained by any person that occurs during the Policy Period.
- (D) **Claim(s)** means a demand for money
- (E) **Company** means the insurer(s) specified in the DECLARATIONS.
- (F) **Completed Operations Hazard** includes **Bodily Injury** and **Property Damage** arising out of **operations** or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs after such **operations** have been completed or abandoned and occurs away from premises owned by or rented to **you**. **Operations** include materials, parts or equipment furnished in connection therewith. **Operations** shall be deemed completed at the earliest of the following time:
- (1) When all operations to be performed by or on behalf of you at the site of the operations have been completed.
  - (2) When all operations to be performed by or on behalf of you under the contract have been completed; or
  - (3) When the portion of the work out of which the injury or Damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Operations** which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed. The **Completed Operations Hazard** does not include **Personal Injury** or **Property Damage** arising out of:
- (1) Operations in connection with the transportation of property unless the Personal Injury or Property Damage arises out of a condition in or on a vehicle 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.
- (G) **Contract Employee** means:
- (1) Any employee who is under contract to you one hundred (100) percent of the time, or
  - (2) Whose only contract of employment is with you.
- (H) **Dam** means any artificial barrier together with appurtenant works, which does or may impound or divert water, and which either:
- (1) Is twenty five (25) feet or more in height from the natural bed of the stream or water course at the downstream toe of the barrier or from the lowest elevation of the outside limit of the barrier, if it is not across a stream channel or watercourse, to the maximum possible water storage elevation; or

(2) Has an impounding capacity of fifty (50) acre-feet or more.

(I) **Damages** includes damages for death and for care and loss of services resulting from **Personal Injury** and damages for loss of use of property resulting from **Property Damage**, and losses for **Wrongful Acts** as defined in this Policy.

(J) **Defense Costs** means attorney's fees, costs and expenses and other fees, costs and expenses incurred in connection with the investigation, settlement, adjustment, defense and appeal of a **Claim** or **Suit** covered hereunder. However, **Defense Costs** do not include **our** office expenses, **your** office expenses or the salaries of **our** employees or officers or **your** employees or officers.

Additionally, **we** may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency including experience in defending **Claims** or **Suits** similar to the one against **you**, and to require that independent counsel have errors and omissions insurance coverage. **You** agree to instruct counsel, whether independent or in-house, to respond to **our** request(s) for information regarding the **Claim** or **Suit** in a timely manner.

(K) **Employee Benefit Program** includes any employee benefit plan including, but not limited to, the following: Group life insurance, group accident or life insurance, profit sharing plans, pension plans and stock subscription plans provided that no one other than an employee may subscribe to such insurance plans, unemployment insurance, Social Security Benefits, workers' compensation and disability benefits.

(L) **Employee Benefit Wrongful Act** means an actual or alleged negligent act, or omission that arises solely from **your** administration of **your Employee Benefit Program**

(M) **Employment Practices** means: Wrongful termination or discrimination arising out of or due to:

- (1) The refusal to employ any person who is an applicant for employment;
- (2) The termination of any person's employment; or
- (3) Employment-related practices, policies, acts or omissions such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person;  
or
- (4) The spouse, child, parent, brother or sister of that person or persons as a consequence of any of the employment-related practices described in paragraphs (1), (2), or (3) above is directed;

It is agreed that this Policy shall apply to a **Wrongful Act** that **you** become legally obligated to pay or compensate others for an **Occurrence** resulting from **your Employment Practices Claims**. An **Employment Practice Claim** must arise out of the conduct of **your** operations.

(N) **Employment Practices Claim** means any **Wrongful Act** relating to a past, present, or prospective employee of **yours** and arising out of an actual or alleged wrongful dismissal, discharge or termination, either actual or constructive, of employment, employment related misrepresentation, wrongful failure to employ or promote, wrongful deprivation of career opportunity, wrongful discipline, failure to grant tenure or negligent employee evaluation or sexual or workplace harassment of any kind, including, but not limited to, the alleged operation of a harassing workplace environment, or unlawful discrimination, whether direct, indirect, intentional or unintentional, or failure to provide adequate employee policies and procedures.

**Employment Practices Claim** shall include **Wrongful Acts** brought under state, local, or federal law, whether common or statutory, and shall include, but not be limited to allegations of violations of the following laws, as amended, including regulations promulgated thereunder:

- (1) Americans with Disabilities Act of 1992 (ADA);
- (2) Civil Rights Act of 1991;
- (3) Age Discrimination in Employment Act of 1967 (ADEA), including the Older Workers Benefit Protection Act of 1990;

(4) Title VII of the Civil Rights Law of 1974, as amended (1983), including the Pregnancy Discrimination Act of 1978; and

(5) Fifth and Fourteenth amendments of the United States Constitution.

(O) **Fungus(i)** includes, but is not limited to, any of the plants or organisms belonging to the major group **fungi**, lacking chlorophyll, and including molds, rusts, mildews, smuts and mushrooms.

(P) **Hostile Fire** means a fire that becomes uncontrollable or breaks out from where it was intended to be.

(Q) **Injury or Damage** means any **Injury or Damage** covered under this Policy and includes but is not limited to **Bodily Injury, Property Damage, Personal Injury or Wrongful Acts** as may be defined under this Policy.

(R) **Insured** means the **Named Insured** designated in Item 1. of the **DECLARATIONS** and any person or organization qualifying as an **Insured** under **SECTION V. PERSONS OR ENTITIES INSURED** of this Policy.

(S) **Joint Powers Authority(ies)** means two or more public agencies joined together by a joint agreement in order to jointly exercise any power common to the contracting parties, including but not limited to the power to create risk pooling and joint purchase of private insurance.

(T) **Land Subsidence** means the movement of land or earth, including, but not limited to, sinking or settling of land, earth movement, earth expansion, and/or contraction, landslide, slipping, falling away, caving in, eroding, earth sinking, and earth rising or shifting or tilting.

(U) **Loading or Unloading** means the handling of property:

(1) After it is moved from the place where it is accepted for movement into or onto an **Aircraft, Watercraft or Automobile**;

(2) While it is in or on an **Aircraft, Watercraft or Automobile**; or

(3) While it is being moved from an **Aircraft, Watercraft or Automobile** 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 Automobile**.

(V) **Mold(s)** means to include, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce molds.

(W) **Municipality** means a legally incorporated or duly authorized association of inhabitants of a limited area limited to the following: city, town, county, village, township, borough, hamlet, burg, or state.

(X) **Named Insured** means the entity(ies) listed in Item 1 of the Declarations including endorsements thereto.

(Y) **Occurrence** shall mean an accident, or event, or continuous or repeated exposure which results in **Bodily Injury or Property Damage** during the Policy Period; neither expected nor intended by **you**.

(Z) **Personal Injury** means:

(1) **Bodily Injury**, including disability, shock, mental anguish, mental injury, or death resulting from any of the foregoing;

(2) False arrest, false imprisonment, wrongful detention, or malicious prosecution;

(3) Wrongful entry into, or eviction of any person from, a room, a dwelling or premises that a person occupies, or other invasion of the right of private occupancy;

(4) A publication or utterance that slanders or libels a person or organization or disparages a person's or an organization's good, products or services;

(5) A publication or utterance that violates a persons right to privacy;

- (6) Assault and battery not committed by or at the direction of, or with **your** consent. However, this limitation does not apply if committed or directed for the purpose of protecting persons from injury or death, or property from **Damage**; and
- (7) Discrimination other than as a result of **Employment Practices**.

all of the above seven (7) items which occur during the Policy Period.

- (AA) **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials, which are intended to be, or have been, recycled, reconditioned or reclaimed.
- (BB) **Pollution Conditions** means the discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, medical waste and waste materials into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater, provided such conditions are not naturally present in the environment.
- (CC) **Products Hazard** includes **Bodily Injury** and **Property Damage** arising out of **your** products or reliance upon a representation or warranty with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs away from premises owned by or rented to **you** and after physical possession of **your** product (s) has been relinquished to others.
- (DD) **Property Damage** means (1) physical injury to or destruction of tangible property which occurs during the Policy Period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed, provided such loss of use is caused by an **Occurrence** during the Policy Period.
- (EE) **Public Entity** refers to that **municipality**, governmental body, department, or unit, which is a **Named Insured** in the **DECLARATIONS**.
- (FF) **Public Officials' Errors and Omissions** means losses from **Wrongful Acts** committed by **you**.
- (GG) **Retained Limit** refers to the amount stated on the **DECLARATIONS**.  
  
The **Retained Limit** shall be comprised of **Damages** and **Defense Costs**. **You** shall be responsible for all **Damages** and **Defense Costs** incurred without right to indemnification in accordance with the Policy's terms and conditions until the **Retained Limit** is exhausted as a result of **Damages** and **Defense Costs**.
- (HH) **Spore(s)** means any dormant or reproductive body produced by or arising or emanating out of any **fungus(i), mold(s)**, mildew, plants organisms or microorganisms.
- (II) **Suit** means a civil proceeding in which damages are alleged because of **Bodily Injury** or **Property Damage**, or **Wrongful Act** to which this Policy applies. **Suit** includes:
  - (1) An arbitration proceeding in which such **Damages** are claimed and to which **you** must submit or do submit with **our** consent; or
  - (2) Any other alternative dispute resolution in which such **Damages** are claimed and to which **you** submit with **our** consent.
- (JJ) **Ultimate Net Loss** means the total amount of **Damages** including **Defense Costs** we are legally obligated to pay because of **Bodily Injury, Personal Injury, Property Damage, Wrongful Acts, Employment Practices Wrongful Acts or Employee Benefits Wrongful Acts**. **Ultimate Net Loss** shall be established after a contested **Suit** or by compromise settlement to which **we** have previously agreed in writing. **Ultimate Net Loss** shall be reduced by any recoveries or salvages which have been paid to or collected by **us**. **Ultimate Net Loss** includes **Defense Costs** incurred in the defense of an **Occurrence** or **Wrongful Act** to which this insurance applies.

- (KK) **Underground Storage Tank** means any tank, including associated underground piping connected to the tank, that has at least ten (10) percent of its volume below ground.
- (LL) **Underlying Insurance** refers to the policies listed in the Schedule of **Underlying Insurance** and includes:
- (1) Any renewal or replacement of such policies;
  - (2) Any other insurance available to the **you**; and
  - (3) Any other valid and collectible risk financing mechanism provided under a **Joint Powers Authority**.
- (MM) **Watercraft** means a vehicle designed for the transport of persons or property principally on water.
- (NN) **Wrongful Act** means any actual or alleged error, misstatement, omission, negligent act, or breach of duty, including misfeasance, and nonfeasance by the **Insured**.

## SECTION VIII. CONDITIONS

### (A) **Action Against Us.**

No person or entity has a right under this Policy to join **us** as a party to a lawsuit or to sue **us** under this Policy. **You** acknowledge and agree that this Policy was issued to **you** based upon the representations in **your** application for insurance that this Policy provides **you** with benefits unique to **your** needs for insurance, based upon **your** stated insurance requirements and decisions as to what insurance coverage **you** decided to purchase; and that this insurance policy is unique to **you**. **You** agree that there are no other persons or entities who have a unity of interest with **you** for any issues that may arise in connection with any dispute that **you** may have with **us** in connection with any aspect of this policy, including but not limited to its issuance and the coverage that it provides **you**. **You** agree that **your** right to bring any action against **us** in connection with any dispute is limited to arbitration or submission to small claims court, as per the provisions of **CONDITION (C), Arbitration**.

### (B) **Appeals.**

In the event **you** elect not to appeal a judgment in excess of **your Retained Limit**, **we** may elect to do so at **our** own expense, but in no event shall **our** liability for **Ultimate Net Loss** exceed the applicable amount specified in the Limit of Liability section of the **DECLARATIONS** plus all **Defense Costs** necessary and incident to such appeal.

### (C) **Arbitration.**

All controversy or **claim** of any nature, including the validity or formation of this Policy, that arises out of or relates to this agreement involving two or more parties to this agreement, that cannot be settled among the disputing parties, shall be resolved by submission to a single, neutral arbitrator for determination through arbitration in accordance with the then current rules of the National Arbitration Forum, Minneapolis, MN, and judgment upon the award may be entered in any court having jurisdiction thereof. The arbitrator shall have the power to decide all disputes between the parties, including but not limited to, the validity, formation, application or interpretation of the agreement, the amount of funds due, if any, and the award of damages only as provided for within this agreement. The arbitrator shall have no power to change, or add to the provisions of this agreement. The arbitrator shall provide a written opinion with his decision and findings of fact and law in accord with the laws in effect in the state in which the **Named Insured** is domiciled. In the event the arbitrator's findings are contrary to the laws of the state whose laws are applicable to the dispute, either party shall be entitled to appeal the arbitrator's ruling, at their own expense.

**We** will pay the cost of administering the arbitration. **We** will not pay the fees of **your** legal representative or the cost incurred in proving **your** case, unless such fees and costs are included in an arbitration award against **us**.

Notwithstanding the foregoing, all disputes between **you** and **us** shall be submitted to Small Claims Court procedure if the amount in dispute provides jurisdiction of the Small Claims Court or, at the option of the **Insured** only, disputes involving less than \$25,000. may be subject to arbitration.

The provisions of this paragraph, and the obligation to arbitrate as provided herein, applies to all persons or entities who are insured under the policy and to any other persons or entities who may be otherwise entitled to the recovery of any policy benefits under state or federal law.

(D) **Assignment.**

Assignment of interest under this Policy shall not bind **us** until **our** consent is endorsed hereon; however, if **you** die, such insurance as is afforded by this Policy shall apply (1) to **your** legal representative, as the **Named Insured**, but only while acting within the scope of his/her duties as such and (2) with respect to **your** property, to the person having temporary custody thereof as the **Insured**, but only until the appointment and qualification of the legal representative.

(E) **Bankruptcy and Insolvency**

**Your** bankruptcy, insolvency or inability to pay shall not relieve **us** of any of **our** obligations under this Policy.

But under no circumstances will such bankruptcy, insolvency, or inability to pay require **us** to drop down or in any way replace **your Retained Limit** or assume any obligation associated with **your Retained Limit**.

(F) **Cancellation.**

This Policy may be canceled by the **Named Insured** by surrender thereof to **us** or any of **our** authorized agents or by mailing to **us** written notice stating when thereafter the cancellation shall be effective. The Policy may be canceled by **us** by mailing to the **Named Insured**, at the address shown in this Policy, written notice stating when not less than ninety (90) days thereafter such cancellation shall be effective. If **you** fail to discharge when due any of **your** obligations in connection with the payment of premium for the Policy or any installment thereof, whether payable directly to **us** or **our** agent or indirectly under a premium finance plan or extension of credit, this Policy may be canceled by **us** by mailing to the **Named Insured** at the address shown in this Policy, written notice stating when not less than ten (10) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the Policy period. Delivery of such written notice either by the **Named Insured** or by **us** shall be equivalent to mailing.

If **you** cancel, earned premium shall be computed in accordance with the customary short rate table and procedure. If we cancel, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

(G) **Changes**

Notice of any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or change in any part of this Policy or estop **us** from asserting any right under the terms of this Policy, nor shall the terms of this Policy be waived or changed, except by endorsement issued and made a part of this Policy.

(H) **First Named Insured**

The **Insured** first named in Item 1. in the **DECLARATIONS** is authorized to act on behalf of all **Named Insureds** and other **Insureds** with respect to the giving and receiving of notice of cancellation and to receiving any returned

premium that may become payable under this Policy. The **Insured** first name in Item 1. in the **DECLARATIONS** is responsible for the payment of all premiums, but the other **Named Insureds** jointly and severally agree to make such premium payments in full if the first **Named Insured** in Item 1. fails to pay the amount due within thirty (30) days after **we** give written demand for payment to the first **Named Insured** in Item 1.

(I) **Inspection and Audit.**

**We** shall have the right, but not the obligation, to inspect **your** property and operations at any time. Neither **our** right to make inspections, nor the making thereof, nor any report thereon shall constitute an undertaking, on behalf or benefit of **you** or others, to determine or warrant that such property or operations are safe or healthy.

The **Named Insured** shall maintain records of such information as is necessary for premium computation, and shall send copies of such record to **us** at the end of the Policy Period and at such times during the Policy Period as **we** may direct. **We** may examine and audit **your** books and records as they related to this Policy at any time during the Policy Period and extensions thereof and within three (3) years after the final termination of this Policy.

(J) **Liberalization Clause**

If within sixty (60) days prior to or during the Policy Period **we** adopt any revision which would broaden coverage under this Policy without additional premium, such broadened coverage will immediately apply to this Policy.

(K) **Other Insurance**

If other valid and collectible insurance with any other insurer is available to **you** covering a loss also covered hereunder, whether on a primary, excess or contingent basis, the insurance hereunder shall be in excess of, and shall not contribute with such other insurance; provided, however, this clause does not apply with respect to excess insurance purchased specifically to be in excess of this Policy, or to other insurance which is intended to provide the remainder of the Limit of Liability stated in the **DECLARATIONS** of the Policy when the insurance afforded under this Policy provides less than one hundred (100) percent of the limit set forth on the **DECLARATIONS**.

(L) **Premium**

The premium designated in the Policy **DECLARATIONS** is flat and not adjustable, unless:

- (1) A material exposure is added under the Policy;
- (2) The Limits of Liability are increased or decreased;
- (3) The Policy is restricted or broaden by endorsement; or
- (4) The Policy Period is increased or shortened.

(M) **Subrogation**

**We** shall be subrogated to the extent of any payment hereunder, to all of **your** rights of recovery and **you** shall do nothing after loss to prejudice such rights and shall do everything necessary to secure such rights. **You** may elect to waive **your** right to subrogation prior to a loss. To the extent the **Named Insured** elects to waive such rights, **we** shall have no right of subrogation. Any amount recovered shall be apportioned as follows:

Any interest, including yours, having paid an amount in excess of **your Retained Limit** plus the Limit of Liability hereunder shall be reimbursed first to the extent of actual payment. **We** shall be reimbursed next, to the extent of **our** actual payment hereunder. If any balance then remains unpaid, it shall be applied to reimburse you. The expenses of all such recovery proceedings shall be apportioned in the ratio of the respective



recoveries. If there is no recovery in proceedings conducted solely by **you**, then **you** shall bear the expenses thereof.

(N) **Your Duties in the Event of Occurrence, Wrongful Act, Claim or Suit.**

- (1) In the event of an **Occurrence** or **Wrongful Act** that is reasonably likely to involve **us**, written notice containing particulars sufficient to identify **you** and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of any injured persons and witnesses, shall be given by or for **you** to **us** or any of **our** authorized agents as soon as practicable after **your** Risk Manager, Chief Risk Officer, Assistant Vice Chancellor for Risk Management or a Chief Executive Officer of the **Named Insured** has knowledge of the **Occurrence** or **Wrongful Act**.
- (2) If **Claim** is made or **Suit** is brought against **you** that is reasonably likely to involve **us**, **you** shall immediately forward to **us** every demand, notice, summons or other process received by **you** or **your** representatives.
- (3) **You** shall cooperate with **us** and upon **our** request assist in making settlements, in the conduct of **Suits** and in enforcing any right of contribution or indemnity against any person or organization who may be liable to **you** because of **Personal Injury, Property Damage** or **Public Official's Errors and Omissions** with respect to which insurance is afforded under this Policy; and **you** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. **You** will not, except at **your** own cost, voluntarily make any payment, assume any obligation or incur any expense; however, in the event that the amount of **Ultimate Net Loss** becomes certain either through trial court judgment or agreement among **you**, the claimant and **us**, **you** may pay the amount of **Ultimate Net Loss** to the claimant to effect settlement and upon submission of due proof thereof, **we** shall indemnify **you** for that part of such payment which is in excess of your **Retained Limit**, or upon **your** request, make such payment to the claimant on **your** behalf.
- (4) In the event of an **Occurrence** or **Wrongful Act**, which is reserved at greater than or equal to fifty (50) percent of **your** retention, **you** shall:
  - (a) Report said **Occurrence** or **Wrongful Act**; or
  - (b) Regardless of the reserve amount, report losses without regard to liability falling within the following classifications:
    - (I) Fatalities;
    - (II) Spinal cord or brain injuries;
    - (III) Amputations;
    - (IV) Loss of sight;
    - (V) Severe burns;
    - (VI) Serious head injury;
    - (VII) Psycho-neurotic disorders;
    - (VIII) Serious loss of use of any body functions;
    - (IX) Long term hospitalization; or
    - (X) Paralysis;
    - (XI) Civil Rights Allegations, including allegations involving police and law enforcement;
    - (XII) Sexual Abuse or Molestation.
- (5) Whenever **you** have information from which **you** may reasonably conclude that an **Occurrence** or **Wrongful Act** covered hereunder involves injuries or **Damages**, which in the event that **you** shall be held liable, are likely to involve this Policy, notice shall be sent to **us** as soon as practicable; provided, however, that failure to give notice of any **Occurrence** or **Wrongful Act** which at the time of its happening did not appear to involve this Policy, but which at a later date would appear to give rise to **Claims** hereunder, shall not prejudice such **Claims**.

Such notice is to be sent with all pertinent facts as respects Item (O) of **CONDITIONS** to:

YORK Claims Service, Inc.  
99 Cherry Hill Road, Suite 102  
Parsippany, New Jersey 07054  
Attn: Jenai A. Russell, Manager  
Fax: (973) 404-9034  
Telephone: 1-866-391-9675 (YORK)  
Email: [4068ironshorecasualty@york-claims.com](mailto:4068ironshorecasualty@york-claims.com)  
Website: [www.york-claims.com](http://www.york-claims.com)

YORK Client Code for Ironshore Casualty: 4068

Key Contacts:

Jenai A. Russell, Manager, YORK Claims Intake Center  
Telephone: (973) 404-1155  
Email: [jenai.russell@york-claims.com](mailto:jenai.russell@york-claims.com)

Diane De Cristo, Director, Client Services  
Telephone: (908) 595-0248  
Email: [diane.decristo@york-claims.com](mailto:diane.decristo@york-claims.com)

Ironshore Specialty Insurance Company by:



Secretary



President



**IRONSHORE SPECIALTY INSURANCE COMPANY**

Mailing Address:  
75 Federal Street  
5th Floor  
Boston, MA 02110  
Toll Free: (877) IRON411

**ENDORSEMENT # 1**

**Policy Number:** 000541305

**Effective Date of Endorsement:** July 01, 2015

**Insured Name:** California State University Risk Management Authority (CSURMA); California State University (CSU);

Auxiliary Organizations Risk Management Alliance (AORMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SCHEDULE OF ENDORSEMENTS**

(ATTACHED TO THE POLICY AT INCEPTION)

- |                  |  |
|------------------|--|
| 1. MANU.END.001  | Schedule of Endorsements   |
| 2. MANU.END.002  | Named Insured Endorsement - CAMPUSES   |
| 3. MANU.END.003  | Named Insured Endorsement - AUXILIARIES  |
| 4. MANU.END.004  | Amendatory Endorsement – Automatic Additional Insured Required by Written Contract |
| 5. MANU.END.005  | Crisis <i>Threesixty</i> Amendatory Endorsement                                    |
| 6. MANU.END.006  | Amendment - Reporting Requirement - CSU Sacramento Capital Public Radio            |
| 7. MANU.END.007  | Act of Terrorism Retention Endorsement   |
| 8. MANU.END.008  | Evacuation Expenses Reimbursement Endorsement                                      |
| 9. MANU.END.009  | Service of Suit  |
| 10. MANU.END.010 | Minimum Earned Premium   |
| 11. MANU.END.011 | Amendment - Expanded Coverage Territory  |
| 12. MANU.END.012 | Violations of Economic Trade Sanctions Endorsement                                 |
| 13. MANU.END.013 | Amendment – Unmanned Aerial Vehicles   |

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

  
\_\_\_\_\_  
Authorized Representative

September 3, 2015  
Date



## IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:  
75 Federal Street  
5th Floor  
Boston, MA 02110  
Toll Free: (877) IRON411

### ENDORSEMENT # 2

**Policy Number:** 000541305

**Effective Date of Endorsement:** July 01, 2015

**Insured Name:** California State University Risk Management Authority (CSURMA); California State University (CSU);  
Auxiliary Organizations Risk Management Alliance (AORMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## NAMED INSURED ENDORSEMENT CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY (CSURMA) – CAMPUSES

This endorsement modifies insurance provided under the following:  
SPECIAL EXCESS LIABILITY POLICY FOR PUBLIC ENTITIES

**ITEM 1: NAMED INSURED**, as shown on the Declarations, is completed to read as follows:

California State University Risk Management Authority (CSURMA)  
The State of California as respects the Trustees of the California State University  
The California State University (CSU)

In addition, the following persons, entities, and organizations (members) are included as **Named Insureds** under this Policy:

### CAMPUSES:

1. California State University, Office of the Chancellor
2. California State University, Bakersfield
3. California State University, Channel Islands
4. California State University, Chico
5. California State University, Dominguez Hills
6. California State University, East Bay
7. California State University, Fresno
8. Humboldt State University
9. California State University, Fullerton
10. California State University, Long Beach
11. California State University, Los Angeles
12. California Maritime Academy
13. California State University, Monterey Bay
14. California State University, Northridge
15. California State Polytechnic University, Pomona

16. California State University, Sacramento
17. California State University, San Bernardino
18. San Diego State University
19. San Francisco State University
20. San Jose State University
21. California Polytechnic State University, San Luis Obispo
22. California State University, San Marcos
23. California State University, Stanislaus
24. Sonoma State University

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



\_\_\_\_\_  
Authorized Representative

September 3, 2015

Date



**IRONSHORE SPECIALTY INSURANCE COMPANY**

Mailing Address:  
 75 Federal Street  
 5th Floor  
 Boston, MA 02110  
 Toll Free: (877) IRON411

**ENDORSEMENT # 3**

**Policy Number:** 000541305

**Effective Date of Endorsement:** July 01, 2015

**Insured Name:** California State University Risk Management Authority (CSURMA); California State University (CSU);  
 Auxiliary Organizations Risk Management Alliance (AORMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NAMED INSURED ENDORSEMENT  
 CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY (CSURMA) -  
 AUXILIARIES**

This endorsement modifies insurance provided under the following:  
 SPECIAL EXCESS LIABILITY POLICY FOR PUBLIC ENTITIES

**ITEM 1: NAMED INSURED**, as shown on the Declarations, is completed to read as follows:

California State University Risk Management Authority (CSURMA)  
 Auxiliary Organizations of the California State University

In addition, the following persons, entities, and organizations (members) are included as Named Insureds under this Policy:

	<u>Campus</u>	<u>Auxiliary Organizations</u>
1.	Bakersfield	California State University, Bakersfield Auxiliary for Sponsored Programs
2.	Bakersfield	Associated Students, California State University, Bakersfield, Inc.
3.	Bakersfield	California State University, Bakersfield Foundation
4.	Bakersfield	California State University, Bakersfield Student Union, Inc.,
5.	Chancellor’s Office	California State University Foundation
6.	Chancellor’s Office	California State University Institute
7.	Channel Islands	Associated Students of California State University, Channel Islands, Inc.
8.	Channel Islands	California State University Channel Islands Foundation
9.	Channel Islands	University Glen Corporation
10.	Chico	Associated Students of California State University, Chico
11.	Chico	The CSU Chico Research Foundation
12.	Chico	The University Foundation, California State University, Chico
13.	Dominguez Hills	Associated Students, California State University, Dominguez Hills
14.	Dominguez Hills	California State University, Dominguez Hills Foundation
15.	Dominguez Hills	California State University, Dominguez Hills Philanthropic Foundation
16.	Dominguez Hills	Donald P. and Katherine B. Loker University Student Union, Incorporated

17.	East Bay	Associated Students, California State University, East Bay
18.	East Bay	California State University, East Bay Foundation, Inc.
19.	East Bay	Cal State East Bay Educational Foundation
20.	Fresno	Associated Students Inc., of California State University, Fresno
21.	Fresno	California State University, Fresno Association, Inc.
22.	Fresno	California State University, Fresno Foundation
23.	Fresno	Fresno State Programs for Children, Inc.
24.	Fresno	The Agricultural Foundation of California State University , Fresno
25.	Fresno	The California State University, Fresno Athletic Corporation
26.	Fullerton	Associated Students, California State University, Fullerton, Inc.
27.	Fullerton	CSU Fullerton Auxiliary Services Corporation
28.	Fullerton	Cal State Fullerton Philanthropic Foundation
29.	Humboldt	Associated Students, Humboldt State University
30.	Humboldt	Humboldt State University Advancement Foundation
31.	Humboldt	Humboldt State University Sponsored Programs Foundation
32.	Humboldt	Humboldt State University Center Board of Directors
33.	Long Beach	Associated Students, California State University, Long Beach
34.	Long Beach	California State University, Long Beach Research Foundation
35.	Long Beach	Forty-Niner Shops, Inc. CSU Long Beach
36.	Long Beach	CSULB 49er Foundation
37.	Los Angeles	Associated Students, California State University, Los Angeles, Inc.
38.	Los Angeles	Cal State L.A. University Auxiliary Services, Inc.
39.	Los Angeles	California State University, Los Angeles Foundation
40.	Los Angeles	University - Student Union Board, California State University , Los Angeles
41.	Maritime Academy	The Associated Students of the California Maritime Academy
42.	Maritime Academy	California Maritime Academy Foundation, Inc.
43.	Monterey Bay	Foundation of California State University, Monterey Bay
44.	Monterey Bay	The University Corporation at Monterey Bay
45.	Northridge	Associated Students, California State University, Northridge, Inc.
46.	Northridge	California State University, Northridge Foundation
47.	Northridge	North Campus University Park Development Corporation
48.	Northridge	The University Corporation, CSU Northridge
49.	Northridge	University Student Union of California State University, Northridge
50.	Pomona	Associated Students Inc., California State Polytechnic University , Pomona
51.	Pomona	The Cal Poly Pomona Foundation, Inc.
52.	Sacramento	Associated Students of California State University, Sacramento
53.	Sacramento	Capital Public Radio, Inc., CSU Sacramento
54.	Sacramento	The University Foundation at Sacramento State
55.	Sacramento	University Enterprises, Inc., CSU Sacramento
56.	Sacramento	University Union Operation of CSUS, Inc.
57.	San Bernardino	Associated Students Inc., California State University , San Bernardino
58.	San Bernardino	University Enterprises Corporation at CSUSB
59.	San Bernardino	Santos Manuel Student Union of California State University, San Bernardino
60.	San Bernardino	CSUSB Philanthropic Foundation
61.	San Diego	Associated Students, San Diego State University
62.	San Diego	Aztec Shops, LTD, San Diego State University
63.	San Diego	San Diego State University Research Foundation
64.	San Diego	The Campanile Foundation
65.	San Francisco	Associated Students Inc., San Francisco State University
66.	San Francisco	San Francisco State University Foundation
67.	San Francisco	The University Corporation, San Francisco State



68.	San Jose	Associated Students, San Jose State University
69.	San Jose	San Jose State University Research Foundation
70.	San Jose	Spartan Shops, Inc., San Jose State University
71.	San Jose	The Student Union of San Jose State University
72.	San Jose	The Tower Foundation, San Jose State University
73.	San Luis Obispo	Associated Students Inc., California Polytechnic State University at San Luis Obispo
74.	San Luis Obispo	Cal Poly Corporation
75.	San Luis Obispo	California Polytechnic State University Foundation
76.	San Marcos	The Associated Students of California State University , San Marcos
77.	San Marcos	California State University San Marcos Foundation
78.	San Marcos	San Marcos University Corporation
79.	San Marcos	University Auxiliary and Research Services Corporation 83.
80.	Sonoma	Associated Students of Sonoma State University
81.	Sonoma	Sonoma State University Academic Foundation, Inc.
82.	Sonoma	Sonoma State Enterprises, Inc.
83.	Stanislaus	Associated Students Inc., California State University, Stanislaus
84.	Stanislaus	California State University, Stanislaus Auxiliary and Business Services
85.	Stanislaus	California State University , Stanislaus Foundation
86.	Stanislaus	University Student Union of California State University , Stanislaus
87.	All Campuses	Auxiliary Organization Associations
88.	All Campuses	Auxiliaries Multiple Employer VEBA

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



\_\_\_\_\_  
Authorized Representative

September 3, 2015

Date



**IRONSHORE SPECIALTY INSURANCE COMPANY**

Mailing Address:  
75 Federal Street  
5th Floor  
Boston, MA 02110  
Toll Free: (877) IRON411

**ENDORSEMENT # 4**

**Policy Number:** 000541305

**Effective Date of Endorsement:** July 01, 2015

**Insured Name:** California State University Risk Management Authority (CSURMA); California State University (CSU);  
Auxiliary Organizations Risk Management Alliance (AORMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDATORY ENDORSEMENT  
AUTOMATIC ADDITIONAL INSURED REQUIRED BY WRITTEN CONTRACT**

This endorsement modifies insurance provided under the following:

SPECIAL EXCESS LIABILITY POLICY FOR PUBLIC ENTITIES

SCHEDULE OF ADDITIONAL INSURED(S)		
ADDITIONAL INSURED	SPECIFIED CONTRACT	CONTRACT DATE
<b>WHERE REQUIRED BY WRITTEN CONTRACT</b>		

SPECIAL NOTE: THIS POLICY PROVIDES INSURANCE IN EXCESS OF A **RETAINED LIMIT**. THE ADDITIONAL INSURED(S) LISTED ABOVE WILL BE SUBJECT TO THE SAME POLICY TERMS, CONDITIONS AND LIMITATIONS PROVIDED TO THE **NAMED INSURED**.

This policy is amended as follows:

1. Any person(s), entity (ies) or organization(s) listed in the Schedule of this endorsement to whom the **Named Insured** is obligated by virtue of a written contract to provide insurance solely with respect to **personal injury** and **property damage** is an additional insured with regard to liability and defense of **claims** or **suits** arising from the operations and uses performed by or on behalf of the **Named Insured**.
2. The Limits of Insurance afforded under this endorsement to such person(s), entity(ies) or organization(s) will be limited to the limits of insurance required within the terms of the written contract or the limit of insurance of this policy, whichever is less. We will not be obligated for limits of insurance indicated in the written contract that are greater than the limits of insurance of this policy.
3. With respect to **claims** arising out of the operations and uses performed by or on behalf of the **Named Insured**, such insurance coverages afforded the Above-Named Additional Insured under the policy shall be considered the primary coverage, but will apply in excess of the **Named Insured's retained limit**. We shall not seek contribution from the other insurance held by the person(s), entity(ies), or organization(s) named above for amounts payable under this insurance.

This condition applies only with respect to liability for **personal injury** or **property damage** arising out of the negligent acts of the **Named Insured**.

4. Each insurance coverage under the policy shall apply separately to each Above-Named Additional Insured against whom **claim** is made or **suit** is brought except with respect to the limits of insurance afforded to the Additional Insured under the policy procured by the **Named Insured**.
5. However, Paragraphs 1, 2, 3, and 4 above do not apply to a person(s), entity(ies), or organization(s) unless the **Named Insured** had a specific written contract from that person(s), entity(ies) or organization(s) that requires that:
  - a. This insurance be primary;
  - b. They be an additional insured under this policy; and
  - c. The **Named Insured** received such request prior to the date that the **Named Insured's** operations for that person(s), entity(ies) or organization commenced.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



\_\_\_\_\_  
Authorized Representative

September 3, 2015

Date



## IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:  
75 Federal Street  
5th Floor  
Boston, MA 02110  
Toll Free: (877) IRON411

### ENDORSEMENT # 5

**Policy Number:** 000541305

**Effective Date of Endorsement:** July 01, 2015

**Insured Name:** California State University Risk Management Authority (CSURMA); California State University (CSU);  
Auxiliary Organizations Risk Management Alliance (AORMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## CRISIS THREESIXTY<sup>SM</sup> AMENDATORY ENDORSEMENT

This policy is amended as follows:

**Section I., INSURING AGREEMENT** is amended to include the following additional provision:

### **Section I. INSURING AGREEMENT – Coverage F CRISIS ThreeSixty**

#### **A. Crisis ThreeSixty**

We will advance **Crisis ThreeSixty Costs** directly to third parties on behalf of the **Named Insured**, regardless of fault, arising from a **Crisis Management Event** first commencing during the **Policy Period**, up to the amount of the **Crisis ThreeSixty Limit of Insurance**.

#### **B. Specialty Casualty Fund**

We will pay **Crisis Management Loss** on behalf of the **Named Insured** arising from a **Crisis Management Event** first commencing during the **Policy Period**, up to the amount of the **Specialty Casualty Fund Limit of Insurance**.

C. A **Crisis Management Event** will first commence at the time during the **Policy Period** when a **Key Executive** first becomes aware of an **Occurrence** that gives rise to a **Crisis Management Event** and will end when we determine in good faith that a crisis no longer exists or when the **Crisis ThreeSixty Limit of Insurance** has been exhausted, whichever occurs first.

D. There will be no **Retained Limit** applicable to **Crisis ThreeSixty Costs** or **Crisis Management Loss**.

E. Any advancement of **Crisis ThreeSixty Costs** or payment of **Crisis Management Loss** that we make under the coverage provided by this **Section I. Coverage F** will not be a determination of our obligations under this policy, nor create any duty to defend any **Suit** under any other part of this policy.

**Section III., Your Retained Limit – Our Limit of Liability** is amended to include the following additional provisions:

The **Crisis ThreeSixty Limit of Insurance** is the most we will pay for all **Crisis ThreeSixty Costs** under this policy, regardless of the number of **Crisis Management Events** first commencing during the **Policy Period**. This **Crisis ThreeSixty Limit of Insurance** will be in addition to the applicable **Limit of Insurance**.

**The Specialty Casualty Fund Limit of Insurance** is the most we will pay for all **Crisis Management Loss** under this policy, regardless of the number of **Crisis Management Events** first commencing during the **Policy Period**. **This Specialty Casualty Fund Limit of Insurance** will be in addition to the applicable **Limit Of Insurance**.

We will have no obligation to advance **Crisis ThreeSixty Costs** when we determine in good faith that **Crisis Management Event** has ended or when the **Crisis ThreeSixty Limit of Insurance** has been exhausted, whichever occurs first.

It is further understood and agreed, that **Item 3** of the **Declarations Page** is amended to include the following additional limits:

- 3B (6)** \$100,000 **Crisis ThreeSixty Limit of Insurance**
- 3B (7)** \$50,000 **Specialty Casualty Fund Limit of Insurance**

**Section VIII., Conditions** is amended to include the following additional condition as respects **Crisis ThreeSixty** only:

**(O) (6) Your Duties in the Event of an Occurrence, Wrongful Act, Claim or Suit** as respects to **Crisis ThreeSixty**:

You must report any **Crisis Management Event** to us within twenty-four (24) hours of the time that a **Key Executive** first becomes aware of an **Occurrence** that gives rise to a **Crisis Management Event**, or as soon as practicable thereafter, to be eligible for the advancement of **Crisis ThreeSixty Costs** and the payment of **Crisis Management Loss**.

### **Notice of a Crisis Management Event**

Notice of a **Crisis Management Event** may be given 24 hours / 7 days by calling Ironshore @ 1.866.795.1414.

#### **Approved Crisis Management Firms**

The following firms are approved **Crisis ThreeSixty Firms**:

Crisis Management Firms:

#### **The Abernathy MacGregor Group**

<b>501 Madison Avenue</b> New York, NY 10022 (212) 371-5999	<b>707 Wilshire Boulevard, Suite 3950</b> Los Angeles, CA 90017 (213) 630-6550
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<b>Rhonda Barnat</b> (cell) (917) 912-6378 <a href="mailto:rb@abmac.com">rb@abmac.com</a>	<b>Ian Campbell</b> (cell) (213) 422-7958 <a href="mailto:idc@abmac.com">idc@abmac.com</a>
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<b>Mike Pascale</b> (cell) (917) 860-2048 <a href="mailto:mmp@abmac.com">mmp@abmac.com</a>	<b>Charlie Sipkins</b> (cell) (310) 600-0293 <a href="mailto:cfs@abmac.com">cfs@abmac.com</a>
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**Section VII., Definitions** is amended to include the following additional definitions:

**OO. Crisis Management Event** means an **Occurrence** that in the good faith opinion of a **Key Executive** of the **Named Insured**, in the absence of **Crisis Management Services**, has or may reasonably result in:

1. damages covered by this policy that are in excess of the total applicable limits of **Scheduled Underlying Insurance** or the **Self-Insured Retention**; and
2. significant adverse regional or national media coverage.

**Crisis Management Event** will include, without limitation, man-made disasters such as explosions, major crashes, multiple deaths, burns, dismemberment, traumatic brain injury, permanent paralysis, or contamination of food, drink or pharmaceuticals, provided that any damages arising out of any of the aforementioned must be covered under this policy.

PP. **Crisis Management Firm** means any firm that is shown in Schedule A, Approved Crisis Management Firms, attached to and forming a part of this policy or any other firm that you select and we approve, which is hired by you to perform **Crisis Management Services** in connection with a **Crisis Management Event**.

QQ. **Crisis Management Loss** means the following amounts incurred during a **Crisis Management Event**:

1. amounts for the reasonable and necessary fees and expenses incurred by a **Crisis Management Firm** in the performance of **Crisis Management Services** for the **Named Insured** solely arising from a covered **Crisis Management Event**; and
2. amounts for reasonable and necessary printing, advertising, mailing of materials, or travel by directors, officers, employees or agents of the **Named Insured** or a **Crisis Management Firm** incurred at the direction of a **Crisis Management Firm**, solely arising from a covered **Crisis Management Event**.

RR. **Crisis Management Services** means those services performed by a **Crisis Management Firm** in advising the **Named Insured** on minimizing potential harm to the **Named Insured** from a covered **Crisis Management Event**.

SS. **Crisis ThreeSixty Costs** means the following reasonable and necessary expenses incurred during a **Crisis Management Event** directly caused by a **Crisis Management Event**, provided that such expenses have been pre-approved by us and may be associated with damages that would be covered by this policy:

1. Medical expenses;
2. Funeral expenses;
3. Psychological counseling;
4. Travel expenses;
5. Temporary living expenses;
6. Expenses to secure the scene of a **Crisis Management Event**; and
7. Any other expenses pre-approved by the Company.

**Crisis ThreeSixty Costs** do not include defense costs or **Crisis Management Loss**.

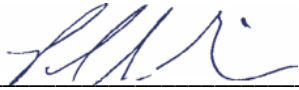
TT. **Crisis ThreeSixty Limit of Insurance** means the **Crisis ThreeSixty Limit of Insurance** shown in **item 3B (6) of the Declarations**.

UU. **Specialty Casualty Fund Limit of Insurance** means the **Specialty Casualty Fund Limit of Insurance** shown in **Item 3B (7) of the Declarations**.

VV. **Key Executive** means the Chairman, Chief Executive Officer, Chief Operating Officer, Director of Risk Management, Chief Risk Officer, Chief Financial Officer, President, General Counsel or general partner (if the **Named Insured** is a partnership) of the **Named Insured** or sole proprietor (if the **Named Insured** is a sole

proprietorship). A **Key Executive** also means any other person holding a title designated by you and approved by us, which title is shown in Schedule A, Additional Key Executives attached to and forming part of this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

A handwritten signature in blue ink, appearing to be 'S.M.', is written over a horizontal line.

Authorized Representative

September 3, 2015

Date





**IRONSHORE SPECIALTY INSURANCE COMPANY**

Mailing Address:  
75 Federal Street  
5th Floor  
Boston, MA 02110  
Toll Free: (877) IRON411

**ENDORSEMENT # 6**

**Policy Number:** 000541305

**Effective Date of Endorsement:** July 01, 2015

**Insured Name:** California State University Risk Management Authority (CSURMA); California State University (CSU);  
Auxiliary Organizations Risk Management Alliance (AORMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT - REPORTING REQUIREMENT  
CSU SACRAMENTO CAPITAL PUBLIC RADIO**

This endorsement modifies insurance provided under the following:

SPECIAL EXCESS LIABILITY POLICY FOR PUBLIC ENTITIES

**SCHEDULE**

**CSU Sacramento Capital Public Radio**

Prior Acts Time Period:

For any **Personal Injury Liability, Property Damage Liability, Public Officials' Errors and Omissions Liability or Employment Practices Liability** 11/01/02 to 11/01/07

Report Due Date: 7/01/16


Only with respect to CSU Sacramento – Capital Public Radio, the following is added to SECTION I. **INSURING AGREEMENT:**

This insurance applies to any **Personal Injury Liability, Property Damage Liability, Public officials' Errors and Omissions Liability or Employment Practices Liability**, in excess of the **Retained Limit**, occurring within the Prior Acts Time Period shown in the Schedule of this endorsement only if the **claim** or **suit** is reported to **us** by the Report Due Date shown in the Schedule of this endorsement. However, the insurance provided by this endorsement will not apply to such **Personal Injury Liability, Property Damage Liability, Public officials' Errors and Omissions Liability or Employment Practices Liability** if:

- 1. The **claim** or **suit** has been reported to or otherwise known by **you** prior to inception of this Policy;
- 2. The **claim** or **suit** has been reported under any policy whose limits of insurance have been exhausted;

3. The **claim** or **suit** is within and subject to any deductible or self-insured retention under another policy; or
4. Coverage under another policy is impaired by the other carrier's bankruptcy or insolvency

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



\_\_\_\_\_  
Authorized Representative

September 3, 2015

Date



## IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:  
75 Federal Street  
5th Floor  
Boston, MA 02110  
Toll Free: (877) IRON411

### ENDORSEMENT # 7

**Policy Number:** 000541305

**Effective Date of Endorsement:** July 01, 2015

**Insured Name:** California State University Risk Management Authority (CSURMA); California State University (CSU);  
Auxiliary Organizations Risk Management Alliance (AORMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ACT OF TERRORISM RETENTION ENDORSEMENT

Solely with respect to any **Act of Terrorism**, this policy is amended as follows:

**Section III., YOUR RETAINED LIMIT – OUR LIMIT OF LIABILITY**, is amended to include the following **Act of Terrorism Retained Limit**:

As respects all liability arising out of an **Act of Terrorism**, an **Act of Terrorism Retained Limit** in the amount of \$5,000,000 shall apply per occurrence.

The **Act of Terrorism Retained Limit** applies whether or not there is any available **Underlying Insurance** providing coverage to the **Insured** for an **Act of Terrorism**. If there is **Underlying Insurance** providing coverage to the **Insured** for an **Act of Terrorism** covered by this policy, amounts received through such **Underlying Insurance** for payment of liability arising out of the **Act of Terrorism** may be applied to reduce or exhaust the **Act of Terrorism Retained Limit**.

**Section VII., DEFINITIONS**, is amended to include the following additional definitions:

**Act of Terrorism** means:

- a. any act which is verified or recognized by the United States Government as an act of terrorism, including a certified act of terrorism defined by Section 102. Definitions, of the Terrorism Risk Insurance Act of 2002 and any revisions, amendments, or extensions thereto; or
- b. the use or threatened use of force or violence against person or property or commission of an act dangerous to human life or property or commission of an act that interferes with or disrupts an electronic or communication system undertaken by any person or group whether or not acting on behalf of or in connection with any organization, government, power, authority or military force when the effect is to intimidate, coerce or harm a government, the civilian population or any segment thereof or to disrupt any segment of the economy.

**Act of Terrorism Retained Limit** means the amount to be borne by the **Insured** for liability arising out of an **Act of Terrorism** before this policy applies.

It is understood and agreed that if any other endorsement to this policy excludes coverage for an **Act of Terrorism** arising in one or more specified countries, the provisions of such exclusion shall supersede this endorsement.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

A handwritten signature in blue ink, appearing to be 'S.M.R.', written over a horizontal line.

Authorized Representative

September 3, 2015

Date



## IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:  
75 Federal Street  
5th Floor  
Boston, MA 02110  
Toll Free: (877) IRON411

### ENDORSEMENT # 8

**Policy Number:** 000541305

**Effective Date of Endorsement:** July 01, 2015

**Insured Name:** California State University Risk Management Authority (CSURMA); California State University (CSU);  
Auxiliary Organizations Risk Management Alliance (AORMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EVACUATION EXPENSES REIMBURSEMENT ENDORSEMENT

This **SPECIAL EXCESS POLICY FOR PUBLIC ENTITIES** policy is amended as follows:

**Item 3** of the Declarations is amended to include the following additional limits:

3c. \$50,000 Evacuation Expenses Reimbursement Limit of Insurance

**Section I., INSURING AGREEMENT**, is amended to include the following additional provision:

### Evacuation Expenses Reimbursement

We will reimburse the **Named Insured** shown in Item 1 of the Declarations for **Evacuation Expenses** actually paid by the **Named Insured** in connection with a single **Evacuation Event** occurring during the **Policy Period** shown in Item 2 of the Declarations, up to the amount of the **Evacuation Expenses Reimbursement Limit of Insurance**.

**Section III., YOUR RETAINED LIMIT – OUR LIMIT OF LIABILITY**, is amended to include the following additional provisions:

The **Evacuation Expenses Reimbursement Limit of insurance** is the most we will pay for all **Evacuation Expenses** under this policy. This **Evacuation Expenses Reimbursement Limit of Insurance** will be in addition to the applicable **Limits of Liability** shown in Item 3a and 3b of the Declarations.

We will pay **Evacuation Expenses** for only one **Evacuation Event** occurring during the **Policy Period** shown in Item 2 of the Declarations, regardless of the number of **Evacuation Events** occurring during the **Policy Period**.

**Section VIII., CONDITIONS O, YOUR DUTIES IN THE EVENT OF OCCURRENCE, WRONGFUL ACT, CLAIM, OR SUIT**, is amended to include the following additional condition as respects **Evacuation Expenses Reimbursement** only:

You must report any **Evacuation Event** to us within forty-eight (48) hours of the time that a **Key Executive** first becomes aware of an **Occurrence** that gives rise to an **Evacuation Event**, or as soon as practicable thereafter, to be eligible for **Evacuation Expenses Reimbursement**.

## Notice of an Evacuation Event

Notice of an **Evacuation Event** may be given 24 hours / 7 days by calling Ironshore @ 1.866.795.1414.

**Section VII., DEFINITIONS**, is amended to include the following additional definitions:

**Evacuation Event** means the removal from one or more of the Named Insured's facilities to any other location of a majority of the occupants of such facility(ies) as a result of any natural or man-made **Occurrence** that, in the reasonable judgment of one or more **Key Executives** of the **Named Insured**, causes or could potentially cause such facility(ies) to be unsafe for such occupants.

**Evacuation Expenses** means reasonable costs incurred in connection with an **Evacuation Event**, including costs associated with transporting and lodging occupants who have been evacuated. **Evacuation Expenses** does not include any remuneration, salaries, overhead or benefit expenses of the **Named Insured**.

**Evacuation Expenses Reimbursement** means the **Evacuation Expenses Reimbursement Limit of Insurance** shown in **Item 3c.** of the Declarations.

**Key Executive** means the Chairman, Chief Executive Officer, Chief Operating Officer, Director of Risk Management, Chief Risk Officer, Chief Financial Officer, President, General Counsel or general partner (if the **Named Insured** is a partnership) of the **Named Insured** or sole proprietor (if the **Named Insured** is a sole proprietorship). A **Key Executive** also means any other person holding a title designated by you and approved by us, which title is shown in Schedule A, Additional Key Executives attached to and forming part of this policy.

**Occurrence** means an accident, offense or event, including continuous, repeated, or related exposure to substantially the same generally harmful conditions, which results in an **Evacuation Event** that is neither expected nor intended from the standpoint of the **Insured**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



\_\_\_\_\_  
Authorized Representative

September 3, 2015

Date



**IRONSHORE SPECIALTY INSURANCE COMPANY**

Mailing Address:  
75 Federal Street  
5th Floor  
Boston, MA 02110  
Toll Free: (877) IRON411

**ENDORSEMENT # 9**

**Policy Number:** 000541305

**Effective Date of Endorsement:** July 01, 2015

**Insured Name:** California State University Risk Management Authority (CSURMA); California State University (CSU);  
Auxiliary Organizations Risk Management Alliance (AORMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SERVICE OF SUIT**

In the event of the Company's failure to pay any amount claimed to be due hereunder, the Company, at the request of the Insured will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the law; of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Legal Department, Ironshore Holdings, U.S. Inc., One State Street Plaza, 7<sup>th</sup> Floor, New York, NY 10004, or his or her representative, and that in any suit instituted against the Company upon this contract, the Company will abide by the final decision of such court or of any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefore, the Company hereby designates the Superintendent, Commissioner, or Director of Insurance, other officer specified for that purpose in the statute, or his or her successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of an Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

  
\_\_\_\_\_  
Authorized Representative

September 3, 2015  
Date





**IRONSHORE SPECIALTY INSURANCE COMPANY**

Mailing Address:  
75 Federal Street  
5th Floor  
Boston, MA 02110  
Toll Free: (877) IRON411

**ENDORSEMENT # 10**

**Policy Number:** 000541305

**Effective Date of Endorsement:** July 01, 2015

**Insured Name:** California State University Risk Management Authority (CSURMA); California State University (CSU);  
Auxiliary Organizations Risk Management Alliance (AORMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**MINIMUM EARNED PREMIUM**

It is understood and agreed that in the event of cancellation of this policy by or at the direction of the insured, the Company shall retain a Minimum Earned Premium of 35%.

It is further agreed that the provision regarding cancellation by the insured is amended to read:

“If the Insured cancels this policy, earned premium will be computed in accordance with the customary short-rate table and procedure, or the Minimum Earned Premium stated herein, whichever is greater”.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

  
\_\_\_\_\_  
Authorized Representative

September 3, 2015  
Date



## IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:  
75 Federal Street  
5th Floor  
Boston, MA 02110  
Toll Free: (877) IRON411

### ENDORSEMENT # 11

**Policy Number:** 000541305

**Effective Date of Endorsement:** July 01, 2015

**Insured Name:** California State University Risk Management Authority (CSURMA); California State University (CSU);  
Auxiliary Organizations Risk Management Alliance (AORMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## AMENDMENT - EXPANDED COVERAGE TERRITORY

This endorsement modifies insurance provided under the following:

SPECIAL EXCESS LIABILITY POLICY FOR PUBLIC ENTITIES

**SECTION IV. POLICY PERIOD - TERRITORY** is deleted in its entirety and replaced by the following:

### **SECTION IV. POLICY PERIOD - EXPANDED COVERAGE TERRITORY**

The Policy Period commences on the effective date shown in the **DECLARATIONS**. The Policy Period ends on the earlier of either the expiration date or the effective date of cancellation of this Policy. If a person or organization becomes an **Insured** under this Policy after the effective date, the Policy Period for that person or organization begins on the date the person or organization became an **Insured**.

This Policy applies to **Personal Injury, Property Damage, Public Official's Errors and Omissions, Employment Practices Claims, or Employee Benefits Wrongful Acts** arising out of an **Occurrence** or a **Wrongful Act** that takes place during the Policy Period, in the Expanded Coverage Territory, subject to the following:

1. If a **Claim** is made and a **Suit** is brought for such **Occurrence** or **Wrongful Act** in the United States of America, we will pay on your behalf the **Ultimate Net Loss** in excess of **your Retained Limit** hereinafter stated, which you become legally obligated to pay as **Damages**, to which this Policy applies caused by an **Occurrence** or a **Wrongful Act** that takes place during the Policy Period.
2. If a **Claim** is made and a **Suit** is brought for such **Occurrence** or **Wrongful Act** that is within the Expanded Coverage Territory but outside the United States of America, the **Insured** will initiate a defense of the **Claim** or **Suit** and **we** will indemnify the **Insured** for **Ultimate Net Loss** in excess of **your Retained Limit** hereinafter stated, which you become legally obligated to pay as **Damages**, to which this Policy applies caused by an **Occurrence** or a **Wrongful Act** that takes place during the Policy Period. We will, however, have the right, but not the duty, to participate in the defense of any **Suit** and the investigation of any **Claim** to which this Policy may apply, and the **Insured** shall cooperate fully with us in such participation. If we exercise this right, we will do so at our own expense.
3. 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.

4. 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 payment of **Damages**.

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.

The following definition is added to **SECTION VII. DEFINITIONS: Expanded 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.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



\_\_\_\_\_  
Authorized Representative

September 3, 2015

Date



**IRONSHORE SPECIALTY INSURANCE COMPANY**

Mailing Address:  
75 Federal Street  
5th Floor  
Boston, MA 02110  
Toll Free: (877) IRON411

**ENDORSEMENT # 12**

**Policy Number:** 000541305

**Effective Date of Endorsement:** July 01, 2015

**Insured Name:** California State University Risk Management Authority (CSURMA); California State University (CSU);  
Auxiliary Organizations Risk Management Alliance (AORMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**VIOLATION OF ECONOMIC OR TRADE SANCTIONS**

This policy is amended as follows:

**SECTION VIII. CONDITIONS** is amended to include the following additional condition:

**Violation of Economic or Trade Sanctions**

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

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

  
\_\_\_\_\_  
Authorized Representative

September 3, 2015  
Date



## IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:  
75 Federal Street  
5th Floor  
Boston, MA 02110  
Toll Free: (877) IRON411

Endorsement # 13

Policy Number: 000541305

Effective Date of Endorsement: July 01, 2015

Insured Name: California State University Risk Management Authority (CSURMA); California State University (CSU);  
Auxiliary Organizations Risk Management Alliance (AORMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### AMENDMENT - UNMANNED AERIAL VEHICLES

This endorsement modifies insurance provided under the following:  
SPECIAL EXCESS LIABILITY POLICY FOR PUBLIC ENTITIES

**SECTION VI. EXCLUSIONS, (E)** is deleted in its entirety and replaced by the following:

(E) To liability arising out of the ownership, maintenance, **Loading** or **Unloading**, use of, or operation of any **Aircraft**, airfields, runways, hangars, buildings, or other properties in connection with aviation activities.

This exclusion shall not apply to:

1. **Loading** or **Unloading** of **Aircraft** by paramedics, nurses or emergency medical technicians employed by **you** in the course of medical treatment.
2. Static aircraft used for instructional aircraft maintenance training, and classroom or travel activity associated with an **Aircraft** program or curriculum (non-flight purposes only).
3. Those areas open to the public for the purpose of entering, leaving, or using the airport facilities (including parking lots, and garages) or to liability arising out of the ownership, operation, rental, or loan of vehicles licensed for highway use while being operated away from the premises of any airfield.
4. **Unmanned Aerial Vehicles.**
5. Class 1. Amateur Rockets, as defined by the U.S. Department of Transportation, Federal Aviation Administration, Procedures for Handling Airspace Matters, Order JO 7400.2K, Effective Date: April 3, 2014, Chapter 31. Amateur Rocket and Commercial Space Operations, Section 1. General, 31-1-5. DEFINITIONS, c. Amateur Rocket Class 1 a model rocket that uses no more than 125 grams (4.4 ounces) of propellant; uses a slow-burning propellant; is made of paper, wood, or breakable plastic; contains no substantial metal parts; and weighs no more than 1,500 grams (53 ounces) including the propellant.

**SECTION VII. DEFINITIONS**, is amended as follows:

1. Definition **(A) Aircraft** is deleted in its entirety and replaced by the following:

**Aircraft** means any machine supported in the air by buoyancy or by the dynamic action of air on its surfaces including airplanes, helicopters, gliders, **Unmanned Aerial Vehicles** (aka "Drones"), rockets, satellites, and missiles.

The following definition is added to **SECTION VII. DEFINITIONS**:

**Unmanned Aerial Vehicle** (aka: "Drone") means any vehicle designed to fly in the air with no onboard pilot or crew used principally for the transport of equipment that has a flight weight of 100 lbs or less (flight weight includes the aircraft itself, fuel and other fluids, and all payload), and is used for research and/or educational purposes.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.



\_\_\_\_\_  
Authorized Representative

September 3, 2015  
Date



**ALLIED WORLD ASSURANCE COMPANY (U.S.) INC.**

199 Water Street, 24<sup>th</sup> Floor, New York, NY 10038 • Tel (646) 794-0500 • Fax (646) 794-0611

**FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY**

Policy No: 0305-7227

New/Renewal of: 0305-7227

IN RETURN FOR PAYMENT OF THE MINIMUM AND ADVANCE PREMIUM STATED IN ITEM 7. (a) BELOW, IN RELIANCE UPON THE STATEMENTS IN THE DECLARATIONS BELOW, AND SUBJECT TO THE LIMITS OF INSURANCE, EXCLUSIONS, CONDITIONS AND OTHER TERMS OF THIS **POLICY**; THE **COMPANY** AGREES WITH THE NAMED **INSURED** DESIGNATED IN ITEM 1. (a) BELOW TO PROVIDE THE INSURANCE AS STATED IN THIS **POLICY**.

**DECLARATIONS**

- ITEM 1: (a) **NAMED INSURED:** California State University Risk Management Authority (CSURMA)
- (b) **ADDRESS:** 401 Golden Shore  
Long Beach, CA 90802
  
- ITEM 2. **POLICY PERIOD:** From: July 1, 2015 To: July 1, 2016  
[12:01 A.M. standard time at the address stated in Item 1. (b) above]
  
- ITEM 3. **RETROACTIVE DATE:** N/A
  
- ITEM 4: **LIMITS OF THIS INSURANCE:**
  - (a) US\$10,000,000 Each Occurrence Limit
  - (b) US\$10,000,000 Products-Completed Operations Aggregate Limit
  - (c) US\$10,000,000 Other Aggregate Limit (where applicable)
  
- ITEM 5: **LIMITS OF UNDERLYING EXCESS INSURANCE: See Schedule of Underlying Insurance**
  - US\$ Each Occurrence Limit
  - US\$ Products-Completed Operations Aggregate Limit
  - US\$ Other Aggregate Limit (where applicable)
  
- ITEM 6: **FOLLOWED POLICY: See Schedule of Underlying Insurance**
  - Company:
  - Policy Number:
  - Coverage:
  - Policy Period: From: To:
  - Limits of Liability:
    - US\$ Each Occurrence Limit
    - US\$ Products-Completed Operations Aggregate Limit
    - US\$ Other Aggregate Limit (where applicable)
  
- ITEM 7: (a) **MINIMUM AND ADVANCE PREMIUM:**
- (b) **MINIMUM EARNED PREMIUM:**



ITEM 8. NOTICES TO THE **COMPANY**:

(a) All notices of occurrence, claim, suit, or proceeding: ALLIED WORLD ASSURANCE COMPANY (U.S.) INC.  
ATTN: CLAIMS DEPARTMENT  
199 WATER STREET, 29<sup>TH</sup> FLOOR  
NEW YORK, NY 10038

FACSIMILE: 646-794-0811  
E-MAIL: [AWACUS.GeneralCasualtyClaims@awac.com](mailto:AWACUS.GeneralCasualtyClaims@awac.com)

(b) All other notices: ALLIED WORLD ASSURANCE COMPANY (U.S.) INC.  
ATTN: GENERAL CASUALTY  
199 WATER STREET, 24<sup>TH</sup> FLOOR  
NEW YORK, NY 10038

FACSIMILE: 646-794-0611

ITEM 9: (a) Representative of **Insured**: AmWINS Insurance Brokerage of California, LLC  
(b) Address: 21550 Oxnard Street, Suite 1100  
Woodland Hills, CA 91367

**Date of Issuance: September 16, 2015**

In Witness Whereof, the Insurer has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by a duly authorized representative of the Insurer.



President



Asst. Secretary



**AUTHORIZED REPRESENTATIVE**

Policy Number: 0305-7227

**Named Insured: California State University Risk Management Authority (CSURMA)**

Effective Date: July 1, 2015

12:01 A.M., Standard Time

**SCHEDULE OF FORMS AND ENDORSEMENT**

The following forms and endorsements are made a part of this policy:

<b><u>Endorsement Number</u></b>	<b><u>Form # / Edition</u></b>	<b><u>Title</u></b>
	GL 00139 00 (12/11)	Awac - U.S. Follow-Form Occurrence - Claims-Made Declarations
1	00157 (11/05)	Schedule of Underlying Insurance
2	00136 (11/05)	U.S. Treasury Departments Office Of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders
3	00174 (11/05)	Non-Followed Endorsements of the Followed Policy
4	00241 (11/05)	Asbestos Exclusion
5	GL 00366 00 (09/11)	Follow-Form Other Aggregate Limit
6	GL 00367 00 (09/11)	Follow-Form Products-Completed Operations Aggregate Limit
7	GL 00390 00 (07/13)	Claims Reporting Amendment (Amendment of Condition F. Duties In the Event of Occurrence, Claim or Suit
8	CS Manu A	California Amendatory Endorsement
	GL 00126 00 (06/07)	Policy Form

**Endorsement No.: 1**

This Endorsement, effective: July 1, 2015  
(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)  
forms a part of Policy No.: 0305-7227  
Issued to: California State University Risk Management Authority (CSURMA)  
By: Allied World Assurance Company (U.S.), Inc.


**SCHEDULE OF UNDERLYING INSURANCE**

<u>Type of Coverage</u>	<u>Insurer</u> <u>Policy Number</u> <u>Policy Period</u>	<u>Limits of Insurance</u>
Public Entity Excess Liability	Ironshore Specialty Insurance Company 000541305 July 1, 2015 - July 1, 2016	US\$5,000,000 Per Occurrence or Wrongful Act US\$5,000,000 Annual Aggregate for Completed Operations Hazard
		Which is further excess of a Retained Limit:
		US\$5,000,000 Per Occurrence, Unaggregated Each & Every

Defense costs:  
 Erode  Do Not Erode  
The Limits of Insurance listed in the policy above.

All other terms and conditions of this **policy** remain unchanged.

**Allied World Assurance Company (U.S.), Inc.**

By:   
\_\_\_\_\_

**Joseph Cellura**

**Title: President, North American Casualty Division**

**Date of Issuance: September 16, 2015**

**Endorsement No.: 2**

This Endorsement, effective: July 1, 2015

(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)  
forms a part of Policy No.: 0305-7227

Issued to: California State University Risk Management Authority (CSURMA)

By: Allied World Assurance Company (U.S.), Inc.

**U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN  
ASSETS CONTROL ("OFAC")  
ADVISORY NOTICE TO POLICYHOLDERS**

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of this **policy**.

This Notice provides information concerning the possible impact on this **policy's** coverage due to directives issued by OFAC. **Please read this Notice carefully.**

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

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

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

In accordance with OFAC regulations, if it is determined that the Named **Insured** or any other **insured**, or any person or entity claiming the benefits of this **policy** has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this **policy** will be considered a blocked or frozen contract and all provisions of this **policy** are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments or premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

**Allied World Assurance Company (U.S.), Inc.**

By:



**Joseph Cellura**

**Title: President, North American Casualty Division**

**Date of Issuance: September 16, 2015**

**Endorsement No.: 3**

This Endorsement, effective: July 1, 2015

(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)

forms a part of Policy No.: 0305-7227

Issued to: California State University Risk Management Authority (CSURMA)

By: Allied World Assurance Company (U.S.), Inc.

**NON-FOLLOWED ENDORSEMENTS OF THE FOLLOWED POLICY**

It is agreed that Item 6. of the Declarations is amended by adding the following:

Regardless of any other provision of this **policy**, in no event will this **policy** follow:


Endorsement

<u>Number</u>	<u>Title</u>	
MANU.END.005	Crisis Threesixty Amendatory Endorsement	of the Followed Policy
MANU.END.008	Evacuation Expense Reimbursement Endorsement	of the Followed Policy

All other terms and conditions of this **policy** remain unchanged.

**Allied World Assurance Company (U.S.), Inc.**

By:



\_\_\_\_\_  
**Joseph Cellura**

Title: President, North American Casualty Division

Date of Issuance: September 16, 2015

**Endorsement No.: 4**

This Endorsement, effective: July 1, 2015

(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)

forms a part of Policy No.: 0305-7227

Issued to: California State University Risk Management Authority (CSURMA)

By: Allied World Assurance Company (U.S.), Inc.

**ASBESTOS EXCLUSION**

It is agreed that this **policy** does not provide coverage for:

- A. Any liability, **loss**, cost or expense based upon, resulting directly, or indirectly, from, arising in whole, or in part, out of or in any way involving the mining, manufacture, distribution, sale, installation, removal, utilization, ingestion, inhalation or existence of, or exposure to, asbestos in any form or any products or materials containing asbestos; or
- 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, asbestos in any form or any products or materials containing asbestos, by any **insured** or by any other person or organization.

All other terms and conditions of this **policy** remain unchanged.

**Allied World Assurance Company (U.S.), Inc.**

By:



\_\_\_\_\_  
Joseph Cellura

Title: President, North American Casualty Division

Date of Issuance: September 16, 2015

**Endorsement No.: 5**

This Endorsement, effective: July 1, 2015

(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)

forms a part of Policy No.: 0305-7227

Issued to: California State University Risk Management Authority (CSURMA)

By: Allied World Assurance Company (U.S.), Inc.

**FOLLOW-FORM OTHER AGGREGATE LIMIT**

It is agreed that this policy is amended as follows:

SECTION IV – LIMITS OF INSURANCE, Paragraphs E. is deleted in its entirety and replaced by the following:

- E. Subject to the Each Occurrence Limit stated in Item 4. (a) of the Declarations, the Other Aggregate Limit stated in Item 4. (c) of the Declarations shall be applied in the same manner as the aggregate limit of the Followed Policy.

All other terms and conditions of this **policy** remain unchanged.

**Allied World Assurance Company (U.S.), Inc.**

By:



\_\_\_\_\_  
Joseph Cellura

Title: President, North American Casualty Division

Date of Issuance: September 16, 2015



**Endorsement No.: 6**

This Endorsement, effective: July 1, 2015

(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)

forms a part of Policy No.: 0305-7227

Issued to: California State University Risk Management Authority (CSURMA)

By: Allied World Assurance Company (U.S.), Inc.

**FOLLOW-FORM PRODUCTS-COMPLETED OPERATIONS  
AGGREGATE LIMIT**

It is agreed that this policy is amended as follows:

SECTION IV – LIMITS OF INSURANCE, Paragraphs D. is deleted in its entirety and replaced by the following:

- D. Subject to the Each Occurrence Limit stated in Item 4. (a) of the Declarations, the Products-Completed Operations Aggregate Limit stated in Item 4. (b) of the Declarations shall be applied in the same manner as the products-completed operations aggregate limit of the Followed Policy.

All other terms and conditions of this **policy** remain unchanged.

**Allied World Assurance Company (U.S.), Inc.**

By:



\_\_\_\_\_  
Joseph Cellura

Title: President, North American Casualty Division

Date of Issuance: September 16, 2015

**Endorsement No.: 7**

This Endorsement, effective: July 1, 2015

(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)

forms a part of Policy No.: 0305-7227

Issued to: California State University Risk Management Authority (CSURMA)

By: Allied World Assurance Company (U.S.), Inc.

**CLAIMS REPORTING AMENDMENT  
(AMENDMENT OF CONDITION F. DUTIES IN THE EVENT OF  
OCCURRENCE, CLAIM OR SUIT)**

It is agreed that this **policy** is amended as follows:

SECTION V – CONDITIONS, Paragraph F. Duties In The Event Of Occurrence, Claim Or Suit is amended to include the following additional provisions:

The **insured** must provide the **company** with immediate written notice of any claim, either paid or reserved, for twenty-five percent (25%) or more of the applicable limits of **underlying excess insurance**.

The **insured** must also give the **company** immediate written notice of any injury of the following types:

- a. a fatality;
- b. severe burns;
- c. traumatic brain injury;
- d. dismemberment or amputation;
- e. paralysis;
- f. loss or impairment of eyesight or hearing; or
- g. severe scarring.
- h. a sexual assault or battery, including, but not limited to, rape, molestation or sexual abuse.

All other terms and conditions of this **policy** remain unchanged.

**Allied World Assurance Company (U.S.), Inc.**

By:



**Joseph Cellura**

**Title: President, North American Casualty  
Division**

**Date of Issuance: September 16, 2015**

**Endorsement No.: 8**

This Endorsement, effective: July 1, 2015

(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)

forms a part of Policy No.: 0305-7227

Issued to: California State University Risk Management Authority (CSURMA)

By: Allied World Assurance Company (U.S.), Inc.

**CALIFORNIA AMENDATORY ENDORSEMENT**

A. It is agreed that Paragraph B. Cancellation of SECTION V – CONDITIONS is deleted in its entirety and replaced by the following:

B. Cancellation

1. The first Named **Insured** designated in item 1. (a) of the Declarations may cancel this **policy** by mailing or delivering to the **company**, at the address stated in Item 8. (b) of the Declarations, advance written notice stating when such cancellation is to take effect.
2. The **company** may cancel this **policy** by delivering to the first Named **Insured**, or by mailing to the first Named **Insured** (by registered, certified, or other first class mail), at the address stated in Item 1. (b) of the Declarations and the producer of record, written notice, not less than ninety (90) days [or ten (10) days in the event any premium is not paid when due], in advance of the cancellation date. Proof of mailing of such notice to the first Named **Insured** at the address stated in Item 1. (b) of the Declarations will be sufficient proof of notice.
3. If this **policy** has been in effect for more than sixty (60) days or is a renewal **policy**, the **company** may only cancel the **policy** for the following reasons:
  - a) Nonpayment of premium, including payment due on a prior policy issued by the **company** and due during the current Policy Period covering the same risks;
  - b) A judgment by a court or an administrative tribunal that the **insured** has violated any law of California or of the United States having as one of its necessary elements an act that materially increases any of the risks insured against;
  - c) Discovery of fraud or material misrepresentation by either of the following:
    - i. The **insured** or his or her representative in obtaining the insurance; or
    - ii. The **insured** or his or her representative in pursuing a claim under the **policy**;
  - d) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by the **insured** or his or her representative, which materially increase any of the risks insured against;
  - e) Failure by the **insured** or his or her representative to implement reasonable loss control requirements that were agreed to by the Named **Insured** as a condition of **policy** issuance or that were conditions precedent to the use by the **company** of a particular rate or rating plan, if the failure materially increases any of the risks insured against;

- f) A determination by the Commissioner that the loss of, or changes in, the **company's** reinsurance covering all or part of the risk would threaten the financial integrity or solvency of the **company**. A certification made under penalty of perjury to the Commissioner by an officer of the **company** of the loss of, or change in, reinsurance and that the loss or change will threaten the financial integrity or solvency of the **company** if the cancellation of the **policy** is not permitted shall constitute this determination, unless disapproved by the Commissioner within thirty (30) days of the filing. There shall be no extensions to this thirty (30) day period;
  - g) A determination by the Commissioner that a continuation of the **policy** coverage would place the **company** in violation of the laws of California or the state of its domicile or that the continuation of coverage would threaten the solvency of the **company**;
  - h) A change by the **insured** or his or her representative in the activities or property of the commercial or industrial enterprise that results in a material added risk, a materially increased risk, or a materially changed risk, unless the added, increased, or changed risk is included in the **policy**;
  - i) A material change in limits, type or scope of coverage, or exclusions in one or more of the underlying policies;
  - j) The cancellation or nonrenewal of one or more of the underlying policies where such policies are not replaced without lapse; or
  - k) A reduction in financial rating or grade of one or more companies, insuring one or more underlying policies based on an evaluation obtained from a recognized financial rating organization.
4. The Policy Period of this **policy** will end on the date and hour specified in the cancellation notice.
5. If the **insured** cancels this **policy**, the **company** will be due the greater of either:
- a) The sum of:
    - i. The earned amount of the Minimum And Advance Premium stated in Item 7. (a) of the Declarations; plus
    - ii. 10% of the unearned amount of the Minimum And Advance Premium stated in Item 7. (a) of the Declarations; or
  - b) The Minimum Earned Premium, if any, stated in Item 7. (b) of the Declarations.

After deduction of the amount due the **company** as determined above, the remaining amount of any unearned premium previously paid to the **company** will be returned to the first Named **Insured**.

6. If this **policy** is cancelled by the **company**, then the **company** shall return the pro rata portion of any unearned premium, previously paid to the **company**, to the first Named **Insured**.
7. Payment or tender of any unearned premium by the **company** will not be a condition precedent to the effectiveness of cancellation, but the **company** shall make such payment as soon as practicable. The **company's** check or its representative's check, mailed or delivered to the first Named **Insured**, will be sufficient tender of any refund due any **insured**.

8. Any of these provisions that conflict with a law that controls the cancellation of this **policy** is changed by this paragraph to comply with that law.

B. It is agreed that the following are added to SECTION V – CONDITIONS

**Nonrenewal**

The **company** may nonrenew this **policy**, by delivering to the first Named **Insured**, or by mailing to the first Named **Insured** (by registered, certified, or other first class mail), at the address stated in Item 1. (b) of the Declarations and the producer of record, written notice of nonrenewal at least sixty (60) days, but less than one-hundred-twenty (120) days before the end of the Policy Period. The mailing of such notice shall be sufficient notice and delivery of such notice shall be equivalent to mailing.

**Bankruptcy**

The bankruptcy or insolvency of the Named **Insured** will not relieve the **company** from liability under this **policy**.

All other terms and conditions of this **policy** remain unchanged.

**Allied World Assurance Company (U.S.), Inc.**

By:



\_\_\_\_\_  
**Joseph Cellura**

Title: **President, North American Casualty Division**

Date of Issuance: **September 16, 2015**

**POLICYHOLDER DISCLOSURE STATEMENT  
UNDER THE  
TERRORISM RISK INSURANCE ACT**

The **insured** is hereby notified that under the federal Terrorism Risk Insurance Act, as amended, (the "Act"), the **insured** has a right to purchase insurance coverage for **losses** arising out of an Act of Terrorism, as defined in Section 102(1) of the Act. The term "act of terrorism" means any act certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside of the United States in case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. The **insured** should read the Act for a complete description of its coverage. The Secretary's decision to certify or not to certify an event as an Act of Terrorism covered by the Act is final and not subject to review.

Coverage provided by this **policy** for **losses** caused by a Certified Act of Terrorism may be partially reimbursed by the United States Government under a formula established by federal law. However, the **insured's policy** may contain other exclusions that might affect coverage, such as an exclusion for nuclear events. Under the formula, the United States Government will generally reimburse 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020, of covered terrorism losses exceeding a statutorily established deductible that must be met by the **company**, and which deductible is based on a percentage of the **company's** direct earned premiums for the year preceding the Certified Act of Terrorism.

Be advised that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap on all losses resulting from Certified Acts of Terrorism. If aggregate insured losses attributable to Certified Acts of Terrorism exceed \$100 billion in a calendar year, the United States Government shall not make any payment for any portion of the amount of such loss that exceeds \$100 billion. If aggregate insured losses attributable to Certified Acts of Terrorism exceed \$100 billion in a calendar year and the **company** has met its deductible under the Act, the **company** shall not be liable for payment of any portion of the 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.

Coverage for "insured losses" as defined in the Act is subject to the coverage terms, conditions, amounts and limits in this **policy** applicable to **losses** arising from events other than Certified Acts of Terrorism.

The **insured** should know that under federal law, the **insured** is not required to purchase coverage for **losses** caused by Certified Acts of Terrorism.

Please indicate the selection of the **insured** below.

The **insured** hereby elects to purchase coverage in accordance with the Act for a premium of \$7,300.

The **insured** hereby rejects coverage and accepts reinstatement of the exclusion in accordance with the Act.

\_\_\_\_\_  
Signature of **insured** California State University Risk Management Authority  
(CSURMA)

\_\_\_\_\_  
Print/Title 0305-7227

\_\_\_\_\_  
Date

**ALLIED WORLD ASSURANCE COMPANY (U.S.) INC.**

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**FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY**

Words and phrases that appear in **bold** print have special meanings that are defined under Section VI – Definitions of this **policy**. If the Followed Policy listed in Item 6. of the Declarations has defined a word or phrase, this **policy** will follow that definition unless this **policy** expressly defines such word or phrase, in which case the meaning given to such word or phrase in this **policy** will apply. Please read the entire **policy** and the Followed Policy listed in Item 6. of the Declarations carefully.

**SECTION I - INSURING AGREEMENT**

- A. Subject to all the warranties, terms, conditions, exclusions and limitations applicable to this **policy**, the **company** shall pay, on behalf of the **insured**, that part of **loss**, to which this **policy** applies, which exceeds the applicable **underlying limits**. This **policy** does not provide coverage for any part of **loss** within **underlying limits**, or any related cost or expenses.
- B. This **policy** only applies if the **triggering event** that must happen during the policy period of the Followed Policy happens during the Policy Period, as stated in Item 2. of the Declarations, of this **policy**.
- C. This **policy** does not provide coverage for any:
1. Injury or damage that occurs;
  2. Accident that occurs;
  3. Offense that was committed; or
  4. Act, error or omission that occurs;

Before the Retroactive Date, if any, stated in Item 3. of the Declarations of this **policy**.

- D. This **policy** will follow the warranties, terms, conditions, exclusions and limitations that are contained in the Followed Policy listed in Item 6. of the Declarations unless a warranty, term, condition, exclusion or limitation contained in this **policy**:

1. Differs from a warranty, term, condition, exclusion or limitation of the Followed Policy; or
  2. Is not contained in the Followed Policy; In which case, such warranty, term, condition, exclusion or limitation of this **policy** will apply, to the extent that it provides less coverage than the Followed Policy.
- E. Regardless of any other warranties, terms, conditions, exclusions or limitations of this **policy**, if any policy of **underlying excess insurance** does not cover **loss** for reasons other than exhaustion of its applicable limit of liability by payment of claims, then this **policy** will not cover such **loss**.
- F. The **company** has no obligation under this **policy** with respect to any claim, suit or proceeding settled without its prior written consent.
- G. If the **company** is prevented by law from paying on behalf of the **insured** for coverage provided under this **policy**, then the **company** will indemnify the **insured**.
- H. Other than as provided under Section II - Defense And Supplementary Payments of this **policy**, the **company** will have no other obligation or liability to pay sums or perform acts or services under this **policy**.

**SECTION II - DEFENSE AND SUPPLEMENTARY PAYMENTS**

Subject to all the warranties, terms, conditions, exclusions and limitations applicable to this **policy**:

- A. The **company** shall have the right, but not the duty, to assume charge of the investigation, settlement or defense of any claim made, suit brought, or proceeding instituted against any **insured** upon exhaustion of the applicable **underlying limits**. If the **company** has exercised such

right, it will not investigate, settle or defend any claim, suit or proceeding after it has exhausted the applicable Limit Of Insurance of this **policy** as stated in Item 4. of the Declarations. If the **company** does not exercise such right, or if the applicable **underlying limits** are not exhausted, the **company** will have the right, and will be given the opportunity, to associate effectively with the **insured** or any underlying insurer, or both, in the investigation, settlement or defense of any claim, suit or proceeding that is likely to involve this **policy**. In such event, the **insured**, the underlying insurer, and the **company** shall cooperate in the investigation, settlement or defense of such claim, suit or proceeding.

- B. The **company** will only pay the following defense and supplementary expenses:
1. Interest that accrues on a judgment after entry of the judgment and before the **company** has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit Of Insurance of this **policy**;
  2. Reasonable attorney fees and other reasonable investigation, loss-adjustment or litigation expenses incurred directly by the **company** or by the **insured**, with the **company's** consent;
  3. The cost of bonds required to:
    - i. Appeal judgments (in connection with the initiation and continuation of any appeal agreed to by the **company**); or
    - ii. Release attachments;  
But only for bond amounts within the applicable Limit Of Insurance of this **policy**; and
  4. Pre-judgment interest on that part of a judgment within the applicable Limit Of Insurance of this **policy**; however, if the **company** makes an offer to pay the applicable Limit Of Insurance prior to judgment, it will not pay any pre-judgment interest that accrues after its offer.
- C. When defense or supplementary payments do not reduce any of the **underlying limits** provided by **underlying excess insurance**, then any such expense payment made

under this **policy** will not reduce the Limits Of Insurance provided by this **policy**.

### SECTION III - WHO IS AN INSURED

The following persons and organizations qualify as **insureds**:

- A. The Named **Insured** designated in Item 1. (a) of the Declarations;
- B. Any person or organization (other than a person or organization included in C. below) qualifying as an insured in every policy of **underlying excess insurance** and every applicable policy of **underlying primary insurance**; and
- C. Any person or organization to whom any person or organization included in paragraph A. or B. above is obligated by virtue of a written contract or written agreement (other than a contract or policy of insurance) to provide insurance such as is afforded by this **policy**, but:
  1. Only if such person or organization qualifies as an insured in every policy of **underlying excess insurance** and every applicable policy of **underlying primary insurance**; and
  2. Only to the extent of such obligation and no further.

### SECTION IV - LIMITS OF INSURANCE

- A. The Limits Of Insurance of this **policy** stated in Item 4. of the Declarations and the rules below determine the most the **company** will pay for **loss**, regardless of the number of:
  1. **Insureds**;
  2. Claims made, suits brought, or proceedings instituted;
  3. Persons or organizations making claims, bringing suits, or instituting proceedings;
  4. Vehicles involved; or
  5. Coverages provided under this **policy**.
- B. The Limits Of Insurance of this **policy** will apply only in excess of the **underlying limits**.
- C. The Each Occurrence Limit stated in Item 4. (a) of the Declarations is the most the



**company** will pay for **loss** arising out of any one occurrence. Any amount paid for **loss** will reduce the amount of the applicable aggregate Limit Of Insurance of this **policy** available for any other payment. If the applicable aggregate Limit Of Insurance of this **policy** has been reduced to an amount that is less than the Each Occurrence Limit stated in Item 4. (a) of the Declarations, the remaining amount of such aggregate Limit Of Insurance is the most that will be available for any other payment.

D. Subject to the Each Occurrence Limit stated in Item 4. (a) of the Declarations, the Products-Completed Operations Aggregate Limit stated in Item 4. (b) of the Declarations is the most the **company** will pay for **loss** under the products-completed operations hazard, as that hazard is defined in the Followed Policy.

E. Subject to the Each Occurrence Limit stated in Item 4. (a) of the Declarations, the Other Aggregate Limit stated in Item 4. (c) of the Declarations is the most the **company** will pay for **loss** under this **policy**, except **loss**:

1. Included in the products-completed operations hazard, as that hazard is defined in the Followed Policy; or
2. Otherwise covered by the Followed Policy, but to which no aggregate limit in the Followed Policy applies, but only if all other **underlying excess insurance** also does not apply an aggregate limit to such **loss**.

F. Subject to paragraphs C., D., and E. above, if the **underlying limits** have been reduced by payment of **loss** to which this **policy** would also apply (but for the existence of such **underlying limits**), then this **policy** will drop down to become immediately excess of the reduced **underlying limits**, but only if all **underlying excess insurance** applies to such **loss** and also drops down.

G. **Underlying limits** will not be reduced by:

1. The insolvency of, or unwillingness to pay by, any insurer;
2. The uncollectibility of any self-insured retention, deductible or other alternative risk-financing mechanism;

3. Any **insured's** failure to pay any allocation, deductible, participation, retention, or other self-insurance;

4. The existence of a sub-limit of liability in any **underlying excess insurance**;

5. Cancellation, expiration or rescission of any **underlying primary insurance** or **underlying excess insurance**;

6. Defense or supplementary expense payments, unless the Schedule Of Underlying Insurance of this **policy** specifies that the applicable limits of **underlying excess insurance** are reduced by such payments; or

7. Any **underlying excess insurance** containing a warranty, term, condition, exclusion or limitation different from the Followed Policy or this **policy**.

H. If after issuance, the Policy Period of this **policy**, stated in Item 2. of the Declarations, is extended, then the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance of this **policy**.

## SECTION V - CONDITIONS

### A. Appeals

The **company** may, at its option, initiate or continue an appeal of a judgment against any **insured** if the judgment is for more than the **underlying limits**. If the **company** initiates or continues an appeal, it will pay its costs of the appeal subject to Section II – Defense And Supplementary Payments. In no event will the amount the **company** pays for **loss** exceed the Limits Of Insurance of this **policy**.

### B. Cancellation

1. The first Named **Insured** designated in item 1. (a) of the Declarations may cancel this **policy** by mailing or delivering to the **company**, at the address stated in Item 8. (b) of the Declarations, advance written notice stating when such cancellation is to take effect.

2. The **company** may cancel this **policy** by delivering to the first Named **Insured**, or by mailing to the first Named **Insured**

(by registered, certified, or other first class mail), at the address stated in Item 1. (b) of the Declarations, written notice, not less than thirty (30) days [or ten (10) days in the event any premium is not paid when due], in advance of the cancellation date. Proof of mailing of such notice to the first Named **Insured** at the address stated in Item 1. (b) of the Declarations will be sufficient proof of notice.

3. The Policy Period of this **policy** will end on the date and hour specified in the cancellation notice.
4. If the **insured** cancels this **policy**, the **company** will be due the greater of either:
  - a) The sum of:
    - i. The earned amount of the Minimum And Advance Premium stated in Item 7. (a) of the Declarations; plus
    - ii. 10% of the unearned amount of the Minimum And Advance Premium stated in Item 7. (a) of the Declarations; or
  - b) The Minimum Earned Premium, if any, stated in Item 7. (b) of the Declarations.

After deduction of the amount due the **company** as determined above, the remaining amount of any unearned premium previously paid to the **company** will be returned to the first Named **Insured**.

5. If this **policy** is cancelled by the **company**, then the **company** shall return the pro rata portion of any unearned premium, previously paid to the **company**, to the first Named **Insured**.
6. Payment or tender of any unearned premium by the **company** will not be a condition precedent to the effectiveness of cancellation, but the **company** shall make such payment as soon as practicable. The **company's** check or its representative's check, mailed or delivered to the first Named **Insured**, will be sufficient tender of any refund due any **insured**.

7. Any of these provisions that conflict with a law that controls the cancellation of this **policy** is changed by this paragraph to comply with that law.

C. Changes

Notice to any agent or knowledge possessed by any agent or any other person will not effect a waiver or change in any part of this **policy**. This **policy** can be changed only by a written Endorsement that becomes part of this **policy**. The Endorsement must be signed by one of the **company's** authorized representatives.

D. Changes In Followed Policy

If during the Policy Period of this **policy**, the warranties, terms, conditions, exclusions or limitations of the Followed Policy are changed in any manner from those in effect on the inception date of this **policy**, the **insured** shall, as a condition precedent to its rights under this **policy**, give to the **company** at the address stated in Item 8. (b) of the Declarations written notice of the full particulars of such changes as soon as practicable.

This **policy** will follow such changes upon the effective date of the changes in the Followed Policy, but only if:

1. The **company** agrees to follow such changes by written Endorsement that becomes a part of this **policy**;
2. The **insured** agrees to any amendment of the warranties, terms, conditions, exclusions or limitations of this **policy** required by the **company** relating to such changes; and
3. The **insured** pays when due any additional premium required by the **company** relating to such changes.

E. Compliance

The **company** has no duty to provide coverage under this **policy** unless the Named **Insured** and any other involved **insured** have fully complied with all the warranties, terms and conditions of this **policy**.

F. Duties In The Event Of Occurrence, Claim Or Suit

1. The **insured** shall, as a condition

precedent to the obligations of the **company** under this **policy**, give written notice as soon as practicable to the **company** at the address stated in Item 8. (a) of the Declarations of any occurrence, claim, suit or proceeding that involves or is likely to involve **underlying excess insurance**. Notice to an underlying insurer shall not constitute notice to the **company**.

2. Without limiting the requirements of paragraph 1. above, the Named **Insured** shall separately and as soon as practicable give written notice to the **company** when a payment is made or reserve established for any occurrence, claim, suit or proceeding that has brought the total of all payments and reserves by the **insured** or any underlying insurers to a level of twenty-five (25%) or more of any of the **underlying limits**.
3. In the event the **underlying limits** are exhausted, no **insured** will, except at that **insured's** own cost, make any payment, assume any obligation, or incur any expense without the **company's** consent.
4. If applicable **underlying excess insurance** imposes any duties, responsibilities, or obligations on any **insured** in the event of "injury," "damage," "offense," "accident," "disease," "act, error or omission," or such similar event, then the duties specified in this condition will also apply in the event of "injury," "damage," "offense," "accident," "disease," "act, error or omission," or such similar event.

With respect to the duties specified in this condition, the word or phrase "injury," "damage," "offense," "accident," "disease," "act, error or omission," or such similar event will have the same meaning that it has with respect to such applicable **underlying excess insurance**.

#### G. First Named **Insured**

The person or organization first named in Item 1. (a) of the Declarations is responsible for payment of all premiums due under this

**policy**. The first Named **Insured** will act on behalf of all other **insureds** for the giving and receiving of any notice of cancellation or nonrenewal and the receiving of any return premiums that become payable under this **policy**.

#### H. Maintenance Of Underlying Insurance And **Underlying Limits**

The **company** has issued this **policy** in reliance upon representations made by the Named **Insured** about **underlying excess insurance, underlying primary insurance, and the underlying limits**. The Named **Insured** must see to it that:

1. **Underlying excess insurance and underlying primary insurance** are and remain valid and in full force and effect;
2. **Underlying excess insurance and underlying primary insurance** will not be cancelled, non-renewed, or rescinded without replacement of coverage to which the **company** agrees in writing;
3. The warranties, terms, conditions, exclusions and limitations of **underlying excess insurance and underlying primary insurance** will not materially change unless the **company** agrees in writing otherwise;
4. The warranties, terms, conditions, exclusions and limitations of renewals or replacements of **underlying excess insurance** will be materially the same as the prior coverage, unless the **company** agrees in writing otherwise;
5. The **underlying limits** are and remain available, regardless of any bankruptcy, insolvency or other financial impairment of any insurer or any other person or organization;
6. The **underlying limits** will not be reduced, except for the reduction by payment of **loss** to which this **policy** also would apply but for the existence of such **underlying limits**.

Failure to comply with this condition will not invalidate this **policy**, but in the case of any such failure, the **company's** obligation or

liability will not exceed that which would have applied absent any failure to comply with this condition.

The Named **Insured** must notify the **company** as soon as possible if any **underlying excess insurance** or **underlying primary insurance** is no longer valid or no longer in full force and effect.

- I. Other Insurance  
This **policy** will apply in excess of all **other insurance**.
- J. Premium
  1. At the beginning of the Policy Period, stated in Item 2. of the Declarations, of this **policy**, the first Named **Insured** must pay the **company** the Minimum And Advance Premium stated in Item 7. (a) of the Declarations for this **policy**.
  2. The Minimum Earned Premium, if any, stated in Item 7. (b) will be deemed to be 100% earned from the inception date of the Policy Period of this **policy**.
  3. The Minimum And Advance Premium is subject to adjustment if:
    - a) The premium of the Followed Policy is adjusted; or
    - b) An Endorsement describing such adjustment is attached to this **policy**.
  4. In no event, however, will the adjusted premium be less than the greater of:
    - a) The Minimum And Advance Premium for this **policy** stated in Item 7. (a) of the Declarations; or
    - b) The Minimum Earned Premium, if any, stated in Item 7. (b) of the Declarations.
- K. Representations  
The **company** has issued this **policy** based, and in reliance, upon representations made by the **insured** and by the **insured's** representatives to the **company**. Unintentional failure of an employee of the **insured** to disclose a hazard or other material information will not violate this condition, unless an officer (whether or not an employee) of any **insured** or an officer's

designee knows about such hazard or other material information.

## SECTION VI – DEFINITIONS

**Company** means the company shown in the Declarations that is providing this **policy**.

**Insured** means a person or an organization qualifying as an insured in Section III – Who Is An Insured of this **policy**.

**Loss** means damages that the **insured** becomes legally obligated to pay because of injury or damage, after making proper deductions for all recoveries and salvage. If defense or supplementary payments reduce any of the **underlying limits** provided by **underlying excess insurance**, then any defense or supplementary payments made under Section II - Defense And Supplementary Payments of this **policy** will be included within the meaning of **loss** and will reduce the Limits Of Insurance of this **policy**.

**Other insurance** means valid and collectible insurance providing coverage for **loss** that is covered in whole or in part by this **policy** (or that would be covered in whole or in part by this **policy**, but for the existence of the **underlying limits**). However, **other insurance** does not include **underlying excess insurance**, **underlying primary insurance**, or any policy of insurance specifically purchased to be excess of this **policy** affording coverage that this **policy** also affords.

**Policy** means the various sections of this contract as well as the Declarations and any Endorsements and Schedules made a part of this contract by reference.

**Triggering event** means:

1. With respect to any coverage provided by the Followed Policy on an occurrence basis, when:
  - a) The injury or damage occurs; or
  - b) The offense is committed;As determined by the provisions of such coverage under the Followed Policy;
2. With respect to any coverage provided by the Followed Policy on a claims-made basis, when the claim is first made as determined by the provisions of such coverage under the Followed Policy.

**Underlying excess insurance** means the insurance described in the Schedule Of Underlying Insurance of this **policy** as well as the next applicable renewal or replacement, or any applicable antecedent, of the described insurance.

**Underlying primary insurance** means any insurance (including the next applicable renewal or replacement, or any applicable antecedent, thereof) that underlies the **underlying excess insurance**. **Underlying primary insurance** does not include insurance that is described in the Schedule Of Underlying Insurance of this **policy**.

**Underlying limits** mean the sum of:

1. The remaining amount of **underlying excess insurance**, including the remaining amount of any allocation, deductible, participation, retention, or other self-insurance that is included within the limits of **underlying excess insurance**;
2. The remaining amount of any applicable **underlying primary insurance**, including the remaining amount of any allocation, deductible, participation, retention, or other self-insurance that is included within the

limits of any applicable **underlying primary insurance**;

3. Any reinstatement of limits or supplemental or other limits available under the insurance described in items 1. and 2. above;
4. Any amounts that any **insured** must pay because **underlying excess insurance** or **underlying primary insurance**, as represented by the **insured**, is not available for any reason other than reduction or exhaustion of such insurance as specified under paragraph F. of Section III – Limits Of Insurance;
5. Any applicable **other insurance**;
6. The remaining amount of any applicable self-insured retention, deductible or other alternative risk-financing mechanism, which immediately underlies the **underlying excess insurance** and which is not included within the limits of **underlying excess insurance** or **underlying primary insurance**; and
7. The remaining amount of any applicable self-insured retention, deductible or other alternative risk-financing mechanism, which underlies the **underlying primary insurance** and which is not included within the limits of **underlying primary insurance**.

**Risk Details**

**Type:** Primary Claims Made Trustees Errors and Omissions Insurance.

**Organization:** California State University Risk Management Authority

**Address**

401 Golden Shore, 5<sup>th</sup> Floor  
Long Beach  
California 90802-4210  
United States of America

**Period:** From: 1<sup>st</sup> July, 2015.  
To: 1<sup>st</sup> July, 2016  
Both days at 12.01 a.m., local standard time at the above address.

**Interest:** Trustees errors and omissions insurance, as per policy wording

**Limit of Liability:** USD2,000,000 any one Claim including Claims Expenses  
USD2,000,000 in the aggregate including Claims Expenses

**Deductible:** USD25,000 any one Claim including Claims Expenses  
USD50,000 in the aggregate including Claims Expenses

The above Deductible(s) only applies to Loss incurred by the Organization or for which the Insured Individual is Indemnifiable.

For Loss which the Individual Insured is not Indemnifiable by the Organization Nil Deductible(s) shall apply.

**Territorial Limits:** Anywhere in the World

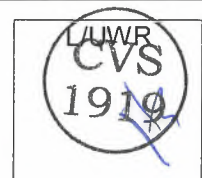
**Conditions:** As per APPL program policy wording and endorsements attached

**Notices:** LMA9029 California Surplus Lines Notice 1  
LMA9030 California Surplus Lines Notice 2

**Choice of Law:** California: and, as per policy wording.  
Jurisdiction: United States of America, and as more fully defined in Condition M. Service of Suit shown in the policy wording

**Premium:** USD66,025 of which USD660.25 is in respect of TRIA

**Payment Terms:** 60 days as more fully defined in Condition S. Premium Payment Terms shown in the policy wording.



*A*



**Taxes Payable  
by Insured and  
administered by  
Insurer(s):** None

**Recording,  
Transmitting and  
Storing Information:** Miller Insurance Services LLP will maintain risk and claim data, information and documents which may be held on paper or electronically.

**Insurer Contract  
Documentation:** This document details the contract terms entered into by the insurer(s) and constitutes the contract document.



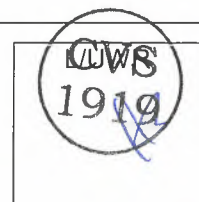
CALIFORNIA SURPLUS LINES NOTICE 1

NOTICE:

1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED / ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.
2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.
3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.
4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEBSITE AT [WWW.NAIC.ORG](http://WWW.NAIC.ORG).
5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: [WWW.INSURANCE.CA.GOV](http://WWW.INSURANCE.CA.GOV).
8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

LMA9029  
01 September 2013

MR CONTRACT  
ENQ/Quo : PCSUR000115



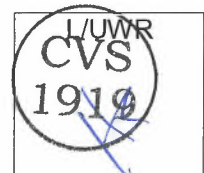




**CALIFORNIA SURPLUS LINES NOTICE 2**

This insurance is issued pursuant to the California Insurance Code, Sections 1760 through 1780, and is placed in an insurer or insurers not holding a Certificate of Authority from or regulated by the California Insurance Commissioner.

LMA9030  
01 September 2013



**Alliant Public Pool Liability Program (APPL)**

**Declarations**

**Policy Number** B0621PCSUR000115

**Organization** California State University Risk Management Authority

**Address** 401 Golden Shore, 5<sup>th</sup> Floor  
Long Beach  
California 90802-4210  
United States of America

**Policy Period** From 1<sup>st</sup> July 2015 To 1<sup>st</sup> July 2016  
Both dates at 12:01 am Local Standard Time at the address of the **Organization**

**Premium** USD66,025 100% for the period of which **USD660.25** is in respect of TRIA

**Limit of Liability** USD2,000,000 any one **Claim** including **Claims Expenses**  
USD2,000,000 in the aggregate including **Claims Expenses**

**Deductible** USD25,000 any one **Claim** including **Claims Expenses**  
USD50,000 in the aggregate including **Claims Expenses**

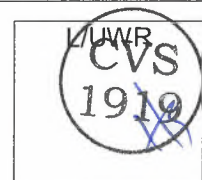
The above **Deductible(s)** only applies to **Loss** incurred by the **Organization** or for which the **Insured Individual** is **Indemnifiable**.

For **Loss** which the **Individual Insured** is not **Indemnifiable** by the **Organization** Nil **Deductible(s)** shall apply.

**Retroactive date** 1<sup>st</sup> January 1997

**Underwriter's Representative** Foley & Lardner LLP  
555 California Street  
Suite 1700  
San Francisco  
California 94104-1520

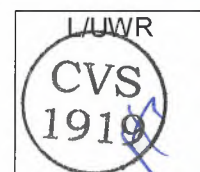
**MR CONTRACT**  
ENQ/QUO : PCSUR000115



<b>Service of Suit Nominee</b>	Foley & Lardner LLP 555 California Street Suite 1700 San Francisco California 94104-1520
<b>Choice of Law</b>	California
<b>Insured's Representative</b>	Alliant Insurance Services, Inc. 1301 Dove Street, Suite 200 Newport Beach California 92660 United States of America
<b>Application Dated</b>	Not Applicable

Extensions applicable under this Policy	Covered	Limit of Liability
a. <b>One Direct Reinstatement</b>	Yes	USD2,000,000 Subject to an Additional premium of USD 66,025
b. <b>Additional Defense Limit</b>	Yes	10% of <b>Limit of Liability</b>  The above Sub-limit forms part of and is not in addition to the <b>Limit of Liability</b>
c. <b>Loss of documents</b>	Yes	<b>USD200,000</b>  The above Sub-limit forms part of and is not in addition to the <b>Limit of Liability</b> .
d. <b>Employment Practices Violation</b>	No	<b>USD Not Applicable</b> any one <b>Claim</b> including <b>Claims Expenses</b>  <b>USD Not Applicable</b> in the Aggregate including <b>Claims Expenses</b>  Subject to a Deductible of <b>USD Not Applicable</b> any one <b>Claim</b> and in the aggregate including <b>Claims Expenses</b>  The above Sub-limit forms part of and is not in addition to the <b>Limit of Liability</b> .
e. <b>Terrorism</b>	Yes	1% allocated premium included in Premium shown herein
f. <b>Breach of Confidentiality Extension</b>	Yes	Included in <b>Limit of Liability</b>
g. <b>Libel and Slander</b>	Yes	Included in <b>Limit of Liability</b>

**MR CONTRACT**  
ENQ/QUO : PCSUR000115



## Alliant Public Pool Liability Program (APPL)

This is a Claims Made and Reported Policy. This Policy is limited to Claims that are first made against the Insured during the Policy Period and are reported to Underwriters during the Policy Period.

### I. Insuring Agreement

In consideration of the payment of the Premium and **Deductible** (where applicable) and upon reliance of the statements made in the Application Form seen and agreed by Underwriters and subject to the **Limits of Liability** and the terms and conditions contained herein, Underwriters agree as follows:-

To pay on behalf of the **Insured** any **Loss** covered by this policy including **Claims Expenses** incurred in defense and settlement of any **Claim** first made against the **Insured** and reported to Underwriters during the **Policy Period**, alleging a **Wrongful Act** first committed or allegedly committed on or subsequent to the **Retroactive Date** shown herein.

### II. Conditions

#### A. Limits of Liability

The total **Limits of Liability** of Underwriters for all **Loss** and **Claims Expenses** resulting from all **Claims** covered under and not excluded by this Policy and endorsements attaching hereto, shall not exceed the **Limits of Liability** stated in the Declarations

It is agreed that the **Limit of Liability** available to pay all **Loss** shall be reduced and may be completely exhausted by payment of **Claims Expenses**. **Loss** and **Claims Expenses** shall be applied against the **Deductible**.

#### B. Deductible

Underwriters shall only be liable to pay those amounts in excess of the **Deductible** stated herein subject to Underwriters' total liability not exceeding the **Limits of Liability** set forth in the Declarations.

The **Deductible** amount stated in the Declarations, shall be satisfied by payments by the **Insured** of **Loss** and **Claims Expenses** resulting from each **Claim** first made and reported to the Underwriters during the **Policy Period** as a condition precedent to the payment by the Underwriters of any amounts hereunder.

If an **Individual Insured** is **Indemnifiable** by their **Organization** for a covered **Loss** and their **Organization** does not pay on their behalf, or reimburse them for that covered **Loss**, then **Underwriters** will pay that covered **Loss** on behalf of the **Individual Insured** without applying such **Deductible** in the **Declarations**. In such case, Underwriters will be reimbursed for that **Deductible** within 30 days of such payment by the **Organization**.

If an **Individual Insured** is not **Indemnifiable** by the **Organization** for a covered **Loss**, **Underwriters** will pay that covered **Loss** on behalf of the **Individual Insured** without applying such **Deductible** in the **Declarations**

**C. Deductible Reimbursement**

Any **Deductible** borne by the **Insured** in respect of any **Claim** shall be reimbursed by **Underwriters** if final judgment or adjudication is given in favour of the **Insured** by a court or tribunal of competent jurisdiction. For the purposes of this clause, final judgment or adjudication shall only be deemed to have been given when all rights of appeal to higher tribunals have been foregone or exhausted

**D. Punitive or Exemplary Damages**

If during the **Policy Period** a **Claim** is made against the **Insured** for punitive or exemplary damages or damages that are a multiple of compensatory damages this Insurance shall indemnify the **Insured** in respect of the **Insured's** liability for such damages.

Provided always that:

- (i) no indemnity shall be provided where such damages are deemed to be uninsurable as a matter of law in the jurisdiction in which such damages are awarded.
- (ii) any such **Claim** made against the **Insured** is in conjunction with a **Claim** for compensatory damages.
- (iii) this extension shall not increase the total limit of **Underwriters'** liability as stated in the **Declarations**.

**E. Defense and settlement**

**Underwriters** shall have the right and duty to defend any **Claim** covered under and not excluded by this Policy, even if the **Claim** is groundless or fraudulent.

**Underwriters** shall have the right but no duty to appeal any decision entered against an **Insured**. **Underwriter's** right and duty to defend shall end when the **Limits of Liability** stated in the **Declarations** have been exhausted by payment of **Loss** and/or **Claims Expenses**.

The **Insured** shall not be required to contest any legal proceedings unless Counsel (to be mutually agreed upon by the **Insured** and **Underwriters**) shall advise that such proceedings should be contested.

Furthermore the **Insured** shall not be required to contest any **Claim** by judicial proceedings in the event such **Claim** can, by agreement with the claimant, be submitted to non-binding mediation or be contested by arbitration in accordance with the rules then obtaining of the American Arbitration Association, the International Chamber of Commerce, or such other commercial arbitration rules as may be reasonably acceptable to the **Underwriters**.

The **Insured** shall give to the **Underwriters'** Representative written notice of the intention to refer such **Claim** to arbitration or mediation. The cost of such arbitration or mediation shall be



considered **Claims Expenses** incurred by the **Insured** in connection with the defense of a **Claim**

The **Insured** shall cooperate with Underwriters and shall not assume any obligation or admit any liability with respect to any **Claim**. No **Claims Expenses** may be incurred and no settlement of any **Claim** may be initiated or concluded without Underwriter's consent, such consent shall not be unreasonably withheld. Underwriters shall not be liable for any **Claims Expenses, Loss** or settlement or any other assumed obligation or admission to which Underwriters have not consented.

Furthermore Underwriters shall not settle any **Claim** without the consent of the **Insured**. If however the **Insured** shall refuse to consent to any settlement recommended by Underwriters and acceptable by the claimant and elect to contest or continue any legal proceedings in connection with such **Claim** then Underwriters' liability for such **Claim** shall not exceed:

1. the amount for which the **Claim** could have settled and the **Claims Expenses** incurred as of the date such settlement was proposed to the **Insured**, plus
2. 70% of any **Loss** incurred after the date such settlement was proposed to the **Insured**, with the remaining 30% of such **Loss** to be borne by the **Insured** at their own risk and uninsured.

**F. Subrogation**

Except as provided for under Condition H, if any payment is made under this Policy with respect to a **Claim**, Underwriters shall be subrogated to the extent such payment to all of the **Insured's** rights of recovery thereto. The **Insured** shall do nothing to prejudice such rights, shall cooperate with Underwriters, and shall execute and deliver all instruments and papers and do whatever is necessary to secure such rights for the Underwriters.

**G. Mitigation of Loss & Emergency Costs**

This Policy shall indemnify the **Insured** in respect of reasonable costs and expenses necessarily incurred excess of the **Deductible** to mitigate a **Loss** or potential **Loss** arising out of a **Wrongful Act** or legal liability which otherwise would have been the subject of a **Claim** under this Policy.

The onus of proving a **Claim** under this extension shall be upon the **Insured** who will be obliged to give prior written notice to Underwriters during the **Policy Period** of the intention to take actions that will incur such reasonable costs and expenses excess of the **Deductible** payment of which shall only be made with prior written approval of the Underwriters.

If the Underwriters written consent cannot reasonably be obtained before **Claims expenses** in respect of any **Claim** are incurred, the Underwriter will, subject to the other terms of this Policy, give retrospective approval for such **Claims Expenses** for an amount up to, in the aggregate, 10% of the **Limit of Liability**.

**H. Other Insurance**

Underwriters agree that if the **Insured** has obtained separate coverage as part of their **Coverage Program** for which the **Insured** could also recover any **Loss** stated herein, it is understood and agreed that this Policy shall act as the Primary Insurance in respect of such **Loss** and this Policy shall act as though such other **Coverage Program** did not exist.

**Coverage Program** for the purposes of this condition shall mean any Self Insurance Program and Insurance policy and/or policies that any **Insured** participates on which would pay a **Loss** otherwise covered hereunder.

For the purposes of clarification this shall not include any coverage available to any member entities.

**I. Alteration and Assignment**

No change in, modification of, or assignment of interest under this Policy shall be effective except when made by written endorsement to this Policy which is signed by an authorised signatory of the Underwriter.

**J. Multiple Insureds**

The most Underwriters will pay is the relevant amount shown in the Declarations. If more than one **Insured** is named in the Declarations, the total amount **Underwriters** will pay will not exceed the amount **Underwriters** would be liable to pay to any one of the **Insured's**.

The **Organization** named in the Declarations, or if there is more than one **Organization** named in the Declarations, the first of them is authorised to receive all notices and agree any amendments to this Policy.

**K. Territory**

This insurance applies to any **Wrongful Act** which takes place anywhere in the world provided that **Claim** is first made against the **Insured** during the **Policy Period** (or **Discovery Period** when purchased in accordance with the policy terms and conditions).

**L. Innocent Insured**

A Whenever coverage under this insurance would be excluded, suspended or lost:

- (1) because of any exclusion relating to criminal, dishonest, fraudulent or malicious acts, errors or omissions by any **Insured**, and with respect to which any other **Individual Insured** did not personally participate or personally acquiesce or remain passive after having personal knowledge thereof, or
- (2) because of non-compliance with Notice of Claim contained herein with respect to which any other **Individual Insured** shall be in default solely because of the failure to give such notice or concealment of such failure by one or more **Insureds** responsible for the **Loss** otherwise insured hereunder,



the Underwriters agree that such insurance as would otherwise be afforded under this policy shall cover and be paid with respect to those **Individual Insureds** who did not personally commit or personally participate in committing or personally acquiesce in or remain passive after having personal knowledge of (a) one or more of the acts, errors or omissions described in any such exclusion; or (b) such failure to give notice, provided that if the condition be one with which such **Individual Insured** can comply, after receiving knowledge thereof, the **Individual Insured** entitled to the benefit of this shall comply with such condition promptly after obtaining knowledge of the failure of any other **Insured** to comply therewith. Any **Wrongful Act** pertaining to any **Individual Insured** shall not be imputed to any other **Individual Insured**.

- B With respect to this provision, the Underwriters' obligation to pay in such event shall be in excess of the **Deductible** and in excess of the full extent of any assets in the **Insured** of any **Individual Insured** to whom the exclusion applies. In no event shall the Underwriters' obligation to pay exceed the **Limit of Liability** stated the Declarations.

**M. Service of Suit**

- 1 It is agreed that in the event of the failure of the Underwriters to pay any amount claimed to be due under this insurance, Underwriters, at the request of the **Insured**, will submit to the jurisdiction of a court of competent jurisdiction within the United States. This Condition does not constitute and should not be understood to constitute an agreement by Underwriters that an action is properly maintained in a specific forum, nor may it be construed as a waiver of Underwriters' rights to commence an action in a court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted the laws of the United States or of any State of the United States, all of which rights Underwriters expressly reserve. It is further agreed that service of process in such suit may be made upon the Persons named in the Declarations and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such court or of any Appellate Court in the event of an appeal.
- 2 The Persons named in the Declarations are authorized and directed to accept service of process on behalf of the Underwriters in any such suit and/or upon the request of the **Insured** to give written undertaking to the **Insured** that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the **Insured** or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the Persons named in the Declarations as the Persons to whom the said officer is authorized to mail such process or a true copy thereof.

**N. Choice of Law**

It is hereby understood and agreed by both the **Insured** and Underwriters that any dispute concerning the interpretation of this Policy shall be governed by the laws of the State shown in the Declarations

**O. Discovery Period**

A In the event of cancellation or non-renewal of this insurance by Underwriters or the **Insured**, the **Insured** shall have the right, upon payment of premium set forth below in full and not proportionally or otherwise in part, to have issued an endorsement providing a **Discovery Period** set forth below for **Claims** first made against any **Insured** and reported to the Underwriters during the **Discovery Period**, subject to the conditions set forth in the definition of **Discovery Period** herein.

<u>Premium:</u>	<u>Discovery Period</u>
100% of the Annual Premium	12 months
150% of the Annual Premium	24 months
200% of the Annual Premium	36 months

In order for the **Insured** to invoke the **Discovery Period** option, the payment of the premium for the **Discovery Period** must be paid to Underwriters within 60 days of the non-renewal or cancellation.

B The **Limit of Liability** for the **Discovery Period** shall be part of, and not in addition to, the **Limits of Liability** of the Underwriters for the **Policy Period**.

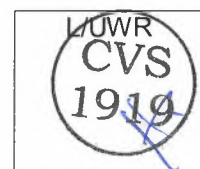
C The right to the **Discovery Period** shall not be available to the **Insured** where cancellation or non-renewal by the Underwriters is due to non-payment of premium or failure of an **Insured** to pay such amounts in excess of the applicable **Limit of Liability** or within the amount of the applicable **Deductible**

D All notices and premiums payments with respect to the **Discovery Period** option shall be directed to Underwriters through the **Insured's** Representative named in the Declarations.

E At the commencement of the **Discovery Period** the entire premium shall be deemed earned, and in the event the **Insured** terminates the **Discovery Period** for any reason prior to its natural expiration, Underwriters will not be liable to return any premium paid for the **Discovery Period**.

**P. Bankruptcy**

Bankruptcy or insolvency of the **Insured** will not relieve Underwriters of any of its obligations or deprive the Underwriters of any its rights under this Policy.



8

**Q. Notice of Claim or circumstance**

The **Organization** shall, as a condition precedent to any right to coverage under this Policy, give to Underwriters notice in writing as soon as practicable during the **Policy Period**, or within 60 days after the end of the **Policy period**

- (a) of any **Claim** first made against the **Insured** during the **Policy Period**
- (b) of any circumstances of which the **Insured** was aware during the **Policy Period** and which may subsequently give rise to a **claim** for which coverage is provided hereunder. If any **Claim** for which coverage is provided hereunder is subsequently made against the **Insured** arising out of circumstances reported under this clause, it shall be deemed to have been made during the **Policy Period**.

Notice of **Claims** or circumstances should be addressed to the **Insureds** Representative in the Declarations.

**R. Cancellation**

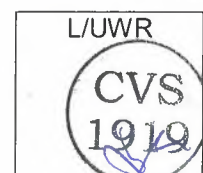
This Policy may be cancelled by the **Organization** by written request in accordance with the attached table at any time.

This Policy may be cancelled by or on behalf of Underwriters only if the **Organization** fails to pay the premium in accordance with the Premium Payment Terms herein. Underwriters shall, by delivering or mailing to the **Organization** at the address of the stated in the Declarations, give not less than 15 days' written notice stating when the cancellation shall be effective.

If the notice periods stated in the above paragraph do not comply with applicable law, such periods shall be deemed amended to equal the minimum periods permitted by law.

**Short Rate Cancellation Table**

Days Insurance in force	Per cent. Of One year Premium	Days Insurance in force	Per cent. Of One year Premium
1	.....5	154 - 156	.....53
2	.....6	157 - 160	.....54
3 - 4	.....7	161 - 164	.....55
5 - 6	.....8	165 - 167	.....56
7 - 8	.....9	168 - 171	.....57
9 - 10	.....10	172 - 175	.....58
11 - 12	.....11	176 - 178	.....59
13 - 14	.....12	179 - 182	(6 months)..... 60
15 - 16	.....13	183 - 187	.....61
17 - 18	.....14	188 - 191	.....62
19 - 20	.....15	192 - 196	.....63
21 - 22	.....16	197 - 200	.....64
23 - 25	.....17	201 - 205	.....65
26 - 29	.....18	206 - 209	.....66





30 - 32	(1 month).....	19	210 - 214	(7 months).....	67
33 - 36	.....	20	215 - 218	.....	68
37 - 40	.....	21	219 - 223	.....	69
41 - 43	.....	22	224 - 228	.....	70
44 - 47	.....	23	229 - 232	.....	71
48 - 51	.....	24	233 - 237	.....	72
52 - 54	.....	25	238 - 241	.....	73
55 - 58	.....	26	242 - 246	(8 months).....	74
59 - 62	(2 months).....	27	247 - 250	.....	75
63 - 65	.....	28	251 - 255	.....	76
66 - 69	.....	29	256 - 260	.....	77
70 - 73	.....	30	261 - 264	.....	78
74 - 76	.....	31	265 - 269	.....	79
77 - 80	.....	32	270 - 273	(9 months).....	80
81 - 83	.....	33	274 - 278	.....	81
84 - 87	.....	34	279 - 282	.....	82
88 - 91	(3 months).....	35	283 - 287	.....	83
92 - 94	.....	36	288 - 291	.....	84
95 - 98	.....	37	292 - 296	.....	85
99 - 102	.....	38	297 - 301	.....	86
103 - 105	.....	39	302 - 305	(10 months).....	87
106 - 109	.....	40	306 - 310	.....	88
110 - 113	.....	41	311 - 314	.....	89
114 - 116	.....	42	315 - 319	.....	90
117 - 120	.....	43	320 - 323	.....	91
121 - 124	(4 months).....	44	324 - 328	.....	92
125 - 127	.....	45	329 - 332	.....	93
128 - 131	.....	46	333 - 337	(11 months).....	94
132 - 135	.....	47	338 - 342	.....	95
136 - 138	.....	48	343 - 346	.....	96
139 - 142	.....	49	347 - 351	.....	97
143 - 146	.....	50	352 - 355	.....	98
147 - 149	.....	51	356 - 360	.....	99
150 - 153	(5 months).....	52	361 - 365	(12 months)....	100

**S. Premium Payment Terms**

The **Organization** undertakes that premium will be paid in full to underwriters within 60 days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Underwriters by the by the due date, Underwriters shall have the right to cancel this policy by notifying the **Organization** via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a **Loss** or occurrence prior to the date of termination which gives rise to a valid **Claim** under this policy.

It is agreed that Underwriters shall give not less than 15 days prior notice of cancellation to the **Organization** via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

### III. Exclusions

Underwriters shall not be held liable or make any payment for **Loss** or **Claims Expenses** for any **Claim** based upon, arising out of, directly or indirectly resulting from, or in any consequence of the following:

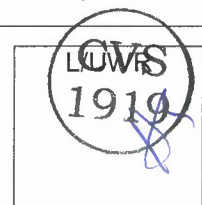
1. fraud, dishonesty or criminal acts or omissions; however the **Insured** shall be reimbursed for the reasonable amount which would have been collectible under this policy if such allegations are not subsequently proven.
2. any demand, complaint, or action seeking non pecuniary relief or redress in any form
3. any actual or alleged damage to or destruction of property, (and the loss of use of property whether or not it is damaged or destroyed), diminution in value of property, personal injury, including but not limited to, libel, slander, bodily injury, sickness, emotional distress, disease or death
4. any actual or alleged obligations(s) or responsibility(ies) assumed by the **Insured** under any contract unless liability thereof would have attached to the **Insured** by reason of the **Insured's Wrongful Act** in the absence of such contract.
5. any actual or alleged failure by any **Insured** to make an accounting of profit and/or surplus
6. any actual or alleged excessive or unwarranted fees or charges of any description
7. any suspension of payment by any bank, banking firm, or broker or dealer in securities or commodities; or bankruptcy, insolvency, receivership or rehabilitation of the **Insured** or the **Insured's** estate.
8. any malfunction of any business machine or system, including but not limited to, any computer or software system
9. actual or alleged seepage, pollution, or contamination of any kind and from any source
10. any demand, complaint, action, requirement, direction or request by any federal, state or local governmental regulatory agency to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any solid, liquid, gaseous, or thermal irritant or contaminant, including but not limited to, asbestos, lead, smoke, vapour, soot, fumes, acids, alkalis, chemicals or wastes, or materials to be recycled, reconditioned or reclaimed.
11. any actual or alleged violation of the Racketeer Influenced and Corrupt Organisations Act, 18 USC Sections 1961 et seq., or any comparable state law, and any amendments thereto, or any rules or regulations promulgated thereunder.

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12. arising out of any **Claim** alleging violation of any: i) worker's compensation, disability benefits or unemployment compensation law, social security and other employment benefits law; ii) the Employee Retirement Income Security Act of 1974 Public Law 93-406; iii) the Fair Labor Standards Act (except the Equal Pay Act); (iv) the National Labor Relations Act; (v) the Worker Adjustment and Retraining Notification Act; (vi) the Consolidated Omnibus Budget Reconciliation Act of 1985; (vii) the Occupational Safety and Health Act; (viii) any other federal, state or local statute or law similar to any statute or law described in (i) through (vii) of this exclusion; provided, however, this exclusion shall not apply to any **Claim** for any actual or alleged retaliatory treatment of the claimant on account of the claimant's exercise of rights pursuant to such statute, law, rule or regulation.
13. arising out of or in connection with **Loss**:
- (a) which has been notified to the Underwriters on any other policy of insurance effected prior to the inception of this Policy or
- (b) which was known to the **Insured** prior to the inception of this Policy.
14. Nuclear Incident Exclusion Clause
- This Policy does not apply:-
- I. Under any Liability Coverage, to injury, sickness, disease, death or destruction
- [a] with respect to which an **Insured** under the policy is also an **Insured** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an **Insured** under any such policy but for its termination upon exhaustion of its **Limit of Liability**; or
- [b] resulting from the **hazardous properties of nuclear material** and with respect to which [1] any person or **Organization** is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or [2] the **Insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or **Organization**.
- II. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the **hazardous properties of nuclear material** and arising out of the operation of a **nuclear facility** by any person or **Organization**.
- III. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the **hazardous properties of nuclear material**, if
- [a] the **nuclear material** [1] is at any **nuclear facility** owned by, or operated by or on behalf of, an **Insured** or [2] has been discharged or dispersed therefrom;



- [b] 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
- [c] the injury, sickness, disease, death or destruction 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 [c] applies only to injury to or destruction of property at such **nuclear facility**.

IV. As used in this endorsement:

"**hazardous properties**" include radioactive, toxic or explosive properties; "**nuclear material**" means source material, special nuclear material or byproduct material; "**source material**", "**special nuclear material**", and "**byproduct material**" have the meanings given them in the Atomic Energy Act 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 [1] containing byproduct material and [2] resulting from the operation by any person or **Organization** of any nuclear facility included within the definition of nuclear facility under paragraph [a] or [b] thereof; "**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.

With respect to injury to or destruction of property, the word "**injury**" or "**destruction**" includes all forms of radioactive contamination of property.

It is understood and agreed that, except as specifically provided in the foregoing to the contrary, this clause is subject to the terms, exclusions, conditions and limitations of the Policy to which it is attached.



15. Radioactive Contamination Exclusion Clause

This Policy does not cover any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

16. alleging, arising out of, based upon or attributable to the gaining in fact of any profit, remuneration or advantage to which the **Insured** is not legally entitled; the return of taxes; assessments; penalties, fines or fees.

17. Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes **Loss**, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the **Loss**;

(1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or

(2) any act of terrorism.

For the purpose of this clause an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This clause also excludes **Loss**, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the Underwriters allege that by reason of this exclusion, any **Loss**, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this clause is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

IV. Definitions

Claim means

- (i) a written demand for specific monetary compensation or specific non-pecuniary relief based upon facts or circumstances that would create a cause of action in law;
- (ii) a civil proceeding including third party proceeding, counterclaim or arbitration proceeding;



- (iii) a criminal proceeding;
- (v) a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges,

made against the **Insured**, alleging a **Wrongful Act**.

**Claims Expenses** shall mean reasonable expenditures incurred by an **Insured** in defense of a **Claim** covered under and not excluded by this Policy, including but not limited to, costs of investigations, experts, adjustment services, legal services, court costs and similar expenses; provided however, that **Claims Expenses** does not include wages or salaries of an **Insured**, or cost of attachment or similar bonds.

**Deductible** shall mean the amount set forth in the Declarations which the **Insured** must contribute for each and every **Claim** for **Loss** and/or **Claims Expenses** whichever is incurred first

**Employee** means a natural person:

1. whilst employed under a contract of service or apprenticeship with the **Organization** in the ordinary course of its business whether temporary, permanent, full-time, part-time or seasonal;
2. who personally performs duties or services under the control of the **Organization** in the ordinary course of its business whilst:
  - (a) serving an apprenticeship;
  - (b) being trained under a Government or State approved training scheme;
  - (c) directly engaged by the **Organization** to work with or without payment; or
  - (d) provided to the **Organization** by an agency on a permanent or temporary basis.

**Indemnifiable** means, disregarding all restrictions in contract or in an **Organization's** constitution, memorandum or articles of association, bylaws, shareholder resolutions, or board or other governing body resolutions, not prevented by law or insolvency from being indemnified or reimbursed by an **Organization**.

**Individual Insured** means any former, present or future elected or appointed **Trustee**, Director, Officer, Public Official, Member of any duly constituted Committee, or **Employee** or Administrator, whether salaried or not, while acting within the scope of their duties for the **Organization**

**Insured** shall mean:

- 1) any Individual Insureds of the Organization whilst acting on behalf of the Organization
- 2) the estate, heirs, executors, administrators, assigns, lawful spouse or domestic partner and legal representatives of any Individual Insured in the event of such Individuals Insured's death, incapacity, insolvency or bankruptcy, but only to the extent that such Individual Insured would otherwise be provided coverage under this insurance.

For the avoidance of doubt, the term "Domestic Partner" shall mean any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law.

- 3) the Organization

**Insured Capacity** means the performance of the functions, duties and responsibilities which such **Individual Insured** has been retained, appointed or employed to perform in their managerial, fiduciary or employed capacity for the **Organization**.

**Loss** means the amount which an **Insured** is legally and personally liable to pay on account of a **Claim** first made or instituted during the **Policy Period** covered under and not excluded by this Policy.

**Organization** means the trust or trusts or entity or entities specified in the Declarations and shall be deemed to include any other trusts or entities named or identified in the Application. However the **Organization** shall exclude any member entities of the **Organization**.

**Policy Period** means the period from the inception date of this Policy to the expiration date of this policy as set forth in the Declarations, or its earlier termination date if any, in accordance with the Cancellation provisions of this policy. If the **Discovery Period** is exercised then such **Discovery Period** shall be part of the **Policy Period** and not an additional period.

**Retroactive Date** shall mean any **Claim** or **Loss** reported pursuant to the terms and conditions of the Policy and rendered on or after the date set forth in the Declarations

**Trustee** means any **Individual Insured** who was or is or may hereafter becomes a **Trustee** for the purpose of administering a trust for the **Organization**

**Wrongful Act** shall mean any actual or alleged breach of duty, neglect, error, misstatement, misleading statement or omission by an **Insured**, individually or otherwise in their **Insured Capacity** or any matter claimed against them solely by reason of their serving in such **Insured Capacity's**.

## V. Extensions

Only the Extensions that are shown as 'Covered' under the Declarations of this Policy are applicable hereon.

### A. One Direct Reinstatement

In the event of a **Loss** being paid under this Policy, Underwriters hereby agree, at the Option of the **Organization**, to reinstate the **Limit of Liability** up to One full reinstatement of the **Limit of Liability** from the time of the occurrence of such **Loss** until the expiry of this Policy. This Reinstatement is subject to an Additional Premium as shown within the Declarations.

The maximum amount payable by Underwriters is equal to twice the amount stated in the Declarations, however, in respect of any one **Claim** or **Claims** arising out of or attributable to the same originating cause or source or the same **Wrongful Act**, error or omission, event or transaction or in any way related to such cause or source, **Wrongful Act**, error or omission,

event or transaction) under this policy irrespective of the number of claimants and/or the number of **Insureds** shall be the amount stated in the Declarations

**B. Additional Defense Costs**

In the event that the **Limit of Liability** is exhausted **Underwriters** will provide an additional **Limit of Liability** shown in the Declarations, provided that the **Individual Insured** has previously not been the subject of a **Claim** for a **Wrongful Act** or series of **Wrongful Acts** that led to the exhaustion of the **Limit of Liability**

This limit applies to the payment of **Claims Expenses** only.

**C. Loss of or damage to documents**

Underwriters shall pay on behalf of the **Insured** and/or the **Trustee**, all costs and expenses reasonably incurred by the **Insured** and/or the **Trustee** in replacing or restoring documents subject to a maximum aggregate **Limit of Liability** as shown in the Declarations (such **Limit of Liability** being part of and not in addition to the **Limit of Liability**) provided that:

1. such **Loss** of or damage to **Documents** is first **Discovered** during the **Policy Period** or any applicable **Discovery Period**
2. where the **Documents** are in electronic format, the **Insured** can demonstrate to the reasonable satisfaction of the Underwriter that sufficient and proper procedures were in place for the security and daily back-up of the **Documents**; and
3. Underwriters shall not be liable for any costs or expenses in respect of **Loss** of or damage to **Documents** directly based on, arising out of or in any way involving:
  - (a) the transmission or impact of any **Virus**; and/or
  - (b) unauthorised access to a **System**.

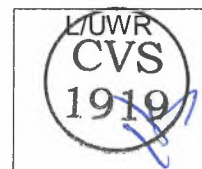
**Documents** means:

1. documents (excluding bearer bonds, coupons, bank or currency notes or other negotiable instruments); or
2. computer systems records

the property of the **Insured** or for which the **Insured** is legally responsible

**System** means computers, other computing and electronic equipment linked to computer hardware, electronic data, processing equipment, microchips and anything which relies on a microchip for any part of its operation and includes for the avoidance of doubt any computer installation.

**Virus** means programming code or series of instructions designed to achieve an unexpected, unauthorised and/or undesirable effect or operation when loaded onto a **System**, transmitted between **Systems** by transfer between computer systems via networks, extranets, internet or



electronic mail or attachments thereto or via floppy diskettes or CD-ROMs or otherwise and whether involving self replication or not.

**D. Employment Practices Violation**

Underwriters will pay on behalf of the **Insured** any **Loss** covered by this policy including **Claims Expenses** incurred in defense and settlement of any **Claim** first made against the **Insured** and reported to Underwriters during the **Policy Period**, in connection with an **Employment Practices Violation** first committed or allegedly committed on or subsequent to the **Retroactive Date** shown herein.

For the purposes of this extension the following amendments shall apply

1. The following is included under Exclusions of this Policy
  18. Alleging, arising out of based upon, or attributable to the refusal, failure or inability of any **Insured** to pay **Earned Wages** or for improper payroll deductions taken by any **Insured** from any **Employee**, including but not limited to (i) any unfair business practices claim alleged because of the failure to pay **Earned Wages** or (ii) any **Claim** seeing **Earned Wages** because any **Employee** or purported **Employee** was improperly classified or mislabelled as "exempt"
2. Exclusion 4 of this Policy is amended to read as follows:-
  4. any actual or alleged obligations(s) or responsibility(ies) assumed by the **Insured** under any contract unless liability thereof would have attached to the **Insured** by reason of the **Insured's Wrongful Act** in the absence of such contract, however this exclusion shall not apply to any **Claim** alleging an **Employment Practices Violation**
3. The following definitions shall apply

**Employment Practice Violation(s)** means any actual or alleged:

  - 1) wrongful dismissal, discharge or termination (either actual or constructive) of employment, including breach of an implied contract
  - 2) harassment (including sexual harassment whether "quid pro quo" hostile work environment or otherwise)
  - 3) discrimination, (including but not limited to discrimination based upon age, gender, race, colour, national origin, religion, sexual orientation or preference, pregnancy or disability)
  - 4) **Retaliation** (including lockouts)
  - 5) employment related misrepresentation(s) to an **Employee** or applicant for employment with the **Organization**



- 6) wrongful failure to employ or promote
- 7) 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.
- 8) wrongful discipline
- 9) failure to provide or enforce adequate or consistent policies and procedure relating to any **Employment Practices Violation**
- 10) violation of an individual's civil rights relating to any of the above but only if the **Employment Practices Violation** relates to an **Employee** or applicant for employment with the **Organization** whether direct, indirect, intentional or unintentional
- 11) employment related libel, slander, defamation, or invasion of privacy

**Retaliation** means a **Wrongful Act** of an **Insured** relating to or alleged to be in response to any of the following activities: (1) the disclosure or threat of disclosure by an **Employee** of the **Organization** to a superior or to any governmental agency of any act by an **Insured** which act is alleged to be a violation of any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder: (2) the actual or attempted exercise by an **Employee** of the **Organization** of any right that such **Employee** has under law, including rights under workers compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to **Employee** rights; (3) the filing of any claim under the Federal False Claims Act or any other federal, state, local or foreign "whistle blower" law, (4) strikes by **Employees** of the **Organization** or (5) political affiliation

**Claim** shall also mean any proceeding initiated against the **Insured** before the U.S. Equal Employment Opportunity Commission ("EEOC") or any similar governmental body, However, in no event shall the term **Claim** include any labor or grievance proceeding which is subject to a collective bargaining agreement.

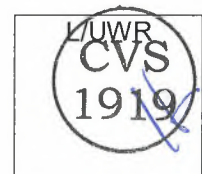
**Earned Wages** means wages or overtime pay for services rendered

- 4. Notwithstanding anything contained to the contrary herein and in respects of **Employment Practice(s) Violations** only, in no event shall any payments be made by Underwriters for any costs incurred to defend a covered **Claim** more than thirty (30) days prior to written notification of such **Claim**.

**E. U.S. Terrorism Risk Insurance Act of 2002 as Amended New & Renewal Business Extension**

*This Extension is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.*

In consideration of an allocated premium as shown in the Declarations, it is hereby noted and agreed with effect from inception that the Terrorism exclusion to which this Insurance is



subject, shall not apply to any "insured loss" directly resulting from any "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA").

The coverage afforded by this Extension is only in respect of any "insured loss" of the type insured by this Insurance directly resulting from an "act of terrorism" as defined in TRIA. The coverage provided by this Extension shall expire at 12:00 midnight December 31, 2020, the date on which the TRIA Program is scheduled to terminate, or the expiry date of the policy whichever occurs first, and shall not cover any losses or events which arise after the earlier of these dates. The Terrorism exclusion, to which this Insurance is subject, applies in full force and effect to any other losses and any act or events that are not included in said definition of "act of terrorism".

This Extension only affects the Terrorism exclusion to which this Insurance is subject. All other terms, conditions, insured coverage and exclusions of this Insurance including applicable **Limits of Liability** and **Deductibles** remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

Furthermore the Underwriter(s) will not be liable for any amounts for which they are not responsible under the terms of TRIA (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on the Underwriter's liability for payment for terrorism losses.

**F. Breach of Confidentiality Extension**

Underwriters agree subject otherwise to the terms, conditions and exclusions of this insurance to indemnify the **Insured** for **Claims** made during the **Policy Period** arising from the unintentional breach of confidentiality.

**G. Libel and Slander**

Underwriters will pay on behalf of the **Insured** any **Claim** or **Claims** first made against the **Insured** during the **Policy Period** for libel, slander, defamation and injurious or malicious falsehood committed by the **Insured** in the course of the **Insured's Capacity**.

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**ENDORSEMENTS**

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**1. SMALL ADDITIONAL OR RETURN PREMIUMS CLAUSE (U.S.A.)**

NOTWITHSTANDING anything to the contrary contained herein and in consideration of the premium for which this Insurance is written, it is understood and agreed that whenever an additional or return premium of USD2 or less becomes due from or to the Assured on account of the adjustment of a deposit premium, or of an alteration in coverage or rate during the term or for any other reason, the collection of such premium from the Assured will be waived or the return of such premium to the Assured will not be made, as the case may be.

N.M.A. 1168

**2. PRIOR AND PENDING LITIGATION EXCLUSION**

Underwriters shall not be held liable or make any payment for **Loss** or **Claims Expenses** for any **Claim** based upon, arising out of, directly or indirectly resulting from, or in any consequence of the following:

1. any prior and/or pending litigation as of 12:01 am Local Time on 1<sup>st</sup> January 1997, or
2. any fact, circumstance, situation, transaction or event underlying or alleged in such litigation, regardless of the legal theory upon which such **Claim** is predicated.

**3. CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY  
AUXILIARY ORGANIZATIONS RISK MANAGEMENT ALLIANCE  
(CSURMA AORMA)  
LIABILITY PROGRAM, FIDUCIARY LIABILITY COVERAGE, AMENDATORY ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

- A. Limit of Liability: USD 5,000,000, Underwriters agree:

To pay on behalf of any **Insured** those sums for **loss** including **Claims Expenses** incurred in the defense and settlement of any **Claim** first made against the **Named Insured** and reported to Underwriters during the **Policy Period**, alleging a **Wrongful Acts** of any Insured, first committed or allegedly committed on or subsequent to the **Retroactive Date** shown herein, in the **administration of Insured's Employee Benefit Plans or Insured's Trusts**.

- B. Retained Limit of Liability: USD 350,000 any one claim

For the purpose of determining the limit of liability and the **retained limit** of CSURMA AORMA under this endorsement, all **damages** arising out of continuous repeated exposure to substantially the same general conditions shall be considered as arising out of one **loss**.

**Loss**, with a duration of more than one **policy period** shall be treated as a single **loss** arising during the **policy period** when the **Claim** is first made, and under no circumstances

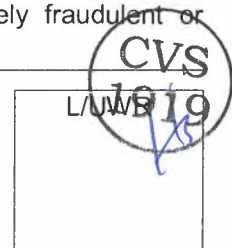


shall the fact that said **loss** has a duration of more than one **policy period** entitle **Insured** to more than one limit of coverage.

C. EXCLUSIONS

Underwriters shall not be liable to make any payment for that part of **Loss**, other than Defense Expenses:

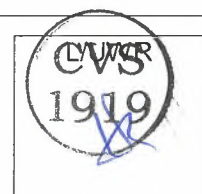
1. Which constitutes civil or criminal fines or penalties, taxes, or the multiple portion of any multiplied damage award;
2. Which constitutes payments due under the terms of the Benefit Plan or Trust , unless recovery is based upon a covered **Wrongful Act**;
3. **Loss** made against the **Named Insured's fiduciary**:
  - a. For libel, slander, bodily injury, emotional distress, disease, sickness or death of any person. Or any damage to or destruction of any tangible property including loss of use thereof;
  - b. For liability of others assumed by the **Named Insured's fiduciary** under any oral, written or implied contract or agreement; however, this exclusion shall not apply to the extent the **Named Insured's fiduciary** would have been liable in the absence of such contract or agreement; or the liability was assumed in accordance with or under the **Benefit Plan or Trust** agreement or equivalent document pursuant to which the plan was established;
  - c. Any **Insured's** gain of any profit, remuneration or advantage to which they were not legally entitled; or
  - d. For discrimination in violation of any law.
4. Underwriters shall not be liable to make any payment for **Loss** in connection with any claim based upon, arising out of, directly or indirectly resulting from or in consequence of:
  - a. Any fact, circumstance, situation, transaction event or **Wrongful Act** which was the subject to any notice given under any prior coverage for fiduciary liability or other similar insurance;
  - b. Any litigation or administrative or regulatory proceeding against any **Insured** pending on or before the effective date of this endorsement, or any actual, alleged fact, circumstance, situation, transaction, event or **Wrongful Act** underlying or alleged therein;
  - c. Any deliberately fraudulent or dishonest act or omission or any willful violation of any statute or regulation by any **Insured**; however, this exclusion shall not apply unless a judgment or other final adjudication adverse to such **Insured** establishes such a deliberately fraudulent or dishonest act or omission or willful violation.



D. **DEFINITIONS**

For the purpose of the coverage provided by this endorsement, the following definitions are added:

1. **Administration** means:
  - a. Providing information, advice, counsel or notice to employees or **Trust** beneficiaries, with respect to the **Employee Benefits Plan** or **Trust**;
  - b. Providing interpretations of the **Employee Benefits Plan** or **Trust**;
  - c. Handling records in connection with the **Employee Benefits Plan** or **Trust**.
  - d. Effecting enrolment, termination or cancellation of employees, participants, or beneficiaries under the **Employee Benefits Plan**.
2. **Insured Fiduciary** means any natural person who was, is now or becomes a trustee, member of the board of directors, officer, in-house general counsel or an employee of the Named Insured of an **Employee Benefit Plan** or **Trust**, while acting in his or her capacity as a fiduciary of an **Employee Benefit Plan** or **Trust** or as a person performing **Administration** for an **Employee Benefit Plan** or **Trust**, or who is:
  - a. Assigned to act as a trustee, or an agent for finances of an **Employee Benefit Plan** or **Trust**.
3. **Employee Benefit Plan** means a program providing some or all of the following benefits to employees:
  - 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. Pension 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; and
  - 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.
4. **Insured** means:

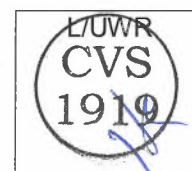


- a. Named Insured
  - b. CSU and CSU Campus Auxiliary Organizations
  - c. Elected/Appointed Officials: all past, present and future, including the Member Designated Professional Fiduciary
  - d. Employees: all past, present, and future
5. **Trust(s)** means financial instruments such as: charitable remainder trusts, charitable lead trusts, pooled income funds, or any combination thereof, or any other similar financial instrument.
6. **Wrongful Act** means:
- a. Any actual or alleged breach of the responsibilities, obligations or duties imposed upon **Insured Fiduciary** for the **Trusts** by common or statutory law or regulation of the United States or any state;
  - b. Any other actual or alleged matter claimed against an **Insured Fiduciary** solely because of his or her service as the designated fiduciary of any **Employee Benefit Plans** or **Trusts**; or
  - c. Any actual or alleged negligent act, error or omission solely in the **Administration** of any **Employee Benefit Plans** or **Trusts**, and
  - d. Any actual or alleged breach of duties, obligation and responsibilities imposed by ERISA or by COBRA, or by any similar or related federal, state or local law or regulation, in the discharge of the **Insured Fiduciary's** duties with respect to any **Employee Benefit Plans**.

**SUBJECT OTHERWISE TO THE TERMS, CONDITIONS AND LIMITATIONS OF THIS INSURANCE**

**Information**

As per Alliant renewal presentations held on brokers file and seen by Underwriters



## Security Details

### LMA3333

#### (RE)INSURERS LIABILITY CLAUSE

##### (Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

#### Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

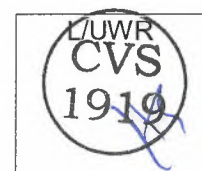
Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

**Order Hereon:** 100% of 100%

**Basis of  
Written Lines:** Percentage of Whole

**MR CONTRACT**  
ENQ/QUO : PCSUR000115



**Signing Provisions:** In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the contracts will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

**Written Lines:** In a co-insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the lead (re)insurer.

(Re)insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.



SIGNED  
LINE %

100%

Starr Underwriting Agents Limited  
on behalf of Lloyd's Syndicate

*CVS* 1919

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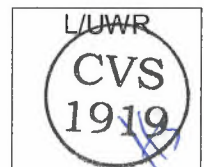
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*ST ORDER*





SIGNED  
LINE %



## COVERAGE SUMMARY

**INSURER:**  
Auxiliary Organization  
Risk Management  
Alliance (AORMA)

**POLICY TERM:**  
July 1, 2015 to  
July 1, 2016



**QUESTIONS:**

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**Hsan Htein**  
(415) 403-1452  
[hhtein@alliant.com](mailto:hhtein@alliant.com)

**COVERAGE**

Worker's Compensation and Employers' Liability

**LIMITS:**

Primary - AORMA

\$500,000	Workers' Compensation - each accident
\$500,000	Employer's Liability - each accident
\$500,000	Employer's Liability – each employee for disease

Excess

Statutory	Workers' Compensation - each accident
\$5,000,000	Employer's Liability - each accident
\$5,000,000	Employer's Liability – each employee for disease

**EXTENSION(S):**

1. Allocable Loss Adjustment Expense (“defense costs”) included as loss to satisfy the retention
2. All States Coverage
3. USL&H (Incidental Only)
4. Maritime Coverage (Incidental Only)

**HOW TO REPORT A CLAIM:**

In the event of a Workers' Compensation claim, please forward the Workers' Compensation Claim Form (DWC1) and the Employer's Report of Occupational Injury or Illness (Form 5020) to:

**Sedgwick CMS**  
Brian Montagnese  
(916) 851-4441  
[Brian.montagnese@sedgwickcms.com](mailto:Brian.montagnese@sedgwickcms.com)



**CSAC EXCESS INSURANCE AUTHORITY  
EXCESS WORKERS' COMPENSATION PROGRAM  
MEMORANDUM OF COVERAGE  
DECLARATIONS**

- ITEM 1: COVERED PARTY:** **Members of the California State University Risk Management Authority (CSURMA)** - see attached Endorsement No. 1
- ITEM 2: MEMORANDUM PERIOD:** From July 1, 2015 to July 1, 2016, 12:01 a.m. local time of the **Covered Party** as stated herein
- ITEM 3: STATE:** California
- ITEM 4: RETENTION AND INDEMNITY:**
- A. COVERED PARTY'S RETENTION:** Nil. As respects **loss** which the **Covered Party** sustains as the result of each **occurrence**, the Authority shall be responsible for all covered **losses** and agrees to pay on behalf of the **Covered Party** for **losses** within the amount of the limits stated below under Item 4B. The Authority agrees to satisfy, on behalf of the **Covered Party**, Coverage Agreement section II, RETENTION AND INDEMNITY, in the CSAC Excess Insurance Authority Excess Workers' Compensation Memorandum of Coverage, subject to the coverage's and exclusions provided therein.
- B. LIMIT OF INDEMNITY:**
1. First Excess Layer: \$125,000 each **Occurrence**
  2. Second Excess Layer:
    - a. California State Universities (CSU): \$2,375,000 each **Occurrence**
    - b. Auxiliary Organizations Risk Management Alliance (AORMA): \$375,000 each **Occurrence**
  3. Third Excess Layer:
    - a. California State Universities (CSU): Statutory excess of \$2,500,000 each **Occurrence**
    - c. Auxiliary Organizations Risk Management Alliance (AORMA): Statutory excess of \$500,000 each **Occurrence**
- ITEM 5: MEMORANDUM NUMBER:** EIA-PE 15 EWC-143
- ITEM 6: ESTIMATED ANNUAL PAYROLL:**
- First and Second Excess Layer (reported as of January 1, 2015):
- a. California State Universities (CSU): \$2,907,463,476
  - b. Auxiliary Organizations Risk Management Alliance (AORMA): \$301,196,224

Third Excess Layer:

- a. California State Universities (CSU): \$2,964,660,394
- b. Auxiliary Organizations Risk Management Alliance (AORMA): \$302,408,172

**ITEM 7: DEPOSIT PREMIUM:**

1. First Excess Layer:

- a. California State Universities (CSU): \$14,824,956
- b. Auxiliary Organizations Risk Management Alliance (AORMA): \$1,524,704

The premium paid under the First Excess Layer is not applicable for dividend and assessment purposes in accordance with paragraph 4 of the "Memorandum of Understanding, Excess Workers' Compensation Program."

2. Second Excess Layer:

- a. California State Universities (CSU): \$9,321,077
- b. Auxiliary Organizations Risk Management Alliance (AORMA): \$958,645


3. Third Excess Layer:

- a. California State Universities (CSU): \$2,228,125
- b. Auxiliary Organizations Risk Management Alliance (AORMA): \$485,365

4. Total Deposit Premium: \$29,342,872 (inclusive of all layers & fees)

The deposit premium is adjustable based on final audited payroll.

**ITEM 8: FORMS AND ENDORSEMENTS ATTACHED AT INCEPTION: EWC MOC 7/1/2012, Endorsement No. U-1, U-2, U-3, U-4, U-5, 1**

Countersigned by:   
Authorized Representative  
CSAC Excess Insurance Authority

Issue Date: July 1, 2015

**CSAC EXCESS INSURANCE AUTHORITY  
EXCESS WORKERS' COMPENSATION PROGRAM  
SCHEDULE OF LIMITS AND COVERAGE PROVIDERS  
July 1, 2015 to July 1, 2016**

**Notice:** The limits of indemnity shown below include various reinsurance and excess placements with specific limits which are inclusive and not excess of the limits stated herein. The limits of indemnity shown below apply to all Members and all **Covered Parties** combined for all **losses** as a result of any one **occurrence**. Each Coverage Provider listed below provides coverage on its own form so there may be some coverage variances as a result of different policy language. Please carefully review all coverage forms.

No.	Limit of Indemnity	Coverage	Coverage Provider	Policy Number
1)	\$125,000	Workers' Compensation and Employers' Liability	Wesco Insurance Company	WPP 1103814 00
2)	\$2,375,000 excess of \$125,000 (CSU) \$375,000 excess of \$125,000 (AORMA)	Workers' Compensation and Employers' Liability	Wesco Insurance Company	WPP 1103815 00
3)	Statutory excess of \$2,500,000 (CSU) and \$2,500,000 excess of \$2,500,000 Statutory excess of \$500,000 (AORMA) and \$5,000,000 excess of \$500,000	Workers' Compensation and Employers' Liability	Safety National Casualty Corporation	SP 4053524  SP 4053518

**CSAC EXCESS INSURANCE AUTHORITY  
EXCESS WORKERS' COMPENSATION PROGRAM  
MEMORANDUM OF COVERAGE**

CSAC Excess Insurance Authority (hereinafter Authority) agrees with the **Covered Party** named in the Declarations made a part hereof, in consideration of the payment of the premium and subject to all of the terms of this Memorandum, as follows:

**COVERAGE AGREEMENTS**

I. APPLICATION OF MEMORANDUM: This Memorandum applies to **loss** sustained by the **Covered Party** because of liability imposed upon the **Covered Party** by:

A. The **Workers' Compensation Act** of California or the **Workers' Compensation Act** of any state other than California, provided that California is the injured **employee's** normal state of employment or residence, or

B. "Employers' Liability"

on account of **bodily injury or occupational disease** sustained by **employees** of the **Covered Party**, while engaged in operations of the **Covered Party**, as a result of **occurrences** taking place during the coverage period and while this Memorandum is in force.

The indemnity afforded by this Memorandum under Coverage Agreement I.B. for **loss** because of liability imposed by "Employers' Liability" applies only as respects such operations in California including **employees** who are regularly engaged in such operations in California but who may be temporarily outside California in connection with such operations. As respects liability imposed by "Employers' Liability", the Authority shall have no obligation to indemnify the **Covered Party** for damages imposed in any lawsuit brought in, or any judgment rendered by, any court outside of the United States of America, its territories or possession, or Canada, or to any action on such judgment wherever brought.

The Authority's liability under Coverage Agreement I.B. includes **bodily injury or occupational disease** to the master and members of the crew of a vessel, subject to the following:

A. The **bodily injury or occupational disease** must occur in the territorial limits of, or the operation of a vessel sailing directly between the ports of the Continental United States of America, Alaska, Hawaii, or Canada.

B. This coverage does not apply to:

1. **bodily injury** or **occupational disease** covered by a protection and indemnity coverage or similar policy issued to or on behalf of the **Covered Party**
  2. The duty to provide transportation, wages, and maintenance.
- II. **RETENTION AND INDEMNITY:** As respects **loss** which the **Covered Party** sustains as a result of each **occurrence**, the **Covered Party** shall retain **loss** in the amount of the **Covered Party's** Retention specified in the Declarations, and the Authority agrees to indemnify the **Covered Party** against **loss** in excess of such Retention. Notwithstanding the application of this Memorandum to **loss** sustained by the **Covered Party** under Coverage Agreements I.A. or I.B., and regardless of the number of entities named in the Declarations, or otherwise qualifying as **Covered Parties**, the maximum amount of the **Covered Party's** Retention and the maximum limit of the Authority's indemnity hereunder shall not exceed the amounts specified in the Declarations.

## DEFINITIONS

Wherever used in this Memorandum, the following definition of terms shall apply:

- I. **BODILY INJURY:** The term **bodily injury** shall include death resulting therefrom but shall not include **occupational disease**.
- II. **COMMUNICABLE DISEASE** shall mean a disease caused by an infectious organism, which is transmissible from one source to another, directly or indirectly.

**COVERED PARTY** shall include all entities named in the Declarations and any related "employer" as defined by any applicable **Workers' Compensation Act**.

- IV. **EMPLOYEE:** The term **employee** shall mean, as respects liability imposed upon the **Covered Party** by the **Workers' Compensation Act** of any applicable state, any person performing work which renders the **Covered Party** liable under any **Workers' Compensation Act**, provided such person's normal employment or residence is located in California, for **bodily injury** or **occupational disease** sustained by such person.
- V. **JOINT POWERS AGREEMENT** or **AGREEMENT** shall mean the Joint Powers Agreement, as amended, creating the CSAC Excess Insurance Authority.
- VI. **LOSS:** The term **loss** shall mean only such amounts as are actually paid by the **Covered Party** as benefits under the applicable **Workers' Compensation Act**, or in payment of amounts imposed upon the **Covered Party** by "Employers' Liability", in settlement of claims for such benefits or damages, or satisfaction of



awards or judgments for such benefits and damages, including court costs, interest upon awards or judgments, and allocated investigation, and legal expenses, but the term **loss** shall not include as expenses, salaries paid to **employees** of the **Covered Party**, nor fees and retainers paid to any service organization.

- VII. **OCCUPATIONAL DISEASE:** The term **occupational disease** shall include death resulting therefrom and cumulative injuries.
- VIII. **OCCURRENCE:** (A) All **bodily injury** sustained by one or more **employees**, as a result of a single accident or event, shall be deemed to arise from a single **occurrence**. (B) **Occupational disease** sustained by each **employee** shall be deemed to arise from a separate **occurrence**, and the **occurrence** shall be deemed to take place on the last day of the last exposure, in the employment of the **Covered Party**, to conditions causing or aggravating the disease OR the date upon which the employee first suffered disability and either knew, or in the exercise of reasonable diligence should have known, that such disability was caused by his or her employment with the **Covered Party**, whichever comes first. (C) All **occupational disease** sustained by one or more **employees** as a result of an outbreak of the same **communicable disease** shall be deemed to arise from a single **occurrence**. An outbreak of the same **communicable disease** that spans more than one coverage period shall be deemed to take place during the first such coverage period.
- IX. **WORKERS' COMPENSATION ACT:** The term **Workers' Compensation Act** shall include any separate occupational disease act, but shall not include the non-occupational disability benefit provisions of any such act. The term **Workers' Compensation Act** includes the United States Longshore and Harbor Workers Compensation Act (33 USC Sections 901-950). Coverage for **loss** shall be limited, by amount and time of payment, to the benefits which would be available under the **Workers' Compensation Act** of the state where the injured employee is normally employed, if that law applied.

## EXCLUSIONS

Liability under Coverage Agreement I.A. does not apply to:

- I. The **Covered Party's** obligation to pay salary in lieu of temporary disability benefits as required by Labor Code Section 4850 or the **Covered Party's** obligation to pay wages or salary as required by Education Code Sections 44984 and 45192, except to the extent that the **Covered Party** would be obligated to pay temporary disability benefits if Labor Code Section 4850 or Education Code Sections 44984 and 45192 did not apply;
- II. The **Covered Party's** obligations pursuant to Labor Code Section 4856;

- III. Punitive or Exemplary Damages, fines or penalties assessed against or imposed upon the **Covered Party**:
- A. On account of **bodily injury** or **occupational disease** sustained by any **employee**; or
  - B. On account of the conduct of the **Covered Party** or any of its agents (i) in the investigation, trial or settlement of any claim for benefits under the applicable **Workers' Compensation Act** or for damages at law, or (ii) in failing to pay or delaying the payment of any such benefits or damages; or
  - C. On account of violation of any statute or regulation; or
  - D. On account of **bodily injury** or **occupational disease** intentionally caused or aggravated by the **Covered Party**; or
  - E. On account of **bodily injury** arising out of termination of employment; or
  - F. On account of **bodily injury** arising out of the coercion, demotion, reassignment, discipline, defamation, harassment or humiliation of, or discrimination against any **employee**.

Liability under Coverage Agreement I.B. does not apply to:

- I. Liability assumed by the **Covered Party** under any contractual agreement;
- II. **Bodily injury** or **occupational disease** to an employee while employed in violation of law with the actual knowledge of the **Covered Party**;
- III. Any obligation imposed by a workers' compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
- IV. **Bodily injury** or **occupational disease** intentionally caused or aggravated by the **Covered Party**;
- V. Loss arising out of the coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any **employee** or any personnel practices, policies, acts or omissions;
- VI. Fines or penalties assessed against or imposed upon the **Covered Party** on account of violation of any statute or regulation;

- VII. Loss arising out of operations for which the **Covered Party** has violated or failed to comply with any Workers' Compensation Law;
- VIII. Loss arising out of operations for which the **Covered Party** has rejected any Workers' Compensation Law;
- IX. Punitive or Exemplary Damages, fines or penalties assessed against or imposed upon the **Covered Party**:
  - A. On account of **bodily injury** or **occupational disease** sustained by any **employee**; or
  - B. On account of the conduct of the **Covered Party** or any of its agents (i) in the investigation, trial or settlement of any claim for benefits under the applicable **Workers' Compensation Act** or for damages at law, or (ii) in failing to pay or delaying the payment of any such benefits or damages; or
  - C. On account of violation of any statute or regulation; or
  - D. On account of **bodily injury** or **occupational disease** intentionally caused or aggravated by the **Covered Party**; or
  - E. On account of **bodily injury** arising out of termination of employment; or
  - F. On account of **bodily injury** arising out of the coercion, demotion, reassignment, discipline, defamation, harassment or humiliation of, or discrimination against any **employee**.

## CONDITIONS

- I. **PREMIUMS:** The Board of Directors of the Authority shall assess the premium for the Excess Workers' Compensation Program to participating **Covered Parties**. Such premiums shall be calculated in accordance with Article 14 of the **Joint Powers Agreement**.
- II. **VOLUNTEERS:** This Memorandum shall apply to **loss** on account of **bodily injury** or **occupational disease** sustained by volunteer workers while acting within the scope of their duties for or on behalf of the **Covered Party**, provided that, prior to the **occurrence**, the Governing Board of the **Covered Party** has adopted a resolution as provided in Division 4, Part 1, Chapter 2, Article 2, of the California Labor Code, declaring such volunteer workers to be **employees** of the **Covered Party** for purposes of the **Workers' Compensation Act**; or provided that such volunteer workers are statutorily deemed by the **Workers'**

**Compensation Act** to be **employees** for the purposes of workers' compensation.

- III. ADMINISTRATION AND REPORTING OF CLAIMS: The **Covered Party** shall be responsible for the investigation, settlement, defense or appeal of any claim made or suit brought, or proceeding instituted against the **Covered Party**, and the **Covered Party** shall have the duty to give immediate notice to the Authority upon learning of any of the following:
- A. Any **occurrence** for which total incurred (paid to date plus remaining reserves) exceeds 50% of the **Covered Party's** Retention;
  - B. Any **occurrence** which causes serious injury to two or more **employees**;
  - C. Any **occurrence** which results in:
    - 1. A fatality;
    - 2. An amputation of a major extremity;
    - 3. Any serious head injury (including skull fracture or loss of sight of either or both eyes);
    - 4. Any injury to the spinal cord;
    - 5. Any second or third degree burn of 25% or more of the body;
    - 6. A permanent total disability as defined in the **Workers' Compensation Act** of the State of California;
  - D. The reopening of any case in which a further award might exceed 50% of the **Covered Party's** retention.

The **Covered Party** shall not make any voluntary settlement or voluntarily make a lump sum payment or commutation or one-time payment in lieu of periodic indemnity payments to **employees** or their dependents involving **loss** to the Authority except with the prior written consent of the Authority.

The **Covered Party** shall promptly forward to the Authority any requested information on individual **occurrences** claims, or cases, and shall provide such information to the Authority within thirty (30) days in a form satisfactory to the Authority, including the amounts paid and the estimated future payments or outstanding reserves.

The Authority, at its own election and expense, shall have the right to participate with the **Covered Party** in, or to assume in the name of the **Covered Party**, control over the investigation, settlement, defense, or appeal of any claim, suit, or proceeding which might involve liability of the Authority.

- IV. **SERVICE ORGANIZATION:** As a condition precedent to recovery hereunder, it is agreed that the **Covered Party** will engage one or more service organizations and/or in-house staff acceptable to the Authority to perform on behalf of the **Covered Party**, and without charge to the Authority, such services as may be acceptable to the Authority during the currency of this Memorandum and until the final settlement of all claims arising out of **occurrences** which take place while this Memorandum is in force. The performance of such services shall not constitute any undertaking on behalf of the Authority, nor relieve the **Covered Party** of any of its obligations under the terms of this Memorandum.
- V. **ASSISTANCE AND COOPERATION:** In the event the Authority elects to participate with the **Covered Party** in, or to assume in the name of the **Covered Party**, control over the investigation, defense, or appeal of any claim, suit, or proceeding, the **Covered Party** shall cooperate to the fullest extent with the Authority and its representatives.

Upon the Authority's request, the **Covered Party** shall direct its service organization and/or other representatives to cooperate with and assist the Authority in all matters relative to such investigation, settlement, defense, or appeal.

If the Authority elects to assume control as described above, the Authority shall give written notice of such election to the **Covered Party**. Upon receipt of such written notice, the **Covered Party** shall not, except at its own cost, voluntarily make any payment, assume any obligation, or incur any expense other than such immediate medical or other services at the time of injury as are required by the **Workers' Compensation Act** or such immediate medical and surgical relief as may become imperative at the time of an **occurrence**.

- VI. **LOSS PAYABLE:** The Authority shall pay any **loss** for which it may be liable under this Memorandum in the following manner:
- A. As respects Coverage Agreements I.A., payment shall first be made by the **Covered Party** in accordance with the provisions of the **Workers' Compensation Act**, and the Authority shall reimburse the **Covered Party** for such **loss** periodically, at intervals of not less than one (1) month, upon receipt from the **Covered Party** of proofs of payment which is acceptable to the Authority in content and form.
  - B. As respects Coverage Agreement I.B., liability under this Memorandum with respect to any **occurrence** shall not attach unless and until the Authority's liability shall have been fixed and rendered certain either by final judgment against the **Covered Party** after actual trial or by written agreement of the **Covered Party**, the claimant, and the Authority. Such **losses** shall be due and payable within thirty (30) days after they

are respectively claimed and proven in conformity with this Memorandum.

- VII. PAYMENTS THE **COVERED PARTY** MUST MAKE: The **Covered Party** shall be responsible for any payments in excess of the benefits regularly provided by the **Workers' Compensation Act**, including but not limited to those required because:
- A. of serious and willful misconduct on the part of the **Covered Party**;
  - B. the **Covered Party** knowingly employs an employee in violation of the law;
  - C. the **Covered Party** fails to comply with a health or safety law or regulation; however, this does not apply to recommendations promulgated by the Joint Commission for Accreditation of Health;
  - D. of discharge, coercion, or discrimination against any employee in violation of the **Workers' Compensation Act**;
  - E. of claims relating to or in any way arising out of California Labor Code Section 132(a);
  - F. of the unreasonable delay or failure to make payments of compensation by or on behalf of the **Covered Party**, including the legal fees associated with defending resulting claims or suits;
  - G. the **Covered Party** violates or fails to comply with the **Workers' Compensation Act**.

If the Authority makes any payments on behalf of the Covered Party in excess of the benefits regularly provided by the Workers' Compensation Act, the Covered Party will reimburse the Authority promptly.

- VIII. SUBROGATION: In the event of any payment under this Memorandum, the Authority shall be subrogated, to the extent of such payment, to all the **Covered Party's** rights of recovery therefore, and the **Covered Party** shall execute all papers required and shall do everything that may be necessary to secure such rights. Any amount recovered as a result of such proceedings, together with all expenses necessary to the recovery of any such amount shall be apportioned as follows: The Authority shall first be reimbursed to the extent of its actual payment hereunder. If any balance then remains, said balance shall be applied to reimburse the **Covered Party**. The expenses of all proceedings necessary to the recovery of such amount shall be apportioned between the **Covered Party** and the Authority in the ratio of their respective recoveries as finally settled. If



there should be no recovery in proceedings instituted solely on the initiative of the Authority, the expenses thereof shall be borne by the Authority.

- IX. **INSPECTION AND AUDIT:** The Authority shall be permitted but not obligated to inspect the **Covered Party's** operations at any time. Neither the Authority's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the **Covered Party** or others to determine or warrant that such operations are safe or harmful, or are in compliance with any law, rule or regulation. The Authority may examine and audit the **Covered Party's** books and records at any time during the currency hereof and until three (3) years after the final settlement of all claims or payments made on account of accident or disease occurring during the term of this Memorandum as far as such books and records relate to the subject matter of this Memorandum.
- X. **OTHER COVERAGE:** If the **Covered Party** has other coverage against a **loss** covered by this Memorandum, the Authority's coverage shall apply in excess of any other coverage.
- XI. **BANKRUPTCY AND INSOLVENCY:** In the event of the bankruptcy or insolvency of the **Covered Party** or any entity comprising the **Covered Party**, the Authority shall not be relieved thereby of the payment of any claims under this Memorandum because of such bankruptcy or insolvency.
- XII. **ASSIGNMENT:** No assignment of the **Covered Party's** interest hereunder shall be binding upon the Authority unless its consent is endorsed hereon.
- XIII. **NOTICE OR PAYMENT:** If more than one entity qualifies as a **Covered Party** under the definition of **Covered Party** or by endorsement to this Memorandum, all notices, stipulations and payments to or by the entity first named in the Declarations shall be binding upon all other **Covered Parties**.
- XIV. **CHANGE OR WAIVER:** The terms of this Memorandum shall not be waived or changed except by endorsement issued to form a part hereof, signed by a duly authorized representative of the Authority.
- XV. **CANCELLATION:** This Memorandum may be canceled by the **Covered Party** only at the end of the Memorandum Period and pursuant to the provisions of Article 20(b) of the **Joint Powers Agreement**. The Authority may cancel this agreement pursuant to the provisions of Article 21 (a)(1) and (a)(2) of the **Joint Powers Agreement** or the Authority's invoice and premium payment policy as established by the Board of Directors. This Memorandum does not apply to any **loss** as a result of any **occurrences** taking place at or after the effective date of any such cancellation.



Any return of unearned premium in the event of cancellation by the Authority shall be determined pursuant to Article 22 of the **Joint Powers Agreement**.

- XVI. ACCEPTANCE: By acceptance of this Memorandum, the **Covered Party** agrees that each of the persons, firms or organizations named in the Declarations as the **Covered Party** is, or upon learning of the necessity therefore will become, qualified to operate with the permission of the proper authorities as a self-insurer under the **Workers' Compensation Act** of California; that the statements in the application for this Memorandum are the **Covered Party's** agreements and representations; that this Memorandum embodies all agreements existing between the **Covered Party** and the Authority or any of its agents relating to this coverage; and that full compliance by the **Covered Party** with all the terms of this Memorandum is a condition precedent to the Authority's liability hereunder.
- XVII. CONFORMANCE WITH **WORKERS' COMPENSATION ACT**: Any term of this Memorandum which conflicts with any provision of the California **Workers' Compensation Act** is changed by this provision to conform to said law.

IN WITNESS WHEREOF, the Authority has caused this Memorandum to be executed and attested, but this Memorandum shall not be valid unless countersigned by an authorized representative of the Authority.

**ENDORSEMENT NO. U-1**

**CSAC EXCESS INSURANCE AUTHORITY  
EXCESS WORKERS' COMPENSATION**

**WAR AMENDATORY ENDORSEMENT**

It is understood and agreed that this Memorandum shall not apply to **loss** directly or indirectly caused by, resulting from or in connection with war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, regardless of any other cause or event contributing concurrently or in any sequence to the **loss**.

This Memorandum shall also not apply to **loss** directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.

It is further agreed that nothing herein shall act to increase the Authority's limit of indemnity.


This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

**Effective Date:**

**Memorandum No.:** EIA 15 EWC-00

**Issued to:** ALL MEMBERS

**Issue Date:** June 26, 2015

  
\_\_\_\_\_  
Authorized Representative  
CSAC Excess Insurance Authority

**ENDORSEMENT NO. U-2**

**CSAC EXCESS INSURANCE AUTHORITY  
EXCESS WORKERS' COMPENSATION**

**CLARIFICATION OF COVERAGE AMENDATORY ENDORSEMENT**

A. It is understood and agreed that Definition VI. **LOSS** is deleted in its entirety and replaced by the following:

VI. **LOSS**: The term **loss** shall mean only such amounts as are actually paid by the **Covered Party** as benefits under the applicable **Workers' Compensation Act**, or in payment of amounts imposed upon the **Covered Party** by Employers' Liability, in settlement of claims for such benefits or damages, or satisfaction of awards or judgments for such benefits and damages, including court costs, interest upon awards or judgments, and allocated investigation, adjustment and legal expenses, but the term **loss** shall not include as expenses, salaries paid to **employees** of the **Covered Party**, nor fees and retainers paid to any service organization.

Notwithstanding the foregoing, **loss** does not include any amounts paid by the **Covered Party** as benefits, or in payment of amounts imposed upon the **Covered Party** by Employers' Liability, deriving solely from any **Covered Party's** enactment, resolution or other act establishing either a presumption of work-related illness or injury or any other expansion of benefits beyond those prescribed by the applicable **Workers' Compensation Act**. Despite any such enactment resolution or act, the **Covered Party** shall retain the burden of establishing **loss** within the Memorandum of Coverage.

It is further agreed that nothing herein shall act to increase the Authority's limit of indemnity.


This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

**Effective Date:**

**Memorandum No.:** EIA 15 EWC-00

**Issued to:** ALL MEMBERS

**Issue Date:** June 26, 2015

  
\_\_\_\_\_  
Authorized Representative  
CSAC Excess Insurance Authority

**ENDORSEMENT NO. U-3**

**CSAC EXCESS INSURANCE AUTHORITY  
EXCESS WORKERS' COMPENSATION**

**CARVE OUT REPORTING REQUIREMENT ENDORSEMENT**

It is understood and agreed that the following is added to the **CONDITIONS** section of the Memorandum of Coverage:

XVIII. CARVE OUTS: In the event a **Covered Party** is considering entering into a labor management agreement that establishes an alternative dispute resolution process pursuant to Labor Code Section 3201.7, with one or more bargaining unit(s), to amend any portion of the Workers' Compensation claims process, that proposed carve out agreement must be submitted to the Authority for review prior to implementation. Failure to provide such documentation prior to implementation may result in the benefits provided under such carve out agreement, and any expenses related thereto, not being covered under the Memorandum of Coverage.

It is further agreed that nothing herein shall act to increase the Authority's limit of indemnity.


This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

**Effective Date:**

**Memorandum No.:** EIA 15 EWC-00

**Issued to:** ALL MEMBERS

**Issue Date:** June 26, 2015

  
Authorized Representative  
CSAC Excess Insurance Authority

**ENDORSEMENT NO. U-4**

**CSAC EXCESS INSURANCE AUTHORITY  
EXCESS WORKERS' COMPENSATION**

**WAIVER OF SUBROGATION ENDORSEMENT**

It is understood and agreed that Section VIII. **SUBROGATION** of the **CONDITIONS** section of the Memorandum of Coverage is deleted in its entirety and replaced by the following:

VIII. SUBROGATION: In the event of any payment under this Memorandum, the Authority shall be subrogated, to the extent of such payment, to all the **Covered Party's** rights of recovery therefore, and the **Covered Party** shall execute all papers required and shall do everything that may be necessary to secure such rights. Any amount recovered as a result of such proceedings, together with all expenses necessary to the recovery of any such amount shall be apportioned as follows: The Authority shall first be reimbursed to the extent of its actual payment hereunder. If any balance then remains, said balance shall be applied to reimburse the **Covered Party**. The expenses of all proceedings necessary to the recovery of such amount shall be apportioned between the **Covered Party** and the Authority in the ratio of their respective recoveries as finally settled. If there should be no recovery in proceedings instituted solely on the initiative of the Authority, the expenses thereof shall be borne by the Authority.

However, in the event of any loss payment under this Memorandum for which you have waived the right of recovery in a written contract entered into prior to the loss, we hereby agree to also waive our right of recovery but only with respect to such loss.


It is further agreed that nothing herein shall act to increase the Authority's limit of indemnity.

This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

**Effective Date:** **Memorandum No.:** EIA 15 EWC-00

**Issued to:** ALL MEMBERS

**Issue Date:** June 26, 2015

  
Authorized Representative  
CSAC Excess Insurance Authority

**ENDORSEMENT NO. U-5**

**CSAC EXCESS INSURANCE AUTHORITY  
EXCESS WORKERS' COMPENSATION**

**LOSSES INVOLVING MULTIPLE MEMBERS**

It is understood and agreed that this Memorandum shall apply, as follows, to losses involving multiple members:

Each member's final retention allocation will be calculated based on its pro rata percentage share of the "final loss valuation" times its retention specified in the Declarations of this Memorandum. The retention specified in the Declarations of this Memorandum will be applied until the "final loss valuation" is determined, as outlined below.

The total incurred for all members involved in the loss will be evaluated five years from the end of the coverage period in which the loss occurs, and will be used as the "final loss valuation" for determination of the final retention and limits allocations.

If the total loss for all members involved in a single occurrence exceeds the maximum Program limit of indemnity, allocation of liability for the excess amount will also be determined based on each member's pro rata percentage share of the "final loss valuation".

It is further agreed that nothing herein shall act to increase the Authority's limit of indemnity.


This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

**Effective Date:**

**Memorandum No.:** EIA 15 EWC-00

**Issued to:** ALL MEMBERS

**Issue Date:** June 26, 2015

  
\_\_\_\_\_  
Authorized Representative  
CSAC Excess Insurance Authority

## **ENDORSEMENT NO. 1**

### **CSAC EXCESS INSURANCE AUTHORITY EXCESS WORKERS' COMPENSATION**

#### **COVERED PARTY AMENDATORY ENDORSEMENT**

It is understood and agreed that the **Covered Party** is amended to read:

##### **California State University and its Campuses**

California Maritime Academy  
California Polytechnic State University, San Luis Obispo  
California State Polytechnic University, Pomona  
California State University, Bakersfield  
California State University, Channel Islands  
California State University, Chico  
California State University, Chancellor's Office  
California State University, Dominguez Hills  
California State University, East Bay  
California State University, Fresno  
California State University, Fullerton  
California State University, Long Beach  
California State University, Los Angeles  
California State University, Monterey Bay  
California State University, Northridge  
California State University, Sacramento  
California State University, San Bernardino  
California State University, San Marcos  
California State University, Sonoma  
California State University, Stanislaus  
Humboldt State University  
San Diego State University  
San Francisco State University  
San Jose State University

##### **Auxiliary Organizations Risk Management Alliance (AORMA)**

Associated Students Incorporated, California Polytechnic State University, San Luis Obispo  
Associated Students Incorporated, California Polytechnic, Pomona  
Associated Students Incorporated, California State University, San Bernardino  
Associated Students Incorporated, California State University, Chico  
Associated Students Incorporated, California State University, Dominguez Hills  
Associated Students Incorporated, California State University, East Bay  
Associated Students Incorporated, California State University, Fullerton  
Associated Students Incorporated, California State University, Long Beach  
Associated Students Incorporated, California State University, Northridge  
Associated Students Incorporated, California State University, Sacramento



Associated Students Incorporated, California State University, Stanislaus  
Associated Students Incorporated, San Diego State University  
Associated Students Incorporated, San Francisco State University  
Associated Students Incorporated, San Jose State University  
Associated Students Incorporated, Sonoma State University  
Associated Students, Humboldt State University  
California Polytechnic Corporation  
California State Fullerton University Auxiliary Services Corporation  
California State Los Angeles University Auxiliary Services, Inc.  
California State University Bakersfield Foundation  
California State University Long Beach Research Foundation  
California State University, Bakersfield, Auxiliary for Sponsored Programs  
Administration  
California State University, Dominguez Hills Foundation  
California State University, East Bay Foundation, Incorporated  
California State University, Fresno Association  
Donald P. & Katherine B. Loker University Student Union Incorporation,  
California State University, Dominguez Hills  
Forty-Niner Shops, Inc. California State University Long Beach  
Humboldt State University Center Board of Directors  
Humboldt State University Sponsored Program Foundation  
San Jose State University Research Foundation  
Santos Manuel Student Union at California State University San Bernardino  
Spartan Shops, Inc., San Jose State University  
The Athletic Corporation, California State University Fresno  
The Cal Poly Pomona Foundation, Inc.  
The CSU Chico Research Foundation  
The Student Union of San Jose State University  
The Tower Foundation, San Jose State University  
The University Corporation at Monterey Bay  
The University Corporation, California State University Northridge  
The University Corporation, San Francisco State  
University Auxiliary and Research Services Corporation at California State  
University, San Marcos  
University Enterprises Corporation at CSUSB  
University Enterprises, Inc., California State University Sacramento  
University Glen Corporation, California State University Channel Islands  
University Student Union of California State University, Stanislaus  
University Student Union, California State University Los Angeles  
University Student Union, California State University Northridge

It is further agreed that nothing herein shall act to increase the Authority's limit of indemnity.


This endorsement is part of the Memorandum of Coverage and takes effect on the effective date of the Memorandum of Coverage unless another effective date is shown below. All other terms and conditions remain unchanged.

**Effective Date:**

**Memorandum No.:**EIA-PE 15 EWC-143

**Issued to:** Members of the California State University Risk Management Authority (CSURMA)

**Issue Date:** July1, 2015

  
\_\_\_\_\_  
Authorized Representative  
CSAC Excess Insurance Authority

## COVERAGE SUMMARY

**INSURER:**

Alliant Property Insurance Program (APIP) – Various Insurers

**POLICY TERM:**

July 1, 2015 to July 1, 2016



**QUESTIONS:**

**Mimi Long**

(415) 403-1423

[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**

(415) 403-1408

[vrin@alliant.com](mailto:vrin@alliant.com)

**Hsan Htein**

(415) 403-1452

[hhtein@alliant.com](mailto:hhtein@alliant.com)

**COVERED ENTITY:**

California State University Risk Management Authority – Auxiliary Organizations Risk Management Alliance Members

**COVERAGE:**

The AORMA Property Program insures all property of every description both real and personal (including improvements, betterment and remodeling), of the Member, or property of others in the care, custody or control of the Member, for which the Member is liable, or under obligation to insure – subject to all terms, conditions and exclusions.

**PERILS COVERED:**

All risk of direct physical loss or damage occurred during the policy period, subject to the policy exclusions.

**MEMBER DEDUCTIBLE:**

\$5,000	Per Occurrence (Personal Property & Business Interruption/Rents) – All Members
1% of the Real Property Value	Per Occurrence (Real Property) – Subject to minimum of \$5,000 and maximum of \$50,000 If two or more deductible amounts provided in this Declarations Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable.
\$25,000	Cyber Liability
	<i>Public Entity Pollution Liability</i>
\$50,000	Per Pollution Condition – Auxiliary Organizations (for the first \$5,000,000 of the loss)
\$75,000	Per Pollution Condition – Auxiliary Organizations (for losses in excess of \$5,000,000 up to \$7,000,000)
3 Days	Per Pollution Condition - Business Interruption
\$100,000	Per Pollution Condition - Catastrophe Management Expense

*The deductibles below apply separately and are not combined with other deductibles when calculating the largest per occurrence deductible:*

\$250,000	Flood - Zones A & V
\$100,000	Flood - All Other Zones
\$50,000	Earthquake - Fine Arts
\$10,000	Earthquake – Vehicles and Contractors Equipment – Per Vehicle / Item
\$100,000	Earthquake – Vehicles and Contractors Equipment – Maximum
\$50,000	Flood – Fine Arts
\$10,000	Flood – Vehicles and Contractors Equipment – Per Vehicle / Item
\$100,000	Flood – Vehicles and Contractors Equipment – Maximum

**LIMITS:**

\$1,000,000,000	Per Occurrence
\$50,000,000	Flood Limit <b>(Combined with Campus)</b>
\$100,000,000	Boiler and Machinery Limit
\$2,000,000	Cyber Liability – Annual Aggregate, Each Insured
\$20,000,000	Cyber Liability – Annual Aggregate, Per Policy

*While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.*



# AORMA Property Program

## COVERAGE SUMMARY

### SUB-LIMITS:

\$100,000,000	Combined Business Interruption, Rental Income, Tax Interruption <i>(for scheduled locations – for unscheduled locations - \$500,000 per member, \$2,500,000 per occurrence, \$5,000,000 per occurrence for Tax Interruption)</i>
	Combined Business Interruption, Rental Income, Tax Interruption <i>(for unscheduled locations)</i>
180 Days	<i>Extended Period of Indemnity</i>
\$50,000,000	Extra Expense
\$25,000,000	Miscellaneous Unnamed Location
\$25,000,000	Automatic Acquisition – subject to policy limitations
\$1,000,000	Unscheduled Landscaping
\$5,000,000	Scheduled Landscaping
\$50,000,000	Errors & Omissions
\$25,000,000	Course of Construction and Additions
\$2,500,000	Money & Securities
\$2,500,000	Unscheduled Fine Arts
\$250,000	Accidental Contamination
\$500,000	Tunnels, Bridges, Streets
\$25,000,000	Increased Cost of Construction
\$25,000,000	Transit
\$2,500,000	Unscheduled Animals; \$50,000 per Animal
\$2,500,000	Unscheduled Watercraft; up to 27 feet
\$25,000,000	Off Premises Services Interruption including Extra Expense <i>(\$10,000,000 for Boiler and Machinery)</i>
\$3,000,000	Contingent Business Interruption, Contingent Rental Values
\$5,000,000	Earthquake for Licensed Vehicles, Unlicensed Vehicles, Contractors Equipment and Fine Arts
\$5,000,000	Flood for Licensed Vehicles, Unlicensed Vehicles, Contractors Equipment and Fine Arts
\$1,000,000	Claim Preparation Expenses
\$50,000,000	Expediting Expenses
\$500,000	Furs, Jewelry, Precious Metals and Precious Stones
\$800,000,000	Terrorism Annual Aggregate (shared by all members)
\$1,000,000	Personal Property Outside the U.S.A.
	<u>Public Entity Pollution Liability</u>
\$7,000,000	Per Pollution Condition (Covered under two separate policies)
\$7,000,000	Per Pool Aggregate
\$7,000,000	Business Income & Extra Expense
\$500,000	Catastrophe Management Expense
\$4,500,000	Fungi and Legionella
	<u>Cyber Liability</u>
\$2,000,000	Information Security & Privacy Liability - Aggregate
\$500,000	Privacy Notification Costs - Aggregate
\$2,000,000	Penalties for Regulatory Defense and Penalties - Aggregate
\$100,000	PCI Fines and Penalties
\$2,000,000	Website Media Content Liability – Aggregate
\$2,000,000	Cyber Extortion Loss – Aggregate

*While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.*



# AORMA Property Program

## COVERAGE SUMMARY

### MAJOR PERILS EXCLUDED:

*Consult the policy for a complete list of peril excluded.*

1. Moths, vermin, termites, inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear and tear
2. Normal settling, shrinkage or expansion
3. Delay or loss of market
4. Inventory shortage, dishonest acts of employees
5. Damage to personal property from shrinkage, evaporation, loss of weight, leakage, breakage of fragile articles, marring, scratching, exposure to light or change in color, texture or flavor, unless caused by named perils
6. Damage to personal property in the open caused by rain, sleet or snow
7. War
8. Earthquake

### LOSS VALUATION BASIS:

Repair or Replacement Cost  
 Actual Loss Sustained for Time Element Coverages  
 Contractor's Equipment / either Replacement Cost or Actual Cash Value (ACV) as declared by each member. If not declared, valuation will default to Actual Cash Value (ACV).

**PUBLIC ENTITY POLLUTION LIABILITY SUMMARY – ATTACHED**

**CYBER LIABILITY SUMMARY – ATTACHED**

**BOILER AND MACHINERY SUMMARY - ATTACHED**

### HOW TO REPORT A CLAIM:

#### Notify Alliant:

**Michelle Maffei**  
 (415) 403-1418  
[mmaffei@alliant.com](mailto:mmaffei@alliant.com)

**Martin Fox-Foster**  
 (415) 403-1417  
[martin.fox-foster@alliant.com](mailto:martin.fox-foster@alliant.com)

**Elaine Kim**  
 (415) 403-1458  
[ekim@alliant.com](mailto:ekim@alliant.com)

#### After Hours Reporting:

**Robert Frey**  
 (415) 403-1445  
 (415) 518-8490 (Cell)  
[rfrey@alliant.com](mailto:rfrey@alliant.com)

#### cc McLaren's Young:

**Cathryn O'Meara**  
 (949) 757-1413  
 (949) 757-1692 (Fax)  
[cathryn.omeara@mclarensyoung.com](mailto:cathryn.omeara@mclarensyoung.com)

*While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.*



**PEPIP USA FORM No.11**  
**MASTER POLICY WORDING**

**COVERAGE INCEPTING**  
**FROM JULY 1, 2015 TO JULY 1, 2016**

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## SECTION I

### GENERAL PROVISIONS

#### A. INSURING AGREEMENT

In consideration of the premium paid by the Named Insured to the Company, the Company agrees to insure the following per the terms and conditions herein.

#### B. NAMED INSURED

As shown on the Declaration page, or as listed in the Declaration Schedule Addendum attached to this policy

Member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s) for whom the Named Insured is required or has agreed to provide coverage, or as so named in the "Named Insured Schedule" on file with Alliant Insurance Services, Inc., as their interests may appear which now exist or which hereafter may be created or acquired and which are owned, financially controlled or actively managed by the herein named interest, all jointly, severally or in any combination of their interests, for account of whom it may concern, are covered within the limits provided to the individual Named Insured.

Lessors and other party(ies) of interest in all property of every description covered hereunder are included herein as Insured's for their respective rights and interests, it being understood that the inclusion hereunder of more than one covered party shall not serve to increase the Company's limit of liability.

Mortgagees to whom certificates of coverage have been issued are covered hereunder as Insured's in accordance with the terms and conditions of Form 438 BFU NS, CP12 18 1091, or equivalent as required by the mortgagee.

#### C. MAILING ADDRESS OF NAMED INSURED

AS PER DECLARATION PAGE

#### D. POLICY PERIOD

AS PER DECLARATION PAGE

#### E. LIMITS OF LIABILITY

Subject to specific exclusions, modifications, and conditions hereinafter provided, the liability of the Company in any one occurrence regardless of the of whether one or more of the coverages of this Policy are involved shall not exceed:

##### 1. LIMITS OF LIABILITY

The Specific Limits of Liability as described in the Declaration Page apply per occurrence unless indicated otherwise.

## 2. SUB-LIMITS OF LIABILITY

The following sub-limits of liability are provided as described in the Declaration Page and apply per occurrence unless indicated otherwise. Coverage is provided only if a sub-limit of liability is shown in the Declaration Page for that item, and do not increase the specific limits of liability. The absence of a sub-limit of liability amount in the Declaration Page means that no coverage is provided for that item.

- a. Per occurrence, and in the annual aggregate as respects the peril of flood (for those Named Insured(s) that participate in this optional dedicated coverage);
- b. Per occurrence, and in the annual aggregate as respects the peril of earthquake shock for those Named Insured(s) that participate in this optional dedicated coverage;
- c. Combined Business Interruption, Rental Income, Tax Interruption and Tuition income (and related fees) ;
- d. Extra Expense;
- e. Miscellaneous Unscheduled Property;
- f. Automatic Acquisition. As per policy provisions;
- g. Unscheduled Landscaping, tees, sand traps, greens and athletic fields if specific values for such items have not been reported as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc;
- h. Scheduled Landscaping, tees, sand traps, greens and athletic fields if specific values for such items have been reported as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc;
- i. Errors & Omissions;
- j. Course of Construction and Additions;
- k. Money and Securities for Fire, Wind, Hail, Explosion, Smoke, Lightning, Riot, Civil Commotion, Impact by Aircraft or Objects falling there from, Impact by Vehicles, Water Damage and Theft (other than by an employee of the Named Insured(s));
- l. Prize Giveaways solely as respects Named Insured(s) that participate in this optional coverage;
- m. Unscheduled Fine Arts (as more fully defined herein);
- n. Accidental Contamination including owned land, land values and water owned by the Named Insured(s);
- o. Unscheduled Tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, street lights and traffic signals unless specific values for such items have been reported as part of a Named Insured(s) schedule of values held on file in the offices of Alliant Insurance Services, Inc. excluding Federal Emergency Management Agency (F.E.M.A.) and/or any State Office of Emergency Services (O.E.S.) declared disasters, providing said declaration provides funding for repairs;
- p. Increased Cost of Construction due to the enforcement of building codes / ordinance or law. As per policy provisions;
- q. Transit;
- r. Unscheduled Animals;
- s. Unscheduled Watercraft; up to 27 feet. Unscheduled watercraft over 27 feet if held for sale by the insured.
- t. Off premises services interruption including extra expense resulting from a covered peril at non-owned/operated location(s);
- u. Separately as respects Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Value, and Contingent Tuition Income;
- v. Per occurrence and in the annual aggregate as respects the peril of Earthquake Shock for licensed vehicles, unlicensed vehicles, contractors equipment and fine arts combined for all Named Insured(s) of this Declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the

- Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc.;
- w. Per occurrence and in the annual aggregate as respects the peril of Flood for licensed vehicles, unlicensed vehicles, contractors equipment and fine arts combined for all Named Insured(s) of this Declaration combined that do not purchase optional Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the Named Insured(s) schedule of values held on file with Alliant Insurance Services, Inc.;
  - x. Claim Preparation Expenses;
  - y. Expediting Expenses;
  - z. Separately as respects furs, jewelry, precious metals and precious stones;
  - aa. Business Interruption for Power Generation Facilities, which is understood to be part of and not additional to the sub-limit of liability set forth in Item 2 c. above;
  - ab. Terrorism;
  - ac. Personal Property outside the U.S.A.;
  - ad. Boiler Explosion and Machinery Breakdown (for those Named Insured(s) that participate in this optional dedicated coverage).

## **F. OPTIONAL COVERAGE PARTICIPATION**

It is understood and agreed that certain Named Insured's participate in Optional Coverage on this Policy as set forth below.

### OPTIONAL COVERAGES IDENTIFICATION:

1. Earthquake Shock
2. Licensed Vehicles – Off Premises
3. Scheduled Fine Arts
4. Flood
5. Boiler Explosion & Machinery Breakdown
6. Terrorism Risk Insurance Act of 2002

Such participation in the optional coverage(s) by the Named Insured is indicated in the Declaration Page, and/or by endorsement to this policy.

## **G. DEDUCTIBLE PROVISIONS**

If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable.

Deductibles are shown on the Declaration Page, or by endorsement and may vary by member of a joint powers authority (JPA) or risk sharing pool (Pool), or the coverage part pertaining to the loss.

Unless a more specific deductible is applicable for a particular loss, the “Basic Deductible” shown in the Declaration Page, shall apply per occurrence. The company will not pay for loss or damage in any one occurrence until the amount of the loss or damage exceeds the applicable deductible.

The “JPA/Pool Basic Deductible” – when applicable will be in excess of a JPA or Pool member's deductible amount. The Named Insured(s) deductible amount will be agreed upon between the JPA or Pool and its members. The “JPA/Pool Basic Deductible” shown in the Declaration Page, shall apply per occurrence. The company will not pay for loss or damage in any one occurrence until the amount of the loss or damage exceeds the applicable constituent members' deductible and the “JPA/Pool Basic Deductible”, until the “JPA/Pool Annual Aggregate Amount” is exhausted.

The “JPA/Pool Annual Aggregate Amount” - when applicable is the accumulation of payments made by the JPA or Pool that are categorized as “JPA/Pool Basic Deductibles” above. Once the annual

aggregate amount is reached, all subsequent losses in chronological order are subject to the “JPA/Pool Maintenance Deductible” indicated in the Declaration Page. As with the “JPA/Pool Basic Deductible” this maintenance deductible will be applicable in excess of the applicable JPA or Pool constituent member’s deductible.

“Vehicle Physical Damage deductible” - if Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off premises on a per occurrence basis, unless otherwise stated. If “Off-Premises” coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk “Basic Deductible”.

## **H. UNIT OF INSURANCE DEFINED**

In the application of the Earthquake Shock, or specified Wind deductibles, in accordance with the provisions of this Policy, each of the following shall be considered a Separate Unit of Insurance:

1. Each Separate Building or Structure;
2. The Contents of each Building or Structure;
3. Applicable Time Element Coverage of each separate Building or Structure; and
4. Property in each Yard.

The Company shall not be liable for loss to any Unit of Insurance covered hereunder unless such loss exceeds the percentages stated in this Policy of the replacement values of such Unit of Insurance at the time when such loss shall happen, and then only for its proportion of such excess.

## **I. PRIORITY OF PAYMENTS**

In the event of loss caused by or resulting from more than one peril or coverage, the limit of liability of the primary / underlying coverage shall apply first to the peril(s) or coverage(s) not insured by the excess layers and the remainder, if any, to the peril(s) or coverage(s) insured hereunder. Upon exhaustion of the limit of liability of the primary / underlying coverage, the excess layers shall then be liable for loss uncollected from the peril(s) or coverage(s) insured hereunder, subject to the limit of liability and the other terms and conditions as specified.



## SECTION II

### PROPERTY DAMAGE

#### A. COVERAGE

Subject to the terms, conditions and exclusions hereinafter contained, this Policy insures all property of every description both real and personal (including improvements, betterments and remodeling), of the Named Insured, or property of others in the care, custody or control of the Named Insured, for which the Named Insured is liable, or under the obligation to insure.

#### B. EXTENSIONS OF COVERAGE

All coverage extensions are subject to the terms, conditions and exclusions of the policy except insofar as they are explicitly providing additional coverage.

##### 1. PERSONAL EFFECTS

This Policy is extended to cover only such personal effects and wearing apparel of any of the officials, employees, students and personal effects of the Named Insured named in this Policy for which the Named Insured may elect to assume liability while located in accordance with the coverage hereof, but loss, if any, on such property shall be adjusted with and payable to the Named Insured.

##### 2. PROPERTY IN COURSE OF CONSTRUCTION AND ADDITIONS

It is understood and agreed that as respects course of construction projects and additions, this Policy will provide automatic coverage subject to the following conditions:

- a. Project involves only real property on new or existing locations (excluding dams, roads, and bridges).
- b. Value of the project at the location does not exceed USD as per Declaration Page. Projects that exceed this amount are subject to underwriting approval, prior to binding. However, inadvertent failure to report projects within USD as per Declaration Page shall not void coverage of said Project.

**Additional Expenses - Soft Costs:** This extension applies to new buildings or structures in the course of construction up to the time that the new building(s) or structure(s) is initially occupied or put to its intended use whichever occurs first.

The Company will cover the additional expenses (soft costs) of the Named Insured as defined below for up to 25% of the estimated completed value of the project which results from a delay in the completion of the project beyond the date it would have been completed had no loss or damage occurred. The delay must be due to direct physical loss or damage to property insured and be caused by or result from a peril not excluded by this Policy. The Company will pay covered expenses when they are incurred.

- a. **Additional Interest Coverage** – The Company will pay the additional interest on money the Named Insured borrows to finance construction or repair.
- b. **Rent or Rental Value Coverage** – The Company will pay the actual loss of net rental income that results from delay beyond the projected completion date. But the

Company will not pay more than the reduction in rental income less charges and expenses that do not necessarily continue.

- c. Additional Real Estate Taxes or Other Assessments – The Company will pay the additional real estate taxes or other assessments the Named Insured incurs for the period of time that construction is extended beyond the completion date.
- d. Additional Advertising and Promotional Expenses – The Company will pay the additional advertising and promotional expense that becomes necessary as a result of a delay in the completion of the project.
- e. Additional Commissions Expense – The Company will pay the additional expenses, which result from the renegotiating of leases following an interruption in the project.
- f. Additional Architectural and Engineering Fees – The Company will pay the additional architectural and engineering fees that become necessary as a result of a delay in the completion of the project.
- g. Additional License and Permit Fees – The Company will pay the additional license and permit fees that become necessary as a delay in the completion of the project.
- h. Legal and Accounting Fees – The Company will pay the additional legal and accounting fees the Named Insured incurs as a result of a delay in the completion of the project.

### **3. FIRE FIGHTING EXPENSES**

It is understood and agreed that the Company shall be liable for the actual charges of fire fighting expenses including but not limited to those charged by municipal or private fire departments responding to and fighting fire in / on, and/or protecting property included in coverage provided by this Policy.

### **4. OFF PREMISES SERVICES INTERRUPTION**

It is understood and agreed that coverage under this Policy is extended to include physical damage, business interruption loss and/or extra expense incurred and/or sustained by the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period of any suppliers furnishing heat, light, power, gas, water, telephone or similar services to a Named Insured's premises. The coverage provided by this clause is sub-limited to USD as per Declaration Page, and Section 1 (General Provisions) of this form.

### **5. ARCHITECTS AND ENGINEERS FEES AND LOSS ADJUSTMENT EXPENSES**

This Policy also insures as a direct result of physical loss or damage insured hereunder, any of the following:

- a. Architects and engineers fees
- b. Loss adjustment expenses including, but not limited to, auditors, consultants and accountants. However, the expenses of public adjusters are specifically excluded.

### **6. EXPEDITING EXPENSES**

In the event of physical loss or damage insured hereunder, it is understood and agreed that coverage under this Policy includes the reasonable extra cost of temporary repair and of

expediting the repair of such damaged property of the Named Insured, including overtime and the extra costs of express or other rapid means of transportation. This coverage provided by this clause is sub-limited to USD as per the Declaration Page.

## **7. DEBRIS REMOVAL**

This Policy also covers expenses incurred in the removal of debris of the property covered hereunder from the premises of the Named Insured that may be destroyed or damaged by a covered peril(s). This debris removal coverage does not apply to the cost to extract pollutants from land or water, or to remove, restore or replace polluted land or water.

## **8. BUILDING LAWS**

This Policy is extended to include physical damage, business interruption loss, loss of interest and/or extra expense incurred and/or sustained by the Named Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period and occasioned by the enforcement of any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs, which necessitates the demolition of any portion of the covered building not damaged by the covered peril(s).

The Company shall also be liable for loss due to the additional period of time required for repair or reconstruction in conformity with the minimum standards of such ordinance or law of the building(s) described in this Policy damaged by a covered peril.

The Company shall not be liable under this clause for more than the limit of liability as shown elsewhere in this Policy.

## **9. DEMOLITION COST**

In the event of physical damage to property insured by a covered peril, this policy is extended to cover the cost of demolishing any undamaged portion of the covered property including the cost of clearing the site thereof, caused by loss from any covered peril(s) under this Policy and resulting from enforcement of any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time of loss which necessitates such demolition.

## **10. INCREASED COST OF CONSTRUCTION**

In the event of physical damage to property insured by a covered peril, this Policy is extended to cover the increased cost of repair or replacement occasioned by the enforcement of any local or state ordinance or law including written guidelines used by the department of corrections in any state regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs or which comes into force within 6 months after such a loss occurs, which necessitates in repairing or replacing the building covered hereunder which has suffered damage or destruction by the covered peril(s) or which has undergone demolition, limited, however, to the minimum requirements of such ordinance or law.

## **11. ERRORS & OMISSIONS**

No unintentional errors or unintentional omissions in description, location of property or valuation of property will prejudice the Named Insured's right of recovery but will be reported to the Company as soon as practicable when discovered. The coverage provided by this clause is sub-limited to USD as per Declaration Page, and Section 1 (General Provisions)

Clause E of this form. This extension does not increase any more specific limit stated elsewhere in this policy or Declaration.

**12. ANIMALS**

This policy is extended to cover retraining expenses associated with the loss of specially trained animals. Retraining expenses are included within the sub-limit provided, unless otherwise scheduled.

**Notwithstanding the foregoing it is hereby understood and agreed that solely as respects Universities, hospitals, or other institutions of learning the following shall apply:**

This policy is extended to cover physical loss or damage to animals used for research subject to applicable exclusions under Section IV (General Conditions) B. Exclusions.

**13. VALUABLE PAPERS**

This policy is extended to cover Valuable Papers or the cost to reconstruct valuable papers (including but not limited to research, redrawing or duplicating) physically lost or damaged by a peril insured against during the term of this Policy.

**14. TRANSIT**

This policy is extended to cover Personal Property of the Named Insured or property held by the Named Insured in trust or on commission or on consignment for which the Named Insured may be held legally liable while in due course of transit, worldwide, against all risks of Direct Physical Loss or Damage not excluded by this Policy to the property insured occurring during the period of this Policy.

The coverage provided by this clause is sub-limited to USD as per Declaration Page, and Section 1 (General Provisions) Clause E. of this form.

**15. VEHICLES WHILE ON INSURED PREMISES**

This policy is extended to cover vehicles while on premises of the Insured against physical loss or damage by a peril insured against during the term of this Policy.

**16. ASBESTOS CLEAN UP AND REMOVAL**

This policy specifically excludes asbestos materials clean up or removal, unless asbestos is itself damaged by a peril covered by this policy, then asbestos cleanup or removal within the damaged area, and applicable time element coverages, will be covered by this policy.

In no event will coverage be extended to cover undamaged asbestos, including undamaged asbestos in any portion of the building mandated by any governmental direction or request declaring that asbestos material present in any undamaged portion of the Named Insured's property must be removed or modified, or;

any loss or expense including investigation or defense costs, caused by, resulting from, or arising out of asbestos, exposure to asbestos, or any product containing asbestos, or;

any loss or expense normally provided by demolition, increased cost or building ordinance.

The Named Insured must report to Underwriters the existence of the damage as soon as practicable after the loss. However, this Policy does not insure any such damage first reported to the Underwriters more than thirty six (36) months after the expiration, or termination, of this policy.

## **17. PROTECTION AND PRESERVATION OF PROPERTY**

In the event of loss likely to be covered by this Policy, the Named Insured shall endeavor to protect covered property from further damage and shall separate the damaged and undamaged personal property and store in the best possible order, and shall furnish a complete inventory of the destroyed, damaged and undamaged property to the Insurer.

In case of actual or imminent physical loss or damage of the type insured against by this Policy, the expenses incurred by the Named Insured in taking reasonable and necessary actions for the temporary protection and preservation of property insured hereunder shall be added to the total physical loss or damage otherwise recoverable under the Policy and be subject to the applicable deductible and without increase in the limit provisions contained in this Policy.

Due to the unique nature of Health Care Facilities and Jails where it is deemed necessary to evacuate patients or inmates from the premises in order to reduce the physical loss potential from an actual or imminent loss or damage by a peril not excluded herein, all terms and conditions of this clause will apply to the expenses incurred as a result of the evacuation.

## **18. LEASEHOLD INTEREST**

In the event of physical loss or damage of the type insured against by this Policy to real property of the type insured this Policy, which is leased by the Named Insured, this Policy is extended to cover:

- (1) If as a result of such loss or damage the property becomes wholly un-tenantable or unusable and the lease agreement requires continuation of the rent, the Company shall indemnify the Named Insured for the actual rent payable for the unexpired term of the lease; or
- (2) If as a result of such loss or damage the property becomes partially un-tenantable or unusable and the lease agreement requires continuation of the rent, the Company shall indemnify the Named Insured for the proportion of the rent applicable thereto; or
- (3) If as a result of such loss or damage the lease is cancelled by the lessor pursuant to the lease agreement or by operation of law, the Company shall indemnify the Named Insured for its Lease Interest for the first three months following such loss or damage and for its Net Lease Interest for the remaining unexpired term of the lease;

provided, however, that the Company shall not be liable for any increase in the amount recoverable hereunder resulting from the suspension, lapse or cancellation of any license, or from the Named Insured exercising an option to cancel the lease; or from any act or omission of the Named Insured which constitutes a default under the lease; and provided further that the Named Insured shall use any suitable property or service owned or controlled by the Named Insured or obtainable from another source to reduce the loss hereunder.

The following definitions shall apply to this coverage:

- (1) Lease Interest means the excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including any maintenance or operating charges) for each month during the unexpired term of the Named Insured's lease.
- (2) Net Lease Interest means that sum which placed at 8% interest compounded annually would equal the Lease Interest (less any amounts otherwise payable hereunder).

## 19. AUTOMATIC ACQUISITION AND REPORTING CONDITIONS

This Policy is automatically extended to insure additional property and/or interests as described in this Policy, which may be acquired or otherwise become at the risk of the Named Insured, during the Policy Term, within the United States of America, subject to the values of such additional property and/or interests not exceeding USD25,000,000 or Named Insured's Policy Limit of Liability if less than USD25,000,000 any one acquisition excluding licensed vehicles, for which a limit of USD10,000,000 applies or Named Insured's Policy Limit of Liability if less than USD10,000,000. Additionally a sub-limit of \$2,500,000 applies to Tier 1 wind counties, parishes and independent cities for 60 days for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii.

If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V. In the event that coverage for Flood for any location situated in Flood Zones A or V is required, it is to be agreed by the Company prior to attachment hereunder.

This coverage extension does not apply to the peril of Earthquake Shock in the States of California, or Alaska except as follows:

- (1) At Policy inception, for those Named Insureds that purchase the earthquake shock peril, per the sub-limit that appears on the Declaration Page, automatic coverage applies for the peril of earthquake shock for a period of 30 days from date of contractual requirement by any bond, certificate of participation or any similar investment, for any new locations where there is such a contractual requirement to provide earthquake shock coverage. Otherwise there is no Automatic Coverage for Earthquake Shock for any other new locations in California and Alaska.

In the event of coverage being required for additional property and/or interest where the value exceeds USD25,000,000 or Named Insured(s) Policy Limit of Liability if less than USD25,000,000 any one acquisition details of said property and/or interest are to be provided to the Company for its agreement not later than ninety (90) days from the date of the said additional property and/or interest have become at the risk of the Named Insured, this Policy providing coverage automatically for such period of time up to a maximum limit of USD100,000,000 or Named Insured(s) Policy Limit of Liability if less than USD100,000,000. The Company retains the right to determine the acceptability of all such property(ies). Additional premium will be calculated from the date of acquisition.

In the event that the Named Insured fails to comply with the above reporting provision, then coverage hereunder is sub-limited to USD25,000,000 or Named Insured's Policy Limit of Liability if less than USD25,000,000 any one occurrence.



Additional, or return premium due for endorsements issued during the policy term, such as those for additions or deletions of values within or greater than as that which is provided in any “Automatic Acquisition sub-limit” (including those for existing Named Insureds, new Named Insureds to the PEP/IP program, or new members to existing JPA Named Insureds) will be processed on a quarterly basis. Issuance of the endorsements and calculation of pro-rata or return premium, for these changes will be processed as of, and at the time of the transaction.

## **20. MISCELLANEOUS UNNAMED LOCATIONS**

Coverage is extended to include property at location (including buildings or structures, owned, occupied or which the Named Insured is obligated to maintain insurance). Located within the territorial limitations set by this policy. Coverage provided by this clause is limited to any sub-limit noted on the Declaration Page attached to this form, and by terms and conditions of this policy form. This coverage extension does not apply to the peril of Earthquake Shock in the states of California, or Alaska. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.

## **21. ACCIDENTAL CONTAMINATION**

This Policy is hereby extended to cover Business Interruption and Property Damage loss as a result of accidental contamination, discharge or dispersal from any source to Covered Property, including expenses necessarily incurred to clean up, remove and dispose of contaminated substances so as to restore the Covered Property to the same condition as existed prior to loss. The coverage provided is sub-limited to USD as per Declaration page.

If such contamination or dispersal is itself caused by fire, lightning, impact from aircraft, explosion, riot, civil commotion, smoke, collapse, vehicles, windstorm, hail, vandalism, malicious mischief or leakage and accidental discharge from automatic fire protective systems whereupon this extension shall provide coverage up to full limit of liability provided by this Policy.

For the purposes of this Accidental Contamination clause only, the term “Covered Property”, as covered by this Policy, is held to include Land (and Land Values) on which Covered Property is located whether or not the same are excluded by this Policy.

It is further understood and agreed that this coverage clause shall not override anything contained in Asbestos Clean Up and Removal in this Policy.

## **22. TERRORISM COVERAGE**

This insurance includes physical loss or damage directly caused by any “act of terrorism”.

Coverage is limited to:

- a. USD 100,000,000 per Named Insured(s) of Declaration number 1-14, 18-22, 25-30 and 32-34 per occurrence subject to USD200,000,000 in the annual aggregate which shared by all Named Insured(s) of Declaration numbers 1-14, 18-22, 25-30 and 32-34 combined; and

Upon erosion of the above annual aggregate limit(s), the provisions of exclusion 20 within the General Conditions shall apply.



### **C. PROPERTY NOT COVERED**

Except as for that which may be provided as an Extension of Coverage, this policy does not cover:

1. Aircraft, watercraft over 27 feet in length (other than watercraft held for sale by the insured), and rolling stock, except scheduled watercraft, and rolling stock, light rail vehicles, subway trains and related track maintenance vehicles for light rail and subway lines.
2. Standing timber, bodies of water, growing crops.
3. Land (including land on which covered property is located), and land values (except athletic fields, landscaping, sand traps, tees and greens).
4. Property in due course of ocean marine transit.
5. Shipment by mail after delivery into the custody of the United States Post Office.
6. Power transmission lines and feeder lines more than 1,000 feet from the premises of the Insured unless scheduled and specifically approved by the Company.
7. Underground pipes more than 1,000 feet from the premises of the Insured unless scheduled and specifically approved by the Company.
8. Unscheduled tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, streetlights, and traffic signals, excess of the sub-limit terms provided on the Declaration Page.
9. Offshore property, oilrigs, underground mines, caverns and their contents. Railroad track is excluded unless values have been reported by the Named Insured.

### **D. LOSS PAYMENT BASIS / VALUATION**

In case of loss to property of an Named Insured covered hereunder, the basis of adjustment shall be as of the time and place of loss as follows:

1. On all real and personal property, including property of others in the care or control of the Named Insured at the replacement cost (as defined below) at the time of the loss without deduction for depreciation. If property is not replaced within a reasonable period of time, then the actual cash value shall apply.
2. On improvements and betterments at the replacement cost at time of loss without deduction for depreciation. If property is not repaired or replaced within a reasonable period of time, then the actual cash value shall apply. If replaced or repaired by others for the use of the Named Insured, there shall be no liability hereunder. The Company agrees to accept and consider the Named Insured as sole and unconditional owner of all improvements and betterments, any contract or lease the Named Insured may have made to the contrary notwithstanding.
3. On manuscripts, mechanical drawings, patterns, electronic data processing media, books of accounting and other valuable papers, the full replacement cost of the property at the time of loss (including expenses incurred to recreate the information lost, damaged or destroyed, except as may be limited by any separate policy provision) or what it would then cost to repair, replace or reconstruct the property with other of like kind and quality. If not repaired, replaced or reconstructed within a reasonable period of time, then not to exceed the cost of blank or unexposed material.

4. On antique, restored or historical buildings, the cost of acquisition, relocation to the site and renovation or reconstruction. In the event of a partial loss, replacement cost for antique, restored or historical buildings shall mean the cost of repairing, replacing, constructing or reconstructing (whichever is less) the property on the same site using materials of like kind and quality necessary to preserve or maintain a buildings' historical significance without deduction for depreciation.
5. On property of others for which the Named Insured is liable under contract or lease agreement the Company's liability in the event of loss is limited to the Named Insured's obligation as defined in said contract or lease agreement but not to exceed the replacement cost.
6. On library contents, at replacement cost, or as follows, whichever is greater:

<u>Category</u>	<u>Value (per item)</u>	
Juvenile Picture Book	USD	44.00
Juvenile Book	USD	35.00
Juvenile Reference Book	USD	44.00
Pamphlets	USD	6.00
Magazines	USD	11.00
Fiction	USD	21.00
Law Periodical	USD	143.00
Non-Fiction	USD	77.00
Reference	USD	107.00
Law Reference	USD	140.00
Art	USD	58.00
Film (16mm)	USD	1,360.00
Film (8mm)	USD	51.00
Film (Super 8mm)	USD	442.00
Strips	USD	9.00
Cassette Film Strips	USD	97.00
Records	USD	77.00
Videos (Tapes and CDs)	USD	59.00
Audio Cassette	USD	28.00
Computer Software (incl. CDs)	USD	1,605.00
(Law) CD ROM	USD	267.00
Books on Tape	USD	69.00
Law Magazines	USD	149.00
Compact Discs	USD	22.00
Paperback Books	USD	36.00

The above valuation is predicated on the values provided by the Library of Congress Dewey Decimal system and adjusted for inflation.

The figures above do not include the "shelving cost" of each book. Therefore, the formula for adjusting a library contents loss is:

"Number of items in a category that are replaced multiplied by the valuation figure plus associated shelving costs".

The actual cost per item in the final adjustment is to be computed as of the time and place of loss or damage.

7. On Vehicles, on or off premises, where Replacement Cost (New) values are specified, loss or damage shall be based on 100% of the Replacement Cost (New) at the time of loss. Partial losses shall be based on the cost of repairing or replacing the damaged portion, up to the fair market value of the Vehicle and/or Equipment. However, should these costs exceed the fair market value then recovery shall be based upon the Replacement Cost (New).

If the values, provided by the Named Insured, provides a valuation based on replacement cost, then recovery will be on the same basis, if replaced. If not replaced, the basis of recovery shall be actual cash value.

8. Animals: The stated value as per schedule on file with the Named Insured.

**Notwithstanding the foregoing it is hereby understood and agreed that solely as respects Universities, hospitals or other institutions of learning the following shall apply:**

The stated value as per schedule on file with the Named Insured except Research Animals shall be valued at the cost to replace with like kind and quality; including the increased value as a result of prior research or experiments performed on the animal(s), accumulated cost of care and maintenance, and the value of labor expended by research assistants and/or laboratory technicians.

9. Landscaping, sand traps, tees, putting greens and athletic fields; the actual replacement cost of sod, shrubs, sand, plants and trees; however the Company's liability for replacement of trees, plants and shrubs will be limited to the actual size of the destroyed plant, tree or shrub at the time of the loss up to a maximum size of 25 gallons per item but not to exceed USD25,000 per item.

For the purpose of determining coverage under this policy landscaping, trees, plants and shrubs are only insured if their position and planting was undertaken by human agency for cosmetic effect.

The aforementioned valuations shall also be used for the purpose of any minimum earned premium and/or quarterly adjustments incurred.

Wherever the term "actual cash value" is used as respects real property or improvements and betterment's in this clause, or elsewhere herein, it shall mean replacement cost less depreciation.

"Replacement Cost" shall mean the cost of repairing, replacing, constructing or reconstructing (whichever is the least) the property on the same site, using new materials of like kind and quality and for like occupancy without deduction for depreciation, subject to the following:

- (i) Until the property is actually repaired, replaced or reconstructed, the maximum amount recoverable shall be the actual cash value of the lost or damaged property;
- (ii) Replacement shall be effected by the Named Insured with due diligence and dispatch;
- (iii) Replacement need not be on same site, or of same or similar construction or occupancy provided that the Company shall not be liable for any additional costs that are directly attributable to the inclusion of this provision.
- (iv.) For historical buildings as more specifically defined in this Section.
- (v.) In no event shall the Company's liability exceed the amount actually and necessarily expended in repairing or replacing (whichever is less) Covered Property or any part thereof.

It is understood and agreed that as respects replacement cost, the Named Insured shall have the option of replacement with electrical and mechanical equipment having technological advantages and/or representing an improvement in function and/or forming part of a program of system enhancement provided that such replacement can be accomplished without increasing the Company's liability. The Company shall be allowed to dispose of, as salvage, any non-proprietary property deemed unusable by the Named Insured.

In the event the Named Insured should fail to comply with any of the foregoing provisions settlement shall be made as if this Replacement Cost provision had not been in effect.

## SECTION III

### BUSINESS INTERRUPTION, EXTRA EXPENSE, RENTAL INCOME, TAX INTERRUPTION AND TUITION INCOME

Subject to the terms, conditions and exclusions stated elsewhere herein, this Policy provides coverage for:

#### A. COVERAGE

##### 1. BUSINESS INTERRUPTION

Against loss resulting directly from interruption of business, services or rental value caused by direct physical loss or damage, as covered by this Policy to real and/or personal property insured by this Policy, occurring during the term of this Policy.

In the event of such loss or damage the Company shall be liable for the actual loss sustained by the Named Insured for gross earnings as defined herein and rental value as defined herein resulting from such interruption of business, services, or rental value; less all charges and expenses which do not necessarily continue during the period of restoration. Due consideration shall be given to the continuation of normal charges and expenses including payroll expenses to the extent necessary to resume operations of the Named Insured with the same quality of service which existed immediately preceding the loss.

With respect to business interruption for power generation facilities, the coverage provided hereunder is sub-limited to USD as per Declaration Page.

**Notwithstanding the foregoing it is hereby understood and agreed that solely as respects Universities, hospitals or other institutions of learning the following shall apply:**

In determining the amount of tuition income and related fees covered hereunder for the purpose of ascertaining the amount of loss sustained, due consideration shall be given to:

- (i) Tuition income and related fees which are prevented from being earned or received.
- (ii) Other income derived from:
  - (a) routine and special services;
  - (b) other operating and non-operating revenues, including but not limited to:
    - (1) research grants
    - (2) income under research contracts all dependent on continued operations.
- (iii) Donations and fund raising proceeds:
  - (a) If a regularly scheduled fund raising drive for the sole benefit of the Named Insured occurs during the period of interruption of operations, the revenue produced by such drive shall be considered as follows in determining the amount of loss:
    - (1) If the drive fails to produce an amount at least equal to the same drive in the most recent prior solicitation, the shortage, to the extent that it can be attributed to the interruption of the Named Insured's operations, shall be considered as loss of income;
    - (2) If the drive produces an amount equal to the same drive in the most recent prior solicitation, there shall be considered no loss of income from this source of revenue;
    - (3) If the drive produces an amount larger than the same drive in the most recent prior solicitation, the excess shall be applied to reduce the loss from other sources of revenue;
    - (4) If the drive is cancelled or postponed, such loss of revenue shall not be considered as loss of income.

- (b) The following shall be disregarded in determining the amount of loss:
  - (1) Donations and contributions which are a direct result of the interruption of the Named Insured's operations and are received by the Named Insured during the period of interruption.
  - (2) Proceeds for fund raising drives or solicitations which are for the sole benefit of the Named Insured and occur as a result of interruption of the Named Insured's operations.

**2. EXTRA EXPENSE**

This Policy is extended to cover the necessary and reasonable extra expenses occurring during the term of this Policy at any location as hereinafter defined, incurred by the Named Insured in order to continue as nearly as practicable the normal operation of the Named Insured's business following damage to or destruction of covered property by a covered peril which is on premises owned, leased or occupied by the Named Insured. In the event of such damage or destruction, the Company shall be liable for such necessary extra expense incurred for only such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property as has been damaged or destroyed commencing with the date of damage or destruction and not limited by the date of expiration of this Policy (hereinafter referred to as the period of restoration).

**B. EXTENSIONS OF COVERAGE**

**1. INGRESS / EGRESS**

This Policy is extended to insure the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a 10 mile radius of covered property, ingress to or egress from the covered property covered by this Policy is prevented. Coverage under this extension is subject to a 24-hour waiting period.

**2. INTERRUPTION BY CIVIL AUTHORITY**

This Policy is extended to include the actual loss sustained by the Named Insured, as covered hereunder during the length of time, not exceeding 30 days, when as a direct result of damage to or destruction of property by a covered peril(s) occurring at property located within a 10 mile radius of covered property, access to the covered property is specifically prohibited by order of a civil authority. Coverage under this extension is subject to a 24-hour waiting period.

**3. DEMOLITION AND INCREASED TIME TO REBUILD**

The Company shall, in the case of loss covered under this Policy, be liable also for loss to the interest covered by the Policy, occasioned by the enforcement of any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time such loss occurs, which necessitates the demolition of any portion of the described building(s) not damaged by the covered peril(s). The Company shall also be liable for loss due to the additional period of time required for repair or reconstruction in conformity with the minimum standards of such ordinance or law of the building(s) described in this Policy damaged by a covered peril.

THE COMPANY SHALL NOT BE LIABLE UNDER THIS CLAUSE FOR:

- a. More than the limit of liability as shown elsewhere in this Policy.
- b. Any greater proportion of any loss to the interest covered by this Policy than the amount covered under this Policy on said interest bears to the total insurance and coverage on said interest, whether all such insurance contains this clause or not.

#### **4. CONTINGENT TIME ELEMENT COVERAGE**

Business interruption, rental income, tuition income and extra expense coverage provided by this Policy is extended to cover loss directly resulting from physical damage to property of the type not otherwise excluded by this Policy at direct supplier or direct customer locations (whether such location is owned by the Named Insured or not) that prevents a supplier of goods and/or services to the Named Insured from supplying such goods and/or services, or that prevents a recipient of goods and/or services from the Named Insured from accepting such goods and/or services. The coverage provided by this clause separately as respects each of these coverage's is sub-limited to USD as per Declaration Page.

#### **5. TAX REVENUE INTERRUPTION**

Except as hereinafter or heretofore excluded, this Policy insures against loss resulting directly from necessary interruption of sales, property or other tax revenue including, but not limited to Tribal Incremental Municipal Services Payments collected by or due the Named Insured caused by damage or destruction to property which is not operated by the Named Insured and which wholly or partially prevents the generation of revenue for the account of the Named Insured.

The Company shall be liable for the actual loss sustained for only the length of time as would be required with exercise of due diligence and dispatch to rebuild, replace or repair the contributing property commencing with the date of damage to the contributing property, but not limited by the expiration date of this Policy.

If the Named Insured has reported Revenue Interruption values for which premium has been charged, such loss recovery after deductible shall be limited to whichever is the least of:

1. The sub-limit insured on the Policy;
2. The actual loss sustained;
3. The difference in amount between 97.5% of the anticipated revenue and the actual total revenue after the loss.

If the Named Insured has not reported Revenue Interruption values, such loss recovery after deductible shall be limited to whichever is the least of:

1. The actual loss sustained;
2. USD5,000,000 per occurrence

**DEDUCTIBLE:** Each loss or series of losses arising out of one event at each location shall be adjusted separately and from the aggregate amount of all such losses 2.50% of the annual revenue value shall be deducted.

#### **6. EXTENDED PERIOD OF INDEMNITY**

Business interruption including rental income, tax interruption, tuition income and extra expense coverage provided by this Policy is extended for the additional length of time required to restore the business of the Named Insured to the condition that would have existed had no loss occurred commencing on either;

- a. the date on which the Company's liability would otherwise terminate or;



- b. the date on which rebuilding, repairing or replacement of such property as has been lost, damaged or destroyed is actually completed, whichever is later.

The Company's liability under this extension shall terminate no later than the number of days indicated in the Declaration Page for this item:

## **7. EXPENSES TO REDUCE LOSS**

This Policy also covers such expenses as are necessarily incurred for the purpose of reducing loss under this section (except incurred to extinguish a fire); but in no event to exceed the amount by which loss is thereby reduced.

## **C. EXCLUSIONS**

1. The Company shall not be liable for any increase of loss which may be occasioned by the suspension, lapse, or cancellation of any lease or license, contract or order, unless such suspension, lapse, or cancellation results directly from the interruption of business caused by direct physical loss or damage covered by this policy and, then the Company shall only be liable for such loss as affects the Named Insured's earnings during and limited to, the period of indemnity covered under this Policy.
2. With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the perils insured against, the length of time for which the Company shall be liable hereunder shall not exceed:
  - i. Thirty (30) consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less; or,
  - ii. the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed, but not exceeding eighteen (18) calendar months, whichever is the greater length of time.

## **D. CONDITIONS APPLICABLE TO THIS SECTION**

If the Named Insured could reduce the loss resulting from the interruption of business:

1. by complete or partial resumption of operation of the property whether or not such property be lost or damaged, or;
2. by making use of merchandise or other property at the Named Insured's location or elsewhere;

such reduction shall be taken into account in arriving at the amount of the loss hereunder.

## **E. DEFINITIONS**

### **1. GROSS EARNINGS**

"Gross Earnings" is defined as the sum of:

- a. total net sales and;
- b. other earnings derived from the operation of the business

*less the cost of;*

- c. merchandise sold including packaging materials and;
- d. materials and supplies consumed directly in supplying the service(s) sold by the Named Insured, and;
- e. service(s) purchased from outside (not employees of the Named Insured) for resale that does not continue under contract.

No other cost shall be deducted in determining gross earnings.

In determining gross earnings, due consideration shall be given to the experience of the business before the date of loss or damage and the probable experience thereafter, had no loss occurred.

In the event that Real and/or Personal Property that does not normally produce an income, sustains damage covered under this policy, the actual recovery under this policy shall be the continuing fixed charges and expenses directly attributable to such non-productive property.

## **2. MERCHANDISE**

Shall be understood to mean, goods kept for sale by the Named Insured, which are not the products of manufacturing operations conducted by the Named Insured.

## **3. EXTRA EXPENSE**

The term “extra expense”, whenever used in this Policy, is defined as the excess (if any) of the total cost incurred during the period of restoration chargeable to the operation of the Named Insured’s business over and above the total cost that would normally have been incurred to conduct the business during the same period had no damage or destruction occurred. Any salvage value of property obtained for temporary use during the period of restoration, which remains after the resumption of normal operations, shall be taken into consideration in the adjustment of any loss hereunder.

## **4. RENTAL VALUE**

The term “rental value” is defined as the sum of:

- a. the total anticipated gross rental income from tenant occupancy as furnished and equipped by the Named Insured, and;
- b. the amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be obligations of the Named Insured, and;
- c. the fair rental value of any portion of said property which is occupied by the Named Insured, and;
- d. any amount in excess of a., b. and c. (above) which is an obligation due under the terms and conditions of any revenue bond, certificate of participation or other financial instrument.

In determining rental value, due consideration shall be given to the experience before the date of loss or damage and the probable experience thereafter had no loss occurred.

## **5. PERIOD OF RESTORATION**

The period during which business interruption and or rental interruption applies will begin on the date direct physical loss occurs and interrupts normal business operations and ends on the date that the damaged property should have been repaired, rebuilt or replaced with due diligence and dispatch, but not limited by the expiration of this policy.

**SECTION IV**  
**GENERAL CONDITIONS**

**A. PERILS COVERED**

Subject to the terms, conditions and exclusions stated elsewhere herein, this Policy provides insurance against all risk of direct physical loss or damage occurring during the period of this Policy.

**B. EXCLUSIONS**

This Policy does not insure against any of the following:

1. Loss or damage caused by or resulting from moths, vermin, termites, or other insects, inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear, tear or gradual deterioration, contamination, rust, corrosion, wet or dry rot, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss or damage.
2. Physical loss or damage by normal settling, shrinkage or expansion in building or foundation.
3. Delay or loss of markets (this exclusion shall be inapplicable to the extent inconsistent with any time element coverage provided elsewhere herein).
4. Breakdown or derangement of machinery and/or steam boiler explosion, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss.
5. Loss or damage caused by or resulting from misappropriation, conversion, inventory shortage, unexplained disappearance, infidelity or any dishonest act on the part of the Named Insured, it's employees or agents or others to whom the property may be entrusted (bailees and carriers for hire excepted) or other party of interest.
6. Loss or damage caused by or resulting from electrical injury or disturbance from artificial causes to electrical appliances, devices of any kind or wiring, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss. This exclusion does not apply to data processing equipment or media.
7. Loss or damage to personal property resulting from shrinkage, evaporation, loss of weight, leakage, breakage of fragile articles, marring, scratching, exposure to light or change in color, texture or flavor, unless such loss is caused directly by fire or the combating thereof, lightning, windstorm, hail, explosion, strike, riot, or civil commotion, aircraft, vehicles, breakage of pipes or apparatus, sprinkler leakage, vandalism and malicious mischief, theft, attempted theft, flood or earthquake shock (Earthquake Shock, and Flood, in the states of Alaska, or California shall only apply to locations that are scheduled for Earthquake Shock and Flood).
8. Loss or damage caused by rain, sleet or snow to personal property in the open (except in the custody of carriers or bailees for hire).
9. Loss caused directly or indirectly, by:
  - a. War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack
    - i. by any government or sovereign power (de jure or de facto), or by any Authority maintaining or using military, naval or air forces; or

- ii. by military, naval or air forces; or
    - iii. by an agent of any such government, power, authority or forces;
  - b. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
  - c. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental Authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
10. Nuclear reaction or nuclear radiation or radioactive contamination from any cause, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by a Covered Cause of Loss. However:
- a. If fire not otherwise excluded results, the Company shall be liable for the direct physical loss or damage by such resulting fire, but not including, any loss or damage due to nuclear reaction, nuclear radiation, or radioactive contamination, and
  - b. This Policy does insure against physical loss or damage caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the Named Insured premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel on the Named Insured premises.
11. As respects course of construction, the following exclusions shall apply:
- a. The cost of making good: faulty or defective workmanship, materials, construction and/or design, but this exclusion shall not apply to damage by a peril not excluded resulting from such faulty or defective workmanship, materials, construction and/or design.
  - b. The cost of non-compliance of, or delay in completion of contract.
  - c. The cost of non-compliance with contract conditions.
  - d. Contractors' equipment or tools not a part of or destined to become a part of the installation.
12. Loss or damage caused by Earthquake Shock unless a limit is shown on the Declarations for Earthquake Shock this exclusion will apply.
13. Loss or damage caused by Flood unless a limit is shown on the Declarations for Flood this exclusion will apply.
14. Loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:
- a. the recognition, interpretation, calculation, comparison, differentiation, sequencing or processing of data involving one or more dates or times, by any computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Named Insured or not; or

- b. any change, alteration, correction or modification involving one or more dates or times, to any such computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Named Insured or not.

Except as provided in the next paragraph, this Electronic Date Recognition Clause shall apply regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

If direct physical loss or damage not otherwise excluded by this Policy results, then subject to all its terms and conditions, this Policy shall be liable only for such resulting loss or damage. Such resulting loss or damage shall not include physical loss or damage to data resulting directly from a) or b) above, nor the cost, claim or expense, whether preventative, remedial, or otherwise, arising out of or relating to any change, alteration, correction or modification relating to the ability of any damaged computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment to recognize, interpret, calculate, compare, differentiate sequence or process any data involving one or more dates or times.

15. Loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This exclusion applies regardless whether there is:

- a. any physical loss or damage to covered property;
- b. any insured peril or cause, whether or not contributing concurrently or in any sequence;
- c. any loss of use, occupancy, or functionality; or
- d. any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This exclusion replaces and supersedes any provision in the policy that provides insurance, in whole or in part, for these matters.

16. Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

17. The following additional exclusions apply to animals covered under this Policy:

- a. Death of any animal(s) from natural causes.
- b. Death of any animal(s) that dies from an unknown cause unless:
  - i. upon the death of such animal a post-mortem examination conducted on the animal by a licensed veterinarian, and if
  - ii. the veterinarian's post-mortem report shows the cause of death to clearly fall within the coverages of this Policy.

- c. Death of any animal(s) as a result of surgical operation, including inoculation, unless the necessity for same arises from a loss otherwise covered by this Policy.
  - d. The death or destruction of any animal(s) caused by, resulting from, or made necessary by physical injury caused by or resulting from the activities of the injured animal or other animals unless such death or destruction is the result of a loss otherwise covered by this Policy.
  - e. The death of any animal(s) caused directly or indirectly by the neglect or abuse of the Named Insured, his agent, employees or bailees (carriers for hire excepted) unless such death is a result of a loss otherwise covered by this Policy.
  - f. The loss by death of any animal(s) as a result of parturition or abortion.
  - g. Loss resulting from depreciation in value caused by any animal(s) covered hereunder becoming unfit for or incapable of filling the function or duties for which it is kept, employed or intended unless such depreciation is a result of a loss otherwise covered by this Policy.
  - h. Loss by destruction of any animal(s) on the order of the federal or any state government, or otherwise as a result of having contracted or been exposed to any contagious or communicable disease.
  - i. The removal or disposal of the remains of any animal(s) or the expense thereof unless such removal or disposal is the result of a loss otherwise covered by this Policy.
  - j. The loss of any animal(s) that has been unnerved (the term "unnerved" to be considered as meaning the operation of neurotomy for lameness).
  - k. Any claim consequent upon delay, deterioration, or loss of use or loss of market arising from an event covered by this Policy.
18. Loss, damage, costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination, direct or indirect, arising from any cause whatsoever.

Nevertheless if fire is not excluded from this Policy and a fire arises directly or Indirectly from seepage and/or pollution and/or contamination, any loss or damage covered under this Policy arising directly from that fire shall (subject to the terms, conditions and limitations of the Policy) be covered.

However, if the covered property is the subject of direct physical loss or damage for which the Company has paid or agreed to pay, then this Policy (subject to its terms, conditions and limitations) insures against direct physical loss or damage to the property covered hereunder caused by resulting seepage and/or pollution and/or contamination.

The Named Insured shall give notice to the Company of intent to claim NO LATER THAN TWELVE (12) MONTHS AFTER THE DATE OF THE ORIGINAL PHYSICAL LOSS OR DAMAGE.

Notwithstanding the provisions of the preceding exclusions or any provision respecting seepage and/or pollution and/or contamination, and/or debris removal and/or cost of clean up in the Policy, in the event of direct physical loss or damage to the property covered hereunder, this Policy (subject otherwise to its terms, conditions and limitations, including but not limited to any applicable deductible) also insures, within the sum covered:



- (a) expenses reasonably incurred in removal of debris of the property hereunder destroyed or damaged from the premises of the Named Insured; and/or;
- (b) cost of clean up at the premises of the Named Insured made necessary as a result of such direct physical loss or damage;

PROVIDED that this Policy does not insure against the costs of decontamination or removal of water, soil or any other substance on or under such premises.

19. Authorities Exclusion:

Fines, penalties or cost incurred or sustained by the Named Insured or imposed on the Named Insured at the order of any Government Agency, Court or other Authority, in connection with any kind or description of environmental impairment including seepage or pollution or contamination from any cause.

20. The following exclusion applies to Terrorism:

It is agreed that except for any sub-limit of coverage as indicated on the Declaration Page attached to this form, and Section 1 (General Provisions, part E of this form) this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Company allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Named Insured.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect. All other terms and conditions remain unaltered.

**C. STATUTES**

If any of the articles of this Policy conflict with the laws or statutes of any jurisdictions in which this Policy applies this Policy is amended to conform to such laws or statutes.

**D. TERRITORIAL LIMITS**

This Policy insures Real and Personal Property within the United States of America. Personal Property is extended to Worldwide coverage. The coverage provided by this clause for Personal Property is sub-limited to USD as per Declaration Page.

**E. REINSTATEMENT**

Any reduction in the amount insured hereunder due to payment of any loss or losses shall be automatically reinstated for the balance of the term of this contract except as respects to the perils of Earthquake Shock and Flood.

**F. FREE ON BOARD (F.O.B.) SHIPMENTS**

The Company shall be liable for the interest of the Named Insured at sole option of the Named Insured, the interest of the consignee in merchandise, which has been sold by the Named Insured

under terms of F.O.B. point of origin or other terms usually regarded as terminating shippers' responsibility short of point of delivery.

#### **G. BREACH OF CONDITIONS**

If any breach of a clause, condition or warranty of this Policy shall occur prior to a loss affected thereby under this Policy, such breach shall not void the Policy nor avail the Company to avoid liability unless such breach shall exist at the time of such loss under this contract or Policy, and be a contributing factor to the loss for which claim is presented hereunder, it being understood that such breach of clause or condition is applicable only to the property affected thereby. Notwithstanding the foregoing, if the Named Insured establishes that the breach, whether contributory or not, occurred without its knowledge or permission or beyond its control, such breach shall not prevent the Named Insured from recovering under this Policy.

#### **H. PERMITS AND PRIVILEGES**

Anything in the printed conditions of this Policy to the contrary notwithstanding, permission is hereby granted:

1. to maintain present hazards and hazards which are consistent with the current operation of insured facilities;
2. to make additions, alterations, extensions, improvements and repairs, to delete, demolish, construct and reconstruct, and also to include all materials, equipment and supplies incidental to the foregoing operations of the property covered hereunder, while in, on and/or about the premises or adjacent thereto;
3. for such use of the premises as usual and/or incidental to the business as conducted therein and to keep and use all articles and materials usual and/or incidental to said business in such quantities as the exigencies of the business require;
4. to be or become vacant or unoccupied. If a building becomes vacant or unoccupied, notice is to be given to the Company prior to the one-hundred twentieth (120th) consecutive day of vacancy or lack of occupancy. The giving, or failure to give such notice will not constitute a condition precedent to the Company's liability, but the Named Insured shall make a reasonable effort to comply with such requirement.

This Policy shall not be prejudiced by:

1. any error in stating the name, number, street, or location of any building(s) and contents covered hereunder, or any error or omission involving the name or title of the Named Insured;
2. any act or neglect of the owner of the building, if the Named Insured hereunder is not the owner, or of any occupant of the within described premises other than the Named Insured, when such act or neglect is not within the control of the Named Insured, named herein; or
3. by failure of the Named Insured to comply with any of the warranties or conditions endorsed hereon in any portion of the premises over which the Named Insured has no control.

#### **I. PROTECTIVE SAFEGUARDS**

The Named Insured shall exercise due diligence in maintaining in complete working order all protective safeguard equipment and services.

## **J. NOTICE OF LOSS**

In the event of loss or damage insured against under this Policy, the Named Insured shall give notice thereof to ALLIANT INSURANCE SERVICES, INC., 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, CA 94111-1073. TEL NO. (877) 725-7695, FAX NO. (415) 403-1466 of such loss. Such notice is to be made as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

## **K. ARBITRATION OF VALUE**

In case the Named Insured and the Company shall fail to agree as to the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraisers selected. The appraiser shall first select a competent and disinterested umpire, and failing to agree upon such umpire, then, on request of the Named Insured or the Company such umpire shall be selected by judge of a court of record in the state in which the property covered is located.

The appraisers shall as soon as practicable, appraise the loss stating separately the loss of each item and failing to agree, shall submit their differences only to the umpire. An award in writing so itemized, of any two appraisers when filed with the Company shall determine the amount of loss. The party selecting him shall pay each appraiser and the expenses of appraisal and umpire shall be paid by the parties equally.

## **L. PROOF OF LOSS**

The Named Insured shall render a signed and sworn proof of loss as soon as practical after the occurrence of a loss, stating the time, place and cause of loss, the interest of the Named Insured and of all others in the property, the value thereof and the amount of loss or damage thereto.

## **M. SUBROGATION**

In the event of any loss payment under this Policy, the Company, shall be subrogated to all the Named Insured's rights of recovery thereof against any person or organization and the Named Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

As respects subrogation it is agreed that, after expenses incurred in subrogation are deducted, the Named Insured and the Company shall share proportionately to the extent of their respective interests as determined by the amount of their net loss. Any amount thus found to be due to either party from the other shall be paid promptly.

Notwithstanding the above wording, the Named Insured has the right to enter into an agreement that releases or waives the Named Insured's right to recovery against third parties responsible for the loss if made before the loss occurred.

## **N. CANCELLATION**

This Policy may be cancelled by the Named Insured at any time by written notice or surrender of this Policy. This Policy may also be cancelled by or on behalf of the Company by delivering to the Named Insured or by mailing to the Named Insured, by registered, certified or other first class mail at the Named Insured's address as shown in this Policy, written notice, not less than ninety (90) days prior to the effective date of cancellation. The mailing of such notice as aforesaid shall be sufficient proof and this Policy shall terminate at the date and hour specified in such notice. Notwithstanding what has been stated above, however, should this Policy be cancelled for non-payment of assessment, the Company shall only be required to give the Named Insured ten (10) days notice.

If this insurance in total shall be cancelled by the Named Insured, the Company shall retain the customary short rate proportion of the premium hereon. If the Company elects to cancel coverage mid-term, then such cancellation shall be handled on a pro-rata basis without short rate penalty.

In the event of cancellation the aggregate retention and specific limit amount shall be applied pro rata with the balance, if any, to be paid to the Named Insured.

Payment or tender of any unearned premium by the Company shall not be condition precedent to the effectiveness of cancellation but such payment shall be made forthwith.

Cancellation shall not affect coverage on any shipment in transit on date of cancellation. Coverage will continue in full force until such property is safely delivered and accepted at place of final destination.

It is understood and agreed that if the Named Insured cancels this Policy, the Policy is subject to 25% minimum earned premium regardless of the length of time coverage is in force.

**O. ABANDONMENT**

There shall be no abandonment to the Company of any property.

**P. ASSIGNMENT**

Assignment or transfer of this Policy shall not be valid except with the written consent of the Company.

**Q. SALVAGE**

When, in connection with any loss hereunder, any salvage is received prior or subsequent to the payment of such loss, the loss shall be figured on the basis on which it would have been settled had the amount of salvage been known at the time the loss was originally determined. The salvage value will be deducted from the claim or returned to the Company.

**R. OTHER INSURANCE**

Permission is hereby granted to the Named Insured to carry more specific insurance on any property covered under this Policy. This Policy shall not attach or become insurance upon any property which at the time of loss is more specifically described and covered under any other policy form until the liability of such other insurance has first been exhausted and shall then cover only the excess of value of such property over and above the amount payable under such other insurance, whether collectible or not. This Policy, subject to its conditions and limitations, shall attach and become insurance upon such property as respects any peril not covered by such other insurance and not otherwise excluded herein.

In the event of a loss that is covered by other insurance, wherein this Policy is excess of any amount paid by such other insurer, the other insurance shall be applied to the deductible amount stated elsewhere. Should the amount paid by such other insurance exceed these deductibles, no further deductibles shall be applied under this Policy.

**S. EXCESS INSURANCE**

Permission is granted for the Named Insured to maintain excess insurance over the limit of liability set forth in this Policy without prejudice to this Policy and the existence of such insurance, if any, shall not reduce any liability under this Policy. Also it is understood and agreed as respects earthquake shock or flood, that in the event of reduction or exhaustion of the aggregate limits of liability under the underlying Policy(s) by reason of loss(es) hereunder, this Policy shall:

1. in the event of reduction, pay out excess of the reduced underlying limit and;
2. in the event of exhaustion, continue in force as the underlying Policy.

**T. RIGHT TO REVIEW RECORDS FOLLOWING AN INSURED LOSS**

The Named Insured as often as may be reasonably required, shall submit and so far as within their power, cause all other persons interested in the property or employees to submit to examination under oath by any person named by the Company relative to any and all matters in connection with a claim, and produce for examination all books of account, bills, invoices and other vouchers or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or their representatives and shall permit extracts and copies thereof to be made.

**U. CONCEALMENT AND FRAUD**

This entire Policy shall be void, if whether before or after a loss, the Named Insured has willfully concealed or misrepresented any material facts or circumstance concerning this Policy of the subject thereof, or the interest of the Named Insured therein, or in case of any fraud or false swearing by the Named Insured relating thereto.

**V. FULL WAIVER**

The terms and conditions of this form and any approved endorsements supersede any policy jacket that may be attached hereto.

**W. SUIT AGAINST COMPANY**

No suit, action or proceeding for the recovery of any claim under this Policy shall be sustainable in any court of law or equity unless the Named Insured shall have complied with all the requirements of this Policy, nor unless the suit is commenced within twelve (12) months after the date that the Company has made its final offer of settlement or denial of the loss. However, that if under the laws of the jurisdiction in which the property is located such limitation is invalid, then any such claims shall be void unless such action, suit or proceedings be commenced within the shortest limit of time permitted by the laws of such jurisdiction.

**X. JOINT LOSS ADJUSTMENT – BOILER & MACHINERY**

In the event of damage to or destruction of property, at a location designated in this Policy and also designated in a boiler and machinery insurance policy, and there is a disagreement between the Company and the Named Insured with respect to:

- (1) Whether such damage or destruction was caused by a peril covered against by this Policy or by an accident covered against by such boiler and machinery insurance policy(ies) or;

- (2) The extent of participation of this Policy and of such boiler and machinery insurance policy in a loss that is covered against, partially or wholly, by one or all of said policy(ies).

The Company shall, upon written request of the Named Insured, pay to the Named Insured one-half of the amount of the loss which is in disagreement, but in no event more than the Company would have paid if there had been no boiler and machinery insurance policy(ies) in effect, subject to the following conditions:

- (1) The amount of loss which is in disagreement after making provisions for any undisputed claims payable under the said policy(ies) and after the amount of the loss is agreed by the Named Insured and the Boiler and Machinery Insurer and the Company is limited to the minimum amount remaining payable under either the boiler and machinery insurance policy(ies).
- (2) The boiler and machinery insurer(s) shall simultaneously pay to the Named Insured, one-half of the said amount, which is in disagreement.
- (3) The payments by the Company and acceptance of the same by the Named Insured signify the agreement of the Company to submit to and proceed with arbitration within ninety (90) days of such payments:

The arbitrators shall be three (3) in number, one of whom shall be appointed by the boiler insurer(s) and one of whom shall be appointed by the Company hereon and the third appointed by consent of the other two, and the decision by the arbitrators shall be binding on the insurer(s) and the Named Insured and that judgment upon such award may be entered in any court of competent jurisdiction.

- (4) The Named Insured agrees to cooperate in connection with such arbitration but not to intervene therein.
- (5) This agreement shall be null and void unless the Policy of the boiler and machinery Insurer is similarly endorsed.

In no event shall an Insurer be obligated to pay more than their total single limit.

#### **Y. JOINT LOSS ADJUSTMENT – EXCESS PROPERTY**

In the event of damage to or destruction of property at a location designated in this Policy and also designated in an excess insurance policy(ies) and if there is disagreement between the insurers with respect to:

- (1) whether such damage or destruction was caused by a single event or by multiple events or;
- (2) the extent of participation of this Policy and any excess insurance policy in a loss covered against partially or wholly, by one of said Policy or policy(ies).

The Company shall, upon written request of the Named Insured, pay to the Named Insured one-half of the amount of the loss which is in disagreement, but in no event more than the Company would have paid if there had been no excess insurance or policy(ies) in effect, subject to the following conditions:

- (1) the amount of loss which is in disagreement after making provisions for any undisputed claims payable under the said policy(ies) and after the amount of the loss is agreed by the Named Insured and the Company is limited to the minimum amount



remaining payable under either the primary insurance policy or excess insurance policy(ies);

- (2) the excess insurers shall simultaneously pay to the Named Insured one-half of the said amount which is in disagreement, and;
- (3) the payments by the Company hereunder and acceptance of the same by the Named Insured signify the agreement of the Company to submit to and proceed with arbitration within ninety (90) days of such payments.

The arbitrators shall be three (3) in number, one of whom shall be appointed by the excess insurer(s) and one of whom shall be appointed by the Company and the third appointed by consent of the other two, and the decision by the arbitrators shall be binding on the Company and the Named Insured, and that judgment upon such award may be entered in any court of competent jurisdiction.

- (4) The Named Insured agrees to cooperate in connection with such arbitration but not to intervene therein.

## **Z. LENDER'S LOSS PAYABLE**

The following provisions (or equivalent) apply as required by "mortgages" and "lenders" to whom certificates of coverage have been issued.

1. Loss or damage, if any, under this policy, shall be paid to the Payee named on the first page of this policy, its successors and assigns, hereinafter referred to as "the Lender", in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.
2. The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended:
  - (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto;
  - (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this policy by virtue of any mortgage or trust deed;
  - (c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the Named Insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of this policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance as to the Named Insured, excluding here from, however, any acts or omissions of the Lender while exercising active control and management of the property.
3. In the event of failure of the Named Insured to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, the Company agrees to give written notice to the Lender of such non-payment of premium after sixty (60) days from and within one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this Company of the failure of the Named Insured to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of the



Company's demand in writing therefore. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.

4. Whenever the Company shall pay to the Lender any sum for loss or damage under this policy and shall claim that as to the Named Insured no liability therefore exists, the Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the Named Insured, whether secured or unsecured, (with refund of all interest not accrued), and the Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.
5. If there be any other insurance upon the within described property, the Company shall be liable under this policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the Named Insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate the Company (pro rata with all other insurers contributing to said payment) to all of the Lender's rights of contribution under said other insurance.
6. The Company reserves the right to cancel this policy at any time, as provided by its terms, but in such case this policy shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and shall then cease.
7. This policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable policy in renewal thereof with loss there under payable to the Lender in accordance with the terms of this Lender's Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.
8. Should legal title to and beneficial ownership of any of the property covered under this policy become vested in the Lender or its agents, insurance under this policy shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender's Loss Payable Endorsement which are not also granted the Named Insured under the terms and conditions of this policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.
9. All notices herein provided to be given by the Company to the Lender in connection with this policy and this Lender's Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch described on the first page of the policy.

Approved: Board of Fire Underwriters of the Pacific; California Bankers' Association – Committee on Insurance

#### **AA. SEVERAL LIABILITY NOTICE**

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several, not joint and are limited solely to the extent of their individual subscriptions. The

subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

## **AB. LOSS PAYABLE PROVISIONS**

### **A. LOSS PAYABLE**

For covered property in which both insured and a Loss Payee have an insurable interest, the Company will:

1. Adjust losses with the Named Insured, and;
2. Pay any claim for loss or their damage jointly to the Named Insured and the Loss Payee, as interests may appear.

### **B. LENDER'S LOSS PAYABLE**

1. The Loss Payee is a creditor, including a mortgage holder or trustee, whose interest in Covered Property is established by such written instruments as:
  - a. Warehouse receipts;
  - b. A contract for deed;
  - c. Bills of lading;
  - d. Financing statements or;
  - e. Mortgages, deeds of trust or security agreements.
2. For Covered Property in which both the Named Insured and a Loss Payee have an insurable interest:
  - a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
  - b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
  - c. If the Company deny the Named Insured claim because of the insured act or because the Named Insured have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
    - (1) Pays any premium due under this Coverage Part at our request if the Named Insured have failed to do so;
    - (2) Submits a signed, sworn proof of loss within ninety (90) days after receiving notice from us of the Named Insured failure to do so, and;
    - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- d. If the Company pays the Loss Payee for any loss or damage and deny payment to the Named Insured because of the Named Insured acts or because the Named Insured have failed to comply with the terms of this Coverage Part:
  - (1) The Loss Payee's rights will be transferred to us to the extent of the amount the Company pays and;
  - (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, the Company may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, the Named Insured will pay the insureds' remaining debt to us.

3. If the Company cancels this policy, the Company will give written notice to the Loss Payee at least:
  - a. Ten (10) days before the effective date of cancellation if the Company cancels for the insured non-payment of premium or;
  - b. Thirty (30) days before the effective date of cancellation if the Company cancels for any other reason.
4. If the Company elects not to renew this policy, the Company will give written notice to the Loss Payee at least ten (10) days before the expiration date of this policy.

### **C. CONTRACT OF SALE**

1. The Loss Payee is a person or organization the Named Insured have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both the Named Insured and the Loss Payee have an insurable interest the Company will:
  - a. Adjust losses with the Named Insured and;
  - b. Pay any claim for loss or damage jointly to the Named Insured and the Loss Payee, as interests may appear.
3. The following is added to the OTHER INSURANCE Condition:

For Covered Property that is the subject of a contract of sale, the word "the Insured" includes the Loss Payee.

### **AC. ELECTRONIC DATA**

#### **1. Electronic Data Exclusion**

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

- a. This Policy does not insure, loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes program, software, and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to “Trojan Horses”, “worms” and “time or logic bombs”.

- b. However, in the event that a peril listed below results from any of the matters described in paragraph a) above, this Policy, subject to all its terms, conditions and exclusions will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils  
Fire Explosion

## **2. Electronic Data Processing Media Valuation**

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost to repair, replace or restore such media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any ELECTRONIC DATA contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed USD10,000,000 any one loss, incurred by the Named Insured in recreating, gathering and assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Named Insured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

## **AD. LOSS ADJUSTMENT SERVICES**

McLarens Young, International, 180 Montgomery Street, Suite 2100, San Francisco, California 94104-4231 is hereby authorized to represent the Company in the investigation and adjustment of any loss or damage under this Policy at the expense of the Company and without regard to the amount of loss or damage and/or applicable deductible if any.

However, the Company reserves the right to utilize other adjusting firms at its discretion.

## **AE. SERVICE OF SUIT CLAUSE (USA) APPLICABLE TO EXCESS CARRIERS**

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Named Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon:

1. FLWA Service Corp, c/o Foley and Lardner LLP, 555 California Street, Suite 1700, San Francisco, CA 94104-1520 (applicable to all markets except as noted below)

2. Counsel, Legal Department, Lexington Insurance Company, 100 Summer Street, Boston, Massachusetts, 02110-2103 (applicable to Lexington Insurance Company)
3. Ms. Karen Harris, AXIS Specialty, 2730 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833. In the event the Commissioner of Insurance of the State of California receives service of process on behalf of the Company, said service shall be forwarded to the Company at: AXIS Specialty Europe Limited, Attention Claims Admitter, Mount Herbert Court, 34 Upper Mount Street, Dublin 2, Ireland (applicable to AXIS Specialty Europe Limited)

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

NMA1998 (amended)

## **AF. DEFINITIONS**

### **1. OCCURRENCE**

Each occurrence is defined as a loss, incident or series of losses or incidents not otherwise excluded by this Policy and arising out of a single event or originating cause and includes all resultant or concomitant insured losses. When the term applies to loss or losses from earthquake shock, flood and/or windstorm, the following provisions shall apply:

#### **a. Windstorm**

Each loss by windstorm shall constitute a single claim hereunder; provided, if more than one windstorm shall occur within any period of seventy-two (72) hours during the term of this Policy, such windstorm shall be deemed to be a single windstorm within the meaning thereof. The Named Insured may elect the moment from which each of the aforesaid periods of seventy-two (72) hours shall be deemed to have commenced but no two such seventy-two (72) hour periods shall overlap. The Company shall not be liable for any loss occurring before the effective date and time of the Policy. The Company will be liable for any losses occurring for a period of up to seventy-two (72) hours after the expiration of this Policy provided that the first windstorm loss or damage within that seventy-two (72) hours occurs prior to the date and time of expiration of this Policy.

In the event of there being a difference of opinion between the Named Insured and the Company as to whether or not all windstorm losses sustained by the Named Insured during an elected period of seventy-two (72) hours arose out of, or was caused by a single atmospheric disturbance, the stated opinion of the National Weather Service or comparable Authority in any other country or locality shall govern as to whether or not a single atmospheric disturbance continued throughout the period at the location(s) involved.

**b. Flood**

Each loss by flood shall constitute a single loss hereunder.

1. If any flood occurs within a period of the continued rising or overflow of any river(s) or stream(s) and the subsidence of same within the banks of such river(s) or stream(s) or;
2. If any flood results from any tidal wave or series of tidal waves caused by any one disturbance;

such flood shall be deemed to be a single occurrence within the meaning of this Policy.

Should any time period referred to above extend beyond the expiration date of this Policy and commence prior to expiration, the Company shall pay all such flood losses occurring during such period as if such period fell entirely within the term of this Policy.

The Company shall not be liable, however, for any loss caused by any flood occurring before the effective date and time of this Policy or commencing after the expiration date and time of this Policy.

Flood shall mean a general condition of partial or complete inundation of normally dry land area from:

1. overflow of inland or tidal water;
2. unusual and rapid accumulation or run off of surface waters from any natural source.

Flood shall also mean mudslide or mudflow, which is a river or flow of liquid mud caused by flooding as defined in 1. or 2. above.

**The definition of flood does not include ensuing loss or damage by fire, explosion, or sprinkler leakage.**

**c. Flood Zone A and V**

Flood zones A and V as referenced in this policy is defined by FEMA as being inclusive of all 100 year high risk flood areas. A one-hundred-year flood is a flood event that has a 1% probability of occurring in any given year.

**d. Earthquake Shock**

With respect to the peril of earthquake shock, any and all losses from this cause within a one hundred sixty-eight (168) hour period shall be deemed to be one loss. The Named Insured may elect the moment from which each of the aforesaid periods of one hundred sixty eight (168) hours shall be deemed to have commenced but no two such one hundred sixty eight (168) hour periods shall overlap.

The Company shall not be liable for any loss caused by an earthquake shock occurring before the effective date and time of this Policy. The Company will be liable for any losses occurring for a period of up to one hundred sixty eight (168) hours after the expiration of this Policy provided that the first earthquake shock loss



or damage within that one hundred sixty eight (168) hours occurs prior to the date and time of the expiration of this Policy.

In the event of there being a difference of opinion between the Named Insured and the Company as to whether or not all earthquake shock losses sustained by the Named Insured during an elected period of one hundred sixty eight (168) hours arose out of, or were caused by a single earthquake shock, the stated opinion of the National Earthquake Shock Information Service of the United States Department of the Interior or comparable Authority in any other country or locality shall govern as to whether or not a single earthquake shock continued throughout the period at the locations involved.

The term earthquake shock is defined as: earth movement meaning natural faulting of land masses, but not including subsidence, landslide, rock slide, earth rising, earth sinking, earth shifting or settling unless as a direct result of such earth movement. The definition of earthquake shock does not include ensuing loss or damage by fire, explosion or sprinkler leakage. Further Earthquake Sprinkler Leakage is covered outside of the "Earthquake Shock" definition and subject to the basic peril deductible.

## **2. PERSONAL PROPERTY OF OTHERS**

Means, any property (other than real property) belonging to others for which a Named Insured has assumed liability. This includes but is not limited to:

- Articles of Clothing
- Jewelry
- Sound Equipment
- Fine Arts (up to the sub-limit of unscheduled fine arts)
- EDP Media & Hardware
- Valuable Papers
- Portable Electronic Equipment
- Employee Tools

## **3. IMPROVEMENTS AND BETTERMENTS**

Means, additions or changes made by a Named Insured / lessee at their own expense to a building they are occupying that enhance the building's value.

## **4. VALUABLE PAPERS AND RECORDS**

Means, all inscribed, printed, or written; documents, manuscripts or records; including but not limited to abstracts, books, deeds, drawing, films, maps, or mortgages. Valuable Papers are not money, securities, stamps or converted data program or instructions used in the Named Insured's data processing operations including the materials on which data is recorded.

## **5. TERRORISM**

An act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.



**6. TIER I WINDSTORM COUNTIES**

<u>State</u>	<u>Tier I Counties, Parishes or Independent Cities</u>
Alabama	Baldwin, Mobile
Florida	Entire State, All Counties
Georgia	Bryan, Camden, Chatham, Glynn, Liberty, McIntosh,
Hawaii	Entire State, All Counties
Louisiana	Assumption, Calcasieu, Cameron, Iberia, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermilion
Mississippi	Hancock, Harrison, Jackson
North Carolina	Beaufort, Bertie, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Hyde, Jones, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrell, Washington
South Carolina	Beaufort, Berkley, Charleston, Colleton, Georgetown, Horry, Jasper
Texas	Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris (entire County), Jackson, Jefferson, Kenedy, Kleberg, Liberty, Matagorda, Newton, Nueces, Orange, Refugio, San Patricio, Victoria, Willacy
Virginia	Accomack, Charles City, Chesapeake City, Gloucester, Hampton City, Isle of Wight, James City, Lancaster, Mathews, Middlesex, New Kent, Newport News, Norfolk City, Northampton, Northumberland, Poquoson City, Portsmouth City, Prince George, Suffolk City, Sussex, Surry, Virginia Beach City, Westmoreland, Williamsburg City, York

**AG. ADDITIONAL INSURED'S / LOSS PAYEES**

It is hereby understood and agreed that the interest of Additional Insured's and/or Loss Payees is automatically included, as per schedule held on file with Alliant Insurance Services, Inc.

## SECTION V

### FINE ARTS

#### A. COVERAGE

This policy insures against all risks of physical loss of or damage except as hereafter excluded occurring during the policy period to fine arts, which are the property of the Named Insured or the property of others in the custody or control of the Named Insured while on exhibition or otherwise within the limits of the United States.

If any of the property covered by this Section is also covered under any other provisions of the Policy of which this Section is made a part, those provisions are hereby amended to exclude such property, the intent being that the coverage under this Section is the sole coverage on such property.

##### 1. PROPERTY COVERED

Objects of art of every kind and description, and property incidental thereto, which are the property of the Named Insured, or the property of others in the custody and control of the Named Insured, or in transit at the Named Insured's risk, and property in which the Named Insured shall have a fractional ownership interest which are owned by or have been leased, loaned, rented or otherwise made available to the Named Insured. "Property" shall mean paintings, drawings, etchings, prints, rare books, manuscripts, rugs, tapestries, furniture, pictures, bronzes, potteries, porcelains, marbles statuary and all other bonafide works of art and other objects of rarity, historic value, cultural interest or artistic merit, which are part of the collections of the Named Insured, or in the care, custody or control of the Named Insured, and their frames, glazing and shadow boxes.

##### 2. "WALL TO WALL" ("NAIL TO NAIL") COVERAGE

This Section covers the Named Insured's property on a "Wall to Wall" ("Nail to Nail") basis, or domicile to domicile basis, as applicable, from the time said property is removed from its normal repository incidental to shipment until returned thereto or other point designated by the owner or owner's agent prior to return shipment, including while in transit to or from points of consolidation or deconsolidation, packing, repacking or unpacking, while at such locations during such processes or awaiting shipment.

Coverage shall terminate upon arrival of the covered property at the final destination designated by the owner or owner's agent, or upon expiration of this Policy, whichever may occur first, except that expiration of this Policy shall not prejudice coverage of any risk then in transit.

#### B. EXCLUSIONS

1. Loss or damage occasioned by: wear and tear, gradual deterioration, insects, vermin, inherent vice or damage sustained due to and resulting from any repairing, restoration or retouching process;
2. Loss or damage caused by or resulting from:
  - a. War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack;

- i. by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces or;
    - ii. by military, naval or air forces; or
    - iii. by an agent of any such government, power, authority or forces;
  - b. Any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
  - c. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
3. Nuclear reaction or nuclear radiation or radioactive contamination from any cause, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by a Covered Cause of Loss. However:
- a. If fire not otherwise excluded results, the Company shall be liable for the direct physical loss or damage by such resulting fire, but not including, any loss or damage due to nuclear reaction, nuclear radiation, or radioactive contamination, and
  - b. This Policy does insure against physical loss or damage caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the Named Insured premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel on the Named Insured premises.
4. Any dishonest, fraudulent or criminal act by the Named Insured, a partner therein or an officer, director employee or trustee thereof, whether acting alone or in collusion with others.

For the purpose of this exclusion an act of vandalism or malicious damage by an employee shall not constitute a dishonest, fraudulent or criminal act.

### **C. LOSS PAYMENT BASIS / VALUATION**

The valuation of each article of property covered by this Section shall be determined as follows:

- a. Property of the Named Insured shall be covered for and valued at the current fair market value of each article indicated on the books and records of the Named Insured prior to loss, according to the Named Insured's valuation of each object covered.
- b. Property of others loaned to the Named Insured and for which the Named Insured may be legally liable, or which the Named Insured has been instructed to insure, shall be covered for and valued at the amount agreed upon for each article by the Named Insured and owner(s) as recorded on the books and records of the Named Insured prior to loss.
- c. Otherwise, in the absence of recorded current fair market values or agreed values for each article covered, the Company shall not be liable beyond the fair market value of the property at the time any loss or damage occurs. Said value shall be ascertained by the Named Insured and the Company or, if they differ, then the amount of value or loss shall be determined as provided in the following appraisal clause.

## **D. SPECIAL CONDITIONS**

1. **Misrepresentation and Fraud:** This entire Section shall be void if, whether before or after a loss, the Named Insured has concealed or misrepresented any material fact or circumstance concerning this Policy or the subject thereof, or the interest of the Named Insured therein, or in case of any fraud or false swearing by the Named Insured relating thereto.
2. **Notice of Loss:** The Named Insured shall as soon as practicable report in writing to the Company or its agent every loss, damage or occurrence which may give rise to a claim under this Section and shall also file with the Company or its agent within ninety (90) days from the date of discovery of such loss, damage or occurrence, a detailed sworn proof of loss.
3. **Examination under Oath:** The Named Insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and shall submit, and insofar as is within its power cause its employees, Named Insured and others to submit to examination under oath by any person named by the Company and subscribe the same; and, as often as may be reasonably required, shall produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any act of the Named Insured or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the Named Insured might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to the Company's liability.
4. **Settlement of Loss:** All adjusted claims shall be paid or made good to the Named Insured within sixty (60) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company. No loss shall be paid or made good if the Named Insured has collected the same from others.
5. **No Benefit to Bailee:** This Section shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.
6. **Subrogation or Loan:** If in the event of loss or damage the Named Insured shall acquire any right of action against any individual, firm or corporation for loss of, or damage to, property covered hereunder, the Named Insured will, if requested by the Company, assign and transfer such claim or right of action to the Company or, at the Company's option, execute and deliver to the Company the customary form of loan receipt upon receiving an advance of funds in respect of the loss or damage; and will subrogate the Company to, or will hold in trust for the Company, all such rights of action to the extent of the amount paid or advanced, and will permit suit to be brought in the Named Insured's name under the direction of and at the expense of the Company.
7. **Loss Clause:** Any loss hereunder shall not reduce the amount of this Section, except in the event of payment of claim for total loss of an item specifically scheduled hereon.
8. **Protection and Preservation of Property:** In case of actual or imminent physical loss or damage of the type insured against by this Policy, the expenses incurred by the Named Insured in taking reasonable and necessary actions for the temporary protection and preservation of property insured hereunder shall be added to the total physical loss or damage otherwise recoverable under the Policy and be subject to the applicable deductible and without increase in the limit provisions contained in this Policy.

9. **Appraisal:** If the Named Insured and the Company fail to agree as to the amount of loss, each shall on the written demand of other, made within sixty (60) days after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then on the request of the Named Insured or the Company, such umpire shall be selected by a judge of a court of record in the state in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the fair market value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Named Insured and the Company shall each pay their chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Named Insured shall not be held to have waived any of its rights by any act relating to appraisal.
10. **Civil Authority:** Property covered under this Section against the peril of fire is also covered against the risk of damage or destruction by Civil authority during a conflagration and for the purpose of retarding the same; provided that neither such conflagration nor such damage or destruction is caused or contributed to by a peril otherwise excluded herein.
11. **Changes:** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Section or stop the Named Insured from asserting any right under the terms of this Section, nor shall the terms of this Section be waived or changed except by endorsement issued to form a part of this Section.
12. **Additional Covered Party(ies):** Corporations, associations, firms, institutions, museums, persons and others who own or control collections, objects or articles who make them available to the Named Insured, and temporary borrowers or custodians (but not carriers, packers or shippers) of property covered, are additional Named Insured(s) hereunder, but only as respects coverage afforded to said Named Insured's property.
13. **Packing:** It is agreed by the Named Insured that the property covered hereunder be packed and unpacked by competent packers.
14. **Other Insurance:** This fine arts floater Section is excess coverage over any other valid and collectible insurance which may apply to any objects of art for which coverage would apply under this Policy.
15. **Pair And Set:** In the event of the total loss of any article or articles which are a part of a set, the Company agrees to pay the Named Insured the full amount of the value of such set and the Named Insured agrees to surrender the remaining article or articles of the set to the Company.

## SECTION VI

### CONTRACTORS EQUIPMENT

#### A. COVERAGE

This Policy insures contractors equipment, whether self propelled or not, including equipment thereof while attached thereto or located thereon, such as bulldozers, drag lines, power shovels, derricks, drills, concrete mixers and other machinery of a similar nature, and not subject to motor vehicle registration.

If any of the property covered by this Section is also covered under any other provisions of the Policy of which this Section is made a part, those provisions are hereby amended to exclude such property, the intent being that the coverage under this Section is the sole coverage on such property.

#### B. PERILS EXCLUDED

This Section insures against all risks of direct physical loss or damage occurring during the policy period to the above described property from any external cause except as provided below.

1. Loss or damage due to wear, tear, rust, corrosion, latent defect, mechanical breakage or improper assemblage.
2. Loss or damage due to the weight of the load imposed on the machine exceeding the capacity for which such machine was designed.
3. Loss or damage to crane or derrick boom(s) and jib(s) of lattice construction while being operated unless directly caused by fire, lightning, hail, windstorm, earthquake shock, explosion, riot, riot attending a strike, civil commotion, actual physical contact with an aircraft or airborne missile including objects falling therefrom, collision with other vehicles or other contractors equipment whether or not such other equipment is covered hereunder, landslide, or upset of the unit of which it is a part (but only when and to the same extent that such other perils are covered by the Policy).
4. Loss or damage due to explosion arising from within steam boilers.
5. Loss or damage to dynamos, exciters, lamps, switches, motors or other electrical appliances or devices, including wiring, caused by lightning or other electrical currents (artificial or natural) unless fire ensues and then for the loss by fire only.
6. Loss or damage due to dishonesty of Named Insured's employees or persons to whom the Named Insured's property is entrusted.
7. Loss or damage caused by or contributed to failure of the Named Insured to keep and maintain the property in a thorough state of repair.
8. Loss or damage caused by or resulting from:
  - a. War, hostile or warlike action in time of peace or, including action in hindering, combating or defending against an actual, impending or expected attack;
    - i. by any government or sovereign power (de jure or de facto) or by any authority maintaining using military, naval or air forces or;
    - ii. any military, naval or air forces or;



- iii. by an agent of any such government, power, authority or forces;
  - b. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
  - c. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;
9. Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) covered against in this endorsement; however, subject to the foregoing and all provisions of this Policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is covered against by this Policy.

### **C. PROPERTY EXCLUDED**

1. Automobiles, motorcycles, motor trucks, or parts thereof.
2. Buildings
3. Machinery or equipment or building materials to be installed in any building for the purpose of becoming a part thereof; nor on any property which has become a permanent part of any structure.
4. Property that is located underground.
5. Property while waterborne except while being transported on any regular ferry.
6. The storage risk of property not owned or required to be insured by the Named Insured at premises controlled or leased by the Named Insured, except where incidental to the regular or frequent use of the equipment or property.
7. Plans, blue prints, designs or specifications.

### **D. LOSS PAYMENT BASIS / VALUATION**

On Contractors Equipment (whether self propelled or not), on or off premises, where Replacement Cost (New) values are specified, loss or damage shall be based on 100% of the Replacement Cost (New) at the time of loss. Partial losses shall be based on the cost of repairing or replacing the damaged portion, up to the fair market value of the Contractors Equipment. However, should these costs exceed the fair market value then recovery shall be based upon the Replacement Cost (New).

If the values, provided by the Named Insured, provides a valuation based on replacement cost, then recovery will be on the same basis, if replaced. If not replaced, the basis of recovery shall be actual cash value.

### **E. SPECIAL CONDITIONS**

This section covers property only within the limits of the United States of America.

It is a condition of this Policy that all articles covered hereunder are in sound condition at the time of attachment of this Policy.

## SECTION VII

### ACCOUNTS RECEIVABLE

#### A. COVERAGE

This Policy covers the loss of or damage resulting from insured perils to the Named Insured's records of accounts receivable as defined below, occurring during the Policy period.

#### B. EXCLUSIONS

In addition to the exclusions in the General Conditions, this coverage does not apply:

1. To loss due to any fraudulent, dishonest or criminal act by the Named Insured, a partner therein, or an officer, director, employee or trustee thereof, while working or otherwise and whether acting alone or in collusion with others.

For the purpose of this exclusion an act of vandalism or malicious damage by an employee shall not constitute a dishonest, fraudulent or criminal act.

2. To loss due to bookkeeping, accounting or billing errors or omissions.
3. To loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support of claim for loss which the Named Insured can prove through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder.
4. To loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property, but only to the extent of such wrongful giving, taking, obtaining or withholding.

#### C. LOSS PAYMENT BASIS / VALUATION

When there is proof that a loss covered by this Policy has occurred but the Named Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be based on the Named Insured's monthly statements and shall be computed as follows:

- a. Determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
- b. Calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve (12) months immediately preceding the month in which the loss occurs as compared with such average for the months of the preceding year;
- c. The amount determined under (a) above, increased or decreased by the percentage calculated under (b) above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
- d. The amount determined under (c) above shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month

involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged or otherwise established or collected by the Named Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Named Insured. All unearned interest and service charges shall be deducted.

**D. DEFINITIONS:**

**ACCOUNTS RECEIVABLE**

- a. All sums due to the Named Insured from customers provided the Named Insured is unable to effect collection thereof as the direct result of loss or damage to records of accounts receivable.
- b. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage.
- c. Collection expense in excess of normal collection cost and made necessary because of such loss or damage.
- d. Other expenses, when reasonably incurred by the Named Insured, in re-establishing records of accounts receivable following such loss or damage.

## SECTION VIII

### BOILER AND MACHINERY BREAKDOWN EXTENSION

#### 1. Perils Insured

In consideration of the premium paid and subject to the terms, conditions and Exclusions of the policy to which this Extension is attached, and to the following terms and conditions, this Insurance is extended to cover direct damage to Covered Property caused by a Covered Cause of Loss.

#### 2. Additional Coverage

(a) Hazardous Substance

The additional expense incurred for cleanup, repair or replacement or disposal of damaged, contaminated or polluted property as a result of an Accident, which causes property to become damaged, contaminated or polluted by a substance declared hazardous to health by an authorized governmental agency. The coverage provided by this clause is sub-limited to USD as per Declaration Page. For the purpose of this coverage “Additional expense” means any expense that would not have incurred, if no substance hazardous to health had been involved in the accident

(b) Ammonia Contamination

The loss, including salvage expense, incurred with respect to damage by ammonia contacting or permeating property under refrigeration or in process requiring refrigeration, as a result of any one Accident to one or more Objects. The coverage provided by this clause is sub-limited to USD as per Declaration Page.

(c) Water Damage

The loss, including salvage expense, with respect to property damaged by water, resulting from any one Accident. The coverage provided by this clause is sub-limited to USD as per Declaration Page.

(d) Media Coverage

The loss to all forms of electronic, magnetic and optical tapes and discs used in any electronic computer or electronic data processing equipment directly damaged by an Accident to an Object. The coverage provided by this clause is sub-limited to USD as per Declaration Page. For the purpose of this coverage, the valuation basis for “Media” is as follows:

- i. For “Media” that are mass-produced and commercially available, at the replacement cost.
- ii. For all other “Media”, at the cost of blank material for reproducing the records.

(e) Consequential Damage

The “Consequential Damage” to refrigerated and frozen goods of the Named Insured or for which the Named Insured is legally liable or under the Named Insured’s care, custody or control caused solely by an Accident to an Object. For the purpose of this coverage, “Consequential Damage” is defined as loss due to spoilage from lack of power, light, heat, steam or refrigeration, resulting from Accident. The coverage provided by this clause is sub-limited to USD as per Declaration Page.

(f) Utility Interruption

The loss caused by an Accident to an Object that is owned, operated or controlled by a public or private entity that the Named Insured has contracted with to furnish them with electrical utility service including all direct electrical suppliers. The coverage provided by this clause is sub-limited to USD as per Declaration Page.

(g) CFC Refrigerants and Halon

The replacement of any CFC (chlorofluorocarbon) refrigerant used in refrigeration or air conditioning equipment or Halon used in a fire suppression system due to an "Accident" to an Object.

(h) Ordinance or Law

If an Accident to an Object at the Named Insured's location damages a building that is "Covered Property", the Company will pay for

- i. Loss to the Undamaged Portion of the Building, meaning loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:
  - a. Requires the demolition of parts of the same building not damaged by the Accident to an Object; or
  - b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the location of the building.
- ii. Demolition Cost meaning the cost to demolish and clear the site of undamaged parts of the building, caused by the enforcement of building, zoning, or land ordinance or use.
- iii. Increased Cost of Construction, meaning the increased cost to:
  - a. Repair or reconstruct damaged portions of the building; and
  - b. Reconstruct or remodel undamaged portions of the building whether or not demolition is required;

when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law. But the Company will only pay for this increased cost if the building is repaired, reconstructed or remodeled. Also, if the building is repaired, reconstructed or remodeled, it must be intended for similar occupancy as the current building, unless such occupancy is not permitted by zoning or land use ordinance or law.

Insurance under this section only applies with respect to ordinance or law that is in force at the time of the Accident to an Object. Insurance under this section does not apply to:

- a. Costs associated with the enforcement of any ordinance or law which requires any Named Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of substances declared to be hazardous to health by a governmental agency; or
- b. Loss due to any ordinance or law that:
  - i. The Named Insured was required to comply with before the Accident to an Object even if the building was undamaged; and

- ii. The Named Insured failed to comply with.

The coverage provided by this clause is sub-limited to USD as per Declaration Page.

### 3. Definition of Accident

Accident shall mean a sudden and accidental breakdown of the Object, or a part thereof, which manifests itself at the time of its occurrence by physical damage to the Object that necessitates repair or replacement of the Object or part thereof; but Accident shall not mean:

- a. depletion, deterioration, corrosion, or erosion of material;
- b. wear and tear;
- c. leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- d. the breakdown of any vacuum tube, gas tube or brush;
- e. the breakdown of any structure or foundation supporting the Object or any part thereof;
- f. the functioning of any safety device or protective device.

### 4. Definition of Object

Except as otherwise specifically designated herein, Object as described below shall mean any equipment or apparatus which is owned by, leased by or operated under the control of the Named Insured subject to the Exclusions and Special Provisions specified herein:

- a. Any boiler, any fired vessel, any unfired vessel subject to vacuum or internal pressure other than static pressure of contents, any refrigerating and air conditioning vessels, or any piping and its accessory equipment, but such Object shall not include:
  1. Any boiler setting, any insulating or refractory material,
  2. Any sewer piping, any underground gas piping, any piping forming a part of a sprinkler system or any water piping other than
    - (a) Feed water piping between any boiler and its feed pumps or injectors
    - (b) Boiler condensate returning piping
- b. Any mechanical or electrical machine or electrical apparatus used for the generation, transmission or utilization of mechanical or electrical power, but Object shall not include
  1. Any structure or foundation other than a bedplate of a machine,
  2. Any vehicle, elevator, crane, hoist, power shovel or drag line, but not excluding any electrical equipment used with said machine or apparatus,
  3. Any refractory material, or
  4. Any penstock or draft tube.

### 5. Covered Cause of Loss

A Covered Cause of Loss is an "Accident" to an Object insured hereon. An Object must be in use or connected ready for use at the time of the Accident.

## 6. Covered Property

Covered Property, as used in this Extension, means any property that:

- a. The Named Insured owns; or
- b. Is in the Named Insured's care, custody or control and for which they are legally liable

## 7. Special Provisions

- a. As respects any boiler, fired or unfired vessel, refrigerating system or piping, the Company shall not be liable for loss from an Accident while said Object is undergoing a hydrostatic, pneumatic or gas pressure test that exceeds manufacturers recommended limits.
- b. As respects any boiler of fired vessel, the Company shall not be liable for loss from an explosion of gas or unconsumed fuel within the furnace of such Object or within the passages from the furnace to the atmosphere, whether or not such explosion (a) is contributed to or aggravated by an Accident to any part of said Object that contains steam or water, or (b) is caused in whole or in part, directly or indirectly, by any Accident to any Object, or part thereof, nor shall the Company be liable for any loss from an Accident caused directly or indirectly by such explosion.
- c. As respects any unfired vessel which is used for the storage of gas or liquid and which is periodically filled, moved, emptied and refilled in the course of its normal service, such vessel shall be considered as "connected ready for use" within the terms of this Extension of the Policy.
- d. As respects any Object or part of an Object that is being dismantled, reassembled or is in storage, will be considered as "connected ready for use" within the terms of this Extension of the Policy.
- e. As respects any gas turbine of the internal combustion type, (a) the combustor or such Object shall not be considered to be a "furnace" as the word is used in the Definition of Accident or in Special Provision 2 above and (b) the Definition of Accident shall not mean the cracking of any part of the Turbine exposed to the production of combustion.
- f. As respects new turbine generator units, coverage shall not apply until the unit has been contractually accepted by the Named Insured, that all tests required by the contractor have been performed and satisfied and the unit has been placed in commercial operation.

## 8. Valuation

- a. The Company will pay the Named Insured the amount the Named Insured spends to repair or replace the property directly damaged by an Accident. The Company payment will be the smallest of:
  - 1) The Limit of Insurance;
  - 2) The cost at the time of the Accident to repair the damaged property with property of like kind, capacity, size and quality;
  - 3) The cost at the time of the Accident to replace the damaged property on the same site with other property:
    - a) Of like kind, capacity, size and quality; and



- b) Used for the same purpose
  - 4) The amount the Named Insured actually spends that is necessary to repair or replace the damaged property.
- b. As respects any Object if the cost of repairing or replacing only a part of the Object is greater than:
  - 1) the cost of repairing the Object; or
  - 2) the cost of replacing the entire Object on the same site;

The Company will pay only the smaller of (1) or (2). The repair parts or replacement Object must be:

  - 1) of like kind, capacity, size and quality; and
  - 2) used for the same purpose.
- c. The Company will not pay:
  - 1) if the loss or damage is to property that is obsolete or useless to the Named Insured; or
  - 2) for any extra cost if the Named Insured decides to repair or replace the damaged property with property of a better kind or quality or of larger capacity,
- d. If the Named Insured does not repair or replace the damaged property within 18 months after the date of the Accident then the Company will pay on the smaller of the:
  - 1) cost it would have taken to repair; or
  - 2) actual cash value;

at the time of the “accident”.

Paragraph (d) does not apply to any time period beyond the 18 months that the Company agrees to in writing.

- e. As respects CFC (chlorofluorocarbon) refrigerant or Halon, the following valuation basis is applicable:
  - 1) If the CFC refrigerant or Halon is replaceable, the Named Insured may, at their option, elect to:
    - a) Repair or replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system and replace the lost CFC refrigerant or Halon subject to it being of like kind, capacity, size and quality and used for the same purpose; or
    - b) Change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to:
      - i. Refrigeration or air conditioning equipment that uses an approved non - CFC refrigerant; or
      - ii. A fire suppression system that uses an approved non – Halon agent.

But this option is available only if the change to the equipment or system is made within 18 months after the date of the Accident or within any extended time period that the Company agrees to in writing.

If Option 1) b) above is elected, the Company will not pay more than the least of the following amounts:

- a) The Limit of Insurance;
  - b) The cost at the time of the Accident to repair the damaged refrigeration equipment, air conditioning equipment or fire suppression system, retrofit the equipment or system to accept non – CFC refrigerant or non – Halon fire suppressant, and charge the equipment or system with that refrigerant or fire suppressant;
  - c) The cost at the time of the Accident to replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system with equipment or a system that is functionally equivalent and uses an approved non – CFC refrigerant or non – Halon fire suppressant;
  - d) The amount that the Named Insured actually spend that is necessary to change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to equipment or a system that uses an approved non – CFC refrigerant or non – Halon fire suppressant; or
  - e) One hundred twenty-five percent (125%) of the amount the Company otherwise would have paid for loss to the refrigeration equipment, air conditioning equipment or fire suppression system.
- f. If the CFC refrigerant or Halon is not replaceable and:
- (1) The Named Insured repairs or replaces the damaged equipment within 18 months after the date of the Accident or within any extended time that the Company agrees to in writing, the Company will pay the least of the following amounts:
    - (a) The Limit of Insurance;
    - (b) The cost at the time of the Accident to repair the damaged refrigeration equipment, air conditioning equipment or fire suppression system, retrofit the equipment or system to accept non – CFC refrigerant or non – Halon fire suppressant, and charge the equipment or system with that refrigerant or fire suppressant;
    - (c) The cost at the time of the Accident to replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system with equipment or a system that is functionally equivalent and uses an approved non – CFC refrigerant or non – Halon fire suppressant;
    - (d) The amount that the Named Insured actually spend that is necessary to change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to equipment or a system that uses an approved non – CFC refrigerant or non – Halon fire suppressant.
  - (2) If the Named Insured does not replace the damaged equipment within 18 months after the date of the Accident or within the extended time period that the Company agrees to in writing, the Company will not pay more than the lesser of:

- (a) The amount that the Company would have paid if repair or replacement of the damaged equipment had been made as determined in F 1 above; or
  - (b) The actual cash value of the damaged equipment at the time of the Accident.
- g. As respects Insurance under Ordinance and Law, the most the Company will pay as a result of any one Accident for:
  - a) Loss to the Undamaged portion of the building is included in the Limit of Insurance that otherwise applies to the damaged building. But in no event will the amount the Company pay for loss to the building, including the loss in value of the undamaged portion of the building due to enforcement of an ordinance or law to which this coverage applies, exceed:
    - i. The amount that the Named Insured actually spend to repair, rebuild or replace the building, but not more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
    - ii. The actual cash value of the building at the time of loss if the building is not repaired or replaced.
  - b) Demolition and Increased Cost of Construction is USD as per Declaration Page, subject to the following:
    - i. With respect to the coverage provided for Demolition Cost, the Company will not pay more than the amount the Named Insured actually spend to demolish and clear the site of the undamaged parts of the building;
    - ii. With respect to the coverage provided for Increased Cost of Construction:
      - (a) We will not pay for the Increased Cost of Construction:
 

Until the building is actually repaired or replaced at the same or another premises; and

Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 18 months. We may extend this period in writing during the 18 months.
      - (b) If the building is repaired or replaced at the same location, or if the Named Insured elect to rebuild at another location, the most the Company will pay for the increased cost of construction is the increased cost of construction at the same location.
      - (c) If the ordinance or law requires relocation to another location, the most the Company will pay for the increased cost of construction is the increased cost of construction at the new location.
- h. If a claim or “suit” is brought against the Named Insured alleging that the Named Insured is liable for damage to property of another that was caused by an Accident to an Object, the Company will either:
  - 1. Settle the claim or “suit”, or

2. Defend the Named Insured against the “suit” but reserve the right for themselves to settle at any point.

## 9. Exclusions

- a. To loss:
  - 1) from explosion of an Object other than:
    - a) Any steam boiler, steam piping, steam turbine, gas turbine, steam engine, or
    - b) Any machine when such loss is caused by centrifugal force or mechanical breakdown,
- b. Nuclear reaction or radiation or radioactive contamination however caused, however this exclusion shall not apply to nuclear medicine at covered hospitals,
- c. From fire concomitant with or following an Accident.
- d. From an Accident caused directly or indirectly by fire
- e. From a combustion explosion outside the Object concomitant with or following an Accident,
- f. From an Accident caused directly or indirectly by a combustion explosion outside an Object

## 10. Conditions:

- a. Inspection

The Company shall be permitted but not obligated to inspect the Named Insured’s property and operations at any reasonable time. Neither the right to make inspections nor the making thereof nor any advice or report resulting therefrom shall constitute an undertaking, on behalf of or for the benefit of the Named Insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

- b. Suspension

Upon the discovery of a dangerous condition with respect to any Object, Alliant Insurance Services, Inc., may immediately suspend the insurance, with respect to an Accident to said Object, by written notice mailed or delivered to the Named Insured at the address of the Named Insured stated in the Declaration Page, or at the location of the Object, as stated for it in a schedule or endorsement. The insurance so suspended may be reinstated by the Company but only by an endorsement issued to form a part of this Policy. The Named Insured shall be allowed the unearned portion of the premium paid for such suspended insurance, pro rata for the period of suspension.

- c. Notice of Accident and Adjustments

When an Accident occurs, written notice shall be given to the Company as soon as practicable. The Company shall be given like notice of any claim made on account of such Accident. The Company or their representative shall have reasonable time and opportunity to examine the property, and the Named Insured’s Location of Risk, before repairs are undertaken or physical evidence of the Accident is removed, except for protection or salvage. Proof of loss shall be made in such form as the Company may require. If suit is brought against the Named Insured for loss to which this Section of the Policy is applicable, any

summons or other process served upon the Named Insured shall be forwarded immediately to the Company.

d. Deductible

In the event of an Accident to an Object as insured under this Extension that is concomitant with or followed by physical loss or damage incurred under the All Risks policy that this Extension attaches to, the deductible to be applied to the total loss shall be the applicable Boiler & Machinery deductible.

**PROGRAM AND/OR NAMED INSURED AND/OR DECLARATION SPECIFIC  
ENDORSEMENTS TO BE PROVIDED AFTER THE ABOVE PAGE**

## ENDORSEMENT 1

### CANCELLATION CLAUSE AMENDMENT DUE TO FINANCIAL STRENGTH DOWNGRADE ENDORSEMENT

It is hereby understood and agreed that Section IV, General Conditions, Clause N, Cancellation of this policy is amended.

This endorsement modifies insurance provided by the policy:

The Cancellation Provision, Cancellation Condition, or Cancellation Clause, whichever is applicable, is amended by adding the following paragraph to the end thereof:

Notwithstanding any other terms or conditions of this policy to the contrary, in the event that the financial strength rating of the **Company** is downgraded to: (1) below A- by A.M. Best Co., or (2) below BBB by Standard & Poor's Ratings Services (hereinafter, the **Credit Rating Downgrade**), this policy may be canceled by the **FIRST NAMED INSURED** by mailing prior written notice to the Company or by surrender of this policy to the **Company**.

If this policy is canceled by the **First Named Insured** due to such **Credit Rating Downgrade**, then the **Company** shall return the unearned pro rata proportion of the premium as of the effective date of cancellation and shall waive any minimum earned premium requirement specified herein.

The following definitions apply to this endorsement:

1. **Company** means Lexington Insurance Company.
2. **First Named Insured** means the first Named Insured as shown on the Declarations page of this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



## ENDORSEMENT 2

### COVERAGE TERRITORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the US Treasury Department's Office of Foreign Assets Control ("OFAC").

PR 9885 (11/05)

### ENDORSEMENT 3

#### **WAR AND TERRORISM EXCLUSION ENDORSEMENT** **(applies to locations outside the USA, its territories and possessions)**

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

NMA2918  
08/10/2001

## COVERAGE SUMMARY

**INSURER:**

Alliant Property Insurance Program (APIP) – Various Insurers

**POLICY TERM:**

July 1, 2015 to July 1, 2016



**QUESTIONS:**

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**Hsan Htein**  
(415) 403-1452  
[hhtein@alliant.com](mailto:hhtein@alliant.com)

**COVERED ENTITY:**

California State University Risk Management Authority – Auxiliary Organizations Risk Management Alliance Members

**COVERAGE:**

The AORMA Boiler & Machinery Program insures all property of every description both real and personal (including improvements, betterment and remodeling), of the Member, or property of others in the care, custody or control of the Member, for which the Member is liable, or under obligation to insure – subject to all terms, conditions and exclusions.

**PERILS COVERED:**

Boiler explosion and machinery breakdown

**LIMITS:**

- \$100,000,000 Ultimate Net Loss for Each Member During the Policy Period; including Boiler Explosion and Machinery Breakdown as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits:
- \$10,000,000 Service/Utility/Off Premises Power Interruption  
Included Consequential Damage/Perishable Goods/Spoilage
- \$10,000,000 Electronic Data Processing Media and Data Restoration
- \$10,000,000 Hazardous Substances/ Pollutants/Decontamination  
Included Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes

**SUB-LIMITS:**

- \$10,000,000 Service/Utility/Off Premises Power Interruption  
Included Consequential Damage/Perishable Goods/Spoilage
- \$10,000,000 Electronic Data Processing Media and Data Restoration
- \$10,000,000 Hazardous Substances/ Pollutants/Decontamination  
Included Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes

**NEWLY ACQUIRED LOCATIONS:**

- \$25,000,000 Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than \$25,000,000 or Power Generating Facilities must be reported within 90 days and must have prior underwriting approval prior to binding

**VALUATIONS:**

Repair or Replacement except Actual Loss sustained for all Time Element coverages



# AORMA Boiler & Machinery Program

## COVERAGE SUMMARY

### MEMBER DEDUCTIBLE:

- \$5,000 Per Occurrence (Personal Property & Business Interruption/Rents) – All Members
- 1% of the Real Property Value Per Occurrence (Real Property) – Subject to minimum of \$5,000 and maximum of \$50,000 If two or more deductible amounts provided in this Declarations Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable.

### EXCLUSIONS *(Including but not limited to):*

1. Testing
2. Explosion, except for steam or centrifugal explosion
3. Explosion of gas or unconsumed fuel from furnace of the boiler

### OBJECTS EXCLUDED *(Including but not limited to):*

1. Insulating or refractory material
2. Buried Vessels or Piping
3. Furnace, Oven, Stove, Incinerator, Pot Kiln

### HOW TO REPORT A CLAIM:

#### Notify Alliant:

**Michelle Maffei**  
 (415) 403-1418  
[mmaffei@alliant.com](mailto:mmaffei@alliant.com)

**Martin Fox-Foster**  
 (415) 403-1417  
[martin.fox-foster@alliant.com](mailto:martin.fox-foster@alliant.com)

**Elaine Kim**  
 (415) 403-1458  
[ekim@alliant.com](mailto:ekim@alliant.com)

#### After Hours Reporting:

**Robert Frey**  
 (415) 403-1445  
 (415) 518-8490 (Cell)  
[rfrey@alliant.com](mailto:rfrey@alliant.com)

#### cc McLaren's Young:

**Cathryn O'Meara**  
 (949) 757-1413  
 (949) 757-1692 (Fax)  
[cathryn.omeara@mcclarensyoung.com](mailto:cathryn.omeara@mcclarensyoung.com)

*While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.*

# Cyber Liability (with APIP)

## COVERAGE SUMMARY

**INSURER:**

Alliant Property  
Insurance Program  
(APIP) – Lloyd’s of  
London

**POLICY TERM:**

July 1, 2015 to  
July 1, 2016

**TERRITORY:**

Worldwide

**RETROACTIVE DATE:**

July 1, 2008



**QUESTIONS:**

**Mimi Long**

(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**

(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**Hsan Htein**

(415) 403-1452  
[hhtein@alliant.com](mailto:hhtein@alliant.com)

**COVERAGE:**

Information Security & Privacy Insurance with Electronic Media Liability Coverage

**NAMED COVER ENTITY:**

California State University Risk Management Authority – Campuses

**LIMITS:**

Third Party Liability

- \$2,000,000 Information Security & Privacy Liability - Aggregate
- \$500,000 Privacy Notification Costs - Aggregate
- \$2,000,000 Penalties for Regulatory Defense and Penalties - Aggregate
- \$100,000 PCI Fines and Penalties
- \$2,000,000 Website Media Content Liability – Aggregate
- \$2,000,000 Cyber Extortion Loss – Aggregate

First Party Computer Security

- \$2,000,000 Cyber Extortion Loss – Aggregate
- \$2,000,000 Data Protection Loss and Business Interruption Loss - Aggregate  
First Party Business Interruption Sub-Limits of Liability
- \$50,000 1) Hourly Sublimit
- \$50,000 2) Forensic Expense Sublimit
- \$150,000 3) Dependent Business Interruption Sublimit.

**RETENTION:**

- \$25,000 CSU Auxiliary Organizations  
Eight hour waiting period for first party claims

**COINSURANCE:**

- 10% For Public Relations Consultancy

**OTHER SERVICES:**

Unlimited Access to e-Place Solutions as per attached brochure

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### SPECIFIC COVERAGE PROVISIONS:

#### Information Security and Privacy Liability – Violation of a privacy law for:

1. Theft, loss or unauthorized disclosure of personally identifiable non-public information or third party corporate information that is in the care, custody or control of the Member, or an independent contractor that is holding, processing or transferring such information on behalf of the Member
2. Failure of computer security to prevent a security breach including
  - a. Alteration, corruption, destruction, deletion, or damage to a data asset stored on computer systems
  - b. Failure to prevent transmission of malicious code from computer systems to third party computer systems
  - c. Participation in a denial of service attack directed against a third party computer system
3. The failure to timely disclose any of the above in violation of any breach notice law
4. The failure to comply with a privacy policy involving the disclosure, sharing or selling of personally identifiable non-public information
5. The failure to administer an identity theft prevention program

#### Privacy Notification Costs – Necessary costs to comply with a breach notice laws, including:

1. To hire security experts;
2. Notification provisions,
3. Public relations mitigation up to \$50,000 subject to Nil coinsurance
4. Credit monitoring for the purpose of mitigating potential damages and are subject to Nil coinsurance
  - a. Credit file monitoring,
  - b. Mailing and third party administrative costs

#### To provide notification to:

1. Individuals who are required to be notified under the applicable Breach Notice Law; and
2. In the Underwriters' discretion, to individuals affected by an incident in which their Personally Identifiable Non-Public Information has been subject to theft, loss, or Unauthorized Disclosure in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual.

**Regulatory Defense and Penalties** - Regulatory proceeding resulting from a violation of a privacy law and caused by an incident described under certain sections of the information security and privacy liability section of the policy.

**Website Media Content Liability** - The following acts committed in the course of media activities:

1. Defamation, libel, slander, trade libel
2. Privacy violation
3. Invasion or interference with publicity
4. Plagiarism, piracy, misappropriation of ideas under implied contract
5. Infringement of copyright
6. Infringement of domain name, trademark
7. Improper deep-linking or framing within electronic content

**Cyber Extortion** - Extortion threat by a person other than employees, directors, officers, principals, trustees, governors, managers, members, etc.

**First Party Data Protection** - Data protection loss as a result of alteration, corruption, destruction, deletion, damage or inability to access data assets.

**First Party Network Business Interruption** - Interruption or suspension of computer systems and is directly caused by a failure of computer security to prevent a security breach.

### EXCLUSIONS *(including but not limited to):*

Coverage does not apply to any claim or loss from

1. Bodily Injury or Property Damage
2. Any employer-employee relations, policies, practices
3. Contractual Liability or Obligation
4. Any actual or alleged act, error or omission or breach of duty by any director, officer, manager if claim is brought by principals, officers, directors, stockholders and the like
5. Anti-Trust violations
6. Unfair trade practices
7. Unlawful collection or acquisition of Personally Identifiable Non-Public Information
8. Distribution of unsolicited e-mails, facsimile, audio or video recording
9. Prior knowledge or previously reported incidents
10. Incidents occurring prior to retroactive date/continuity date
11. Any act, error, omission, of computer security if occurred prior to policy inception
12. Collusion
13. Securities Act Violations
14. Fair Labor Act Violations
15. Discrimination
16. Intentional Acts with regard to Privacy and Security Breach
17. Infringement - Patent and Copyright
18. Federal Trade Commission and related state, federal, local and foreign governmental activities
19. Insured vs. Insured
20. Money/Securities/Funds Transfer
21. Broadcasting, Publications and Advertising
22. War and Terrorism
23. Radioactive Contamination
24. Pollution
25. Nuclear Incident

### HOW TO REPORT A CLAIM:

**IMMEDIATE NOTICE** should be made to Beazley Group NY:

#### Beazley Group NY

Beth Diamond  
(646) 943-5900

[tmbclaims@beazley.com](mailto:tmbclaims@beazley.com)

#### Alliant:

**Michelle Maffei**  
(415) 403-1418  
[mmaffei@alliant.com](mailto:mmaffei@alliant.com)

**Martin Fox-Foster**  
(415) 403-1417  
[martin.fox-foster@alliant.com](mailto:martin.fox-foster@alliant.com)

**Elaine Kim**  
(415) 403-1458  
[ekim@alliant.com](mailto:ekim@alliant.com)

#### After Hours Reporting:

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## POLICYHOLDER SERVICES

### NEW SERVICES INCLUDE

- Training and Awareness Programs
- Animated Staff Training Programs
- Expanded HIPAA Compliance Tools

## DATA SECURITY RISK MANAGEMENT

NoDataBreach.com provides risk management policies, procedures, training, and other tools to help insureds prevent a breach of confidential data.

As a Beazley Breach Response® policyholder, you have unlimited access to:

### ON-LINE COMPLIANCE MATERIALS

Federal and state compliance materials regarding data security, data breaches, and data privacy, including:

- Quick Tips on many subjects; Summaries of federal/state laws
- Links to statutes & regulations; Sample policies & procedures
- Continuing updates and electronic notification of significant changes to the on-line materials

### QUARTERLY NEWSLETTER & "INSTANT ALERTS"

Sent by email, learn about changes in federal and state laws regarding data security, data breach, and data privacy issues; Instant Alerts sent by email for events require immediate attention.

### EXPERT SUPPORT ON-LINE

Experts support from consultants/attorneys on data security issues; including:

- Health care & HIPAA compliance issues
- Data breach prevention issues
- Data Security best practices
- Computer forensic issues

### STEP-BY-STEP PROCEDURES TO LOWER RISK

Procedures and on-line forms help you:

- Understand the scope of "personal information" ("PI")
- Determine where PI is stored
- Collect and/or retain the minimum amount of PI as required for business needs
- Properly destroy PI that is no longer needed
- Implement an Incident Response Plan

### TRAINING MODULES

- Comic Strip training
- Online training programs; Employee training bulletins
- Webinars for privacy compliance and IT staff
- Audio and PodCast training for managers and/or employees

### HANDLING DATA BREACHES

Guidance provided to:

- Help prevent data security incidents
- Respond to a data breach



NoDataBreach.com

Powered by ePlace Solutions, Inc.

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# Contract Endorsement

**Unique Market Reference:** B0180PH1533938  
**Endorsement Reference:** 010  
**Insured:** Alliant Property Insurance Program (APIP)

## CONTRACT CHANGES

Underwriters hereon note and agree that, effective 01 July 2015, the **PRIVACY BREACH RESPONSE SERVICES ENDORSEMENT** is added to the policy as follows:

### PRIVACY BREACH RESPONSE SERVICES ENDORSEMENT

This endorsement modifies insurance provided under the following:

#### BEAZLEY BREACH RESPONSE

In consideration of the additional premium of USD 270,000.00 (excluding any applicable surplus lines taxes and fees), it is hereby understood and agreed that solely with respect to a **Claim** or incident arising out of the acts or operations of:

California State University Risk Management Authority (CSURMA)  
 The State of California as respects the Trustees of the California State University  
 The California State University (CSU)  
 Auxiliary Organizations of the California State University

Including: **Campuses** - list of Campuses, and the Chancellor's Office (as per the Schedule outlined in Attachment A)  
**Auxiliary Organizations** - list of Auxiliary Organizations (as per the Schedule outlined in Attachment B)

1. Item 4.B. of the Declarations is deleted in its entirety.
2. Items 5.A.2, 5.B.2 and 5.C.2. of the Declarations are deleted in their entirety.
3. Item 4. of the Declarations is amended to include the following:

**BBR. LIMITS OF COVERAGE FOR PRIVACY BREACH RESPONSE SERVICES:**

1. **Notified Individuals** Limit of Coverage: 2,000,000 **Notified Individuals** in the aggregate

## AGREEMENT

<b>GENERAL UNDERWRITERS AGREEMENT (GUA)</b> Each Underwriter's proportion is several not joint		
Slip Leader Only	Slip Leader and Agreement Parties	All Underwriters
Box 1	Box 2	Box 3

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**Note:** Where more than one insurer participates in the contract, the contract terms may mean that it is not always necessary to obtain a record of agreement to the Contract Endorsement from all of those insurers.

## Contract Endorsement

A sublimit of up to 10% of the **Notified Individuals** Limit of Coverage applies to **Notified Individuals** residing outside of the United States, which amount is part of and not in addition to the **Notified Individuals** Limit of Coverage

2. Aggregate Limit of Coverage for all **Computer Expert Services, Legal Services and Public Relations and Crisis Management Expenses** combined: USD 2,500,000

Coverage for all **Privacy Breach Response Services** is separate from and in addition to the **Policy Aggregate Limit of Liability**.

4. Item 5. Of the Declarations is amended to include the following:

**BBR. Privacy Breach Response Services**

Threshold and Retention:

1. **Notification Services, Call Center Services, and Breach Resolution and Mitigation Services** for each incident involving at least: 250 **Notified Individuals**
2. **Retention** applicable to **Computer Expert Services, Legal Services and Public Relations and Crisis Management Expenses**: USD 20,000 combined, but USD 5,000 for **Legal Services** (which retention is part of and not in addition to the combined retention)

5. Item 9. Of the Declarations is amended to include the following:

**BBR. Privacy Breaches under Insuring Agreement B.:**

Email: [bbr.claims@beazley.com](mailto:bbr.claims@beazley.com)

Toll-Free 24-Hour Hotline: (866) 567-8570

(Emails and call reports from the toll-free hotline are forwarded to the Breach Response Services Team for response)

6. Endorsement No. 6., BEAZLEY NOMINATED VENDORS ENDORSEMENT shall not apply.

7. Insuring Agreement I.B. is deleted in its entirety and replaced with the following:

**B. Privacy Breach Response Services**

To provide **Privacy Breach Response Services** to the **Insured Organization** in excess of the **Retention** because of an incident (or reasonably suspected incident) described in Insuring Agreement I.A.1. or I.A.2. that first takes place on or after the **Retroactive Date** and before the end of the **Policy Period** and is discovered by the **Insured** and is reported to the Underwriters during the **Policy Period**.

**Privacy Breach Response Services** means the following:

1. **Computer Expert Services;**
2. **Legal Services;**
3. **Notification Services** to provide notification to:
  - (a) individuals who are required to be notified by the **Insured Organization** under the applicable **Breach Notice Law**; or
  - (b) in the Underwriters' discretion, individuals affected by an incident in which their **Personally Identifiable Information** has been subject to theft, loss or **Unauthorized Disclosure** in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual;
4. **Call Center Services;**
5. **Breach Resolution and Mitigation Services; and**



### 6. Public Relations and Crisis Management Expenses.

**Privacy Breach Response Services** also includes assistance from the BBR Services Team and access to educational and loss control information at no charge.

**Privacy Breach Response Services** will be provided subject to the terms and conditions of this Policy and the **Information Packet**, will be subject to the applicable retentions and limitations set forth in the Declarations, and shall not include any internal salary or overhead expenses of the **Insured Organization**.

8. Clause II., Defense and Settlement of Claims, paragraph B. is deleted in its entirety and replaced with the following:

B. With respect to any **Claim** against the **Insured** seeking **Damages** or **Penalties** which are payable under the terms of this Policy, the Underwriters will pay **Claims Expenses** incurred with their prior written consent. The Limit of Liability available to pay **Damages** or **Penalties**, or shall be reduced and may be completely exhausted by payment of **Claims Expenses**. **Damages**, **Penalties**, and **Claims Expenses** shall be applied against the **Retention** payable by the **Insured**.

9. Clause V., EXCLUSIONS, paragraphs B., J., K. and N. are deleted in their entirety and replaced with the following:

B. For, arising out of or resulting from any employer-employee relations, policies, practices, acts or omissions, or any actual or alleged refusal to employ any person, or misconduct with respect to employees, whether such **Claim** is brought by an employee, former employee, applicant for employment, or relative or domestic partner of such person; provided, however, that this exclusion shall not apply to an otherwise covered **Claim** under Insuring Agreements I.A.1., I.A.2., or I.A.3. by a current or former employee of the **Insured Organization**; or to the providing of **Privacy Breach Response Services** involving current or former employees of the **Insured Organization**;

J. For, arising out of or resulting from any of the following:

1. any actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act or RICO), as amended, or any regulation promulgated thereunder or any similar federal law or legislation, or law or legislation of any state, province or other jurisdiction similar to the foregoing, whether such law is statutory, regulatory or common law;
2. any actual or alleged violation of any securities law, regulation or legislation, including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Act of 1940, any state or provincial blue sky or securities law, any other federal securities law or legislation, or any other similar law or legislation of any state, province or other jurisdiction, or any amendment to the above laws, or any violation of any order, ruling or regulation issued pursuant to the above laws;
3. any actual or alleged violation of the Fair Labor Standards Act of 1938, the National Labor Relations Act, the Worker Adjustment and Retraining Act of 1988, the Certified Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act of 1970, any similar law or legislation of any state, province or other jurisdiction, or any amendment to the above law or legislation, or any violation of any order, ruling or regulation issued pursuant to the above laws or legislation; or
4. any actual or alleged discrimination of any kind including but not limited to age, color, race, sex, creed, national origin, marital status, sexual preference, disability or pregnancy;

However, this exclusion does not apply to any otherwise covered **Claim** under Insuring Agreements I.A.1., I.A.2., or I.A.3., or to paying **Privacy Breach Response Services** covered under Insuring Agreement I.B., that results from a theft, loss or **Unauthorized Disclosure** of **Personally Identifiable Non-Public Information**, provided that no member of the **Control Group** participated, or is alleged to have participated or colluded, in such theft, loss or **Unauthorized Disclosure**;

K. For, arising out of or resulting from any actual or alleged acts, errors, or omissions related to any of the **Insured Organization's** pension, healthcare, welfare, profit sharing, mutual or investment plans, funds or trusts, including any violation of any provision of the Employee Retirement Income Security Act of 1974 (ERISA) or any similar federal law or legislation, or

similar law or legislation of any state, province or other jurisdiction, or any amendment to ERISA or any violation of any regulation, ruling or order issued pursuant to ERISA or such similar laws or legislation; however this exclusion does not apply to any otherwise covered **Claim** under Insuring Agreements I.A.1., I.A.2., or I.A.3., or to the providing of **Privacy Breach Response Services** under Insuring Agreement I.B., that results from a theft, loss or **Unauthorized Disclosure of Personally Identifiable Non-Public Information**, provided that no member of the **Control Group** participated, or is alleged to have participated or colluded, in such theft, loss or **Unauthorized Disclosure**;

- N. For, in connection with or resulting from a **Claim** brought by or on behalf of the Federal Trade Commission, the Federal Communications Commission, or any other state, federal, local or foreign governmental entity, in such entity's regulatory or official capacity; provided, this exclusion shall not apply to an otherwise covered **Claim** under Insuring Agreement I.C., or to the providing of **Privacy Breach Response Services** under Insuring Agreement I.B. to the extent such services are legally required to comply with a **Breach Notice Law**;
10. Clause V., EXCLUSIONS is amended to include the following:  
BBR-A. For, arising out of or resulting from any liability or obligation under a **Merchant Services Agreement** except this exclusion does not apply to Insuring Agreement I.A.6., or to **Computer Expert Services** or **Legal Services** covered under Insuring Agreement I.B.;
11. Clause VI., DEFINITIONS, paragraph N., "Loss" is amended to replace "**Privacy Notification Costs**" with "**Privacy Breach Response Services**".
12. Clause VI., DEFINITIONS, is amended to include the following:  
BBR-A. **Breach Resolution and Mitigation Services** means a credit monitoring, identity monitoring or other solution selected from the products listed in the **Information Packet** and offered to **Notified Individuals**. The product offered to **Notified Individuals** will be selected by the Underwriters in consultation with the **Insured Organization** and in accordance with the guidance provided in the Breach Resolution and Mitigation section of the **Information Packet**.
- The product offer will be included in the communication provided pursuant to Insuring Agreement I.B.3.
- BBR-B. **Call Center Services** means the provision of a call center to answer calls during standard business hours for a period of ninety (90) days following notification (or longer if required by applicable law or regulation) of an incident for which notice is provided pursuant to Insuring Agreement I.B.3. (Notification Services). Such notification shall include a toll free telephone number that connects to the call center during standard business hours. Call center employees will answer questions about the incident from **Notified Individuals** and will provide information required by the HIPAA/Health Information Technology for Economic and Clinical Health Act ("HITECH") media notice or by other applicable law or regulation.
- Call Center Services** will include up to 10,000 calls per day and will be provided in accordance with the terms and conditions set forth in the **Information Packet**. **Call Center Services** will be provided by a service provider selected by the Underwriters in consultation with the **Insured Organization** from the list of service providers in the **Information Packet**.
- BBR-C. **Computer Expert Services** means costs for:
1. a computer security expert to determine the existence and cause of an actual or suspected electronic data breach which may require the **Insured Organization** to comply with a **Breach Notice Law** and to determine the extent to which such information was accessed by an unauthorized person or persons; and
  2. a PCI Forensic Investigator that is approved by the PCI Security Standards Council and is retained by the **Insured Organization** in order to comply with the terms of a **Merchant Services Agreement** to investigate the existence and extent of an actual or suspected compromise of credit card data; and in the Underwriters' discretion, where a computer security expert described in 1. above has not been retained, for a computer security expert to provide advice and oversight in connection with the investigation conducted by the PCI Forensic Investigator; and
  3. a computer security expert, up to USD 50,000 (which amount is part of and not in addition to the sublimit of coverage stated in Item 4.BBR.2. of the Declarations), to

demonstrate the **Insured's** ability to prevent a future electronic data breach as required by a **Merchant Services Agreement**.

**Computer Expert Services** will be provided in accordance with the terms and conditions set forth in the **Information Packet** and will be provided by a service provider selected by the **Insured Organization** in consultation with the Underwriters from the list of service providers in the **Information Packet**.

BBR-D. **Information Packet** means the Information Packet provided with this endorsement. The **Information Packet** is incorporated into and forms part of this Policy and may be updated by the Underwriters from time to time.

BBR-E. **Legal Services** means fees charged by an attorney:

1. to determine the applicability of and actions necessary for the **Insured Organization** to comply with **Breach Notice Laws** due to an actual or reasonably suspected theft, loss or **Unauthorized Disclosure of Personally Identifiable Information**;
2. to provide necessary legal advice to the **Insured Organization** in responding to actual or suspected theft, loss or **Unauthorized Disclosure of Personally Identifiable Information**; and
3. to advise the **Insured Organization** in responding to credit card system operating regulation requirements for any actual or suspected compromise of credit card data that is required to be reported to the **Insured Organization's** merchant bank under the terms of a **Merchant Services Agreement**, but **Legal Services** does not include fees incurred in any actual or threatened legal proceeding, arbitration or mediation, or any advice in responding to credit card system operating regulations in connection with an assessment of **PCI Fines and Costs**.

**Legal Services** will be provided in accordance with the terms and conditions set forth in the **Information Packet** and will be provided by an attorney selected by the **Insured Organization** in consultation with the Underwriters from the list of attorneys in the **Information Packet**.

BBR-F. **Notification Services** means:

1. notification by first class mail or e-mail to United States or Canadian residents; and
2. notification by first class mail or e-mail to individuals residing outside the United States or Canada, but only to the extent reasonably practicable.

E-mail notification will be provided in lieu of first class mail to the extent reasonable, practicable and where permitted under the applicable **Breach Notice Law**. **Notification Services** will be provided by a service provider selected by the Underwriters in consultation with the **Insured Organization** from the list of service providers in the **Information Packet** and will be provided in accordance with the terms and conditions set forth in the **Information Packet**.

BBR-G. **Notified Individual** means an individual person to whom notice is given or attempted to be given under Insuring Agreement I.B.3. pursuant to a **Breach Notice Law**.

BBR-H. **PCI Fines and Costs** means the direct monetary fines, penalties, reimbursements, fraud recoveries or assessments owed by the **Insured Organization** under the terms of a **Merchant Services Agreement**, but only where such fines, penalties, reimbursements, fraud recoveries or assessments result both from the **Insured Organization's** actual or alleged noncompliance with published PCI Data Security Standards and from a data breach caused by an incident (or reasonably suspected incident) described in Insuring Agreement I.A.1. or I.A.2.; provided, that the term **PCI Fines, Expenses and Costs** shall not include or mean any charge backs, interchange fees, discount fees or prospective service fees.

BBR-I. **Public Relations and Crisis Management Expenses** shall mean the following costs approved in advance by the Underwriters in their discretion, and which are directly related to mitigating harm to the **Insured Organization's** reputation or potential **Loss** covered by the Policy resulting from an incident described in Insuring Agreement I.A.1. or I.A.2. or from a **Public Relations Event**:

1. costs incurred by a public relations or crisis management consultant;

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2. costs for media purchasing or for printing or mailing materials intended to inform the general public about the incident, such costs to be limited to USD 100,000;
3. for incidents or events in which notification services are not otherwise provided pursuant to Insuring Agreement I.B., costs to provide notifications and notices via e-mail or first class mail to customers or patients where such notifications are not required by law ("voluntary notifications"), including to non-affected customers or patients of the **Insured Organization**;
4. costs to provide government mandated public notices related to breach events (including such notifications required under HITECH);
5. costs to provide services to restore healthcare records of **Notified Individuals** residing in the United States whose **Personally Identifiable Information** was compromised as a result of theft, loss or **Unauthorized Disclosure**; and
6. other costs approved in advance by the Underwriters.

**Public Relations and Crisis Management Expenses** must be incurred no later than twelve (12) months following the reporting of such **Claim** or breach event to the Underwriters and, with respect to clauses 1. and 2. above, within ninety (90) days following the first publication of such **Claim** or incident. If voluntary notifications are provided, e-mail notification will be provided in lieu of first class mail to the extent practicable.

**BBR-J. Public Relations Event** means the publication or imminent publication in a newspaper (or other general circulation print publication) or on radio, television or a publicly accessible website of a covered **Claim** under this Policy.

13. The second paragraph of Clause VII., LIMIT OF LIABILITY is deleted in its entirety.

14. Clause VII., LIMIT OF LIABILITY is amended to include the following:

**BBR-A.** The amount stated in Item 4.BBR.1. of the Declarations is the maximum total number of **Notified Individuals** to whom notification will be provided or attempted for all incidents or series of related incidents giving rise to an obligation to provide **Notification Services, Call Center Services** or **Breach Resolution and Mitigation Services**.

The aggregate limit of coverage stated in Item 4.BBR.2. of the Declarations is the aggregate limit of coverage for all **Computer Expert Services, Legal Services** and **Public Relations and Crisis Management Services** combined.

**BBR-B.** The Underwriters shall not be obligated to provide any **Privacy Breach Response Services** after the number of **Notified Individuals** under Insuring Agreement I.B.3. reaches an aggregate of the number of **Notified Individuals** stated in Item 4.BBR.1. of the Declarations. If the total number of individuals to be notified under the Policy exceeds the number of **Notified Individuals** stated in Item 4.BBR.1. of the Declarations, the **Insured** shall be responsible for providing notification, credit monitoring services or identity monitoring services to such additional individuals in accordance with Clause BBR-C. below.

**BBR-C.** If the total number of notifications made pursuant to Insuring Agreement I.B.3. aggregates to more than the number of notifications stated in Item 4.BBR.1. of the Declarations, the **Insured Organization** will be responsible for paying for **Privacy Breach Response Services** with respect to any excess notifications, and such costs will not be covered by the Policy. If an incident involves notifications made pursuant to Insuring Agreement I.B.3. both within the notification limit stated in Item 4.BBR.1. of the Declarations and in excess of such limit, all excess notifications will be provided by the same service provider that provides **Notification Services** covered under the Policy, and the costs will be allocated between the Underwriters and the **Insured Organization** pro rata based on the number of covered and non-covered notifications.

**BBR-D.** Unless otherwise specified in this Policy, **Privacy Breach Response Services** will be provided by the service providers listed in the **Information Packet**. In the event a service provider is unable to or does not provide the services set forth, the Underwriters will procure similar services from other sources; provided, the maximum the Underwriters will pay for the costs of procuring and providing all **Privacy Breach Response Services** under Insuring Agreement I.B., including substitute products and services shall be no more than USD 10,000,000 in the aggregate for the **Policy Period**, which amount shall be in addition to the **Policy Aggregate Limit of Liability**. In the event there is a change of law, regulation or enforcement that prevents



## Contract Endorsement

the Underwriters or its service providers from providing all or part of the **Privacy Breach Response Services**, the Underwriters will make reasonable efforts to substitute other services but, if this is not possible, the Underwriters shall not be obligated to provide such services.

15. Clause VIII., RETENTION, paragraphs B. and G. are deleted in their entirety and replaced with the following:

B. **Notification Services, Call Center Services, and Breach Resolution and Mitigation Services** will only be provided for each incident, event or related incidents or events, requiring notification to at least the number of individuals set forth in Item 5.BBR.1. of the Declarations. For incidents involving notification to fewer individuals there shall be no coverage for any such services under Insuring Agreement I.B.

For all **Computer Expert Services, Legal Services and Public Relations and Crisis Management Services**, the **Retention** amounts set forth in Item 5.BBR.2. of the Declarations apply separately to each incident, event or related incidents or events, giving rise to an obligation to provide such services; and the Each Incident **Retention** shall be satisfied by monetary payments by the **Named Insured** for such services.

G. Satisfaction of the applicable **Retention** is a condition precedent to the payment by the Underwriters of any amounts hereunder, and the Underwriters shall be liable only for the amounts in excess of such **Retention** subject to the Underwriters' total liability not exceeding the **Policy Aggregate Limit of Liability** or any applicable Limit of Liability or Limit of Coverage for **Privacy Breach Response Services**. The **Named Insured** shall make direct payments within the **Retention** to appropriate other parties designated by the Underwriters.

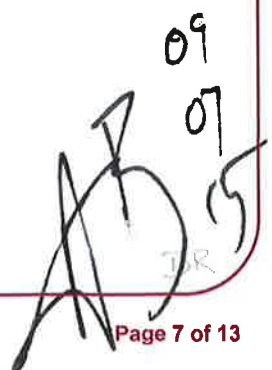
16. Clause X., CONDITIONS, NOTICE OF A CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM, paragraph A.2. is deleted in its entirety and replaced with the following:

2. With respect to Insuring Agreement I.B., for a legal obligation to comply with a **Breach Notice Law** because of an incident (or reasonably suspected incident) described in Insuring Agreement I.A.1. or I.A.2., such incident or reasonably suspected incident must be reported as soon as practicable during the **Policy Period** after discovery by the **Insured** via the email address or telephone number set forth in Item 9.BBR. of the Declarations; provided, that unless the **Insured** cancels the Policy, or the Underwriters cancel for non-payment of premium, incidents discovered by the **Insured** within sixty (60) days prior to expiration of the Policy shall be reported as soon as practicable, but in no event later than sixty (60) days after the end the **Policy Period**; provided further, that if this Policy is renewed by the Underwriters and **Privacy Breach Response Services** are provided because of such incident or suspected incident that was discovered by the Insured within sixty (60) days prior to the expiration of the Policy, and first reported during the sixty (60) day post **Policy Period** reporting period, then any subsequent **Claim** arising out of such incident or suspected incident is deemed to have been made during the **Policy Period**.

Notwithstanding the foregoing, if the **Named Insured** reasonably believes that the **Privacy Breach Response Services** provided as a result of such incident or suspected incident are not likely to meet or exceed the **Retention**, then reporting of such incident or suspected incident under this Clause X.A.2. is at the **Named Insured's** option, but unless such incident or suspected incident is reported in accordance with the first paragraph of this Clause X.A.2., there shall be no coverage for **Privacy Breach Response Services** in connection with such incident or suspected incident.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

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AFB 623 18%

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**ATTACHMENT A**

**Campus Addresses**

Office of the Chancellor  
401 Golden Shore, Long Beach, CA 90802

California State University, Bakersfield  
9001 Stockdale Highway, Bakersfield, CA 93311-1099

California State University, Channel Islands  
One University Drive, Camarillo, CA 93012

California State University, Chico  
1st and Normal Streets, Chico, CA 95929-0722

California State University, Dominguez Hills  
1000 East Victoria Street, Carson, CA 90747

California State University, East Bay  
25800 Carlos Bee Blvd., Hayward, CA 94542-3035

California State University, Fresno  
5150 North Maple Avenue, Fresno, CA 93740-0057

California State University, Fullerton  
800 North State College Boulevard, Fullerton, CA 92834-6900

Humboldt State University  
1 Harpst Street, Arcata, CA 95521-4957

California State University, Long Beach  
1250 Bellflower Blvd., Long Beach, CA 90840-0106

California State University, Los Angeles  
5151 State University Drive, Los Angeles, CA 90032-8530

California Maritime Academy  
200 Maritime Academy Drive  
PO Box 1392, Vallejo, CA 94590

California State University, Monterey Bay  
100 Campus Center Drive, Seaside, CA 93955-8001

California State University, Northridge  
18111 Nordhoff Street, Northridge, CA 91330-8207

California State Polytechnic University, Pomona  
3801 West Temple Ave., Pomona, CA 91768-4003

California State University, Sacramento  
6000 J Street, Sacramento, CA 95819-6048

California State University, San Bernardino  
5500 University Parkway, San Bernardino, CA 92407-2397

San Diego State University  
5500 Campanile Drive, San Diego, CA 92182-7455

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## Contract Endorsement

San Francisco State University

1600 Holloway Ave., San Francisco, CA 94132-4002

San Jose State University

One Washington Square, San Jose, CA 95192-0009

California Polytechnic State University, San Luis Obispo

San Luis Obispo, CA 93407

California State University, San Marcos

333 S. Twin Oaks Valley Road, San Marcos, CA 92096-0001

Sonoma State University

1801 East Cotati Ave., Rohnert Park, CA 94928-3609

California State University, Stanislaus

801 West Monte Vista Ave., Turlock, CA 95382

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**ATTACHMENT B**

**Auxiliary Organization**

Associated Students, California State University, Bakersfield, Inc.  
California State University, Bakersfield Auxiliary for Sponsored Programs and Administration  
California State University, Bakersfield Foundation  
California State University, Bakersfield Student Union, Inc.  
California State University Foundation  
California State University Institute  
Associated Students of California State University, Channel Islands, Inc.  
California State University Channel Islands Foundation  
University Glen Corporation  
Associated Students of California State University, Chico  
Auxiliary Organization Associations  
The CSU, Chico Research Foundation  
The University Foundation, California State University, Chico  
Associated Students, California State University, Dominguez Hills  
California State University, Dominguez Hills Foundation  
Donald P. and Katherine B. Loker University Student Union, Incorporated  
Associated Students, California State University, East Bay  
Cal State East Bay Educational Foundation  
California State University, East Bay Foundation, Inc.  
Associated Students, Inc. of California State University, Fresno  
California State University, Fresno Association, Inc.  
California State University, Fresno Foundation  
Fresno State Programs for Children, Inc.  
The Agricultural Foundation of California State University, Fresno  
The California State University, Fresno Athletic Corporation  
Associated Students, California State University, Fullerton, Inc.  
Cal State Fullerton Philanthropic Foundation  
CSU Fullerton Auxiliary Services Corporation  
CSU Fullerton Housing Authority (will be dissolved by 6/30/14)  
Associated Students, Humboldt State University  
Humboldt State University Advancement Foundation  
Humboldt State University Center Board of Directors  
Humboldt State University Sponsored Programs Foundation  
Associated Students, California State University, Long Beach  
California State University, Long Beach Research Foundation  
CSULB 49er Foundation  
Forty-Niner Shops, Inc., CSU Long Beach



## Contract Endorsement

Associated Students, California State University, Los Angeles, Inc.  
Cal State L.A. University Auxiliary Services, Inc.  
California State University, Los Angeles Foundation  
University-Student Union Board, California State University, Los Angeles  
California Maritime Academy Foundation, Inc.  
The Associated Students of the California Maritime Academy  
Foundation of California State University, Monterey Bay  
The University Corporation at Monterey Bay  
Associated Students, California State University, Northridge, Inc.  
California State University, Northridge Foundation  
North Campus University Park Development Corporation  
The University Corporation, CSU Northridge  
University Student Union of California State University, Northridge  
Associated Students Inc., California State Polytechnic University, Pomona  
The Cal Poly Pomona Foundation, Inc.  
Associated Students of California State University, Sacramento  
Capital Public Radio, Inc., CSU Sacramento  
The University Foundation at Sacramento State  
University Enterprises, Inc., CSU Sacramento  
University Union Operation of CSUS, Inc.  
Associated Students Inc., California State University, San Bernardino  
CSUSB Philanthropic Foundation  
Santos Manuel Student Union of California State University, San Bernardino  
University Enterprises Corporation at CSUSB  
Associated Students, San Diego State University  
Aztec Shops, Ltd., San Diego State University  
San Diego State University Research Foundation  
The Campanile Foundation  
Associated Students, Inc., San Francisco State University  
Cesar Chavez Student Center, San Francisco State University  
San Francisco State University Foundation  
The University Corporation, San Francisco State  
Associated Student, San Jose State University  
San Jose State University Research Foundation  
Spartan Shops, Inc., San Jose State University  
The Student Union of San Jose State University  
The Tower Foundation, San Jose State University  
Associated Students, Inc., California Polytechnic State University at San Luis Obispo  
Cal Poly Corporation  
California Polytechnic State University Foundation





## Contract Endorsement

California State University San Marcos Foundation  
San Marcos University Corporation  
The Associated Students of California State University, San Marcos  
University Auxiliary and Research Services Corporation  
Associated Students of Sonoma State University  
Sonoma State Enterprises, Inc.  
Sonoma State University Academic Foundation, Inc.  
Associated Students, Inc., California State University, Stanislaus  
California State University, Stanislaus Auxiliary and Business Services  
California State University, Stanislaus Foundation  
University Student Union of California State University, Stanislaus

London Dated: 29 June 2015

A handwritten signature in black ink, appearing to be 'A R' followed by a flourish, and the date '29/6/15' written vertically to the right of the signature.



# BBR

## Information Pack



Your Services

# Beazley Breach Response

## Information Packet for privacy breach response and risk management services

Thank you for purchasing a Beazley Breach Response (BBR) insurance policy.

BBR is the industry leading solution for data privacy and security risk management, and provides a range of services designed to help your organization respond to an actual or suspected data breach incident effectively, efficiently, and in compliance with the law.

This Information Packet details the features of your BBR policy and sets out the process for responding to an actual or suspected data breach, including how to obtain the maximum benefit of Beazley's Breach Response Services team. We encourage you to circulate this Information Packet to the members of your data breach incident response team, and incorporate the resources available under the policy as a component of your incident response plan.



Your BBR policy includes an array of benefits and services including:

- Complimentary loss control and risk management information including online resources and value-added educational webinars ([beazleybreacholutions.com](http://beazleybreacholutions.com)).
- A computer forensics "Information Security Incident Response" guide to empower your organization's IT staff with knowledge of crucial forensic procedures that can make or break the investigation of a suspected breach.
- Assistance at every stage of the investigation of, and response to, a data breach incident from Beazley's in-house BBR Services team of data privacy attorneys and technical experts.

A single call or email to BBR Services, notifying the team of a suspected data breach will begin activation of the following services:

### Initial breach investigation and consulting

- Legal services
- Computer forensic services

### Response to breach events

- Notification services including foreign notification where applicable
- Call center services
- Breach resolution and mitigation services
- Public relations and crisis management expenses

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# Risk management tools and resources

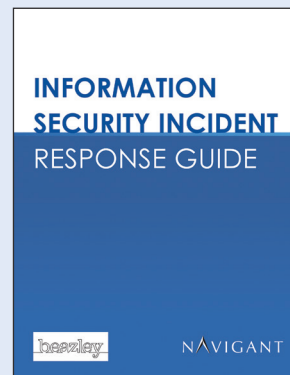
As a BBR policy holder, your organization is entitled to enroll in **beazleybreachsolutions.com**, a risk management portal that provides educational and loss control information relating to compliance with applicable laws, safeguarding information, preparing to respond to breach incidents and best practices.

If you enroll in **beazleybreachsolutions.com**, you will have the opportunity to attend webinars on current topics related to information security and breach preparedness, and be able to receive other risk management tools and information that we periodically make available to our policy holders.

## Information Security Incident Response Guide

Beazley, in partnership with Navigant, a leader in complex data management and forensics analysis, developed a joint Information Security Incident Response Guide aimed at providing a roadmap for companies to prepare for and manage the aftermath of a data security breach. The guide, provided to BBR policyholders, addresses the increasing need for effective risk management on the part of companies hoping to limit the damage caused by a data breach.

The Information Security Incident Response Guide addresses information security incidents such as malware intrusions, social engineering attacks, unauthorized network access, lost or stolen devices, and other kinds of data security incidents and breaches. The guide also provides in-depth case studies and best practices for preparation, risk assessment, and incident documentation, highlighting the varied components of an effective response.



# Activation of breach response services

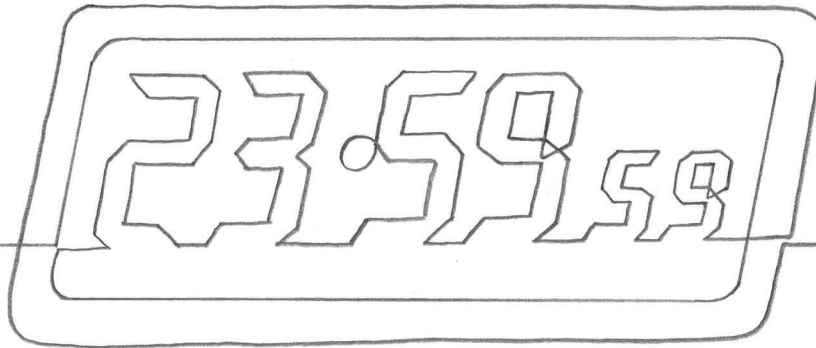
## Beazley Breach Response Services Team

Beazley is committed to providing industry leading data breach response services for our clients. This is why we created the BBR Services team; a dedicated business unit within Beazley, focused exclusively on helping insureds successfully prepare for and respond to breaches. The BBR Services team works in collaboration with you to triage and assess the severity of a data breach incident, while coordinating the range of resources and services you may need to meet legal requirements and maintain customer confidence. BBR Services is your frontline partner in data breach investigation and response, and available to your organization regardless of the size, severity, or cost of a data breach.

## When to notify us?

You should notify Beazley as soon as you suspect that personally identifiable or confidential data for which you are responsible might have been compromised. The sooner you notify us about a potential data breach, the more our BBR Services team can do to help.

It is also important that you contact us first before retaining any service providers as the BBR Services team will take you through the process and work with you to secure services from providers that best match your needs.



## How to notify us?

Send an email to [bbr.claims@beazley.com](mailto:bbr.claims@beazley.com) with the following in your notification email:

- the name of your organization and insurance policy number if possible;
- a short description of the incident;
- the date the incident occurred (if known);
- the date your organization discovered the incident; and
- contact information for the point person handling the investigation.

### Do not:

- email Beazley staff directly to provide the initial notice; or
- include any personally identifiable information or protected health information.

Email is strongly recommended as the best method of notification; you may alternatively provide notice of an incident by calling Beazley's 24-hour hotline, (866) 567-8570, and provide the information described above.

## What happens after notifying us?

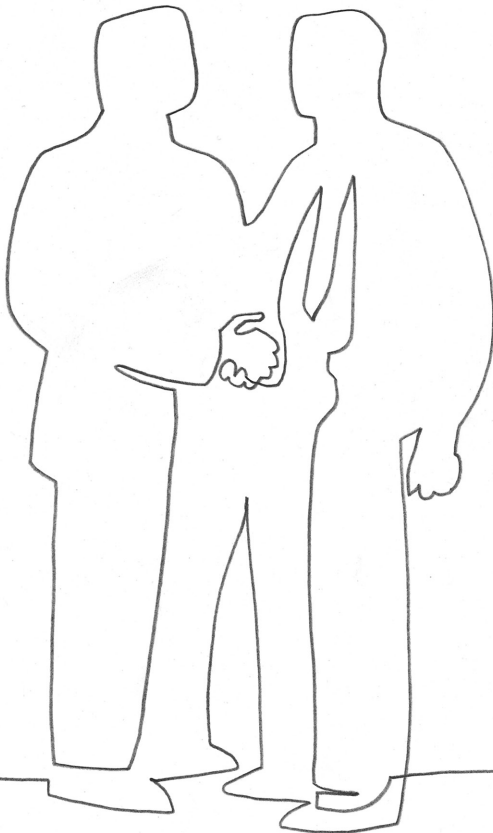
A BBR Services team member will respond to the notice generally on the same or next business day and will schedule a phone call to discuss the incident, assist you with any needed breach investigation and response services available under your BBR policy. We recommend that those within your organization who are involved in investigating the incident participate on this phone call.

The BBR Services team will continue to collaborate with you throughout the investigation and response process, to provide guidance and to arrange breach investigation and response services provided by Beazley's network of expert service providers.

# Legal services

If an incident occurs that might require notification under relevant breach notice laws or regulations, specific Legal Services to assist you in investigating and responding to the incident are included.

**BBR Services will arrange Legal Services for you and will connect you to these experts; please do not contact Beazley's partnering law firms directly without the involvement of BBR Services.**



## United States

Baker Hostetler LLP

Theodore J. Kobus III, Lynn Sessions, Craig A. Hoffman, Randal L. Gainer, Tanya Forsheit, Eric A. Packel and Scott Koller

[www.bakerlaw.com](http://www.bakerlaw.com)

McDonald Hopkins LLC

James J. Giszczak and Dominic Paluzzi

[www.mcdonaldhopkins.com](http://www.mcdonaldhopkins.com)

Vedder Price

Bruce A. Radke and Michael J. Waters

[www.vedderprice.com](http://www.vedderprice.com)

Buchanan Ingersoll & Rooney PC

Matt Meade and Pamela Hepp

[www.bipc.com](http://www.bipc.com)

Lewis Brisbois Bisgaard & Smith LLP

John F. Mullen and Gordon J. Calhoun

[www.lbbslaw.com](http://www.lbbslaw.com)

Norton Rose Fulbright

David Navetta and Boris Segalis

[www.nortonrosefulbright.com](http://www.nortonrosefulbright.com)

## International

DAC Beachcroft LLP

Patrick Hill and Hans Allnut

[www.dacbeachcroft.com](http://www.dacbeachcroft.com)

Dentons

Nick Graham

[www.dentons.com](http://www.dentons.com)

CMS Francis Lefebvre

Anne-Laure Villedieu

[www.cms-cmck.com](http://www.cms-cmck.com)

Cotty Vivant Marchisio & Lauzeral

Guillaume Seligmann

[www.cvml.com](http://www.cvml.com)

Ngo Cohen Amir-Aslani & Associés

Stéphane Choisez

[www.nca-avocats.com](http://www.nca-avocats.com)

CMS Adonnino Ascoli & Cavasola Scamoni

Laura Opilio

[www.cms-aacs.com](http://www.cms-aacs.com)

Portolano Cavallo Studio Legale

Laura Liquori

[www.potrolano.it](http://www.potrolano.it)

# Computer expert services

In the event that external forensics assistance is needed to assess the impact of a data incident on your computer system, Computer Expert Services will be provided to (1) help to determine whether, and the extent to which, notification must be provided to comply with Breach Notice Laws, and (2) if applicable, give advice and oversight in connection with the investigation conducted by a PCI Forensic Investigator.

The computer security expert that provides Computer Expert Services will require access to information, files and systems and it is important for you to comply with the expert's requests and cooperate with the investigation. Reports or findings of the expert will be made available to you, us, the BBR Services team and any attorney that you retain to provide advice with regard to the incident.

**BBR Services will arrange Computer Expert Services for you and will connect you to these experts; please do not contact Beazley's partnering forensics firms directly without the involvement of BBR Services.**



## United States and Canada

Mandiant®  
[www.mandiant.com](http://www.mandiant.com)

McGladrey LLP  
[www.mcgladrey.com](http://www.mcgladrey.com)

Navigant Consulting, Inc.  
[www.navigant.com](http://www.navigant.com)

Verizon Investigative Response Unit  
[www.verizonenterprise.com/products/security/risk-team/investigative-response.xml](http://www.verizonenterprise.com/products/security/risk-team/investigative-response.xml)

Kroll Ontrack  
[www.krollontrack.com](http://www.krollontrack.com)

## International

CGI  
[www.cgi.com](http://www.cgi.com)

Kroll Ontrack Legal Technologies Ltd  
[www.krollontrack.co.uk](http://www.krollontrack.co.uk)

Kroll Ontrack  
[www.ontrack.fr](http://www.ontrack.fr)

Kroll Italia  
[www.ontrackdatarecovery.it](http://www.ontrackdatarecovery.it)

Navigant Consulting, Inc.  
[www.navigant.com](http://www.navigant.com)

PwC UK LLP  
[www.pwc.co.uk](http://www.pwc.co.uk)

# Notification services and call center services

BBR Services will assist you with the notification process, including arranging for notification and/or call center service. BBR Services will walk you through notification details such as how to work with privacy counsel to develop notification letters and how to timely provide notification letters, relevant addresses and other required deliverables to the notification vendor.

Notification letters will be black and white and two-sided; returned mail will be provided to you at your request. Mailing may be staggered to accommodate the number of notifications and anticipated call center volume. For notifications by U.S. mail, the notification vendor will update and mail notifications according to the U.S. Postal Service data base of address changes. Notification services do not include further tracing of individuals whose notifications are returned.

BBR Services will also walk you through developing a set of frequently asked questions (FAQs) for use by the call center and how to anticipate and prepare for call escalations.

## United States and Canada

Immersion, Ltd.

[www.useinfolaunch.com](http://www.useinfolaunch.com)

Epiq Corporate Services, Inc.

[www.epiqcorporateservices.com](http://www.epiqcorporateservices.com)

Intelligent Business Concepts, Inc.

[www.intellbc.com](http://www.intellbc.com)

## International

Call Center Services will be provided to individuals residing outside the United States or Canada to the extent reasonably practicable, and only where available through the international call center service provider(s) listed below or, in our discretion, in other jurisdictions and language where such services are reasonably available.

Baker Goodchild (Notification Services)

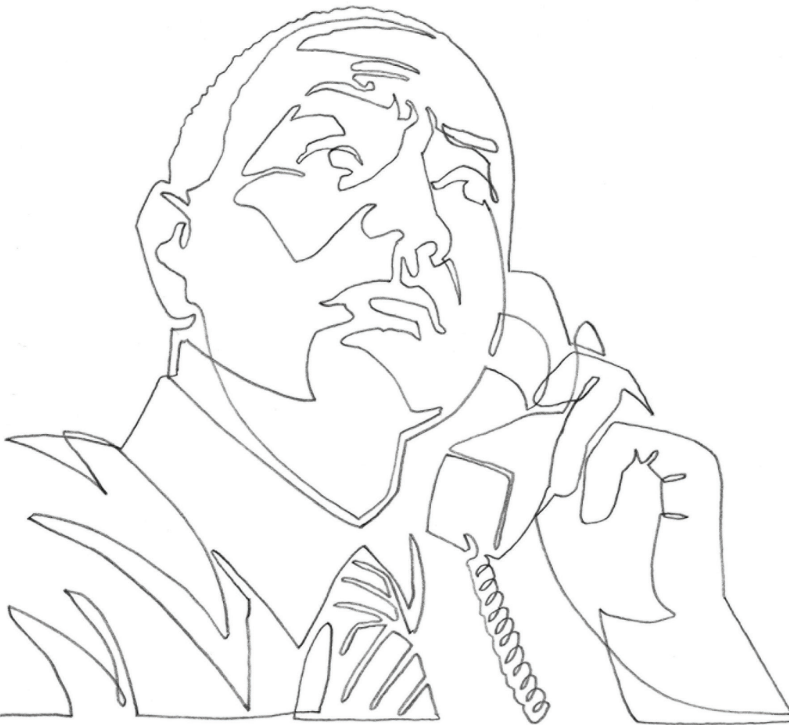
[www.bakergoodchild.co.uk](http://www.bakergoodchild.co.uk)

D.P. Direct Mail Ltd (Notification Services)

[www.dpdirect.co.uk](http://www.dpdirect.co.uk)

CGI (Call Center Services)

[www.cgi.com](http://www.cgi.com)

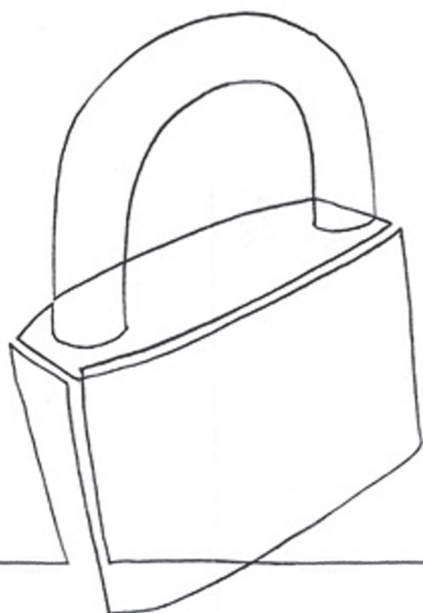




# Breach resolution and mitigation services

Beazley Breach Response includes a number of products that provide Resolution and Mitigation Services, including one and three bureau monitoring and identity monitoring solutions. All the solutions include fraud resolution services.\* Based on our experience, three bureau credit monitoring is generally appropriate for breaches involving data such as names combined with social security numbers. For breaches involving less sensitive data, one bureau credit monitoring or identity monitoring solutions may be appropriate. The BBR Services team has handled over 1,000 data breaches and will advise you on which products or solutions may be applicable for a particular breach event.

A product or solution may be offered where reasonably practicable and only to the extent available in a particular jurisdiction. Notified Individuals will have up to ninety (90) days from mailing of the notification to subscribe to an offered product or solution and they must qualify for enrollment, complete the enrollment process and agree to the applicable terms and conditions set by the provider. Enrollees of an offered product or solution will have access to the services provided under such product or solution for 12 months from the date of their enrollment.



## Credit monitoring products

- ProtectMyID® Alert 3 Bureau Credit Monitoring Product
- ProtectMyID® Alert 1 Bureau Credit Monitoring Product
- Family Secure® credit monitoring product (for identified minors involved in the breach; to be offered through their parents or guardians)
- Experian Limited Credit History Service (a service offering for individuals with limited or no Experian credit history that monitors for the creation of an Experian credit file)
- Fraud resolution services are available to subscribers of the ProtectMyID® Alert or Family Secure® or the Experian Limited Credit History Solution,\* who become victims of identity theft
- ProtectMyID® Alert, Family Secure®, the Experian Limited Credit History Solution and the fraud resolution services will be provided by ConsumerInfo.com, Inc., and/or its affiliated Experian companies
- Equifax Complete™ Advantage Plan (for Canadian residents only)
- Equifax Credit File ID Alert™ (for Canadian residents only)
- ProtectMyID™ provided by Experian Limited. (for UK residents only)

## Identity monitoring products

- Experian DataPatrol™, offered by Experian Limited, including fraud support services for subscribers through ConsumerInfo.com, Inc.\*
- CyberAgent®, offered by CSIdentity Corporation, including the Assisted Restoration service

\* Fraud resolution and fraud support services require that subscribers are eligible to enroll in ProtectMyID® or Family Secure® and complete such enrollment.

## Additional information on products and offerings

Descriptions of each of the credit or identity monitoring products and solutions and risk management tools are attached. Such descriptions are provided by ConsumerInfo.com, Inc., Equifax Canada Co., Experian Limited and ePlace Solutions Inc. and are for informational purposes only and are not part of the Policy. The actual services available with each product or solution are governed by the terms and conditions of the applicable agreements that you must enter into prior to the product or solution being offered to Notified Individuals. Further information about the ConsumerInfo.com and Equifax Canada products can be obtained at the telephone numbers indicated in the applicable description. You may also contact us through your insurance broker to receive additional information about the Services.

## Your responsibilities

To ensure that the Services described above are provided promptly and properly, you must follow the requirements and procedures set forth in the Policy and in this Information Packet. We require your assistance and cooperation with us and with any third party vendors providing Services. Please respond to BBR Services or outside vendor requests and inquiries in a timely manner and enter into necessary contracts required by our vendors for the provision of services. You will be responsible for paying any costs resulting from your failure to timely provide responses, accurate information or approvals necessary for the provision of the Services. There is no coverage under the Policy for any of your internal salary or overhead expenses or for your assistance and cooperation in responding to a breach incident. In the event of a breach incident or suspected incident, do not contact any service providers directly. Instead, you must first provide notice to us at **bbr.claims@beazley.com** or at **(866) 567-8570**, as further described on page 3 of this Information Packet and also in Item 9.(b) of the Declarations.

Contacting any of the service providers listed in this Information Packet shall not constitute notice under the terms of the Policy.

As used in this Information Packet, the terms “we” or “us” or have the same meaning as the term “Underwriters” in the Policy and “you” has the same meaning as the “Insured Organization” in the Policy. Capitalized terms not defined in this Information Packet have the same meaning as set forth in the Policy.

## Appendices

ProtectMyID® Alert

Family Secure®

Equifax Complete™ Advantage Plan

Equifax Credit File ID Alert™

Experian DataPatrol™

CSID (CyberAgent® Identity Protection)





# ProtectMyID<sup>®</sup> Alert

All of the benefits of a multi-layered identity theft detection, protection, and resolution product with a focus on our fundamental services.



ProtectMyID Alert leverages the superior identity theft protection services of ProtectMyID with a focus on advanced features that help consumers identify and resolve identity theft before it escalates out of control.

## Peace of mind in the face of sudden data loss

With the time it takes to resolve identity theft increasing to 40 hours in 2010 and the average individual's out of pocket expense growing to \$631<sup>1</sup> the effects of a data breach can result in potential damage to your brand and loss of revenue. You can help to minimize the legal risks and financial costs associated with a data breach by partnering with Experian<sup>®</sup> to mitigate the effects of such adverse incidents. ProtectMyID's dedicated professionals manage your case and provide assistance throughout the entire process, helping you to maintain customer loyalty and strengthen your brand by resolving a data breach rapidly and discreetly.

## Experience-driven protection

Experian has managed thousands of data breach incidents in the finance, education, commerce, medical, and government sectors. With our latest addition to the ProtectMyID family, ProtectMyID Alert, you can offer the same trusted name in identity theft protection while addressing your customers' or employees' immediate needs with credit monitoring, fraud resolution, and identity theft insurance.

## Experian's finest identity theft protection and credit monitoring solution

ProtectMyID guards your employees' and customers' most valuable asset — their identity. What they experience is the same superior identity theft protection Experian has provided to millions of consumers and thousands of organizations. Ease of use. Peace of mind. Protection like no other.



## Multiple levels of vital detection and support

### Daily credit monitoring of up to 3 bureaus and timely alerts

- Early warning Surveillance Alerts<sup>™</sup> notify members of key credit report changes covering 50 potential indicators of fraud.
- Information on new accounts, medical collections, and other activity allows members to understand when their identities may be at risk.
- Timely notification empowers members to quickly and efficiently respond to potential identity theft.

### US-based Fraud Resolution Team

- Can help to investigate and address both credit and non-credit related fraud.
- Are highly trained professionals that can contact credit grantors to dispute charges, close accounts, and provide additional assistance as needed.

### \$1 Million Identity Theft Insurance<sup>2</sup>

- Provides coverage for lost wages, legal fees, and funds lost due to unauthorized electronic fund transfers.
- Zero deductible upon enrollment.

### Experian credit report

- Members can check for past inaccuracies and signs of identity theft.

### Additional educational resources

- Critical insight into identity protection and identity theft resolution.
- Medical identity theft resources in members' online Protection Center include instructions on requesting a drug history report, deciphering a medical benefits statement, and looking into medical information disclosures.

<sup>1</sup>2011 Identity Fraud Survey Report, Javelin Strategy & Research

<sup>2</sup>Identity theft insurance is underwritten by insurance company subsidiaries or affiliates of Chartis Inc. The description herein is a summary and intended for informational purposes only and does not include all terms, conditions and exclusions of the policies described. Please refer to the actual policies for terms, conditions, and exclusions of coverage. Coverage may not be available in all jurisdictions.

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To learn more about ProtectMyID Alert and our Data Breach Resolution Solutions, call Experian at **1 866 751 1323** or visit **[Experian.com/DataBreach](http://Experian.com/DataBreach)**.



# Family Secure<sup>®</sup>

Online credit monitoring with a \$2 million guarantee<sup>1</sup> protects families against fraud and identity theft.



Many competing services primarily rely on third party or partial data sets which may not report anything that impacts an individual's credit standing, which is the critical factor to monitor.

In fact, if any issues related to the child's credit file arise, the competing services must work through the bureau to correct them.

## Key Product Features & Benefits

- Monthly monitoring of Experian<sup>®</sup> information for **every** enrolled child in the family.
- Protection from material damages that may occur against a child whose credit file is misused.
- If no credit file exists, Experian monitors the child's personal information for the creation of one.
- Searches for important activity associated with the child including credit inquiries, public records, delinquencies, new accounts, and negative information (e.g., liens, civil judgments, bankruptcies.)
- Activity is detected based on the child's Social Security Number, date of birth, name and address utilizing Experian's proprietary credit file matching logic. This logic minimizes false positives.
- Email or mobile text alerts are sent to the parent/guardian if there is any new activity in the child's name.
- If activity is detected, the parent/guardian can work with a dedicated Experian Fraud Resolution representative on the best course of action to repair your child's identity.
- Provides monthly No Hit Alerts if no credit activity is detected.
- Comprehensive Fraud Resolution expertise – toll-free access to experienced, dedicated professionals who can manage your family's case and help your family recover from identify theft quickly and efficiently.
- Dedicated Fraud Resolution Agents work with your family to provide assistance throughout the fraud resolution process including assistance with freezing credit files, contacting creditors to dispute charges, closing accounts, compiling documents and contacting relevant government and law enforcement agencies.
- Daily monitoring of primary parent's credit report for 50 leading indicators of identity theft and early warning alerts if credit report changes are detected.
- Unlimited, on-demand access to Experian credit reports and scores 24/7.
- Experian credit score illustrator shows monthly score trending and analysis for the adult member.

<sup>1</sup> Product guarantee of up to \$2 million. If your identity or your children's identities are stolen after you become a member of Family Secure, Experian will reimburse you for certain expenses and damages up to \$2 million as a result of the theft. Guarantee is not offered, applicable or available to residents of the State of New York.

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# Corporate Data Breach Solutions

## What is Credit Monitoring?

### *Equifax Complete™ Advantage Plan* key features

- > **Online access** to view your Equifax credit report 24/7
- > **Credit monitoring** with e-mail notification of key changes to your credit file
- > **Updates** of your Equifax credit report and score once every three months
- > **Dedicated** customer service

Equifax Canada Co. is Canada's largest credit reporting agency. A credit reporting agency is an independent organization that receives information from credit grantors and other (private and public) sources regarding individuals' credit activity. This information is compiled in a credit report for each Consumer.

Your credit report is a summary of your credit history. Your credit report contains information about your credit cards and loans, such as: when you opened your account, account balance, payment history, etc. Your credit report also includes personal information that is available in public records, such as a bankruptcy.

### What is Credit Monitoring?

Your credit report is updated regularly to reflect credit activity changes. Credit monitoring allows you to have immediate visibility to changes in your credit report, providing you with the confidence that your credit identity is intact.

### Equifax Complete™ Advantage Plan

As a consumer, you can take an active role in monitoring your personal credit information. Using Equifax's online tool, you can view your credit file 24/7 and monitor any changes, maintaining certainty that your credit score and identity have not been compromised.

For further information about Equifax Canada and protecting your identity, please visit [www.equifax.ca](http://www.equifax.ca). You can also visit the Financial Consumer Agency of Canada at [www.fcac-acfc.gc.ca](http://www.fcac-acfc.gc.ca) to learn more about credit reporting agencies.

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# Corporate Data Breach Solutions

## What is a Credit Alert Flag?

### How will a Credit File Alert Flag protect me from potential fraud activity?

A Credit File Alert Flag is one layer of identity theft protection. It provides peace of mind that your credit file has a warning system for credit lenders should anyone fraudulently try to seek credit in your name.

Equifax Canada Co. is Canada's largest credit reporting agency. A credit reporting agency is an independent organization that receives information from credit grantors and other (private and public) sources regarding individuals' credit activity. This information is compiled in a credit file for each Consumer.

Your credit file is a summary of your credit history. Your credit file contains information about your credit cards and loans, such as: when you opened your account, account balance, payment history, etc. Your credit file also includes personal information that is available in public records, such as a bankruptcy.

### What is a Credit File Alert Flag?

A credit file alert flag is a narrative description that is placed on your credit file. This flag alerts credit grantors that the individual's personal identification may have been compromised. Credit grantors will then need to take further precautions to verify the identity of the person seeking credit. This may take the form of requiring the credit seeker to apply in person rather than over the phone or web, provide photo ID, or answer additional authentication questions. It is at the discretion of the lending institution's authentication protocol processes as to what steps they will take.

A Credit File Alert Flag stays on your credit file for a period of six years and it does **NOT** affect your credit score in any way. You have the option to choose to have it removed at any time within the six years by calling Equifax Canada at 1-800-465-7166.

For further information about Equifax Canada and protecting your identity, please visit [www.equifax.ca](http://www.equifax.ca). You can also visit the Financial Consumer Agency of Canada at [www.fcac-acfc.gc.ca](http://www.fcac-acfc.gc.ca) to learn more about credit reporting agencies.

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# DataPatrol™

A comprehensive 'early warning' service to protect data breach victims from the risks of identity theft and financial fraud combined with help and advice.



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DataPatrol™  
continuously monitors  
the web, social  
networks and stolen  
data sources to  
immediately detect and  
alert your customers  
should their personal  
and financial information  
be lost or stolen.

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## Someone to watch over your customers' data

Experian can help you deal with the consequences of a data breach providing your customers with a detection and support service that reduces the risks associated with data loss. Every year DataPatrol™ monitors over 20 million pieces of personal information that have been stolen and are traded online. It is the key to avoiding the disruption and financial losses which go hand in hand with identity theft and financial fraud. Sorting out the mess can take anything from 10 to 200 hours and in UK alone, it is estimated that cyber crime costs its victims over £3 billion per year\*.

## The identity theft experts at your service

Experian has a huge experience in addressing thousands of data breaches in a variety of sectors. With the latest addition of the award winning DataPatrol™ service, you can offer a trusted name in identity theft protection while addressing your customers' needs with a pro-active data monitoring service, customer alert and advice support.

# DataPatrol™

## Detection, alerting and support service

### 24/7 data monitoring

- Data monitored includes personal information such as name, usernames, passport number, driving licence; contact details such as email address, home address and phone number and financial details such as bank accounts and credit/debit cards.
- Immediate alert via email if any of the information on the user's DataPatrol™ account is detected within the monitored sources.
- Easy user interface, designed to prompt the users to be proactive if they are at risk of identity theft.

### One click help and advice

- Dedicated customer service able to provide help and advice when customers receive an alert.
- Tips and advice on how to stay safe online and avoid becoming victims of identity and financial fraud.





## **CyberAgent® Identity Protection**

As a leader in identity protection and fraud detection solutions, CSID has developed technologies that can scale to include the monitoring of non-credit identity elements. CSID's proprietary Internet surveillance technology, CyberAgent®, scours Internet properties like websites, blogs, bulletin boards, peer-to-peer sharing networks and IRC chat rooms to identify the illegal trading and selling of personal information. At any point in time, CyberAgent® technology is monitoring thousands of websites and millions of data points, alerting registered members and consumers if their personal information is found being bought or sold online.

- CyberAgent® is the only identity monitoring solution designed for data collection on an international level, regardless of a country's credit system or language
- This information is being gathered in real-time giving both businesses and consumers the opportunity to react quickly and take the necessary steps to protect themselves
- Malware analysis allows CSID to identify the IP addresses of consumer and corporate devices where compromised data is being siphoned to and from
- As of November 2014, CyberAgent® has discovered more than 225 million compromised records

### What CyberAgent® Monitors:

- More than 600,000 web pages a day based on over 10,000 optimized search engine queries
- More than 10,000 forums and websites
- At least 50,000 malware samples per day
- More than 500 IRC channels
- More than 200 Twitter feeds
- P2P Sources: 114 servers
- Hidden/anonymous web services: 80
- Botnets monitored: more than 100 C&C servers, 18,000 compromised hosts
- More than 320 torrent sources

## Beazley Group

Plantation Place South  
60 Great Tower Street  
London EC3R 5AD  
United Kingdom

T +44 (0)20 7667 0623  
F +44 (0)20 7674 7100

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30 Batterson Park Road  
Farmington  
Connecticut, 06032  
USA

T +1 (860) 677 3700  
F +1 (860) 679 0247

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Two Liberty Place  
50 S. 16th Street, Suite 2700  
Philadelphia  
Pennsylvania, 19102  
USA

T +1 (215) 446 8410  
F +1 (215) 446 8469

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Beazley Insurance Services  
101 California Street  
Suite 1850  
San Francisco  
California, 94111  
USA  
CA Lic. #0G55497

T +1 (415) 263 4040  
F +1 (415) 263 4099

beazley

[beazley.com/bbr](http://beazley.com/bbr)

**INSURER:**

Alliant Property Insurance Program (APIP) – Lloyd’s of London

**POLICY TERM:**

July 1, 2015 to July 1, 2016

**RETROACTIVE DATE:**

July 1, 2011



**QUESTIONS:**

**Mimi Long**

(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**

(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**Hsan Htein**

(415) 403-1452  
[hhtein@alliant.com](mailto:hhtein@alliant.com)

**COVERED LOCATION:**

1. All locations included on the Member’s Property Schedule
2. Any non-owned disposal site – *for third-party claims only*

**COVERED OPERATIONS:**

Covered operations means transportation and any operations that are identified in the application and any supporting documentation provided prior to the inception date, which are performed by or on behalf of a named insured outside the physical boundaries of a covered location. Includes spraying operations, street construction and repair, utility construction and repair, and refuse collection.

**COVERAGE:**

This policy provides coverage for:

1. Third party bodily injury or property damage, remediation costs and associated legal defense expense arising out of a pollution condition on, at, under, or migrating from a covered location, provided that the pollution condition commences on or after the retroactive date
2. Third party bodily injury, property damage, remediation costs and associated legal defense expense resulting from a covered operation, provided that the pollution condition commences on or after the retroactive date.
3. An actual business interruption loss resulting from the discovery of a covered pollution condition
4. Catastrophe management costs
5. Emergency response costs

**LIMITS:**

- \$7,000,000 Per Pollution Condition (Covered under two separate policies)
- \$7,000,000 Per Pool Aggregate
- \$7,000,000 Business Income & Extra Expense
- \$500,000 Catastrophe Management Expense
- \$4,500,000 Fungi and Legionella

**SELF-INSURED RETENTION:**

- \$50,000 Per Pollution Condition – Auxiliary Organizations (for the first \$5,000,000 of the loss)
- \$75,000 Per Pollution Condition – Auxiliary Organizations (for losses in excess of \$5,000,000 up to \$7,000,000)
- 3 Days Business Interruption (plus 4 additional days if the loss is in excess of \$5,000,000)
- \$100,000 Catastrophe Management Expense
- \$750,000 Underground Storage Tanks

### EXCLUSIONS:

1. Asbestos
2. Contractual Liability
3. Divested Property
4. Employer's Liability
5. Failure to Follow Asbestos and/or LBP Management Plan
6. Fines and Penalties
7. First Party Property Damage – *Does not apply to remediation costs*
8. Fraud or Misrepresentation
9. Insured's Internal Expenses
10. Insured vs. Insured
11. Intentional Non-Compliance
12. Landfills and Recycling Facilities – *leased, owned or operated*
13. Lead-Based Paint
14. Material Change in Risk
15. Naturally Occurring Materials
16. Pre-Existing Conditions
17. Products Liability
18. Professional Liability
19. Regulatory Compliance
20. Underground Storage Tanks
21. Vehicles
22. War or Terrorism
23. Work Product

### HOW TO REPORT A CLAIM:

**IMMEDIATE NOTICE** should be made to ACE Environmental Risk:

To: ACE Environmental Risk Claims Manager  
ACE USA Claims  
P.O. Box 5103  
Scranton, PA 18505-0510  
(888) 310-9553

[casualtyriskenvironmentalfirstnotice@acegroup.com](mailto:casualtyriskenvironmentalfirstnotice@acegroup.com)

cc: Alliant

Michelle Maffei  
(415) 403-1418  
[mmaffei@alliant.com](mailto:mmaffei@alliant.com)

Martin Fox-Foster  
(415) 403-1417  
[martin.fox-foster@alliant.com](mailto:martin.fox-foster@alliant.com)

Elaine Kim  
(415) 403-1458  
[ekim@alliant.com](mailto:ekim@alliant.com)

After Hours Reporting:

Robert Frey  
(415) 403-1445  
(415) 518-8490 (Cell)  
[rfrey@alliant.com](mailto:rfrey@alliant.com)



Illinois Union Insurance Company  
Chicago, Illinois

## Premises Pollution Liability Insurance Policy

### Declarations

This Policy is issued by the stock insurance company identified above (hereinafter *the Insurer*).

THIS POLICY PROVIDES LIABILITY COVERAGE ON A CLAIMS-MADE AND REPORTED BASIS, WHICH COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD OR WITHIN THIRTY DAYS THEREAFTER, UNLESS AN EXTENDED REPORTING PERIOD APPLIES. THIS POLICY ALSO PROVIDES FIRST-PARTY COVERAGES ON A DISCOVERED AND REPORTED BASIS, WHICH COVERS ONLY POLLUTION CONDITIONS AND INDOOR ENVIRONMENTAL CONDITIONS, AS APPLICABLE, FIRST DISCOVERED AND FOR WHICH A FIRST-PARTY CLAIM IS REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD OR WITHIN THIRTY DAYS THEREAFTER. FINALLY, THIS POLICY PROVIDES COVERAGE FOR EMERGENCY RESPONSE COSTS THAT IS LIMITED BY MORE SPECIFIC REPORTING CRITERIA AND COVERS ONLY EMERGENCY RESPONSE COSTS INCURRED, AND REPORTED TO THE INSURER, IN WRITING, WITHIN THE SPECIFIC TIMING REQUIREMENTS IDENTIFIED IN THIS POLICY. PLEASE READ THIS POLICY CAREFULLY. SOME OF THE PROVISIONS CONTAINED IN THIS POLICY RESTRICT COVERAGE, SPECIFY WHAT IS AND IS NOT COVERED AND DESIGNATE YOUR RIGHTS AND DUTIES. LEGAL DEFENSE EXPENSES ARE SUBJECT TO AND SHALL ERODE THE LIMITS OF LIABILITY AND ANY APPLICABLE SELF-INSURED RETENTION.

THE DECLARATIONS, TOGETHER WITH THE COMPLETED AND SIGNED APPLICATION, THIS POLICY, AND ANY ENDORSEMENTS OR SCHEDULES ATTACHED HERETO, CONSTITUTE THE INSURANCE POLICY.

<b>Policy No.:</b> PPL G2716822A 003	<b>Renewal of:</b> PPL G2716822A 002
<b>Item 1.</b>	<b>First Named Insured:</b> California State University Risk Management Authority  <b>Address:</b> 100 Pine Street 11th Floor San Francisco, CA 94111

Coverages Purchased: Coverage A. -  Coverage B. -  Coverage C. -

<b>Item 2.</b>	<b>Policy Period:</b> <small>(Local Time of the Address Shown in Item 1., above.)</small>	<b>Policy Inception Date:</b> July 01, 2015 12:01 A.M.	<b>Policy Expiration Date:</b> July 01, 2016 12:01 A.M.
<b>Item 3.</b>	<b>Limits of Liability:</b> In U.S. Dollars	<b>a. \$ 5,000,000</b> Per Pollution Condition or Indoor Environmental Condition Limit of Liability  <b>b. \$ 5,000,000</b> Total Policy and Program Aggregate Limit of Liability for all Pollution Conditions and Indoor Environmental Conditions	
<b>Item 4.</b>	<b>Self-Insured Retention / Deductible Period:</b> In U.S. Dollars	<b>a. \$ 100,000</b> Per Pollution Condition or Indoor Environmental Condition  <b>b. 3 Days</b> Per Pollution Condition or Indoor Environmental Condition	
<b>Item 5.</b>	<b>Retroactive Dates:</b>	<input type="checkbox"/> if checked Exposure-Specific Retroactive Dates are designated via endorsement.	

		<p><b>Coverage A</b></p> <p>Premises Pollution Condition Liability: July 01, 2011  Premises Indoor Environmental Condition Liability: July 01, 2011  Premises First-Party Claims: July 01, 2011</p> <p><b>Coverage B</b></p> <p>Transportation Liability: July 01, 2011  Transportation First-Party Claims: July 01, 2011</p> <p><b>Coverage C</b></p> <p>Non-Owned Disposal Sites Liability : July 01, 2011</p> <p>If “<b>FULL RETRO</b>” is indicated in the Retroactive Date column above, then retroactive coverage is afforded pursuant to this Policy for that specific exposure, subject to any other corresponding exposure-specific Retroactive Date added to this Policy by endorsement.</p>
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<b>Item 6.</b>	<b>Premium:</b>	\$ 120,504.00
	<b>Total Premium:</b>	\$ 120,504.00
(The entire amount of this premium shall be 100% minimum earned as of the first day of the Policy Period indicated in Item 2., above)		

<b>Item 7.</b>	<b>Producer:</b> Name & Address	ALLIANT INSURANCE SERVICES INC 1301 DOVE STREET SUITE 200 NEWPORT BEACH, CA 92660
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<b>Item 8.</b>	<b>a. Notice of Claim or Pollution Condition</b>	<b>b. All other Notices</b>
<b>Notices</b>	Environmental Risk Claims Manager ACE USA Claims P.O. Box 25157 Lehigh Valley, PA 18002-5157 Fax: (866) 635-5687  First Notice Fax: (877) 201-6866 First Notice Email: <a href="mailto:CasualtyRiskEnvironmentalFirstNotice@ace-ina.com">CasualtyRiskEnvironmentalFirstNotice@ace-ina.com</a>	Environmental Risk Underwriting Officer ACE Environmental Risk P.O. Box 1000 436 Walnut Street – WA 07A Philadelphia, PA 19106
	<b>ACE Alert<sup>sm</sup> - 24 Hour Emergency Response Hotline</b>	<b>1-888-310-9553</b>

<b>Item 9.</b>	<b>Covered Locations:</b>	Per SOV titled “CSURMA SOV as of 04/14/2015.xlsx” on file with ACE  <input type="checkbox"/> if checked here, schedule of Covered Locations is designated via endorsement.
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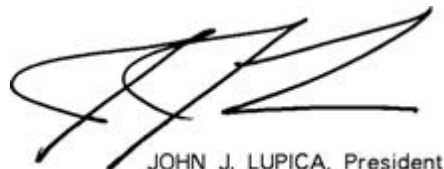


**Endorsements and Notices Attached at Policy Issuance:**

Endorsement Number:	Form Number:	Form Name:
1	PF-32460 (11/10)	Schedule of Named Insureds Endorsement
2	PF-44901 (09/14)	Automatic Acquisition and Due Diligence (No Lease Due Diligence) Endorsement
3	PF-44944 (09/14)	Indoor Environmental Conditions Limitations Endorsement
4	PF-44957 (09/14)	Notice of Cancellation Amendatory (Generic Time Frame) Endorsement
5	PF-44971 (09/14)	Public Entity Coverage Amendatory Endorsement
6	PF-44986 (09/14)	Self-Insured Retention Amendatory (Scheduled Covered Locations) Endorsement
7	PF-44987 (09/14)	Self-Insured Retention Amendatory (Generic) Endorsement
8	PF-23728a (01/15)	Terrorism Risk Insurance Act Endorsement
9	TRIA11c (01/15)	Disclosure Pursuant to Terrorism Risk Insurance Act
10	ALL-21101 (11/06)	Trade or Economic Sanctions Endorsement
11	XS-3U96f (02/06)	Service of Suit Endorsement
12	LD-5S23j (03/14)	Signatures
	SL-17888 (07/11)	California Surplus Lines Notification
	ALL-20887 (10/06)	ACE Producer Compensation Practices & Policies
	IL P 001 01 04	U. S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders

**IN WITNESS WHEREOF, the Insurer has caused this Policy to be countersigned by a duly authorized representative of the Insurer.**

**DATE:** July 01, 2015  
MO/DAY/YR

  
JOHN J. LUPICA, President  
AUTHORIZED REPRESENTATIVE



## Premises Pollution Liability Insurance Policy

This Policy is issued by the stock insurance company identified in the Declarations (hereinafter *the Insurer*).

**THIS POLICY PROVIDES LIABILITY COVERAGE ON A CLAIMS-MADE AND REPORTED BASIS, WHICH COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD OR WITHIN THIRTY DAYS THEREAFTER, UNLESS AN EXTENDED REPORTING PERIOD APPLIES. THIS POLICY ALSO PROVIDES FIRST-PARTY COVERAGES ON A DISCOVERED AND REPORTED BASIS, WHICH COVERS ONLY POLLUTION CONDITIONS AND INDOOR ENVIRONMENTAL CONDITIONS, AS APPLICABLE, FIRST DISCOVERED AND FOR WHICH A FIRST-PARTY CLAIM IS REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD OR WITHIN THIRTY DAYS THEREAFTER. FINALLY, THIS POLICY PROVIDES COVERAGE FOR EMERGENCY RESPONSE COSTS THAT IS LIMITED BY MORE SPECIFIC REPORTING CRITERIA AND COVERS ONLY EMERGENCY RESPONSE COSTS INCURRED, AND REPORTED TO THE INSURER, IN WRITING, WITHIN THE SPECIFIC TIMING REQUIREMENTS IDENTIFIED IN THIS POLICY. PLEASE READ THIS POLICY CAREFULLY. SOME OF THE PROVISIONS CONTAINED IN THIS POLICY RESTRICT COVERAGE, SPECIFY WHAT IS AND IS NOT COVERED AND DESIGNATE YOUR RIGHTS AND DUTIES. LEGAL DEFENSE EXPENSES ARE SUBJECT TO AND SHALL ERODE THE LIMITS OF LIABILITY AND ANY APPLICABLE SELF-INSURED RETENTION.**

Throughout this Policy the words *the Insurer* shall refer to the company providing this insurance. Other words and phrases that appear in quotation marks have special meanings and are defined in Section **V., DEFINITIONS**.

In consideration of the payment of the premium and in reliance upon all statements made in the Application to this Policy, including the information furnished in connection therewith, and subject to all terms, definitions, conditions, exclusions and limitations of this Policy, the Insurer agrees to provide insurance coverage to the “insured” as described herein.

### **I. INSURING AGREEMENTS**

Solely to the extent that the coverages below are identified on the Declarations to this Policy as being underwritten by the Insurer, the Insurer agrees to pay on behalf of the “insured” for “loss”, in excess of the “self-insured retention” or deductible period (as applicable), resulting from:

#### **A. POLLUTION CONDITIONS OR INDOOR ENVIRONMENTAL CONDITIONS COVERAGE (Coverage A.)**

“Claims” and “first-party claims” arising out of: **1)** a “pollution condition” on, at, under or migrating from a “covered location”; or **2)** an “indoor environmental condition” at a “covered location”, provided the “claim” is first made, or the “insured” first discovers such “pollution condition” or “indoor environmental condition”, during the “policy period”. Any such “claim” or “first-party claim” must be reported to the Insurer, in writing, during the “policy period” or within thirty (30) days after the expiration of the “policy period”, or during any applicable “extended reporting period”.

The coverage afforded pursuant to this Coverage **A.** only applies to “pollution conditions” or “indoor environmental conditions” that first commence, in their entirety, on or after the retroactive date identified in Item **5.** of the Declarations, if applicable, and prior to the expiration of the “policy period”.

#### **B. TRANSPORTATION COVERAGE (Coverage B.)**

“Claims” and “first-party claims” arising out of a “pollution condition” resulting from “transportation”, provided the “claim” is first made, or the “insured” first discovers such “pollution condition”, during the “policy period”. Any such “claim” or “first-party claim” must be reported to the Insurer, in writing, during the “policy period” or within thirty (30) days after the expiration of the “policy period”, or during any applicable “extended reporting period”.

The coverage afforded pursuant to this Coverage **B.** only applies to “pollution conditions” that first commence, in their entirety, on or after the retroactive date identified in Item **5.** of the Declarations, if applicable, and prior to the expiration of the “policy period”.

#### **C. NON-OWNED DISPOSAL SITE COVERAGE (Coverage C.)**

“Claims” arising out of a “pollution condition” on, at, under or migrating from a “non-owned disposal site”, provided the “claim” is first made during the “policy period”. Any such “claim” must be reported to the Insurer, in writing, during the “policy period” or within thirty (30) days after the expiration of the “policy period”, or during any applicable “extended reporting period”.

The coverage afforded pursuant to this Coverage **C.** only applies to “pollution conditions” that are attributable to a “named insured’s” waste generated at a “covered location” and received at the “non-owned disposal site”, in its entirety, on or after the retroactive date identified in Item **5.** of the Declarations, if applicable, and prior to the expiration of the “policy period”.

## II. LIMITS OF LIABILITY AND SELF-INSURED RETENTION

- A.** It is expressly agreed that the Insurer’s obligation to pay for any covered “loss” (exclusive of “business interruption loss”) pursuant to this Policy shall attach to the Insurer only after the “first named insured” has paid, or has provided evidence to the Insurer that another “named insured” has paid, the full amount of the “self-insured retention” with respect to any covered “pollution condition” or “indoor environmental condition”. Under no circumstances, including, but not limited to, an “insured’s” insolvency and/or bankruptcy, shall the Insurer be liable to pay any amount within the “self-insured retention”. In the event that the “first named insured” cannot provide satisfactory evidence that a “named insured” has paid the full amount of the “self-insured retention” with respect to any covered “pollution condition” or “indoor environmental condition”, the “first named insured” shall remain responsible to pay the “self-insured retention” before the Insurer’s payment obligation pursuant to this Policy shall attach with respect to coverage sought by any “insured”.

Notwithstanding the foregoing, if the “insured” agrees with the Insurer to use “mediation” to successfully resolve any “claim” for which “legal defense expenses” have been incurred, then the “self-insured retention” applicable to the “pollution condition” or “indoor environmental condition” that corresponds to such “claim” shall be reduced by fifty percent (50%), subject to a maximum reduction in the “self-insured retention” of twenty-five thousand dollars (\$25,000).

In addition to the foregoing, it is expressly agreed that the Insurer’s obligation to pay for any covered “business interruption loss” pursuant to this Policy shall attach to the Insurer only after the relevant “insured” has also borne the full amount of the “business interruption loss” within the deductible period identified in Item **4.** of the Declarations to this Policy.

- B.** One “self-insured retention” shall apply to all “loss” (exclusive of “business interruption loss”) arising out of the same, continuous, repeated, or related “pollution condition” or “indoor environmental condition”. If the same, continuous, repeated, or related “pollution condition” or “indoor environmental condition” triggers coverage pursuant to multiple coverage parts, or otherwise involves multiple exposures that have been assigned exposure-specific “self-insured retention” amounts by endorsement to this Policy, the single largest of the associated “self-insured retention” amounts identified in: **1)** Item **4.** of the Declarations; **2)** any Supplemental Coverage added by endorsement to this Policy; or **3)** any exposure-specific “self-insured retention” endorsement identified as part of this Policy, shall apply to all “loss” and other covered exposures arising out of such “pollution condition” or “indoor environmental condition”, except for any “catastrophe management costs” that are assigned an exposure-specific “self-insured retention” by endorsement to this Policy, if any (hereinafter Catastrophe Management-Specific SIR Obligation). Amounts within any such Catastrophe Management-Specific SIR Obligation shall be independent of, and shall not otherwise erode, the single largest “self-insured retention” applicable to all other covered exposures arising out of the same “pollution condition” or “indoor environmental condition” as contemplated herein.
- C.** One deductible period shall apply to all “business interruption loss” arising out of the same, continuous, repeated, or related “pollution condition” or “indoor environmental condition”.
- D.** Subject to Subsections **E.** and **F.**, below, the most the Insurer shall pay for all “loss” arising out of the same, continuous, repeated, or related “pollution condition” or “indoor environmental condition” is the Per Pollution Condition or Indoor Environmental Condition Limit of Liability identified in Item **3.a.** of the Declarations to this Policy.
- E.** Subject to Subsection **D.**, above, and Subsection **F.**, below, **\$250,000** shall be the maximum amount the Insurer shall pay for all “catastrophe management costs” arising out of all “pollution conditions” and “indoor environmental conditions”.
- F.** Subject to Subsections **D.** and **E.**, above, the Total Policy and Program Aggregate Limit of Liability identified in Item **3.b.** of the Declarations shall be the maximum liability of the Insurer pursuant to this Policy with respect to all “loss”.
- G.** If the Insurer or an affiliate has issued pollution liability coverage afforded on a discovered and reported basis or claims-made and reported basis consistent with coverage afforded pursuant to this Policy in one or more policy periods, and a “pollution condition” or “indoor environmental condition” is first discovered and reported to the Insurer, or a “claim” is first made and reported to the Insurer with respect to a “pollution condition” or “indoor environmental condition”, in accordance with the terms and conditions of this Policy, then:

1. Any continuous, repeated, or related "pollution condition" or "indoor environmental condition" that is subsequently reported to the Insurer during later policy periods shall be deemed to be one "pollution condition" or "indoor environmental condition" discovered during this "policy period"; and
2. All "claims" arising out of:
  - a. The same, continuous, repeated, or related "pollution condition" or "indoor environmental condition" that was discovered during this "policy period"; or
  - b. The same, continuous, repeated, or related "pollution condition" or "indoor environmental condition" that was the subject of a "claim" first made and reported in accordance with the terms and conditions of this Policy,

shall be deemed to have been first made and reported during this "policy period" and no other policy shall respond.

### III. DEFENSE AND SETTLEMENT

- A. The Insurer shall have the right and, subject to the "self-insured retention" obligation, the duty to defend the "insured" against a "claim" to which this insurance applies. The Insurer shall have no duty to defend the "insured" against any "claim" to which this insurance does not apply. The Insurer's duty to defend the "insured" ends once the Limits of Liability are exhausted or are tendered into a court of applicable jurisdiction, or once the "insured" refuses a settlement offer as provided in Subsection E., below.
- B. The Insurer shall have the right to select legal counsel to: **1)** represent the "insured" for the investigation, adjustment, and defense of any "claims" covered pursuant to this Policy; and **2)** assist the "insured" with clarifying the extent of, and to help minimize, any "first-party remediation costs". Selection of legal counsel by the Insurer shall not be done without the consent of the "insured"; such consent shall not be unreasonably withheld.

In the event the "insured" is entitled by law to select independent counsel to defend itself at the Insurer's expense, the attorney fees and all other litigation expenses the Insurer shall pay to that counsel are limited to the rates the Insurer actually pays to counsel that the Insurer normally retains in the ordinary course of business when defending "claims" or lawsuits of similar complexity in the jurisdiction where the "claim" arose or is being defended. In addition, the "insured" and the Insurer agree that the Insurer may exercise the right to require that such counsel: **1)** have certain minimum qualifications with respect to their competency, including experience in defending "claims" similar to those being asserted against the "insured"; **2)** maintain suitable errors and omissions insurance coverage; **3)** be located within a reasonable proximity to the jurisdiction of the "claim"; and **4)** agree in writing to respond in a timely manner to the Insurer's requests for information regarding the "claim". The "insured" may at any time, by its signed consent, freely and fully waive its right to select independent counsel.

- C. The "insured" shall have the right and the duty to retain a qualified environmental consultant or "catastrophe management firm" to: **1)** perform any investigation and/or remediation of any "pollution condition" or "indoor environmental condition" covered pursuant to this Policy; or **2)** perform "catastrophe management services" covered pursuant to this Policy, respectively. The "insured" must receive the consent of the Insurer prior to the selection and retention of such consultant or "catastrophe management firm", except in the event of a "first-party claim" that results in "emergency response costs".
- D. "Legal defense expenses" reduce the Limits of Liability identified in the Declarations to this Policy, and, unless specifically stated otherwise herein, any applicable Limits or Sublimits of Liability identified in any endorsement hereto. "Legal defense expenses" shall also be applied to the "self-insured retention".
- E. The Insurer shall present all settlement offers to the "insured". If the Insurer recommends a settlement which is acceptable to a claimant, exceeds any applicable "self-insured retention", is within the Limits of Liability, and does not impose any additional unreasonable burdens on the "insured", and the "insured" refuses to consent to such settlement offer, then the Insurer's duty to defend shall end. Thereafter, the "insured" shall defend such "claim" independently and at the "insured's" own expense. The Insurer's liability shall not exceed the amount for which the "claim" could have been settled if the Insurer's recommendation had been accepted, exclusive of the "self-insured retention".

### IV. COVERAGE TERRITORY

The coverage afforded pursuant to this Policy shall only apply to "pollution conditions" or "indoor environmental conditions" located, and "claims" made, within the United States of America.

## V. DEFINITIONS

- A. “Additional insured”** means any person or entity specifically endorsed onto this Policy as an “additional insured”, if any. Such “additional insured” shall maintain only those rights that are specified by endorsement to this Policy.
- B. “Adverse media coverage”** means national or regional news exposure in television, radio, print or internet media that is reasonably likely to have a negative impact on the “insured” with respect to its income, reputation, community relations, public confidence or good will.
- C. “Bodily injury”** means physical injury, illness, disease, mental anguish, emotional distress, or shock, sustained by any person, including death resulting therefrom, and any prospective medical monitoring costs that are intended to confirm any such physical injury, illness or disease.
- D. “Business income”** means:
1. Net profit or loss, before income taxes, including “rental income” from tenants, that would have been realized had there been no “business interruption”;
  2. The “insured’s” continuing operating and payroll expense (excluding payroll expense of officers, executives, department managers and contract employees);
  3. Costs incurred by the “insured” as rent for temporary premises when a portion of a “covered location” becomes untenable due to a “pollution condition” or “indoor environmental condition” and temporary premises are required to continue the “insured’s” operations. Such rental costs cannot exceed the fair rental value of the untenable portion of the “covered location”.
- E. “Business interruption”** means the necessary partial or complete suspension of the “insured’s” operations at a “covered location” for a period of time, which is directly attributable to a “pollution condition” or “indoor environmental condition” to which Coverage **A.** of this Policy applies. Such period of time shall extend from the date that the operations are necessarily suspended and end when such “pollution condition” or “indoor environmental condition” has been remediated to the point at which the “insured’s” normal operations could reasonably be restored.
- F. “Business interruption loss”** means:
1. “Business income”;
  2. “Extra expense”; and
  3. “Delay expense”.
- G. “Catastrophe management costs”** means reasonable and necessary expenses approved by the Insurer, in writing, except for those expenses incurred during the same seven (7) day period associated with “emergency response costs”, which have been incurred by the “insured” for the following:
1. Responsive consulting services rendered by a “catastrophe management firm”;
  2. Printing, advertising, mailing of materials of public relations materials;
  3. Travel by directors, officers, employees or agents of the “insured”, or the “catastrophe management firm”, incurred at the direction of a “catastrophe management firm”;
  4. To secure the scene of a “pollution condition” or “indoor environmental condition”; or
  5. Sums advanced to third-parties directly harmed by the “pollution condition” or “indoor environmental condition” for their medical costs; funeral costs; psychological counseling; travel expenses costs; temporary living costs or other necessary response costs,
- but solely in those instances when, in the good faith opinion of a “key executive”, the associated “pollution condition” or “indoor environmental condition” has resulted in or is reasonably likely to result in: **a)** “loss” (exclusive of “catastrophe management costs”) that will exceed the applicable “self-insured retention”; and **b)** a need for “catastrophe management services” due to “adverse media coverage”.
- “Catastrophe management costs” do not include any “legal defense expense”.
- H. “Catastrophe management firm”** means any firm that is approved, in writing, except for firms retained for the same seven (7) day period associated with “emergency response costs”, by the Insurer to perform “catastrophe management services” in connection with a “pollution condition” or “indoor environmental condition”.



- I. **“Catastrophe management services”** means advising the “insured” with respect to minimizing potential harm to the “insured” from a covered “pollution condition” or “indoor environmental condition” by managing “adverse media coverage” and maintaining and restoring public confidence in the “insured”, and its services or products.
- J. **“Claim”** means the written assertion of a legal right received by the “insured” from a third-party, or from another “insured” that is party to an “environmental indemnity obligation”, including, but not limited to, a “government action”, suits or other actions alleging responsibility or liability on the part of the “insured” for “bodily injury”, “property damage” or “remediation costs” arising out of “pollution conditions” or “indoor environmental conditions” to which this insurance applies.
- K. **“Covered location”** means:
1. Any location specifically identified in Item 9. of the Declarations to this Policy;
  2. Any location that is specifically identified on a Schedule of Covered Locations attached to this Policy; and
  3. Any location that meets the prerequisites to coverage identified in the Automatic Acquisition and Due Diligence Endorsement attached to this Policy, if any.
- L. **“Delay expense”** means, for a “covered location” under development where a “pollution condition” or “indoor environmental condition” causes a delay in the completion or development during the “business interruption”, any of the following expenses:
1. Additional interest on money the “insured” has borrowed to finance the construction, development, or remediation of a project at a “covered location”;
  2. Additional realty taxes and other assessments;
  3. Additional advertising or promotional expense;
  4. Additional expenses incurred resulting from the renegotiation of leases, including associated usual and customary legal representation expense; and
  5. Additional engineering, architectural, and consulting fees.
- M. **“Emergency response costs”** means “first-party remediation costs” incurred within seven (7) days following the discovery of a “pollution condition” or “indoor environmental condition” by a “responsible person” in order to abate or respond to an imminent and substantial threat to human health or the environment arising out of:
1. A “pollution condition” or “indoor environmental condition” on, at, under or migrating from a “covered location”; or
  2. A “pollution condition” resulting from “transportation”,
- provided such “emergency response costs” are reported to the Insurer within fourteen (14) days of when that “responsible person” first became aware of such “pollution condition” or “indoor environmental condition”.
- N. **“Environmental indemnity obligations”** means an “insured’s” obligations to defend or indemnify a third-party with respect to a “pollution condition” or “indoor environmental condition” to which this insurance otherwise applies, provided that such defense or indemnity obligation is explicitly included within a contract identified or described on the Schedule of Insured Contracts Endorsement attached to this Policy, if any.
- O. **“Environmental law”** means any Federal, state, commonwealth, municipal or other local law, statute, ordinance, rule, guidance document, regulation, and all amendments thereto (collectively Laws), including voluntary cleanup or risk-based corrective action guidance, or the direction of an “environmental professional” acting pursuant to the authority provided by any such Laws, along with any governmental, judicial or administrative order or directive, governing the liability or responsibilities of the “insured” with respect to a “pollution condition” or “indoor environmental condition”.
- P. **“Environmental professional”** means a licensed professional that is:
1. Mutually agreed upon by the Insurer and the “insured”, except with respect to “emergency response costs”; and
  2. Qualified by licensure, knowledge, skill, education and training to perform an assessment, prepare an investigation protocol, interpret the results and prepare a scope of work to remediate a “pollution condition” or “indoor environmental condition”.
- Q. **“Extended reporting period”** means the additional period of time in which to report a “claim” first made against the “insured” during or subsequent to the end of the “policy period”.

- R. **“Extra expense”** means costs incurred by the “insured” due to a “pollution condition” or “indoor environmental condition” that are necessary to avoid or mitigate any “business interruption”. Such costs must be incurred to actually minimize the amount of foregone “business income” that would otherwise be covered pursuant to this Policy.
- S. **“First named insured”** means the person or entity as identified in Item 1. of the Declarations to this Policy. The “first named insured” is the party responsible for the payment of any premiums and the payment of, or evidencing payment of, any applicable “self-insured retention” amounts. The “first named insured” shall also serve as the sole agent on behalf of all “insureds” with respect to the provision and receipt of notices, including notice of cancellation or non-renewal, receipt and acceptance of any endorsements or any other changes to this Policy, return of any premium, assignment of any interest pursuant to this Policy, as well as the exercise of any applicable “extended reporting period”, unless any such responsibilities are otherwise designated by endorsement.
- T. **“First-party claim”** means the first-party discovery of a “pollution condition” or an “indoor environmental condition” during the “policy period” by an “insured” to which this insurance applies.
- U. **“First-party remediation costs”** means reasonable and necessary “remediation costs” incurred by an “insured” resulting from the discovery of a “pollution condition” or “indoor environmental condition”. If no applicable laws exist that govern the remediation of such “pollution condition” or “indoor environmental condition” in the jurisdiction of the “covered location”, necessary “remediation costs” may be established by securing the written professional recommendations of an “environmental professional”.
- “First-party remediation costs”** also means reasonable and necessary expenses required to restore, repair or replace real or personal property to substantially the same condition it was in prior to being damaged during the course of responding to a “pollution condition” or “indoor environmental condition”. Such expenses shall not include costs associated with betterments or improvements, except to the extent that such betterments or improvements are exclusively associated with the use of building materials which are environmentally superior to those materials which comprised the original damaged property. Any such environmentally superior material must be: a) certified as such by an applicable independent certifying institution, where such certification is available; or b) in the absence of any such certification, based solely on the judgment of the Insurer and at its sole discretion.
- V. **“Fungi”** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents, or byproducts produced or released by “fungi”.
- W. **“Government action”** means action taken or liability imposed by any Federal, state, commonwealth, municipal or other local government agency or body acting pursuant to the authority of “environmental law”.
- X. **“Illicit abandonment”** means:
1. Solely with respect to coverage for “covered locations”, the intentional placement or abandonment of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, hazardous materials, or waste materials, including “low-level radioactive waste”, “mixed waste” and medical, red bag, infectious and pathological wastes, on, at or into a “covered location”, by a person or entity that:
    - a. Is not an “insured”; and
    - b. Is not affiliated by common ownership with an “insured”, and,
  2. Solely with respect to coverage for “transportation”, the intentional placement or abandonment of any waste, goods, materials or product beyond the boundaries of a “covered location” during “transportation” by a person or entity that:
    - a. Is not an “insured”; and
    - b. Is not affiliated by common ownership with an “insured”.
- “Illicit abandonment”** does not mean any such placement or abandonment, above, which takes place, in whole or in part, prior to the inception date identified in Item 2. of the Declarations of this Policy.
- Y. **“Indoor environmental condition”** means:
1. The presence of “fungi” in a building or structure, or the ambient air within such building or structure; or
  2. The discharge, dispersal, release, escape, migration or seepage of *legionella pneumophila* in a building or structure, or the ambient air within such building or structure,
- provided that such “fungi” or *legionella pneumophila* are not naturally occurring in the environment in the amounts and concentrations found within such building or structure.



- Z. “Insured”** means the “first named insured”, any “named insured”, any “additional insured”, and any past or present director or officer of, partner in, employee of, temporary or leased worker of, or, with respect to a limited liability company, a member of, any of the foregoing while acting within the scope of his or her duties as such.
- AA. “Key executive”** means the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President, General Counsel, general partner or managing partner (if the “insured” is a partnership), managing member (if the “insured” is a limited liability company) or sole proprietor (if the “insured” is a sole proprietorship) of the “insured”. A “key executive” also means any other person holding a title designated by the “first named insured”, approved by the Insurer, and identified by endorsement to this Policy.
- BB. “Legal defense expense”** means reasonable legal costs, charges, and expenses, including expert charges, incurred by the “insured”:
1. In the investigation, adjustment or defense of “claims”; or,
  2. Solely with respect to those instances where the “insured” has secured the prior consent of the Insurer, except in the event of a “first-party claim” that results in “emergency response costs”, in order to clarify the extent of, minimize, and effect resolution of, any obligation to incur “first-party remediation costs”.
- CC. “Loss”** means:
1. A monetary judgment, award or settlement of compensatory damages arising from “bodily injury”, “property damage” or “remediation costs”, including associated punitive, exemplary or multiplied damages, and civil fines, penalties and assessments, but solely to the extent that the punitive, exemplary or multiplied damages, and civil fines, penalties and assessments:
    - a. Are insurable under applicable law; and
    - b. Arise out of a “pollution condition” or “indoor environmental condition” that results in “bodily injury”, “property damage” or “first-party remediation costs” to which this insurance otherwise applies;
  2. “Legal defense expense”;
  3. “First-party remediation costs”;
  4. “Emergency response costs”;
  5. “Business interruption loss”;
  6. “Catastrophe management costs”; and
  7. Any other liability or first-party exposure insured pursuant to any Supplemental Coverage added by endorsement to this Policy.
- DD. “Low-level radioactive waste”** means waste that is radioactive but not classified as the following: high-level waste (spent nuclear fuel or the highly radioactive waste produced if spent fuel is reprocessed), uranium milling residues, and waste with greater than specified quantities of elements heavier than uranium.
- EE. “Mediation”** means a conciliatory, non-binding attempt to resolve a “claim” using a neutral, third-party facilitator.
- FF. “Mixed waste”** means waste containing both radioactive and hazardous components as defined pursuant to United States law within the Atomic Energy Act and the Resource Conservation and Recovery Act, as either may be amended.
- GG. “Named insured”** means the “first named insured” and any other person or entity specifically endorsed onto this Policy as a “named insured”, if any. “Named insureds” shall maintain the same rights pursuant to this Policy as the “first named insured”, except for those rights specifically: **1)** reserved to the “first named insured” as defined herein; or **2)** limited by endorsement to this Policy.
- HH. “Natural resource damage”** means injury to, destruction of, or loss of, including the resulting loss of value of, fish, wildlife, biota, land, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States of America (including the resources of the fishery conservation zone established by the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. § 1801 et. seq.)), any state, commonwealth or local government, or any Native American Tribe, or, if such resources are subject to a trust restriction on alienation, any members of any Native American Tribe, including the reasonable costs of assessing such injury, destruction or loss resulting therefrom.

**II. “Non-owned disposal site” means:**

1. Any treatment, storage, transfer, disposal or recycling site or facility located within the United States of America that has not at any time been owned or operated, in whole or in part, by any “insured”, which receives, or has historically received, a “named insured’s” waste for disposal; provided that such treatment, storage, transfer, disposal or recycling site or facility:
  - a. Was properly permitted and licensed pursuant to “environmental law” to accept the “named insured’s” waste at the time of such disposal by the Federal, state, commonwealth, municipal or other local government agencies or bodies with applicable jurisdiction;
  - b. Was not owned or operated by any person, corporation or unincorporated association that was in bankruptcy at the time the “named insured’s” waste was received for disposal; and
  - c. Has not, prior to the time the “named insured’s” waste was received for disposal, been identified on the United States EPA (CERCLA) National Priorities List or pursuant to any functional equivalent of that list made by Federal, state, commonwealth, municipal or other local government agency or body with applicable jurisdiction pursuant to “environmental law”, or
2. Any treatment, storage, transfer, disposal or recycling site or facility specifically identified on a Schedule of Non-Owned Disposal Sites Endorsement attached to this Policy, if any.

**JJ. “Policy period” means:**

1. The period of time specifically identified in Item 2. of the Declarations to this Policy; or,
2. Solely with respect to “covered locations” added to this Policy during the period of time specifically identified in Item 2. of the Declarations to the Policy, if any, the period of time following the effective date of such addition through the expiration date of the Policy identified in Item 2. of the Declarations to this Policy; or
3. Any shorter period of time resulting from the cancellation of this Policy.

**KK. “Pollution condition” means:**

1. “Illicit abandonment”; or
2. The discharge, dispersal, release, escape, migration, or seepage of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant, including soil, silt, sedimentation, smoke, soot, vapors, fumes, acids, alkalis, chemicals, electromagnetic fields (EMFs), hazardous substances, hazardous materials, waste materials, “low-level radioactive waste”, “mixed waste” and medical, red bag, infectious or pathological wastes, on, in, into, or upon land and structures thereupon, the atmosphere, surface water, or groundwater.

**LL. “Property damage” means:**

1. Physical injury to, or destruction of, tangible property of a third-party, including all resulting loss of use of that property;
2. Loss of use of tangible property of a third-party, that is not physically injured or destroyed;
3. Diminished value of tangible property owned by a third-party; or
4. “Natural resource damages”.

“Property damage” does not mean “remediation costs”.

**MM. “Remediation costs”** means expenses incurred to investigate, quantify, monitor, remove, dispose, treat, neutralize, or immobilize “pollution conditions” or “indoor environmental conditions” to the extent required by “environmental law” in the jurisdiction of such “pollution conditions” or “indoor environmental conditions”.

**NN. “Rental income”** means the actual rental fees lost as a result of a “suspension” of a rented “covered location”.

**OO. “Responsible person”** means any employee of an “insured” responsible for environmental affairs, control, or compliance at a “covered location”, or any “key executive” of, officer or director of, or partner in, an “insured”.

**PP. “Self-insured retention”** means the largest applicable dollar amount among triggered coverage parts identified in Item 4. of the Declarations to this Policy, or as otherwise designated by endorsement to this Policy, if any.

**QQ. “Suspension”** means that part of, or all of, a rented “covered location” is rendered untenable for the purposes identified to the Insurer prior to the inception date of this Policy due to a “pollution condition” or “indoor environmental condition”.

**RR. "Terrorism"** means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
  - a. Use or threat of force or violence; or
  - b. Commission or threat of a dangerous act; or
  - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
2. When one or both of the following applies:
  - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
  - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

**SS. "Transportation"** means the movement of an "insured's" waste, materials, goods or products to or from a "covered location" by automobile, aircraft, watercraft, railcar or other conveyance, including any associated loading or unloading thereof, by an "insured", or any third-party vendor engaged by an "insured" in the business of transporting property for hire, provided that any such movement, and associated loading and unloading activities, are performed beyond the boundaries of a "covered location".

**TT. "Underground storage tank"** means any tank and associated piping and appurtenances connected thereto which tank has more than ten percent (10%) of its volume below ground.

**"Underground storage tank"** does not mean:

1. Any flow-through process tank, including, but not limited to, a septic tank, oil/water separator, sump, or any stormwater or wastewater collection/treatment vessel or system; or
2. Any tank that is located below ground, provided that such tank is located on or above the floor of a basement of a building or on or above the floor of any shaft or tunnel.

**UU. "War"** means war, whether or not declared, civil war, martial law, insurrection, revolution, invasion, bombardment or any use of military force, usurped power or confiscation, nationalization or damage of property by any government, military or other authority.

## VI. EXCLUSIONS

This insurance shall not apply to:

### A. Asbestos

"Loss" arising out of or related to asbestos or asbestos-containing materials.

This exclusion shall not apply to:

1. "Claims" for "bodily injury" or "property damage", or any associated "legal defense expenses", arising out of asbestos or asbestos-containing materials; and
2. "First-party claims" arising out of asbestos or asbestos-containing materials discovered in soil or groundwater.

### B. Contractual Liability

"Loss" arising out of or related to liability of others assumed by any "insured" through contract or agreement, except if the liability would have attached to the "insured" in the absence of such contract or agreement.

This exclusion shall not apply to "environmental indemnity obligations".

### C. Criminal Fines and Criminal Penalties

"Loss" arising out of or related to criminal fines, criminal penalties or criminal assessments.

### D. Divested Property

"Loss" arising out of or related to a "pollution condition" on, at, under or migrating from, or "indoor environmental condition" at, any "covered location":

1. That had been sold, abandoned, or given away by any "insured", or was condemned (collectively hereinafter Divested), prior to the "policy period"; or

2. When such “pollution condition” or “indoor environmental condition” first commenced after the “covered location” had been Divested.

This exclusion shall not apply to any “pollution conditions” or “indoor environmental conditions” that first commenced, in whole or in part, prior to the effective date that any such “covered location” was Divested as identified on the Divested Properties Coverage Endorsement attached to this Policy, if any.

#### **E. Employers Liability**

“Loss” arising out of or related to “bodily injury” to:

1. Any “insured” or any employee of its parent corporation, subsidiary or affiliate:
  - a. Arising out of, or in the course of, employment by any “insured”, its parent corporation, subsidiary or affiliate; or
  - b. Performing duties related to the conduct of the business of any “insured”, its parent corporation, subsidiary or affiliate.
2. The spouse, child, parent, brother or sister of any “insured” or employee of its parent corporation, subsidiary or affiliate as a consequence of Paragraph 1., above.

This exclusion applies:

1. Whether any “insured” may be liable as an employer or in any other capacity; and
2. To any obligation to share damages with or repay someone else who must pay damages because of such “bodily injury”.

#### **F. First-Party Property Damage**

“Loss” arising out of or related to damage to real or personal property owned by, leased to, loaned to, or rented by any “insured”, or otherwise in the care, custody, or control of any “insured”.

This exclusion shall not apply to “first-party remediation costs”, “emergency response costs”, “business interruption loss” and “catastrophe management costs”.

#### **G. Fraud or Misrepresentation**

“Loss” arising out of or related to:

1. Fraudulent acts or material misrepresentations on the part of the “first named insured” made:
  - a. Within an Application to this Policy; or
  - b. During the Application or underwriting process prior to the inception date of this Policy, which would have affected the Insurer’s decision to either issue this Policy, or issue this Policy and its endorsements pursuant to the financial terms identified in the Declarations to this Policy; or
2. Fraudulent acts or material misrepresentations on the part of any “responsible person” during the “policy period”.

#### **H. Insured’s Internal Expenses**

“Loss” arising out of or related to expenses incurred by any “insured” for services performed by its salaried staff and any employees.

This exclusion shall not apply to:

1. “Emergency response costs”, along with any associated “catastrophe management costs” incurred during that same seven (7) day period; or
2. Any other costs, charges or expenses incurred with the prior approval of the Insurer at its sole discretion.

#### **I. Insured vs. Insured**

“Claims” made by any “insured” against any other “insured”.

This exclusion shall not apply to:

1. “Claims” initiated by third-parties, including cross claims, counterclaims or claims for contribution by such parties against any “insured”; or

2. "Claims" that arise out of an indemnification provided by one "insured" to another "insured" in an "environmental indemnity obligation".

#### **J. Intentional Non-Compliance**

"Loss" arising out of or related to the intentional disregard of, or knowing, willful, or deliberate non-compliance with, any law, statute, regulation, administrative complaint, notice of violation, notice letter, instruction of any governmental agency or body, or any executive, judicial or administrative order, by, or at the direction of, any "responsible person".

#### **K. Known Conditions**

"Loss" arising out of or related to "pollution conditions" or "indoor environmental conditions" in existence and reported to a "responsible person":

1. Prior to the "policy period"; or,
2. Solely with respect to "covered locations" added to this Policy during the period of time specifically identified in Item 2. of the Declarations to the Policy, if any, prior to the effective date of coverage for such "covered location",

and not affirmatively disclosed to the Insurer in an Application or supplemental underwriting materials provided to the Insurer to secure coverage for such "covered location" pursuant to this Policy.

#### **L. Lead-Based Paint**

"Loss" arising out of or related to lead-based paint.

This exclusion shall not apply to:

1. "Claims" for "bodily injury" or "property damage", and any associated "legal defense expenses", arising out of lead-based paint; and
2. "First-party claims" arising out of lead-based paint discovered in soil or groundwater.

#### **M. Material Change in Risk**

"Loss" arising out of or related to a change in the use or operations at a "covered location" that materially increases the likelihood or severity of a "pollution condition", "indoor environmental condition", "claim" or "first-party claim" from the intended uses or operations identified:

1. By the "first named insured" for the Insurer in an Application or supplemental underwriting materials provided prior to the effective date of coverage for such "covered location", if any; or
2. Solely with respect to "covered locations" added to the Policy pursuant to an Automatic Acquisition and Due Diligence Endorsement attached to this Policy, if any, as part of the due diligence materials and supplemental underwriting materials provided to the Insurer as part of the notice required pursuant to that endorsement, if any.

This exclusion shall only apply to the "covered location" associated with the change in use or operations and shall not limit coverage for other "covered locations" to which this insurance applies.

#### **N. Non-Owned Disposal Sites**

"Loss" arising out of or related to "pollution conditions" on, at, under or migrating from any treatment, storage, disposal, transfer or recycling site or facility that is not a "non-owned disposal site".

#### **O. Products Liability**

"Loss" arising out of or related to any goods or products manufactured, sold, or distributed by any "insured" once possession of such goods or products have been transferred from the "insured".

This exclusion shall not apply to any coverage afforded pursuant to this Policy for a "pollution condition" that first commences during "transportation".

#### **P. Underground Storage Tanks**

"Loss" arising out of or related to "pollution conditions" emanating from an "underground storage tank" located at a "covered location", when the existence of such "underground storage tank" was known to a "responsible person":

1. Prior to the "policy period"; or,
2. Solely with respect to "underground storage tanks" situated at "covered locations" added to this Policy during the "policy period", prior to the effective date of coverage for such "covered location".

This exclusion shall not apply to any “underground storage tank” that:

1. Is identified on the Schedule of Underground Storage Tanks Endorsement or Schedule of Covered Storage Tanks (Financial Responsibility) Endorsement attached to this Policy, if any; or
2. Has been removed or closed-in-place prior to the inception date of this Policy and such removal or closure was conducted in accordance with “environmental law”.

#### **Q. Vehicle Damage**

“Claims” or associated “legal defense expense” for “property damage” to any automobile, aircraft, watercraft, railcar or other conveyance utilized for “transportation”.

#### **R. War or Terrorism**

“Loss” arising out of or related to “pollution conditions” or “indoor environmental condition” attributable, whether directly or indirectly, to any acts that involve, or that involve preparation for, “war” or “terrorism” regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

#### **S. Workers’ Compensation**

“Loss” arising out of or related to any obligation of any “insured” pursuant to the Jones Act or any workers’ compensation, unemployment compensation, or disability benefits law or related laws.

### **VII. REPORTING AND COOPERATION**

**A.** Without limiting the specific requirements contained in any Insuring Agreement or any other exposure-specific reporting requirements contained within this Policy, the “insured” shall also see to it that the Insurer receives notice of any “claim” or “first-party claim”, as soon as practicable, by one or more of the following:

1. Provide written notice to the address, fax number, or email address identified in Item **8.a.** of the Declarations to this Policy; or
2. Provide verbal or electronic notice utilizing the **ACE ALERT<sup>sm</sup> 24-hour Emergency Response and Incident Reporting System** by calling the telephone number identified in Item **8.** of the Declarations to this Policy or by using the associated telephone web application, respectively.

Such notice should include reasonably detailed information as to:

1. The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “first-party claim”;
2. The identity of the “covered location”;
3. The nature of the “claim” or “first-party claim”; and
4. Any steps undertaken by the “insured” to respond to the “claim” or “first-party claim”.

**B.** The “insured” must:

1. As soon as practicable, send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;
2. Authorize the Insurer to obtain records and other information;
3. Cooperate with the Insurer in the investigation, settlement or defense of the “claim”;
4. Assist the Insurer, upon the Insurer’s request, in the enforcement of any right against any person or organization which may be liable to the “insured” because of “loss” to which this Policy may apply; and
5. Provide the Insurer with such information and cooperation as it may reasonably require.

**C.** No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim”, without the written consent of the Insurer. Nor shall any “insured” retain any consultants or “catastrophe management firms”, or incur any “first-party remediation costs” or “catastrophe management costs” with respect to a “first-party claim”, without the prior consent of the Insurer, except for “emergency response costs”.

**D.** Upon the discovery of a “pollution condition” or “indoor environmental condition”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental law”. The Insurer shall have the right, but not the duty, to mitigate such “pollution conditions” or “indoor environmental condition” if, in the sole judgment of



the Insurer, the “insured” fails to take reasonable steps to do so. In that event, any “remediation costs” or “catastrophe management costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the “self-insured retention” and Limits of Liability identified in the Declarations to this Policy.

For the purposes of fulfilling the notice requirements contained in the Insuring Agreements to this Policy, notice supplied pursuant to one or more of the verbal or electronic notice mechanisms specifically contemplated in Subsection **A.**, above, or on the Declarations, shall constitute written notice to the Insurer.

## VIII. EXTENDED REPORTING PERIOD

- A.** Provided the “first named insured” has not purchased any other insurance to replace this Policy, the “first named insured” shall be entitled to a basic “extended reporting period”, and may purchase an optional supplemental “extended reporting period”, following Cancellation, as described in Subsection **A.**, Paragraph **1.** of Section **IX.**, **GENERAL CONDITIONS**, or nonrenewal of this Policy, in accordance with the terms and conditions described in Subsections **B.** through **D.**, below.
- B.** “Extended reporting periods” shall not reinstate or increase any of the Limits of Liability. “Extended reporting periods” shall not extend the “policy period” or change the scope of coverage provided. A “claim” first made against an “insured” and reported to the Insurer within the basic “extended reporting period” or supplemental “extended reporting period”, whichever is applicable, shall be deemed to have been made and reported on the last day of the “policy period”. In addition, if an “insured” first discovers a “pollution condition” or “indoor environmental condition” and reports such “first-party claim” to the Insurer within the basic “extended reporting period” or supplemental “extended reporting period”, whichever is applicable, then such “first-party claim” shall also be deemed to have been first discovered and reported on the last day of the “policy period”.
- C.** The “first named insured” shall have a ninety (90) day basic “extended reporting period” without additional charge.
- D.** The “first named insured” shall also be entitled to purchase a supplemental “extended reporting period” of up to thirty-three (33) months for not more than two hundred percent (200%) of the full premium identified in Item **6.** of the Declarations to this Policy, and any additional premiums resulting from coverage added during the “policy period”. Such supplemental “extended reporting period” starts when the basic “extended reporting period” ends. The Insurer shall issue an endorsement providing a supplemental “extended reporting period” provided that the “first named insured”:
  - 1.** Makes a written request, to the address identified in Item **8.b.** of the Declarations to this Policy, for such endorsement which the Insurer receives prior to the expiration of the “policy period”; and
  - 2.** Pays the additional premium when due. If that additional premium is paid when due, the supplemental “extended reporting period” may not be cancelled, provided that all other terms and conditions of the Policy are met.

## IX. GENERAL CONDITIONS

### A. Cancellation

- 1.** This Policy may be cancelled only by the “first named insured”, or through the “first named insured’s” agent, by mailing to the Insurer at the address identified in Item **8.b.** of the Declarations to this Policy, written notice stating when such cancellation shall be effective.
- 2.** This Policy may be cancelled by the Insurer for the following reasons:
  - a.** Non-payment of premium; or
  - b.** Fraud or material misrepresentation on the part of any “insured”,

by mailing to the “first named insured” at the “first named insured’s” last known address, written notice stating when, not less than sixty (60) days thereafter, fifteen (15) days if cancellation is for non-payment of any unpaid portion of the premium, such cancellation shall be effective. The mailing of notice shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall be the end of the “policy period”.

Subparagraph **2.b.**, herein, shall apply only to that “insured” that engages in the fraud or misrepresentation. This exception shall not apply to any “insured” that is a parent corporation, subsidiary, employer of, or otherwise affiliated by ownership with, such “insured”.



3. In the event of cancellation, the premium percentage identified in Item 6. of the Declarations to this Policy shall be the minimum-earned premium upon the inception date of this Policy. Thereafter, the remaining unearned premium, if any, shall be deemed earned by the Insurer on a *pro rata* basis over the remainder of the "policy period". Any unearned premium amounts due the "first named insured" upon cancellation of this Policy shall be calculated on a *pro rata* basis and refunded within thirty (30) days of the effective date of cancellation.

#### **B. Inspection and Audit**

To the extent of the "insured's" ability to provide such access, and with reasonable notice to the "insured", the Insurer shall be permitted, but not obligated, to inspect and sample the "covered locations". The "insured" shall have the concurrent right to collect split samples. Neither the Insurer's right to make inspections, the making of said inspections, nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the "insured" or others, to determine or warrant that such property or operations are safe or in compliance with "environmental law", or any other law.

The Insurer may examine and audit the "insured's" books and records during this "policy period" and extensions thereof and within three (3) years after the final termination of this Policy.

#### **C. Legal Action Against the Insurer**

No person or organization other than an "insured" has a right pursuant to this Policy:

1. To join the Insurer as a party or otherwise bring the Insurer into a suit against any "insured"; or
2. To sue the Insurer in connection with this insurance unless all of the Policy terms have been fully complied with.

A person or organization may sue the Insurer to recover after an agreed settlement or on a final judgment against an "insured". However, the Insurer shall not be liable for amounts that are not payable pursuant to the terms of this Policy or that are in excess of the applicable Limit of Liability. An agreed settlement means a settlement and release of liability signed by the Insurer, the "insured", and the claimant or the claimant's legal representative.

#### **D. Bankruptcy**

The insolvency or bankruptcy of any "insured", or any "insured's" estate, shall not relieve the Insurer of its obligations pursuant to this Policy. However, any such insolvency or bankruptcy of the "insured", or the "insured's" estate, shall not relieve the "insured" of its "self-insured retention" or deductible period obligations pursuant to this Policy. This insurance shall not replace any other insurance to which this Policy is excess, nor shall this Policy drop down to be primary, in the event of the insolvency or bankruptcy of any underlying insurer.

#### **E. Subrogation**

In the event of any payment pursuant to this Policy by the Insurer, the Insurer shall be subrogated to all of the rights of recovery against any person or organization, and the "insured" shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. All "insureds" shall do nothing to prejudice such rights. Any recovery as a result of subrogation proceedings arising pursuant to this Policy shall accrue first to the "insureds" to the extent of any payments in excess of the limit of coverage; then to the Insurer to the extent of its payment pursuant to the Policy; and then to the "insured" to the extent of the "self-insured retention". Expenses incurred in such subrogation proceedings shall be apportioned among the interested parties in the recovery in the proportion that each interested party's share in the recovery bears to the total recovery.

#### **F. Representations**

By accepting this Policy, the "first named insured" agrees that:

1. The statements in the Declarations, schedules and endorsements to, and Application for, this Policy are accurate and complete;
2. Those statements and representations constitute warranties that the "first named insured" made to the Insurer; and
3. This Policy has been issued in reliance upon the "first named insured's" warranties.

#### **G. Separation of Insureds**

Except with respect to the Limits of Liability, Cancellation condition 2.a., and any applicable exclusions, this Policy applies:

1. As if each "named insured" were the only "insured"; and

2. Separately to each “named insured” against whom a “claim” is made,

and any fraud, misrepresentation, breach of a condition or violation of any duty (hereinafter Breach) by an “insured” shall not prejudice coverage for any “named insured” pursuant to this Policy, provided that: **1)** such “named insured” did not participate in, know of or assist in such Breach; and **2)** such “named insured” is not a parent, subsidiary, partner, member, director, officer of, employer of or otherwise affiliated with, the “insured” that committed such Breach.

#### **H. Other Insurance**

If other valid and collectible insurance is available to any “insured” covering “loss” also covered by this Policy, other than a policy that is specifically written to apply in excess of this Policy, the insurance afforded by this Policy shall apply in excess of and shall not contribute with such other insurance.

#### **I. Changes and Assignment**

Notice to or knowledge possessed by any person shall not effect waiver or change in any part of this Policy or estop the Insurer from asserting any right pursuant to the terms of this Policy. The terms, definitions, conditions, exclusions and limitations of this Policy shall not be waived or changed, and no assignment of any interest in this Policy shall bind the Insurer, except as provided by endorsement and attached to this Policy.

#### **J. Headings**

The descriptions in the headings and sub-headings of this Policy are inserted solely for convenience and do not constitute any part of the terms or conditions hereof.

#### **K. Consent**

Where the consent of the Insurer, or an “insured”, is required pursuant to this Policy, such consent shall not be unreasonably withheld, delayed, conditioned, or denied.

## SCHEDULE OF NAMED INSUREDS ENDORSEMENT

Named Insured <b>California State University Risk Management Authority</b>			Endorsement Number <b>1</b>
Policy Symbol <b>PPL</b>	Policy Number <b>G2716822A 003</b>	Policy Period <b>07/01/2015 to 07/01/2016</b>	Effective Date of Endorsement <b>07/01/2015</b>
Issued By (Name of Insurance Company) <b>Illinois Union Insurance Company</b>			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

The “insured” and the Insurer hereby agree to the following changes to this Policy:

The persons or entities identified in the Schedule of Named Insureds, below, are “named insureds” pursuant to this Policy.

#### Schedule of Named Insureds

1. The California State University
2. The State of CA as respects to the Trustees of the California state University
3. California State University, Bakersfield, Auxiliary for Sponsored Programs Administration
4. Humboldt State University
5. California State University, Long Beach
6. California State University, Los Angeles
7. California Maritime Academy
8. California State University, Monterey Bay
9. California State Polytechnic University, Pomona
10. California State University, Sacramento
11. California State University, San Bernardino
12. San Diego State University
13. San Francisco University
14. San Jose University
15. California Polytechnic State University, San Luis Obispo
16. California State University, San Marcos
17. Sonoma State University
18. California State University, Stanislaus
19. Associated Students Inc., California State University, Bakersfield
20. California State University, Bakersfield Foundation
21. Student Union, Inc., California State University, Bakersfield
22. California State University Foundation
23. California State University Institute

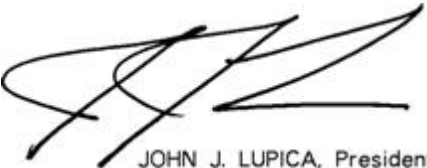
24. Associated Students, Inc., CSU Channel Islands
25. California State University Channel Islands Foundation
26. University Glen Corporation, CSU Channel Islands
27. Associated Students of California State University, Chico
28. The University Foundation, California State University, Chico
29. The CSU, Chico Research Foundation
30. Auxiliary Organization Associations c/o CSU Chico Research Foundation
31. Associated Students Incorporated, California State University, Dominguez Hills
32. Donald P. and Katherine B. Loker University Student Union, Incorporation, California State University, Dominguez Hills
33. California State University, Dominguez Hills Foundation
34. Associated Students, Inc., California State University, East Bay
35. California State University, East Bay Foundation, Inc.
36. Associated Students Inc., CSU Fresno
37. California State University, Fresno Association
38. CSU Fresno Courtyard
39. CSU Fresno Foundation
40. Fresno State Programs for Children
41. The Agricultural Foundation of CSU Fresno
42. The Athletic Corporation, CSU Fresno
43. Associated Students, California State University, Fullerton, Inc.
44. Cal State Fullerton Auxiliary Services Corporation
45. Cal State Fullerton Philanthropic Foundation
46. CSU Fullerton Housing Authority
47. Associated Students of Humboldt State University
48. Humboldt State University Advancement Foundation
49. Humboldt State University Sponsored Programs Foundation
50. University Center, Humboldt State University
51. Associated Students Inc., CSU Long Beach
52. CSULB Foundation
53. Forty-Niner Shops, Inc. CSU Long Beach
54. CSULB 49er Foundation
55. Associated Students Inc., CSU Los Angeles
56. Cal State L.A. University Auxiliary Services, Inc.
57. California State University, Los Angeles Foundation
58. University Student Union, CSU Los Angeles
59. Associated Students Inc., California Maritime Academy
60. California Maritime Academy Foundation
61. Foundation of California State University Monterey Bay

62. The University Corporation at Monterey Bay
63. Associated Students Inc., CSU Northridge
64. CSU Northridge Foundation
65. North Campus Park Development Corporation
66. The University Corporation, CSU Northridge
67. University Student Union, CSU Northridge
68. Associated Students Inc., Cal Poly Pomona
69. Cal Poly Pomona Foundation
70. Cal Poly Pomona Educational Trust
71. Associated Students Inc., CSU Sacramento
72. Capital Public Radio, CSU Sacramento
73. The University Foundation at Sacramento State
74. University Enterprises Development Group, CSU Sacramento
75. University Enterprises, Inc., CSU Sacramento
76. University Union, CSU Sacramento
77. Associated Students Inc., CSU San Bernardino
78. University Enterprises Corporation at CSUSB
79. Santos Manual Student Union, CSU San Bernardino
80. CSUSB Philanthropic Foundation
81. Associated Students of San Diego State University
82. Aztec Shops, LTD, San Diego State University
83. San Diego State University Research Foundation
84. Associated Students Inc., San Francisco State University
85. Franciscan Shops, San Francisco State University
86. San Francisco State University Foundation
87. Cesar Chavez Student Center, San Francisco State University
88. The University Corporation, San Francisco State
89. Associated Student Inc., San Jose State University
90. San Jose State University Research Foundation
91. Spartan Shops, Inc., San Jose State University
92. Student Union of San Jose State University
93. The Tower Foundation, San Jose State University
94. Associated Students Inc., Cal Poly San Luis Obispo
95. Cal Poly Corporation
96. California Polytechnic State University Foundation
97. Cal Poly Housing Corporation
98. Associated Students Inc, CSU San Marcos
99. Cal State San Marcos Foundation
100. The University Corporation of CSU San Marcos
101. University Auxiliary & Research Services Corporation at Cal

State University San Marcos

- 102.** Associated Students Inc., Sonoma State University
- 103.** Sonoma State Enterprises
- 104.** Sonoma State University Academic Foundation
- 105.** Sonoma Student Union Corporation
- 106.** Associated Students Incorporated, California State University, Stanislaus
- 107.** CSU Stanislaus Auxiliary & Business Services
- 108.** CSU Stanislaus Foundation
- 109.** University Student Union of CSU Stanislaus

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President

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Authorized Representative

## AUTOMATIC ACQUISITION AND DUE DILIGENCE (NO LEASE DUE DILIGENCE) ENDORSEMENT

Named Insured California State University Risk Management Authority			Endorsement Number 2
Policy Symbol PPL	Policy Number G2716822A 003	Policy Period 07/01/2015 to 07/01/2016	Effective Date of Endorsement 07/01/2015
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

The “insured” and the Insurer hereby agree to the following changes to this Policy:

Section **IX., GENERAL CONDITIONS**, of this Policy is hereby amended by addition of the following:

#### **Automatic Acquisition and Due Diligence**

1. It is understood and agreed that, for an additional premium amount, any property acquired or leased by a “named insured” during the “policy period” shall be added to the Policy as a “covered location” upon the closing date of such acquisition or the effective date of such lease, respectively; provided that the Insurer receives written notice of the property acquisition or lease within ninety (90 ) days of the closing of such acquisition or the effective date of such lease, respectively, and, with respect to property acquisitions, only, the “named insured” completes the following environmental due diligence assessment of the property prior to such acquisition:
  - a. The “named insured” commissions and receives a Phase I Environmental Site Assessment report on the property that is performed by a qualified environmental consultant in accordance with the ASTM Standard for Environmental Site Assessments: Phase I Environmental Site Assessment Process in effect as of the inception of this Policy; or
  - b. The “named insured” receives a Phase I Environmental Site Assessment report on the property that has been conducted by a qualified environmental consultant for a third-party, provided that the assessment and related report are prepared in accordance with the ASTM Standard for Environmental Site Assessments: Phase I Environmental Site Assessment Process in effect as of the inception of this Policy, and that the consultant responsible for the reports has provided the “named insured” with written confirmation that the “named insured”, as applicable, is entitled to rely on the conclusions of the reports as if the assessment had been performed on its behalf.
2. If the Phase I Environmental Site Assessment does not identify any Recognized Environmental Conditions, as defined by the ASTM Standard for Environmental Site Assessments: Phase I Environmental Site Assessment Process in effect as of the inception of this Policy (hereinafter RECs), the property shall automatically be added to the Policy as an additional “covered location” effective on the date the “named insured” acquired the property.
3. If the Phase I Environmental Site Assessment identifies any RECs, then, before the property may be added to the Policy as a “covered location”, the “named insured” must complete a Phase II Environmental Site Assessment. Thereafter, the Insurer shall have thirty (30) days to review and approve the Phase II Environmental Assessment report. Said approval shall not be unreasonably withheld, but the Insurer reserves the right to limit coverage with respect to any RECs identified at the property, and any “pollution conditions” or “indoor environmental conditions” identified during further investigation of such RECs. Upon such approval, the



Insurer shall provide a written endorsement to the "first named insured" confirming the effective date that the property has been added to the Policy as an additional "covered location", and describing the extent of the coverage being afforded with respect to the RECs and associated "pollution conditions" or "indoor environmental conditions" identified at the property.

4. Any property first leased during the "policy period" by the "first named insured", or any "named insured" that is affiliated by ownership with the "first named insured", shall also automatically be added to the Policy as a "covered location" upon the effective date of any such lease. However, no coverage shall be afforded pursuant to this Policy for "pollution conditions" on, at, under or migrating from, or "indoor environmental conditions" at, such "covered location", which first commenced, in whole or in part, prior to the effective date of such lease agreement.
5. Additional premium for "covered locations" added to this Policy pursuant to Paragraphs 1. through 4., above, shall be calculated using the following rates:

**Additional Premium Schedule**

Acquired Property Type	Additional Premium
Educational facilities and office spaces	\$ (subject to a minimum premium of \$0.0013 per sq ft )

In the event a property of a type not described in the Additional Premium Schedule, above, is acquired or leased by a "named insured", the terms and conditions of this Subsection shall not apply.

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President  
Authorized Representative

## INDOOR ENVIRONMENTAL CONDITIONS LIMITATIONS ENDORSEMENT

Named Insured California State University Risk Management Authority			Endorsement Number 3
Policy Symbol PPL	Policy Number G2716822A 003	Policy Period 07/01/2015 to 07/01/2016	Effective Date of Endorsement 07/01/2015
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

Solely to the extent that there is an X indicated in Sections I., II. and/or III. of this Endorsement, below, the "insured" and the Insurer hereby agree to the following changes to this Policy:

**I.  Sublimits of Liability**

**Per Indoor Environmental Condition Sublimit of Liability: \$ 2,500,000**

**Aggregate Indoor Environmental Conditions Sublimit of Liability: \$ 2,500,000**

The amount that the Insurer shall pay pursuant to this Policy for "loss" arising out of or related to "indoor environmental conditions" is subject to the Per Indoor Environmental Condition Sublimit of Liability and Aggregate Indoor Environmental Conditions Sublimit of Liability identified above. Therefore, the Per Indoor Environmental Condition Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all "loss" arising out of or related to the same, continuous, repeated, or related "indoor environmental condition" to which this insurance applies. Moreover, the Aggregate Indoor Environmental Conditions Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all "loss" arising out of or related to all "indoor environmental conditions" to which this insurance applies. These Sublimits of Liability are subject to, and payments made within these Sublimits of Liability shall erode, the Limits of Liability identified in Item 3. of the Declarations to this Policy, along with any other applicable exposure-specific Limits or Sublimits of Liability added by endorsement hereto. Under no circumstance shall the Insurer be liable to pay any amount in excess of any applicable Limit or Sublimit of Liability.

**II.  Exclusion**

Section VI., **EXCLUSIONS**, of this Policy is hereby amended by addition of the following:

**Indoor Environmental Conditions**

"Loss" arising out of or related to "indoor environmental conditions".

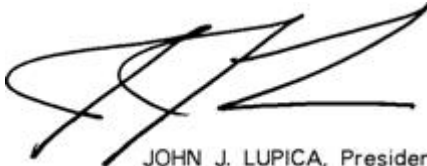
**III.  Location-Specific Endorsement Application**

The modifications identified in Sections I. and II. of this Endorsement only apply to "indoor environmental conditions" at the "covered locations" specifically identified in the Schedule of Covered Locations, below:

**Schedule of Covered Locations**

1.

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President

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Authorized Representative

**NOTICE OF CANCELLATION AMENDATORY (GENERIC TIME FRAME) ENDORSEMENT**

Named Insured California State University Risk Management Authority			Endorsement Number 4
Policy Symbol PPL	Policy Number G2716822A 003	Policy Period 07/01/2015 to 07/01/2016	Effective Date of Endorsement 07/01/2015
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

The “insured” and the Insurer hereby agree to the following changes to this Policy:

Section **IX.**, **GENERAL CONDITIONS**, Subsection **A.**, **Cancellation**, Paragraph **2.**, of this Policy is hereby deleted in its entirety and replaced with the following:

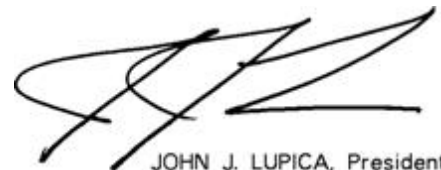
2. This Policy may be cancelled by the Insurer for the following reasons:

- a. Non-payment of premium; or
- b. Fraud or material misrepresentation on the part of any “insured”,

by mailing to the “first named insured” at the “first named insured’s” last known address, written notice stating when, not less than ninety (90 ) days thereafter, fifteen (15) days if cancellation is for non-payment of any unpaid portion of the premium, such cancellation shall be effective. The mailing of notice shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall be the end of the “policy period”.

Subparagraph **2.b.**, herein, shall apply only to that “insured” that engages in the fraud or misrepresentation. This exception shall not apply to any “insured” who is a parent corporation, subsidiary, employer of, or otherwise affiliated by ownership with, such “insured”.

All other terms and conditions of the Policy remain unchanged.



JOHN J. LUPICA, President  
Authorized Representative

## PUBLIC ENTITY COVERAGE AMENDATORY ENDORSEMENT

Named Insured California State University Risk Management Authority			Endorsement Number 5
Policy Symbol PPL	Policy Number G2716822A 003	Policy Period 07/01/2015 to 07/01/2016	Effective Date of Endorsement 07/01/2015
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

The “insureds” and the Insurer hereby agree to the following changes to this Policy:

- I. Section I., **INSURING AGREEMENTS**, of this Policy is hereby amended by addition of the following:

#### SUPPLEMENTAL COVERAGE - COVERED OPERATIONS

“Claims” and “first-party claims” arising out of a “pollution condition” or “indoor environmental condition” resulting from “covered operations”, provided the “claim” is first made, or the “insured” first discovers such “pollution condition” or “indoor environmental condition”, during the “policy period”. Any such “claim” or “first-party claim” must be reported to the Insurer, in writing, during the “policy period” or within thirty (30) days after the expiration of the “policy period”, or during any applicable “extended reporting period”.

The coverage afforded pursuant to this Supplemental Coverage shall only apply to “pollution conditions” or “indoor environmental conditions” that first commence, in their entirety, on or after the Retroactive Date identified below and prior to the expiration of the “policy period”.

Retroactive Date: 07/01/2011

- II. Solely with respect to the coverage afforded pursuant to the Supplemental Coverage in this Endorsement, the following additional provisions apply:

#### Limits of Liability and Self-Insured Retention

**Per Operations Condition Sublimit of Liability: \$ 5,000,000**

**Aggregate Operations Conditions Sublimit of Liability: \$ 5,000,000**

The amount that the Insurer shall pay pursuant to this Policy for “loss” for coverage afforded pursuant to this Endorsement shall be subject to the Per Operations Condition Sublimit of Liability and Aggregate Operations Conditions Sublimit of Liability identified above. Therefore, the Per Operations Condition Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all “loss” arising out of or related to the same, continuous, repeated, or related “pollution condition” or “indoor environmental condition” resulting from “covered operations” to which this insurance applies. Moreover, the Aggregate Operations Conditions Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all “loss” arising out of or related to all “pollution conditions” and “indoor environmental conditions” resulting from “covered operations” to which this insurance applies. These Sublimits of Liability are subject to, and payments made within these Sublimits of Liability shall erode, the Limits of Liability identified in Item 3. of the Declarations to this Policy, along with any other applicable exposure-specific Limits or Sublimits of Liability added by endorsement hereto. Under no circumstance shall the Insurer be liable to pay any amount in excess of any applicable Limit or Sublimit of Liability.

**Per Operations Condition Self-insured Retention: \$ 100,000**

Notwithstanding anything identified in Item 4. of the Declarations to this Policy that might be construed to the contrary, the Per Operations Condition Self-Insured Retention, above, shall be the “self-insured retention” applicable to any coverage provided pursuant to this Policy for each “pollution condition” or “indoor environmental condition” resulting from “covered operations” to which this insurance applies.

III. Solely with respect to the coverage afforded pursuant to this Supplemental Coverage, Section VI., **EXCLUSIONS**, Section V., **DEFINITIONS**, Subsections M. and CC., of this Policy are hereby deleted in their entirety and replaced with the following:

M. “**Emergency response costs**” means “first-party remediation costs” incurred within seven (7) days following the discovery of a “pollution condition” or “indoor environmental condition” by a “responsible person” in order to abate or respond to an imminent and substantial threat to human health or the environment arising out of:

1. A “pollution condition” or “indoor environmental condition” on, at, under or migrating from a “covered location”;
2. A “pollution condition” or “indoor environmental condition” resulting from “covered operations”;  
or
3. A “pollution condition” resulting from “transportation”,

provided such “emergency response costs” are reported to the Insurer within fourteen (14) days of when that “responsible person” first became aware of such “pollution condition” or “indoor environmental condition”.

CC. “**Loss**” means:

1. A monetary judgment, award or settlement of compensatory damages arising from “bodily injury”, “property damage” or “remediation costs”, including associated punitive, exemplary or multiplied damages, and civil fines, penalties and assessments, but solely to the extent that the punitive, exemplary or multiplied damages, and civil fines, penalties and assessments:
  - a. Are Insurable under applicable law; and
  - b. Arise out of a “pollution condition” or “indoor environmental condition” that results in “bodily injury”, “property damage” or “first-party remediation costs” to which this insurance otherwise applies;
2. “legal defense expense”;
3. “Emergency response costs”; and
4. “Catastrophe management costs”.

IV. Section V., **DEFINITIONS**, of this Policy is hereby amended by addition of the following:

“**Covered operations**” means any operations specifically identified in the Application and any supporting documentation provided to the Insurer by the “first named insured” prior to the inception date identified in Item 2. of the Declarations to this Policy, which are performed by or on behalf of a “named insured” outside of the physical boundaries of a “covered location”.

“**Covered operations**” does not mean “transportation”.

V. Section V., **DEFINITIONS**, Subsections Z., OO. and SS., of this Policy are hereby deleted in their entirety and replaced with the following:

Z. “**Insured**” means the “first named insured”, any “named insured”, any “additional insured” and any of the following:

1. If any “named insured” pursuant to this Policy is a Public Entity, the following entities are additional “insureds”:

- a. A governmental agency or subdivision, department, municipal body, commission or board, or a not-for profit corporation which is owned or controlled by any “named insured”;
  - b. An individual while acting in the capacity as a director of, officer of, trustee of, employee of, temporary or leased worker of, or staff member of, any “named insured”;
  - c. A volunteer, but solely while acting within the scope of such duties and at the direction of any “named insured”;
  - d. A paramedic or emergency technician, but solely while acting within the course and scope of employment or while acting as a volunteer pursuant to the direction of any “named insured”;
  - e. An elective or appointive officer or a member of any such commission, board or agency of any “named insured” but solely while acting within the scope of duties as such; or
  - f. A joint venture or partnership, including a mutual assistance pact, joint powers agreement or similar association, but only with respect to the conduct of the business of any “named Insured” on behalf of that entity or association and only to the extent of such “named insured’s” participation or interest in that entity or association.
2. If the “named insured” is an Educational Entity, the following persons or entities are additional “insureds”, individually and collectively, when acting solely within the scope of their duties, office, or employment for, and pursuant to the supervision of, any “named insured”:
- a. Members of the School Board;
  - b. Officers;
  - c. Employees;
  - d. Temporary or Leased Workers;
  - e. Authorized individual volunteers; or
  - f. Student Body Organizations pursuant to the jurisdiction of the governing board, but only while pursuant to the supervision required by the governing board.

**OO. “Responsible person”** means any employee of an “insured” responsible for environmental affairs, control, or compliance at a “covered location”, or any “key executive” of, officer or director of, partner in, or elected official of, an “insured”.

**SS. “Transportation”** means:

- 1. The movement of an “insured’s” waste, materials, goods or products to or from a “covered location” by automobile, aircraft, watercraft, railcar or other conveyance, including any associated loading or unloading thereof, by an “insured”, or any third-party vendor engaged by an “insured” in the business of transporting property for hire, provided that any such movement, and associated loading and unloading activities, are performed beyond the boundaries of a “covered location”; and
- 2. Automobile livery services conducted by or on behalf of an “insured”.

**VI. Solely with respect to the coverage afforded pursuant to the Supplemental Coverage in this Endorsement, Section VI., EXCLUSIONS, Subsections N., Material Change in Risk, and O., Products Liability, of this Policy are hereby deleted in their entirety and replaced with the following:**

**N. Material Change in Risk**

“Loss” arising out of or related to a change in “covered operations” that materially increases the likelihood or severity of a “pollution condition”, “indoor environmental condition”, “claim” or “first-party claim” from the operations identified by the “first named insured” for the Insurer an



Application or supplemental underwriting materials provided prior to the effective date of coverage for such “covered operations”, if any.

This exclusion shall only apply to the changed operations and shall not limit coverage for other “covered operations” to which this insurance applies.

#### **O. Products Liability**

“Loss” arising out of or related to any goods or products manufactured, sold, or distributed by any “insured” once possession of such goods or products have been transferred from the “insured”.

This exclusion shall not apply to:

1. Any coverage afforded pursuant to this Policy for a “pollution condition” that first commences during “transportation”; or
2. “Claims” otherwise covered pursuant to the Supplemental Coverage – Covered Operations, which result from “pollution conditions” directly related to the sale or distribution of reclaimed or recycled water processed at any “covered location” that is also a wastewater treatment plant, if applicable.

**VII. Section VI., EXCLUSIONS**, of this Policy is hereby amended by addition of the following:

#### **Failure to Follow Asbestos and/or Lead-Based Paint Management Plans**

“Loss” arising out of or related to the presence of lead-based paint, asbestos or asbestos containing material and an “insured’s” failure to properly maintain or manage any building or structure situated on the “covered locations”, or any system, fixture or personal property contained therein, in conformance with the asbestos management plans and lead-based paint management plans provided to the Insurer prior to the inception date identified in Item 2. of the Declarations to this Policy, or any asbestos management plans and lead-based paint management plans approved, in writing, by the Insurer during the “policy period”.

#### **Failure to Follow Fungi and/or Legionella Management Plans**

“Loss” arising out of or related to an “indoor environmental condition” and an “insured’s” failure to properly maintain or manage any building or structure situated on the “covered locations”, or any system, fixture or personal property contained therein, in conformance with the water intrusion plans, and “fungi” or *legionella pneumophila* management plans, provided to the Insurer prior to the inception date identified in Item 2. of the Declarations to this Policy, or any water intrusion plans, and “fungi” or *legionella pneumophila* management plans, approved, in writing, by the Insurer during the “policy period”.

#### **Landfills or Recycling Facilities**

“Loss” arising out of or related to “pollution conditions” on, at or under any Landfills or Recycling Facilities that are now, or have been at any time been, leased, owned or operated by an “insured”.

This exclusion shall not apply to “claims” for “bodily injury” or “property damage” arising out of “pollution conditions” allegedly migrating from Landfills or Recycling Facilities that are specifically scheduled as “covered locations” pursuant to an endorsement attached to this Policy.

#### **Professional Liability**

“Loss” arising out of or related to the rendering of or failure to render professional services, including, but not limited to, recommendations, opinions, and strategies rendered for architectural, consulting, design and engineering work, such as drawings, designs, maps, reports, surveys, change orders, plan specifications, assessment work, remedy selection, site maintenance, equipment selection, and related construction management, supervisory, inspection or engineering services.

### **Regulatory Compliance**

“Loss” arising out of or related to an “insured’s” failure to comply with applicable Federal, state, or local regulations governing compliance with respect to any a covered “underground storage tank”.

This exclusion shall not apply to any such non-compliance that occurs subsequent to release from a covered “underground storage tank”.

### **Work Product**

“Loss” arising out of or related to work or operations performed by you or on your behalf, unless such work or operations are “covered operations”.

**VIII. Section VII., REPORTING AND COOPERATION, Subsection A., Paragraph 2.,** of this Policy is hereby deleted in its entirety and replaced with the following:

**2.** The identity of the “covered location” or a detailed description of the “covered operations”;

**IX. Section IX., GENERAL CONDITIONS, Subsection A., Cancellation, Paragraph 2.,** of this Policy is hereby amended by addition of the following:

**c.** Material change in the “covered operations” from the description identified in the Application to this Policy and supporting materials, which results in an increased likelihood of “claims”, “first-party claims”, “pollution conditions” or “indoor environmental conditions”,

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President

Authorized Representative

**SELF-INSURED RETENTION AMENDATORY (SCHEDULED COVERED LOCATIONS)  
ENDORSEMENT**

Named Insured California State University Risk Management Authority			Endorsement Number 6
Policy Symbol PPL	Policy Number G2716822A 003	Policy Period 07/01/2015 to 07/01/2016	Effective Date of Endorsement 07/01/2015
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

The “insured” and the Insurer hereby agree to the following changes to this Policy:

Notwithstanding anything identified in Item 4. of the Declarations to this Policy that might be construed to the contrary, \$ 50,000 shall be the “self-insured retention” applicable to any coverage provided pursuant to this Policy for each and every “pollution condition” on, at, under or migrating from, and each and every “indoor environmental condition” at, the “covered locations” identified in the Schedule of Covered Locations, below.

**Schedule of Covered Locations**

1. All locations associated with auxiliary services

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President

Authorized Representative

## SELF-INSURED RETENTION AMENDATORY (GENERIC) ENDORSEMENT

Named Insured California State University Risk Management Authority			Endorsement Number 7
Policy Symbol PPL	Policy Number G2716822A 003	Policy Period 07/01/2015 to 07/01/2016	Effective Date of Endorsement 07/01/2015
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

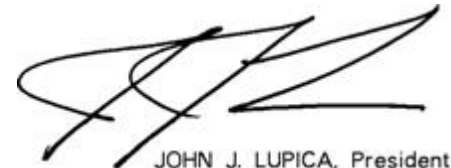
Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

The "insured" and the Insurer hereby agree to the following changes to this Policy:

Notwithstanding anything identified in Item 4. of the Declarations to this Policy that might be construed to the contrary, \$ 50,000 shall be the "self-insured retention" applicable to any coverage provided pursuant to this Policy for each and every "pollution condition" or "indoor environmental condition" arising out of covered operation .

All other terms and conditions of this Policy remain unchanged.



JOHN J. LUPICA, President  
Authorized Representative

## TERRORISM RISK INSURANCE ACT ENDORSEMENT

Named Insured California State University Risk Management Authority			Endorsement Number 8
Policy Symbol PPL	Policy Number G2716822A 003	Policy Period 07/01/2015 to 07/01/2016	Effective Date of Endorsement 07/01/2015
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

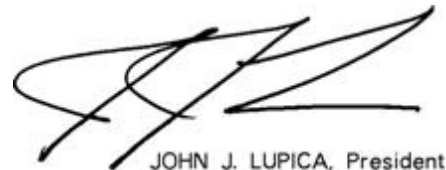
Terrorism Premium (Certified Acts of Terrorism): \$ 2,939

In consideration of the additional premium indicated above, which is included in the Premium as listed on the Declarations, the "insured" and the Insurer, hereby agree to the following Policy change(s):

- A. With respect to any "hostile acts" or "terrorism" exclusions contained in this Policy, or attached to this Policy by endorsement, such exclusions do not apply to a "certified act of terrorism", as defined in Paragraph C., below.
- B. With respect to any one or more "certified acts of terrorism", the Insurer will not pay any amounts for which the Insurer is not responsible under the terms of the federal Terrorism Risk Insurance Act ("**TRIA**"), due to the application of any clause which results in a cap on the Insurer's liability for payments for terrorism losses.
- C. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism pursuant to TRIA. The criteria contained TRIA for a "certified act of terrorism" include the following:
  - 1. The act resulted in insured losses in excess of \$5 million attributable to all types of insurance subject to TRIA; 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.
- D. Notwithstanding any coverage that may otherwise be afforded for punitive damages under this Policy, if any, coverage shall not be afforded for damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.
- E. The coverage afforded under this endorsement shall expire at the earlier of the following dates:
  - 1. The end of the "policy period", as indicated on the Declarations; or
  - 2. **December 31, 2020.**

- F. The premium for “certified acts of terrorism” coverage is calculated based in part on the federal participation in payment of terrorism losses as set forth in TRIA. The federal program established by TRIA is scheduled to terminate at the end of December 31, 2020, unless extended by the federal government.
- G. If this “policy period” extends beyond December 31, 2020, please note that the TRIA premium, above, is premised on the parties’ assumption that TRIA will later be extended through the end of the “policy period”, thereby mandating that Insurer make available coverage for “certified acts of terrorism” for the entire “policy period”. In the event that TRIA is not extended beyond December 31, 2020, or otherwise expires at some point during the “policy “period”, the Insurer will refund the unearned portion of our TRIA premium to the insured on a pro-rata basis. In the event that new TRIA extension or replacement legislation is enacted requiring the Insurer to offer coverage for terrorism that is materially different than the coverage requirements included in the current version of TRIA that expires on December 31, 2020, the Insurer reserves the right to re-price and prospectively modify terrorism coverage to conform with the statutory requirements and risks presented by any such new legislation.

All other terms and conditions of the policy remain unchanged.



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JOHN J. LUPICA, President  
Authorized Representative

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Named Insured California State University Risk Management Authority			Endorsement Number 9
Policy Symbol PPL	Policy Number G2716822A 003	Policy Period 07/01/2015 to 07/01/2016	Effective Date of Endorsement 07/01/2015
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

#### Disclosure Of Premium

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

#### 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% for year 2015, 84% beginning on January 2016; 83% beginning on January 1 2017, 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020 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 calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

#### 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 calendar year 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.

Terrorism Risk Insurance Act premium: \$ 2,939.00.



JOHN J. LUPICA, President  
Authorized Representative



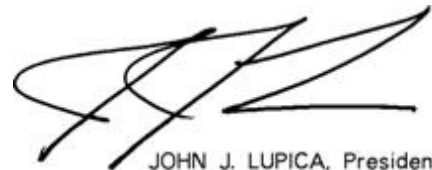
## TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

Named Insured California State University Risk Management Authority			Endorsement Number 10
Policy Symbol PPL	Policy Number G2716822A 003	Policy Period 07/01/2015 to 07/01/2016	Effective Date of Endorsement 07/01/2015
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of the policy remain unchanged.



JOHN J. LUPICA, President

Authorized Representative

## SERVICE OF SUIT ENDORSEMENT

Named Insured California State University Risk Management Authority			Endorsement Number 11
Policy Symbol PPL	Policy Number G2716822A 003	Policy Period 07/01/2015 to 07/01/2016	Effective Date of Endorsement 07/01/2015
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

Information about service of suits upon the company is given below. Service of process of suits against the company may be made upon the following person, or another person the company may designate:

Saverio Rocca, Assistant General Counsel  
ACE USA Companies  
436 Walnut Street  
Philadelphia, PA 19106-3703

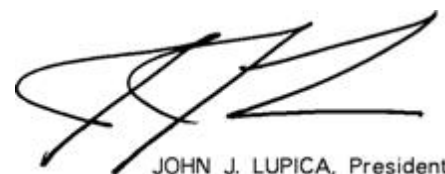
The person named above is authorized and directed to accept service of process on the company's behalf in any action, suit or proceeding instituted against the company. If the insured requests, the company will give the insured a written promise that a general appearance will be entered on the company's behalf if a suit is brought.

If the insured requests, the company will submit to the jurisdiction of any court of competent jurisdiction. The company will accept the final decision of that court or any Appellate Court in the event of an appeal.

The law of some jurisdictions of the United States of America require that the Superintendent, Commissioner or Director of Insurance (or their successor in office) be designated as the company's agent for service of process. In these jurisdictions, the company designates the Director of Insurance as the company's true and lawful attorney upon whom service of process on the company's behalf may be made. The company also authorizes the Director of Insurance to mail process received on the company's behalf to the company person named above.

If the insured is a resident of Canada, the insured may also serve suit upon the company by serving the government official designated by the law of the insured's province.

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, OR LIMITATIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED OTHER THAN AS ABOVE STATED.



JOHN J. LUPICA, President  
Authorized Representative

## SIGNATURES

Named Insured California State University Risk Management Authority			Endorsement Number 12
Policy Symbol PPL	Policy Number G2716822A 003	Policy Period 07/01/2015 to 07/01/2016	Effective Date of Endorsement 07/01/2015
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

By signing and delivering the policy to you, we state that it is a valid contract.

**ILLINOIS UNION INSURANCE COMPANY** (A stock company)  
525 W. Monroe Street, Suite 400, Chicago, Illinois 60661

**WESTCHESTER SURPLUS LINES INSURANCE COMPANY** (A stock company)  
Royal Centre Two, 11575 Great Oaks Way, Suite 200, Alpharetta, GA 30022

  
REBECCA L. COLLINS, Secretary

  
JOHN J. LUPICA, President  
Authorized Representative



- Illinois Union Insurance Company  
 Westchester Surplus Lines Insurance Company  
 -

Insured:  
California State University Risk  
Management Authority

Attached To Policy No.: PPL G2716822A 003

Effective Date: 07/01/2015

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**CALIFORNIA SURPLUS LINES NOTIFICATION  
NOTICE:**

- 1. THE INSURANCE POLICY THAT YOU (HAVE PURCHASED) (ARE APPLYING TO PURCHASE) IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEB SITE AT WWW.NAIC.ORG.**

5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
7. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.
8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, OR LIMITATIONS OF THE POLICY TO WHICH THIS NOTICE IS ATTACHED OTHER THAN AS STATED ABOVE.



## **ACE Producer Compensation Practices & Policies**

ACE believes that policyholders should have access to information about ACE's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at <http://www.aceproducercompensation.com> or by calling the following toll-free telephone number: 1-866-512-2862.

# U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

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

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

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

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

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

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





# Fidelity Crime Insurance Program

## COVERAGE SUMMARY

**INSURER:**  
Lloyd's of London

**POLICY TERM:**  
July 1, 2015 to  
July 1, 2016



**QUESTIONS:**

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**Hsan Htein**  
(415) 403-1452  
[hhtein@alliant.com](mailto:hhtein@alliant.com)

**THE PARTIES COVERED:**

All of the CSU Auxiliary Organizations who have joined the CSURMA Joint Powers Authority (the Members)

**WHAT HAS GONE WRONG:**

You have suffered a loss because of:

1. Employee dishonesty
2. Theft
3. Computer crime
4. Counterfeiting
5. Forgery
6. Faithful performance of duty for government employees

**WHAT DOES THE POLICY PAY:**

You have suffered a loss because of:

1. Direct financial loss sustained by you anywhere in the world
2. Direct financial loss sustained by another person or organization where you have responsibility for the care, custody and control of their money, securities or other property
3. Auditor's fees in order to quantify the covered loss

**LIMITS:**

\$2,000,000

**DEDUCTIBLE:**

\$5,000

**EXCLUSIONS:**

1. Fines or Penalties
2. Errors and omissions committed by you or your employees
3. Loss you discovered before the commencement of the policy period
4. Loss caused by anyone owing 10% or more of issued share capital
5. Loss caused by an employee after you are aware they have committed acts of fraud, dishonesty or criminal damages (unless the person who discovers is in collusion with employee)
6. Costs to establish value of a loss (except auditor's fees)
7. Indirect or consequential loss
8. Income or profit
9. Loss resulting from trading insecurities, commodities, etc.
10. Extortion, unless caused by Employee Dishonesty or Computer Crime

**MAJOR CONDITIONS:**

1. All checks for amounts in excess of \$15,000 must include dual check signatures
2. You must provide written notice of a loss within 45 days of discovery

*While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.*



# Fidelity Crime Insurance Program

## COVERAGE SUMMARY

### HOW TO REPORT A CLAIM:

#### Notify Alliant:

**Michelle Maffei**  
(415) 403-1418  
[mmaffei@alliant.com](mailto:mmaffei@alliant.com)

**Martin Fox-Foster**  
(415) 403-1417  
[martin.fox-foster@alliant.com](mailto:martin.fox-foster@alliant.com)

**Elaine Kim**  
(415) 403-1458  
[ekim@alliant.com](mailto:ekim@alliant.com)

#### After Hours Reporting:

**Robert Frey**  
(415) 403-1445  
(415) 518-8490 (Cell)  
[rfrey@alliant.com](mailto:rfrey@alliant.com)

*While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.*

## Risk Details

**Type:** Primary Fidelity Insurance

**Proposal Form:**

**Policyholder:** THE TRUSTEES OF CALIFORNIA STATE UNIVERSITY and various Auxiliary Organisations as per attached Schedule

**Address**

Office of the Chancellor,  
401 Golden Shore,  
5<sup>th</sup> Floor, Long Beach,  
California 90802-4210,  
United States of America

**Policy Period:** From: 1<sup>st</sup> July 2015  
To: 1<sup>st</sup> July 2016  
Both days at 12.01am, local standard time at the address shown above.

**Interest:** Fidelity Insurance

**Sum Insured:** USD20,000,000 Any One Loss, Sublimit USD2,000,000 Any One Loss in respect of Auxiliary Organisations (as per Auxiliary Schedule attached) USD40,000,000 Aggregate

**Sub Limit**

Computer Costs USD250,000

**Excess:** USD 250,000 Any One Loss in respect of The Trustees of California State University  
USD 25,000 Any One Loss/USD 100,000 Annual Aggregate in Respect of Auxiliary Organisations per attached Schedule.

Deductible to revert to expiring retentions for each Auxiliary Organisation upon erosion of USD 100,000 aggregate (as per Auxiliary Schedule attached)

**Territorial Limits:** Worldwide

**Conditions:** As per ACE Fraud Protector wording and endorsements attached.

**Notices:** LMA9029 California Surplus Lines Notice 1  
LMA9030 California Surplus Lines Notice 2

**Express Warranties:** Warranted dual Cheque signatures for amounts in excess of USD15,000, but amounts in excess of USD5,000 for the Auxiliary Organisations specified in the Schedule attaching to this Policy.

**Choice of Law  
& Jurisdiction:**

This insurance shall be governed by and construed in accordance with the laws of California.  
Each party agrees to submit to the jurisdiction of a Court of competent jurisdiction within the United States of America (as per the Service of Suit Clause (USA)) NMA1998 attached hereto.

**Premium:**

**Payment Terms:**

30 days in accordance with the LSW3000 Premium Payment Clause

**Taxes Payable  
by Insured and  
administered by  
Insurer(s):**

None

**Recording,  
Transmitting and  
Storing Information:**

Miller Insurance Services LLP will maintain risk and claim data, information and documents which may be held on paper or electronically.

**Insurer Contract  
Documentation:**

This document details the contract terms entered into by the insurer(s) and constitutes the contract document.


CALIFORNIA SURPLUS LINES NOTICE 1

NOTICE:

1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED / ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.
2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.
3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.
4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEBSITE AT [WWW.NAIC.ORG](http://WWW.NAIC.ORG).
5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: [WWW.INSURANCE.CA.GOV](http://WWW.INSURANCE.CA.GOV).
8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

LMA9029  
01 September 2013

MR CONTRACT  
ENQ/QUO : PCSUR000315

L/UWR  




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MIL

PROFESSIONAL RISKS  
UMR / POLICY No. B0621PCSUR000315

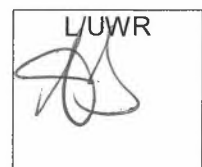
PAGE 4 OF 28

**CALIFORNIA SURPLUS LINES NOTICE 2**

This insurance is issued pursuant to the California Insurance Code, Sections 1760 through 1780, and is placed in an insurer or insurers not holding a Certificate of Authority from or regulated by the California Insurance Commissioner.

LMA9030  
01 September 2013

**MR CONTRACT**  
ENQ/QUO : PCSUR000315



**Schedule**

Policy Number: B0621PCSUR000315

<b>Item 1.</b>	<b>Policyholder</b>	<b>THE TRUSTEES OF CALIFORNIA STATE UNIVERSITY</b> and various Auxiliary Organisations as per attached Schedule (also identified in the Policy as You/Your)
	<b>Address</b>	Office of the Chancellor, 401 Golden Shore, 5 <sup>th</sup> Floor, Long Beach, California 90802-4210, United States of America
<b>Item 2.</b>	<b>Policy Period</b>	<b>From:</b> 1 <sup>st</sup> July 2015 12.01am Local Standard Time <b>To:</b> 1 <sup>st</sup> July 2016 12.01am Local Standard Time At the Address above
<b>Item 3.</b>	<b>i) Sum Insured</b>	USD20,000,000 Any One Loss, Sublimit USD2,000,000 Any One Loss in respect of Auxiliary Organisations (as per Auxiliary Schedule attached) USD 40,000,000 Aggregate
	<b>ii) Computer Costs Sub-Limit</b>	USD250,000
<b>Item 4.</b>	<b>Excess</b>	USD250,000 Any One Loss in respect of The Trustees of California State University  USD25,000 Any One Loss/USD 100,000 Annual Aggregate in Respect of Auxiliary Organisations per attached Schedule.  Deductible to revert to expiring retentions for each Auxiliary Organisation upon erosion of USD100,000 aggregate (as per Auxiliary Schedule attached)
<b>Item 5.</b>	<b>Discovery Period</b>	90 Days
<b>Item 6.</b>	<b>Endorsement effective at inception:</b>	
	1.	NMA 1998 – Service of Suit Clause (naming Mendes & Mount California, USA)
	2.	Faithful Performance of Duty Coverage for Government Employees Endorsement
	3.	BEJH Discovery Limitation Clause
	4.	Aggregate Limit Endorsement
	5.	Fine Art and Jewellery Collection Exclusion
	6.	Notice of Cancellation or non-Renewal Amendment
	7.	Small Additional or Return Premiums Clause (USA) NMA 1168
	8.	No Claims Bonus Endorsement
	9.	Warranted dual Cheque signatures for amounts in excess of USD15,000.



- 10. Employee Benefit Asset Endorsement
- 11. Amended Notice Requirement
- 12. Amended Discover/ed or Discovery Clause
- 13. Choice of Law Clause
- 14. LSW3000 Premium Payment Clause
- 15. ACE Sanctions Clause
- 16. Additional Endorsement
- 17. Loss Payee Clause

**Item 7. Premium**

**Item 8. Notification of Loss** Financial Lines Claims, ACE Building, 100 Leadenhall Street, London, EC3A 3BP

**Item 9. Notification of Claims to:** Alliant Insurance Services, Inc, 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, California 94111 United States of America

**Proposal Form Dated:**

## Risk Details

**Type:** Primary Fidelity Insurance

**Proposal Form:**

**Policyholder:** THE TRUSTEES OF CALIFORNIA STATE UNIVERSITY and various Auxiliary Organisations as per attached Schedule

**Address**

Office of the Chancellor,  
401 Golden Shore,  
5<sup>th</sup> Floor, Long Beach,  
California 90802-4210,  
United States of America

**Policy Period:** From: 1<sup>st</sup> July 2015  
To: 1<sup>st</sup> July 2016  
Both days at 12.01am, local standard time at the address shown above.

**Interest:** Fidelity Insurance

**Sum Insured:** USD20,000,000 Any One Loss, Sublimit USD2,000,000 Any One Loss in respect of Auxiliary Organisations (as per Auxiliary Schedule attached) USD40,000,000 Aggregate

**Sub Limit**

Computer Costs USD250,000

**Excess:** USD 250,000 Any One Loss in respect of The Trustees of California State University  
USD 25,000 Any One Loss/USD 100,000 Annual Aggregate in Respect of Auxiliary Organisations per attached Schedule.

Deductible to revert to expiring retentions for each Auxiliary Organisation upon erosion of USD 100,000 aggregate (as per Auxiliary Schedule attached)

**Territorial Limits:** Worldwide

**Conditions:** As per ACE Fraud Protector wording and endorsements attached.

**Notices:** LMA9029 California Surplus Lines Notice 1  
LMA9030 California Surplus Lines Notice 2

**Express Warranties:** Warranted dual Cheque signatures for amounts in excess of USD15,000, but amounts in excess of USD5,000 for the Auxiliary Organisations specified in the Schedule attaching to this Policy.

**Choice of Law  
& Jurisdiction:**

This insurance shall be governed by and construed in accordance with the laws of California.  
Each party agrees to submit to the jurisdiction of a Court of competent jurisdiction within the United States of America (as per the Service of Suit Clause (USA)) NMA1998 attached hereto.

**Premium:**

**Payment Terms:**

30 days in accordance with the LSW3000 Premium Payment Clause

**Taxes Payable  
by Insured and  
administered by  
Insurer(s):**

None

**Recording,  
Transmitting and  
Storing Information:**

Miller Insurance Services LLP will maintain risk and claim data, information and documents which may be held on paper or electronically.

**Insurer Contract  
Documentation:**

This document details the contract terms entered into by the insurer(s) and constitutes the contract document.


CALIFORNIA SURPLUS LINES NOTICE 1

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4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEBSITE AT [WWW.NAIC.ORG](http://WWW.NAIC.ORG).
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LMA9029  
01 September 2013

MR CONTRACT  
ENQ/QUO : PCSUR000315

L/UWR  


### ACE Fraud Protector (amended)

- Our promise to you** This policy is our promise to you to pay for your loss if:-
1. a problem of a type described under *What has gone wrong* occurs to prior to the end of the **policy period**,
  2. you have **discovered** and told us about this problem during the **Policy period** or **discovery period**,
  3. the problem is covered under *What does the policy pay*,
  4. the problem is not excluded under *What is not covered*, and
  5. you have met the duties under *Your obligations to us*.

Our promise is also subject to the conditions set out under *General matters*.

**What has gone wrong**

You have suffered a loss because of:-

- a. employee dishonesty,
- b. theft
- c. computer crime,
- d. counterfeiting, or
- e. forgery

**What does the policy pay**

We will pay up to the **sum insured** for loss (as described below) which you suffer as a result of an act or acts described under *What has gone wrong*, but we will not pay for loss referred to under *What is not covered*.

The loss that we will pay must be direct financial loss sustained by you anywhere in the world in connection with a single act or series of related, continuous or repeated acts of **employee dishonesty, theft, computer crime, counterfeiting, or forgery**. It will include direct financial loss sustained by another person or organisation where you have responsibility for the care, custody and control of their **money, securities** or other property. It will not include salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or any other employment benefits paid by you or such other person or organisation. The direct financial loss must be sustained prior to the end of the **policy period** or **discovery period**, if applicable.

We will also pay for any auditor's fees incurred by you with our prior written consent in order to identify and to quantify loss covered by this insurance. Such payment will be part of the **sum insured**.



When calculating the loss that we pay under the policy the valuation of direct financial loss shall be determined by:-

- i) the lesser of the mid market value of **securities** at the close of business on the day that you **discover** the lost, or the cost of replacing the **securities**. In addition the cost of issuing any loss instruments bond which may be required.
- ii) the lesser of the cash value of other property at the time of the loss, or the cost of repairing or replacing it with property or material of similar value or quality. If you hold the property as a pledge or collateral for a loan then the cash value will be that which you agreed and recorded when you made the loan. If this value is not recorded then the unpaid portion of the loan plus accrued interest will be the cash value.
- iii) the rate of exchange applying to a foreign currency as published in the Financial Times on the date you **discover** the loss. If there is no such rate published on that day and you and we cannot agree the appropriate rate of exchange, the rate will be determined by arbitration as described under *General matters*.
- iv) the cost of the blank books, blank pages, data media or other materials and the cost of labour and computer time required for the copying of transcription of data in order to reproduce books of accounts, records and electronic data.
- v) the actual costs incurred by you to restore your Computer, Network or Electronic Commerce Services to their pre loss operating capacity. The amount that we will pay in respect of such costs is subject to the sub-limit specified in item 3 of the Schedule to this Policy. The sub-limit is part of and not in addition to the **sum insured**.

You must pay the **excess** for each loss.

Payment of any loss will not reduce our liability for other loss. However, our maximum liability for any single loss will not exceed the amount specified as the **sum insured**. All loss flowing from the acts of the same person or group of persons in collusion will be a single loss. This will be the case whether such loss involves one or more of the problems a) to e) set out under *What has gone wrong*, involves one or more incidents of loss or is sustained in one or more **policy periods**.

Regardless of the number of years that this policy is in force, of whether it is or may be renewed and of the number of premiums paid, the **Sum Insured** shall not be cumulative from year to year or period to period. By accepting this policy you are considered to have given notice to us cancelling any prior policy issued by us.

If a recovery is made after a loss then the proceeds, less the actual cost of making the recovery, will be distributed as follows:-

### ACE Fraud Protector (amended)

- Our promise to you** This policy is our promise to you to pay for your loss if:-
1. a problem of a type described under *What has gone wrong* occurs to prior to the end of the **policy period**,
  2. you have **discovered** and told us about this problem during the **Policy period** or **discovery period**,
  3. the problem is covered under *What does the policy pay*,
  4. the problem is not excluded under *What is not covered*, and
  5. you have met the duties under *Your obligations to us*.

Our promise is also subject to the conditions set out under *General matters*.

**What has gone wrong**

You have suffered a loss because of:-

- a. employee dishonesty,
- b. theft
- c. computer crime,
- d. counterfeiting, or
- e. forgery

**What does the policy pay**

We will pay up to the **sum insured** for loss (as described below) which you suffer as a result of an act or acts described under *What has gone wrong*, but we will not pay for loss referred to under *What is not covered*.

The loss that we will pay must be direct financial loss sustained by you anywhere in the world in connection with a single act or series of related, continuous or repeated acts of **employee dishonesty, theft, computer crime, counterfeiting, or forgery**. It will include direct financial loss sustained by another person or organisation where you have responsibility for the care, custody and control of their **money, securities** or other property. It will not include salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or any other employment benefits paid by you or such other person or organisation. The direct financial loss must be sustained prior to the end of the **policy period** or **discovery period**, if applicable.

We will also pay for any auditor's fees incurred by you with our prior written consent in order to identify and to quantify loss covered by this insurance. Such payment will be part of the **sum insured**.



When calculating the loss that we pay under the policy the valuation of direct financial loss shall be determined by:-

- i) the lesser of the mid market value of **securities** at the close of business on the day that you **discover** the lost, or the cost of replacing the **securities**. In addition the cost of issuing any loss instruments bond which may be required.
- ii) the lesser of the cash value of other property at the time of the loss, or the cost of repairing or replacing it with property or material of similar value or quality. If you hold the property as a pledge or collateral for a loan then the cash value will be that which you agreed and recorded when you made the loan. If this value is not recorded then the unpaid portion of the loan plus accrued interest will be the cash value.
- iii) the rate of exchange applying to a foreign currency as published in the Financial Times on the date you **discover** the loss. If there is no such rate published on that day and you and we cannot agree the appropriate rate of exchange, the rate will be determined by arbitration as described under *General matters*.
- iv) the cost of the blank books, blank pages, data media or other materials and the cost of labour and computer time required for the copying of transcription of data in order to reproduce books of accounts, records and electronic data.
- v) the actual costs incurred by you to restore your Computer, Network or Electronic Commerce Services to their pre loss operating capacity. The amount that we will pay in respect of such costs is subject to the sub-limit specified in item 3 of the Schedule to this Policy. The sub-limit is part of and not in addition to the **sum insured**.

You must pay the **excess** for each loss.

Payment of any loss will not reduce our liability for other loss. However, our maximum liability for any single loss will not exceed the amount specified as the **sum insured**. All loss flowing from the acts of the same person or group of persons in collusion will be a single loss. This will be the case whether such loss involves one or more of the problems a) to e) set out under *What has gone wrong*, involves one or more incidents of loss or is sustained in one or more **policy periods**.

Regardless of the number of years that this policy is in force, of whether it is or may be renewed and of the number of premiums paid, the **Sum Insured** shall not be cumulative from year to year or period to period. By accepting this policy you are considered to have given notice to us cancelling any prior policy issued by us.

If a recovery is made after a loss then the proceeds, less the actual cost of making the recovery, will be distributed as follows:-

- i) firstly, to you for any amount of the loss which exceeds the **sum insured** or settlement and the **excess**;
- ii) secondly, to us for any settlement made; and
- iii) thirdly, to you for the amount paid as the **excess**

After we have made a payment under this policy we will be subrogated to your rights of recovery in respect of the payment. You must execute all papers and do whatever is necessary to secure any rights including the execution of any documents to enable us to bring a suit in your name whether before or after a payment by us.

If a loss involves property that you do not own may we settle the claim with the owner, provided you have given your consent.

**What is not covered** We will not pay loss consisting of or which is due to:-

- a) fines, penalties or damages for which you are legally liable except for compensatory damages arising from a loss covered by this insurance.
- b) any errors and omissions committed or omitted by you or your **employees**.
- c) any loss that you have **discovered** before the commencement of the **policy period**.
- d) loss caused by or involving any person who owns or controls more than 10% of your issued share capital or of any one of you.
- e) loss caused by an **employee** after you became aware that they have committed acts of fraud, dishonesty, or criminal damage. The exclusion will not apply if the person who discovers such acts is in collusion with the **employee**.
- f) costs and expenses which you incur to establish the existence or value of a loss, to prosecute or defend legal proceedings or for any recall costs, except for the auditor's fees agreed under *What does the policy pay*.
- g) loss of confidential information, though we will cover loss where confidential information has been used to help to commit an act covered by this insurance.
- h) damage or destruction to any premises which you own or occupy for the purposes of conducting your business.
- i) indirect or consequential loss.
- j) income or profit (including but not limited to interest and dividends).
- k) any sort of nuclear reaction, nuclear radiation or radioactive contamination.

- l) any armed struggle, civil unrest or conflict or any act or order of any government or public or local authority.
- m) any loss recoverable under any other insurance or which would have been recoverable but for the existence of this policy or but for a breach of a warranty term or condition of such other insurance unless in excess of the limit of indemnity of that insurance.
- n) loss resulting directly or indirectly from trading in **securities**, commodities, futures, options, currencies, foreign exchange or the like unless the loss is a result of **employee dishonesty**, which results in the employee making an improper financial gain other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pension or any other employment benefits.
- o) extortion unless caused by **employee dishonesty** or **computer crime**.

**Your obligations to us**

You should understand that you have a number of obligations to us that arise before we insure you; during the policy period; and when a problem arises. These obligations are described below.

**Before we agree to insure you**

the information given to us before we agree to ensure you must be complete, accurate and not misleading. As it is important, the proposal form and the other written information which you, or anyone on your behalf, provide are incorporated into and from the basis of this insurance.

The proposal form reminded you that you must disclose to us all facts and matters, which might be relevant to our consideration of your proposal, before we agreed to insure you. If you did not do so, we are entitled to treat this insurance as if it had never existed. We will not do this if all of the following conditions are met. Firstly, we must have insured you before you were first aware, or ought reasonably to have been aware after enquiry, of the material matters and have continuously insured you since then. Secondly, you must satisfy us that the misrepresentation or failure to disclose was innocent and not intended to mislead us. Thirdly and finally, our interests must not have been prejudiced as a result.

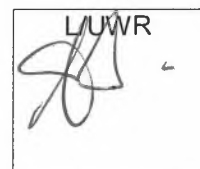
**During the policy Period**

We will not make any payment under this insurance unless you have paid the premium by the agreed date or agreed instalment dates. You must tell us promptly if one or more of you merge with another business or if anyone acquires more than 25% of the voting shares of the business of any one of you.

**When a problem arises**

We need prompt notice should a loss arise in order that we can protect your interests. Therefore, you must inform our Claims Department at **Financial Lines Claims, Ace Building, 100 Leadenhall Street, London EC3A 3BP** in writing within 45 days of **discovering** a loss. We will then liaise with you concerning the steps to be taken in respect of the loss.

You must provide us with full and accurate information about any problem or potential problem of the type described under *What has gone wrong*. If you, or



anyone on your behalf, try to deceive us by deliberately giving us false information then the insurance will be treated as if it had never existed.

**The meaning of policy terms**

Throughout this policy document we have highlighted words in bold type. The special meanings of such words are described below:-

**Associated Company**

means a company or other entity in which the policy holder or one of its subsidiaries owns more than 20% of the issued share capital, other capital or voting rights and retains management control.

**Computer crime**

means an act or acts of a person other than an **employee** amounting to:-

- 1) the theft of your:-
  - a) assets under the direct or indirect control of a computer system by manipulation of computer hardware, software programmes or systems, by any person to which system you have not given authorised access;
  - b) funds from an account which you maintain at a financial institution following fraudulent electronic, telegraphic, cable, teletype, telex, telephone or written instructions to debit, transfer or deliver funds from such account. These instructions must appear to have been given by you or someone to whom you have given authorisation, but actually have been fraudulently transmitted, issued or fraudulently altered by another.
- 2) the malicious, intentional and wilful use of computer, network or electronic commerce services to erase, destroy, modify or corrupt data or to deny users access to your computer, network or electronic commerce services.

**Counterfeiting**

means an act by a person, other than an **employee**, which causes you to act upon or give value for a negotiable instrument that is an imitation of an authentic negotiable instrument and which deceives you into believing that the imitation is the authentic original negotiable instrument. If these instruments contain fraudulent misrepresentations of fact but are genuinely signed or endorsed then they are not counterfeit for the purposes of this insurance.

**Discovered or Discovery**

means the time at which you or one of your senior managers becomes aware of acts which a reasonable person would assume to be a loss covered by this policy. We should be informed of any such acts through the exact amount or details of the loss may not be known. Knowledge possessed by any one of you will be deemed to be discovery by all of you.

**Discovery Period**

means the period stated in item 5 of the Schedule to this policy immediately following termination of this policy. Within this time you may report any loss which you have **discovered** that was connected to an act committed during the **policy period**. There is no **discovery period** on renewal of this policy nor upon the expiry, cancellation or other termination of this policy, if a similar policy or cover (whether issued by us or another insurer) replaces it.



- Employee** means a person in your regular service whom you compensate by wages, salary, fees and/or commissions and who you have a right to direct in the performance of this service.
- To the extent that any of your directors, trustees or consultants are **employees** they will only be covered whilst performing acts coming within the scope of the usual duties of an **employee**.
- Any student, secondee, volunteer or temporary personnel supplied by outside agencies will be deemed to be an **employee** whilst performing services which you have the right to direct.
- Any professionally qualified lawyer retained by you, or an employee of such lawyer, will be deemed to be an **employee** whilst performing services on your behalf under the retainer.
- Any trustee, fiduciary, administrator or officer of any pension or employee benefit plan established by you and falling within the definition of **insured** is deemed to be an **employee**.
- Cover in respect of **employees** will continue to apply for sixty days immediately following termination of their service.
- Employee dishonesty** means an act/acts of fraud, or dishonesty committed by an **employee** with the intent to cause you to suffer a loss. For the avoidance of doubt, recklessness or inadvertence do not constitute intent.
- Excess** means the amount which you must retain of each and every loss which is stated in Item 4 of the Schedule.
- Forgery** means the signature in the name of a genuine person by another person without authority and with the intent to deceive. Such signature must have been written on a cheque, credit card or bill of exchange, received or given by you in consequence of which you have acted or transferred funds or goods causing you to sustain a loss. It does not include a genuine signature applied without authority. A signature may be hand-written, mechanically, or electronically produced or reproduced. It does not include acts by **employees**.
- Insured** means the **policyholder** and is deemed to include:-
- a) all subsidiary or **associated companies** existing at or before the inception date (or subsequent renewal date) and In respect of which we have received a proposal form.
  - b) any subsidiary or **associated companies** acquired or created after the inception date (or subsequent renewal date) from the date of such acquisition or creation provided that the gross annual turnover of any such entity and the combined figure for all such entities do not exceed 25% of the gross annual turnover you declared to us in the proposal form. If the gross annual turnover does exceed this figure then you should advise us within

sixty days of the acquisition date and we will decide any additional premiums or conditions that should be applied.

- c) pension and employee benefit plans which you maintain on behalf of your **employees** and in respect of which you have submitted a proposal form. Payments for any loss will be made direct to the plan.

**Money** means currency, coins, bank notes and bullion, cheques, travellers cheques, registered cheques postal orders or money orders or money orders held for sale to the public.

**Policy Period** means the period of time from inception to expiry date in Item 2 of the Schedule.

**Policy Holder** means the entity named in Item 1 of the Schedule

**Securities** means all negotiable and non-negotiable instruments or contracts, including any note, stock, bond, debenture, evidence of indebtedness, share or other equity or debt security, representing either money or property, but does not include **money**.

**Sum insured** our limit of liability in respect of loss being the amount specified in Item 3 of the Schedule to this policy.

**Theft** means a dishonest and unlawful act, of a person, other than an **employee**, of taking your property, **money** or **securities** with the intention of permanently depriving you of its use and obtaining a financial gain for themselves.

**General Matters** References in this policy to we, our or us are references to ACE Global Markets. References to you or your are references to the **Insured**.

For the purposes of this policy, an inventory shortage or profit and loss calculation are not sufficient to establish that you have suffered a loss because of an act or acts described under What has gone wrong.

The insurance including its construction, application and validity is governed by the laws of California, USA.

Any dispute arising out of or relating to this insurance, including a dispute in respect of its construction, application or validity, will be referred to arbitration. The terms of which are to be mutually agreed by the **Insured** and Underwriters.

The policy is a single contract of insurance between us and the **Insured** and is for the benefit of all of you as joint insured parties. Accordingly, without limitation:-

- a) the **policyholder** will act for itself and for all of you for all purposes under this policy;
- b) payment of any loss under this policy to the policyholder shall fully release us with respect to such loss;

- c) our liability for loss sustained by one or all of you shall not exceed the amount for which we would have been liable had the loss been sustained by any one of you.

The insurance may be cancelled for anyone of you or all of you if you or we give the other thirty days written notice. This insurance is cancelled automatically for all of you if a petition is presented, an order made or a resolution passed to wind up or appoint an administrator in respect of the **policyholder** or if a receiver is appointed over the whole or part of its assets. If this insurance is cancelled in respect of all of you, we will return a pro rata amount of premium unless you have discovered a loss before the cancellation takes effect.

Should a petition be presented, order made or a resolution passed to wind up or appoint an administrator in respect of any other of you or if a receiver is appointed in respect of the whole or part of any of your assets, this insurance is cancelled automatically. Cancellation takes effect as from the date of the petition, order, resolution or appointment and as regards those of you that are the subject of these procedures. As cover will be continuing as regards those of you that are not effected there will be no return of premium.

The insurance is also cancelled automatically as regards any of you that do not fall within the definition of **Insured** from the date that you no longer meet that definition.

Where this insurance is cancelled as described above cover prior to cancellation is not effected. Accordingly, subject to all the terms of this policy and in particular those dealing with **discovery**, acts committed prior to the cancellation of this insurance will remain covered as regards those of you whom cover continues and those of you for whom cover is cancelled.

You may not assign this policy or the rights to it unless we have agreed in writing.



Auxiliary Organisations Schedule

1. Associated Students Inc., CSU Bakersfield
2. CSU Bakersfield, Foundation
3. Student Union of CSU Bakersfield
4. California State University Foundation
5. CSU Institute
6. Associated Students, CSU Channel Islands
7. CSU Channel Islands Foundation
8. CSU Channel Islands University Glen Corp.
9. Associated Students of CSU Chico
10. Auxiliary Organizations Association. c/o CSU Chico Research Foundation
11. CSU Chico Research Foundation
12. University Foundation, CSU Chico
13. Associated Students Inc., CSU Dominguez Hills
14. CSU Dominguez Hills Foundation
15. Donald P. & Katherine B. Loker University Student Union Inc., CSU Dominguez Hills
16. Associated Students Inc., CSU East Bay
17. CSU East Bay Foundation
18. Associated Students Inc., CSU Fresno
19. CSU Fresno Association
20. CSU Fresno Association (Save Mart Center)
21. CSU Fresno Courtyard
22. CSU Fresno Foundation
23. Fresno State Programs for Children
24. The Agricultural Foundation of CSU Fresno
25. The Athletic Corporation, CSU Fresno
26. Associated Students of CSU Fullerton
27. Cal State Fullerton Auxiliary Services Corporation
28. Cal State Fullerton Philanthropic Foundation
29. CSU Fullerton Housing Authority
30. Associated Students of Humboldt State University
31. Humboldt State University Advancement Foundation
32. Humboldt State University Sponsored Programs Foundation

33. University Center, Humboldt State University
34. Associated Students Inc., CSU Long Beach
35. CSU Long Beach Foundation
36. Forty-Niner Shops Inc., CSU Long Beach
37. Associated Students Inc., CSU Los Angeles
38. Cal State Los Angeles Univ. Auxiliary Services Inc.
39. The California State University, Los Angeles Foundation
40. University Student Union, CSU Los Angeles
41. Associated Students Inc., California Maritime Academy
42. California Maritime Academy Foundation
43. CSU Monterey Bay Employee Housing Inc.
44. University Corporation, CSU Monterey Bay
45. Associated Students Inc., CSU Northridge
46. CSU Northridge Foundation
47. North Campus Park Development Corporation
48. The University Corp., CSU Northridge
49. University Student Union, CSU Northridge
50. "Associated Students Inc.,
51. California State Polytechnic University, Pomona"
52. Cal Poly Pomona Educational Trust
53. The Cal Poly Pomona Foundation, Inc.
54. Associated Students Inc., CSU Sacramento
55. Capital Public Radio, CSU Sacramento
56. The University Foundation of CSU Sacramento
57. University Enterprises Development Group, Inc. CSU Sacramento
58. University Enterprises, Inc. CSU Sacramento
59. University Union, CSU Sacramento
60. Associated Students Inc., CSU San Bernardino
61. Student Union, CSU San Bernardino
62. The Foundation of CSU San Bernardino
63. Associated Students of San Diego State University
64. "Aztec Shops, LTD
65. San Diego State University"

66. San Diego State University Research Foundation
67. "Associated Students Inc.,
68. San Francisco State University"
69. "Franciscan Shops,
70. San Francisco State University"
71. The University Corp, San Francisco State
72. Student Center, San Francisco State University
73. Associated Student Inc., San Jose State University
74. San Jose State University Research Foundation
75. Spartan Shops, Inc.
76. Student Union of San Jose State University
77. The Tower Foundation, San Jose State University
78. Associated Students Inc., California Polytechnic State University, San Luis Obispo
79. Cal Poly Corporation
80. Cal Poly Foundation
81. Cal Poly Housing Corporation
82. Associated Students Inc, CSU San Marcos
83. University Auxiliary and Research Services Corporation, CSU San Marcos
84. The University Corporation of CSU San Marcos
85. Associated Students Inc., Sonoma State University
86. Sonoma State University Academic Foundation
87. Sonoma State Enterprises
88. Sonoma Student Union Corporation
89. Associated Students Inc., CSU Stanislaus
90. Auxiliary & Business Services of CSU Stanislaus
91. CSU Stanislaus Foundation
92. University Student Union of CSU Stanislaus

**ENDORSEMENTS**

**1. SERVICE OF SUIT CLAUSE (U.S.A.)**

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or any State in the United States. It is further agreed that service of process in such suit may be made upon Foley & Gardner LLP, 555 California Street, Suite 1700, San Francisco, California 94104-1520 United States of America, and that any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

NMA 1998 (24/4/86) Form approved by Lloyd's Underwriters' Non-Marine Association.

**2. FAITHFUL PERFORMANCE OF DUTY COVERAGE FOR GOVERNMENT EMPLOYEES ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**GOVERNMENT CRIME COVERAGE FORM  
GOVERNMENT CRIME POLICY**

and applies to the Insuring Agreements designated below:

1. the following is added to the Employee Theft Insuring Agreement designated above:

we will pay for loss or damage to "money", "securities" and "other property" resulting directly from the failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property. The most we will pay for loss arising out of any one "occurrence" is the Limit of Insurance shown in the Schedule.

2. the following exclusions are added to the What is not covered Section:
  - p) loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.
  - q) damages for which you are legally liable as a result of:
    - (1) the deprivation or violation of the civil rights of any person by an "employee";
    - or
    - (2) the tortious conduct of an "employee", except the conversion of property of other parties held by you in any capacity.
3. the Indemnification is added to General matters Section:

We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their duties against loss through the failure of any "employee" under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property.
4. Part (l) of the Termination As To Any Employee Condition is replaced by the following:
  - (1) As soon as:
    - (a) You; or
    - (b) Any official or employee authorized to manage, govern or control your "employees" learn of any act committed by the "employee" whether before or after becoming employed by you which would constitute a loss covered under the terms of the Employee Theft Insuring Agreement, as amended by this endorsement.

**3. B.E.J. & H. DISCOVERY LIMITATION CLAUSE (1)**

It is hereby understood and agreed that there shall be no liability under this Policy in respect of any claim –

- (a) arising out of or in connection with any circumstances or occurrences which have been notified to the Insurer on any other policy of insurance effected prior to the inception of this Policy;
- (b) arising out of or in connection with any circumstances or occurrences known to the **Insured** prior to the inception hereof.



**4. AGGREGATE LIMIT ENDORSEMENT**

The total liability of the Underwriters for any one or all claims under each or all Insuring Clauses of this Policy during the Policy Period shall not exceed the applicable Aggregate Policy Limit stated in Item 3. of the Schedule inclusive of Costs, Charges and Expenses. The applicable Aggregate Policy Limit stated in Item 3. of the Schedule shall be reduced by the amount of any payment made under the terms of this Policy.

**5. FINE ART AND JEWELLERY COLLECTION EXCLUSION**

We will not pay loss consisting of or which is due to fine art and jewellery collections

**6. NOTICE OF CANCELLATION OR NON-RENEWAL AMENDMENT ENDORSEMENT**

It is understood and agreed that this Policy may be cancelled by Underwriters by mailing to the **Insured**, at the address shown in the Declarations, written notice stating when, not less than 90 days thereafter, cancellation shall be effective. However, in the event of non-payment of premium by the **Insured**, this Policy may be cancelled by Underwriters by mailing notice to the **Insured** stating when, not less than 10 days thereafter, cancellation shall be effective. The mailing of notice as aforesaid by Underwriters shall be sufficient proof of notice and the coverage provided by this Policy shall end on the effective date and hour of cancellation as stated in the notice. Delivery of such written notice either by the **Insured** or by Underwriters shall be equivalent to mailing.

In the event of non-renewal of this Policy by the Underwriters, they or their legal representative shall provide the **Insured** with written notice of their intent to nonrenew at least ninety (90) days in advance of the expiration date of the **Policy Period**. Notice shall be provided via regular U. S. mail to the address shown in Item 1 (b) of the Declarations.

**7. SMALL ADDITIONAL OR RETURN PREMIUMS CLAUSE (U.S.A.)**

NOTWITHSTANDING anything to the contrary contained herein and in consideration of the premium for which this Insurance is written, it is understood and agreed that whenever an additional or return premium of USD2 or less becomes due from or to the Assured on account of the adjustment of a deposit premium, or of an alteration in coverage or rate during the term or for any other reason, the collection of such premium from the Assured will be waived or the return of such premium to the Assured will not be made, as the case may be.

N.M.A. 1168

**8. NO CLAIM BONUS ON RENEWAL CLAUSE**

In the event of no claim having been made on this policy and the renewal of this insurance being effected with the Underwriters, the Underwriters will allow to the Insured a No Claim Bonus of 5% of the premium paid hereon, it being understood that no obligation on Underwriters or the Insured to renew is implied.

12/93  
LSW718

9. EXPRESS WARRANTIES

Warranted dual Cheque signatures for amounts in excess of USD15,000 for both Universities and Auxiliary Organisations specified in the Schedule attaching to this Policy

10. It is hereby noted and agreed that, this policy includes coverage for Employee Benefit assets it holds as a fiduciary.

11. AMENDED NOTICE REQUIREMENTS.

In consideration of the premium charged for this policy, the clause "When a problem arises" is deleted and the following substituted therefore:

**When a problem arises** We need prompt notice should a loss arise in order that we can protect your interests. Therefore, you must inform our Claims Department at **Financial Lines Claims, Ace Building, 100 Leadenhall Street, London EC3A 3BP** in writing within:

- a) as soon as practicable after discovering a loss; but
- b) no later than one (1) year from the date of cancellation or termination of an Employee Benefit Plan

We will then liaise with you concerning the steps to be taken in respect of the loss.

You must provide us with full and accurate information about any problem or potential problem of the type described under *What has gone wrong*. If you, or anyone on your behalf, try to deceive us by deliberately giving us false information then the insurance will be treated as if it had never existed.

12. AMENDED DISCOVER/ED OR DISCOVERY CLAUSE

In consideration of the premium charged for this policy, the Discover/ed or Discover clause is deleted and the following substituted therefore:

**Discover/ed or Discovery** means the time at which you or one of your CSU Systemwide Risk Manager becomes aware of acts which a reasonable person would assume to be a loss covered by this policy. We should be informed of any such acts through the exact amount or details of the loss may not be known. Knowledge possessed by any one of you will be deemed to be discovery by all of you.

13. CHOICE OF LAW

This insurance shall be governed by and construed in accordance with the laws of California.



**14. PREMIUM PAYMENT CLAUSE**

The **Insured** undertakes that premium will be paid in full to Underwriters within 30 days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Underwriters by the 30th day from the inception of this policy (and, in respect of instalment premiums, by the date they are due) Underwriters shall have the right to cancel this policy by notifying the **Insured** via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 15 days prior notice of cancellation to the **Insured** via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parties if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Underwriters will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

11/01 LSW3000

**15. SANCTION LIMITATION AND EXCLUSION CLAUSE**

No (re)insurer shall be deemed to provide cover and no (re)insurer shall 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 that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

15/09/10 LMA3100

**16.** It is hereby understood and agreed that this policy will cover the **Insured** for any disallowance from a covered **Externally Funded Program** that results in a financial loss to the **Insured** which the **Insured** is legally obligated to reimburse the funding entity where such disallowance is the result of a fraudulent or criminal act which would otherwise be covered under this policy. For purposes of coverage granted under this endorsement, salaries and wages of the assured shall be covered loss where such salaries and wages have been paid due to fraudulent or criminal acts of an **Insured's** employee. Also for the purposes of coverage granted under this endorsement, when the covered amount of loss determined under this endorsement is reimbursable to a Federal or State agency, the amount payable under the policy shall be payable by the insurer as a legal obligation of the assured even if no court of law has made a final adjudication of the covered disallowance.

For purposes of this endorsement, covered **Externally Funded Programs** are defined as grants, contracts projects and programs by whatever name, which are funded in part by an agency or department of the United States Federal Government or any similar agency or department of a State Government of the United States.

17. It is hereby understood and agreed that the following Loss Payee clause is added::

It is agreed that:

1. At the written request of the **policyholder**, any payment in satisfaction of loss covered by said bond Money or other Property in which Commissioner of the Regents of the University of California has an interest shall be paid by an instrument issued to that organization and the **policyholder** as joint loss-payees, subject to the following conditions and limitations:
  - a. The attached policy is for the sole use and benefit of the **policyholder** as expressed herein. The organization named above shall not be considered as an **Insured** under the policy, nor shall it otherwise have any rights or benefits under said policy.
  - b. Notwithstanding any payment made under the terms of this endorsement or the execution of more than one of such similar endorsement, the amount paid for any one loss occurrence or otherwise in accordance with the terms of this policy shall not exceed the **sum insured** as set forth in the Schedule Page.
  - c. Nothing herein is intended to alter the terms, conditions and limitations of the policy.
2. Should this policy be cancelled, reduced, non-renewed or restrictively modified Us, We will endeavor to give thirty (30) days advance notice to the organization named above, but failure to do so shall not impair or delay the effectiveness of any such cancellation, reduction, non-renewal or restrictive modification, nor shall the We be held liable in any way.
3. Should this policy be cancelled or reduced at the request of the **Insured**, We will endeavor to notify the organization named above of such cancellation or reduction within 10 business days after receipt of such request, but failure to do so shall not impair or delay the effectiveness of such cancellation or reduction, nor shall We be held liable in any way.

**Regents of the University of California**

TO PROVIDE LOSS-PAYEE AND NOTIFICATION AGREEMENT.  
ADOPTED DECEMBER, 1988

SR 6186(A) Printed in U.S.A.


FI-A-91

New Page December, 1990

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**SUBJECT OTHERWISE TO THE TERMS, CONDITIONS AND LIMITATIONS OF THIS INSURANCE**

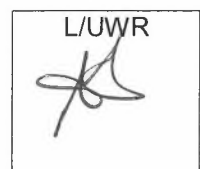
**MR CONTRACT**  
ENQ/QUO : PCSUR000315

L/UWR  




**Information**

As per Alliant renewal presentations held on brokers file and seen by Underwriters.



## Security Details

### LMA3333

#### (RE)INSURERS LIABILITY CLAUSE

##### (Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

#### Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

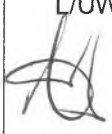
Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

**Order Hereon:** 100% of 100%

**Basis of  
Written Lines:** Percentage of Whole

**MR CONTRACT**  
ENQ/QUO : PCSUR000315

L/UWR  


**Signing Provisions:** In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the contracts will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

**Written Lines:** In a co-insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the lead (re)insurer.

(Re)insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.



SIGNED  
LINE %



AGM  
2488

*AGM 2/6/15*

**ace global markets**

33.34% 

A	K	A	K	6	F	L	K	S	6	8	2
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 BB

S.I.F.



SJC 2003

33.33%

B	X	1	0	0	0	5	1	7	8	4	4
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XL 1209

n	n	n	n	n	n	n	n	n	n	n	n
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S:100%

*2/6/15*

**BRIT**

GLOBAL SPECIALTY

*2/6/15*

BRT  
2987

33.33%

T	H	7	9	0	C	1	5	A	0	0	0
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 BB

Est. Sign = 100%



621  
MIL

PROFESSIONAL RISKS  
UMR / POLICY No. B0621PCSUR000315

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SIGNED  
LINE %

MR CONTRACT  
ENQ/QUO : PCSUR000315

L/UWR

8

395



## Risk Details

**Type:** Primary Fidelity Insurance

**Proposal Form:**

**Policyholder:** THE TRUSTEES OF CALIFORNIA STATE UNIVERSITY and various Auxiliary Organisations as per attached Schedule

**Address**

Office of the Chancellor,  
401 Golden Shore,  
5<sup>th</sup> Floor, Long Beach,  
California 90802-4210,  
United States of America

**Policy Period:** From: 1<sup>st</sup> July 2015  
To: 1<sup>st</sup> July 2016  
Both days at 12.01am, local standard time at the address shown above.

**Interest:** Fidelity Insurance

**Sum Insured:** USD20,000,000 Any One Loss, Sublimit USD2,000,000 Any One Loss in respect of Auxiliary Organisations (as per Auxiliary Schedule attached) USD40,000,000 Aggregate

**Sub Limit**

Computer Costs USD250,000

**Excess:** USD 250,000 Any One Loss in respect of The Trustees of California State University  
USD 25,000 Any One Loss/USD 100,000 Annual Aggregate in Respect of Auxiliary Organisations per attached Schedule.

Deductible to revert to expiring retentions for each Auxiliary Organisation upon erosion of USD 100,000 aggregate (as per Auxiliary Schedule attached)

**Territorial Limits:** Worldwide

**Conditions:** As per ACE Fraud Protector wording and endorsements attached.

**Notices:** LMA9029 California Surplus Lines Notice 1  
LMA9030 California Surplus Lines Notice 2

**Express Warranties:** Warranted dual Cheque signatures for amounts in excess of USD15,000, but amounts in excess of USD5,000 for the Auxiliary Organisations specified in the Schedule attaching to this Policy.

**Choice of Law  
& Jurisdiction:**

This insurance shall be governed by and construed in accordance with the laws of California.  
Each party agrees to submit to the jurisdiction of a Court of competent jurisdiction within the United States of America (as per the Service of Suit Clause (USA)) NMA1998 attached hereto.

**Premium:**

**Payment Terms:**

30 days in accordance with the LSW3000 Premium Payment Clause

**Taxes Payable  
by Insured and  
administered by  
Insurer(s):**

None

**Recording,  
Transmitting and  
Storing Information:**

Miller Insurance Services LLP will maintain risk and claim data, information and documents which may be held on paper or electronically.

**Insurer Contract  
Documentation:**

This document details the contract terms entered into by the insurer(s) and constitutes the contract document.


CALIFORNIA SURPLUS LINES NOTICE 1

NOTICE:

1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED / ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.
2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.
3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.
4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEBSITE AT [WWW.NAIC.ORG](http://WWW.NAIC.ORG).
5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: [WWW.INSURANCE.CA.GOV](http://WWW.INSURANCE.CA.GOV).
8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

LMA9029  
01 September 2013

MR CONTRACT  
ENQ/QUO : PCSUR000315

L/UWR  




621  
MIL

PROFESSIONAL RISKS  
UMR / POLICY No. B0621PCSUR000315

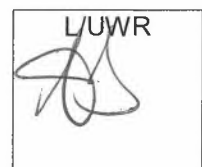
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**CALIFORNIA SURPLUS LINES NOTICE 2**

This insurance is issued pursuant to the California Insurance Code, Sections 1760 through 1780, and is placed in an insurer or insurers not holding a Certificate of Authority from or regulated by the California Insurance Commissioner.

LMA9030  
01 September 2013

**MR CONTRACT**  
ENQ/QUO : PCSUR000315



**Schedule**

Policy Number: B0621PCSUR000315

<b>Item 1.</b>	<b>Policyholder</b>	<b>THE TRUSTEES OF CALIFORNIA STATE UNIVERSITY</b> and various Auxiliary Organisations as per attached Schedule (also identified in the Policy as You/Your)
	<b>Address</b>	Office of the Chancellor, 401 Golden Shore, 5 <sup>th</sup> Floor, Long Beach, California 90802-4210, United States of America
<b>Item 2.</b>	<b>Policy Period</b>	<b>From:</b> 1 <sup>st</sup> July 2015 12.01am Local Standard Time <b>To:</b> 1 <sup>st</sup> July 2016 12.01am Local Standard Time At the Address above
<b>Item 3.</b>	<b>i) Sum Insured</b>	USD20,000,000 Any One Loss, Sublimit USD2,000,000 Any One Loss in respect of Auxiliary Organisations (as per Auxiliary Schedule attached) USD 40,000,000 Aggregate
	<b>ii) Computer Costs Sub-Limit</b>	USD250,000
<b>Item 4.</b>	<b>Excess</b>	USD250,000 Any One Loss in respect of The Trustees of California State University  USD25,000 Any One Loss/USD 100,000 Annual Aggregate in Respect of Auxiliary Organisations per attached Schedule.  Deductible to revert to expiring retentions for each Auxiliary Organisation upon erosion of USD100,000 aggregate (as per Auxiliary Schedule attached)
<b>Item 5.</b>	<b>Discovery Period</b>	90 Days
<b>Item 6.</b>	<b>Endorsement effective at inception:</b>	
	1.	NMA 1998 – Service of Suit Clause (naming Mendes & Mount California, USA)
	2.	Faithful Performance of Duty Coverage for Government Employees Endorsement
	3.	BEJH Discovery Limitation Clause
	4.	Aggregate Limit Endorsement
	5.	Fine Art and Jewellery Collection Exclusion
	6.	Notice of Cancellation or non-Renewal Amendment
	7.	Small Additional or Return Premiums Clause (USA) NMA 1168
	8.	No Claims Bonus Endorsement
	9.	Warranted dual Cheque signatures for amounts in excess of USD15,000.

- 10. Employee Benefit Asset Endorsement
- 11. Amended Notice Requirement
- 12. Amended Discover/ed or Discovery Clause
- 13. Choice of Law Clause
- 14. LSW3000 Premium Payment Clause
- 15. ACE Sanctions Clause
- 16. Additional Endorsement
- 17. Loss Payee Clause

**Item 7. Premium**

**Item 8. Notification of Loss** Financial Lines Claims, ACE Building, 100 Leadenhall Street, London, EC3A 3BP

**Item 9. Notification of Claims to:** Alliant Insurance Services, Inc, 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, California 94111 United States of America

**Proposal Form Dated:**

### ACE Fraud Protector (amended)

- Our promise to you** This policy is our promise to you to pay for your loss if:-
1. a problem of a type described under *What has gone wrong* occurs to prior to the end of the **policy period**,
  2. you have **discovered** and told us about this problem during the **Policy period** or **discovery period**,
  3. the problem is covered under *What does the policy pay*,
  4. the problem is not excluded under *What is not covered*, and
  5. you have met the duties under *Your obligations to us*.

Our promise is also subject to the conditions set out under *General matters*.

**What has gone wrong**

You have suffered a loss because of:-

- a. employee dishonesty,
- b. theft
- c. computer crime,
- d. counterfeiting, or
- e. forgery

**What does the policy pay**

We will pay up to the **sum insured** for loss (as described below) which you suffer as a result of an act or acts described under *What has gone wrong*, but we will not pay for loss referred to under *What is not covered*.

The loss that we will pay must be direct financial loss sustained by you anywhere in the world in connection with a single act or series of related, continuous or repeated acts of **employee dishonesty, theft, computer crime, counterfeiting, or forgery**. It will include direct financial loss sustained by another person or organisation where you have responsibility for the care, custody and control of their **money, securities** or other property. It will not include salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or any other employment benefits paid by you or such other person or organisation. The direct financial loss must be sustained prior to the end of the **policy period** or **discovery period**, if applicable.

We will also pay for any auditor's fees incurred by you with our prior written consent in order to identify and to quantify loss covered by this insurance. Such payment will be part of the **sum insured**.



When calculating the loss that we pay under the policy the valuation of direct financial loss shall be determined by:-

- i) the lesser of the mid market value of **securities** at the close of business on the day that you **discover** the lost, or the cost of replacing the **securities**. In addition the cost of issuing any loss instruments bond which may be required.
- ii) the lesser of the cash value of other property at the time of the loss, or the cost of repairing or replacing it with property or material of similar value or quality. If you hold the property as a pledge or collateral for a loan then the cash value will be that which you agreed and recorded when you made the loan. If this value is not recorded then the unpaid portion of the loan plus accrued interest will be the cash value.
- iii) the rate of exchange applying to a foreign currency as published in the Financial Times on the date you **discover** the loss. If there is no such rate published on that day and you and we cannot agree the appropriate rate of exchange, the rate will be determined by arbitration as described under *General matters*.
- iv) the cost of the blank books, blank pages, data media or other materials and the cost of labour and computer time required for the copying of transcription of data in order to reproduce books of accounts, records and electronic data.
- v) the actual costs incurred by you to restore your Computer, Network or Electronic Commerce Services to their pre loss operating capacity. The amount that we will pay in respect of such costs is subject to the sub-limit specified in item 3 of the Schedule to this Policy. The sub-limit is part of and not in addition to the **sum insured**.

You must pay the **excess** for each loss.

Payment of any loss will not reduce our liability for other loss. However, our maximum liability for any single loss will not exceed the amount specified as the **sum insured**. All loss flowing from the acts of the same person or group of persons in collusion will be a single loss. This will be the case whether such loss involves one or more of the problems a) to e) set out under *What has gone wrong*, involves one or more incidents of loss or is sustained in one or more **policy periods**.

Regardless of the number of years that this policy is in force, of whether it is or may be renewed and of the number of premiums paid, the **Sum Insured** shall not be cumulative from year to year or period to period. By accepting this policy you are considered to have given notice to us cancelling any prior policy issued by us.

If a recovery is made after a loss then the proceeds, less the actual cost of making the recovery, will be distributed as follows:-

- i) firstly, to you for any amount of the loss which exceeds the **sum insured** or settlement and the **excess**;
- ii) secondly, to us for any settlement made; and
- iii) thirdly, to you for the amount paid as the **excess**

After we have made a payment under this policy we will be subrogated to your rights of recovery in respect of the payment. You must execute all papers and do whatever is necessary to secure any rights including the execution of any documents to enable us to bring a suit in your name whether before or after a payment by us.

If a loss involves property that you do not own may we settle the claim with the owner, provided you have given your consent.

**What is not covered** We will not pay loss consisting of or which is due to:-

- a) fines, penalties or damages for which you are legally liable except for compensatory damages arising from a loss covered by this insurance.
- b) any errors and omissions committed or omitted by you or your **employees**.
- c) any loss that you have **discovered** before the commencement of the **policy period**.
- d) loss caused by or involving any person who owns or controls more than 10% of your issued share capital or of any one of you.
- e) loss caused by an **employee** after you became aware that they have committed acts of fraud, dishonesty, or criminal damage. The exclusion will not apply if the person who discovers such acts is in collusion with the **employee**.
- f) costs and expenses which you incur to establish the existence or value of a loss, to prosecute or defend legal proceedings or for any recall costs, except for the auditor's fees agreed under *What does the policy pay*.
- g) loss of confidential information, though we will cover loss where confidential information has been used to help to commit an act covered by this insurance.
- h) damage or destruction to any premises which you own or occupy for the purposes of conducting your business.
- i) indirect or consequential loss.
- j) income or profit (including but not limited to interest and dividends).
- k) any sort of nuclear reaction, nuclear radiation or radioactive contamination.

- l) any armed struggle, civil unrest or conflict or any act or order of any government or public or local authority.
- m) any loss recoverable under any other insurance or which would have been recoverable but for the existence of this policy or but for a breach of a warranty term or condition of such other insurance unless in excess of the limit of indemnity of that insurance.
- n) loss resulting directly or indirectly from trading in **securities**, commodities, futures, options, currencies, foreign exchange or the like unless the loss is a result of **employee dishonesty**, which results in the employee making an improper financial gain other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pension or any other employment benefits.
- o) extortion unless caused by **employee dishonesty** or **computer crime**.

**Your obligations to us**

You should understand that you have a number of obligations to us that arise before we insure you; during the policy period; and when a problem arises. These obligations are described below.

**Before we agree to insure you**

the information given to us before we agree to ensure you must be complete, accurate and not misleading. As it is important, the proposal form and the other written information which you, or anyone on your behalf, provide are incorporated into and from the basis of this insurance.

The proposal form reminded you that you must disclose to us all facts and matters, which might be relevant to our consideration of your proposal, before we agreed to insure you. If you did not do so, we are entitled to treat this insurance as if it had never existed. We will not do this if all of the following conditions are met. Firstly, we must have insured you before you were first aware, or ought reasonably to have been aware after enquiry, of the material matters and have continuously insured you since then. Secondly, you must satisfy us that the misrepresentation or failure to disclose was innocent and not intended to mislead us. Thirdly and finally, our interests must not have been prejudiced as a result.

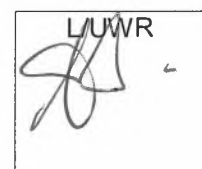
**During the policy Period**

We will not make any payment under this insurance unless you have paid the premium by the agreed date or agreed instalment dates. You must tell us promptly if one or more of you merge with another business or if anyone acquires more than 25% of the voting shares of the business of any one of you.

**When a problem arises**

We need prompt notice should a loss arise in order that we can protect your interests. Therefore, you must inform our Claims Department at **Financial Lines Claims, Ace Building, 100 Leadenhall Street, London EC3A 3BP** in writing within 45 days of **discovering** a loss. We will then liaise with you concerning the steps to be taken in respect of the loss.

You must provide us with full and accurate information about any problem or potential problem of the type described under *What has gone wrong*. If you, or



anyone on your behalf, try to deceive us by deliberately giving us false information then the insurance will be treated as if it had never existed.

**The meaning of policy terms**

Throughout this policy document we have highlighted words in bold type. The special meanings of such words are described below:-

**Associated Company**

means a company or other entity in which the policy holder or one of its subsidiaries owns more than 20% of the issued share capital, other capital or voting rights and retains management control.

**Computer crime**

means an act or acts of a person other than an **employee** amounting to:-

- 1) the theft of your:-
  - a) assets under the direct or indirect control of a computer system by manipulation of computer hardware, software programmes or systems, by any person to which system you have not given authorised access;
  - b) funds from an account which you maintain at a financial institution following fraudulent electronic, telegraphic, cable, teletype, telex, telephone or written instructions to debit, transfer or deliver funds from such account. These instructions must appear to have been given by you or someone to whom you have given authorisation, but actually have been fraudulently transmitted, issued or fraudulently altered by another.
- 2) the malicious, intentional and wilful use of computer, network or electronic commerce services to erase, destroy, modify or corrupt data or to deny users access to your computer, network or electronic commerce services.

**Counterfeiting**

means an act by a person, other than an **employee**, which causes you to act upon or give value for a negotiable instrument that is an imitation of an authentic negotiable instrument and which deceives you into believing that the imitation is the authentic original negotiable instrument. If these instruments contain fraudulent misrepresentations of fact but are genuinely signed or endorsed then they are not counterfeit for the purposes of this insurance.

**Discovered or Discovery**

means the time at which you or one of your senior managers becomes aware of acts which a reasonable person would assume to be a loss covered by this policy. We should be informed of any such acts through the exact amount or details of the loss may not be known. Knowledge possessed by any one of you will be deemed to be discovery by all of you.

**Discovery Period**

means the period stated in item 5 of the Schedule to this policy immediately following termination of this policy. Within this time you may report any loss which you have **discovered** that was connected to an act committed during the **policy period**. There is no **discovery period** on renewal of this policy nor upon the expiry, cancellation or other termination of this policy, if a similar policy or cover (whether issued by us or another insurer) replaces it.



- Employee** means a person in your regular service whom you compensate by wages, salary, fees and/or commissions and who you have a right to direct in the performance of this service.
- To the extent that any of your directors, trustees or consultants are **employees** they will only be covered whilst performing acts coming within the scope of the usual duties of an **employee**.
- Any student, secondee, volunteer or temporary personnel supplied by outside agencies will be deemed to be an **employee** whilst performing services which you have the right to direct.
- Any professionally qualified lawyer retained by you, or an employee of such lawyer, will be deemed to be an **employee** whilst performing services on your behalf under the retainer.
- Any trustee, fiduciary, administrator or officer of any pension or employee benefit plan established by you and falling within the definition of **insured** is deemed to be an **employee**.
- Cover in respect of **employees** will continue to apply for sixty days immediately following termination of their service.
- Employee dishonesty** means an act/acts of fraud, or dishonesty committed by an **employee** with the intent to cause you to suffer a loss. For the avoidance of doubt, recklessness or inadvertence do not constitute intent.
- Excess** means the amount which you must retain of each and every loss which is stated in Item 4 of the Schedule.
- Forgery** means the signature in the name of a genuine person by another person without authority and with the intent to deceive. Such signature must have been written on a cheque, credit card or bill of exchange, received or given by you in consequence of which you have acted or transferred funds or goods causing you to sustain a loss. It does not include a genuine signature applied without authority. A signature may be hand-written, mechanically, or electronically produced or reproduced. It does not include acts by **employees**.
- Insured** means the **policyholder** and is deemed to include:-
- a) all subsidiary or **associated companies** existing at or before the inception date (or subsequent renewal date) and In respect of which we have received a proposal form.
  - b) any subsidiary or **associated companies** acquired or created after the inception date (or subsequent renewal date) from the date of such acquisition or creation provided that the gross annual turnover of any such entity and the combined figure for all such entities do not exceed 25% of the gross annual turnover you declared to us in the proposal form. If the gross annual turnover does exceed this figure then you should advise us within

sixty days of the acquisition date and we will decide any additional premiums or conditions that should be applied.

- c) pension and employee benefit plans which you maintain on behalf of your **employees** and in respect of which you have submitted a proposal form. Payments for any loss will be made direct to the plan.

**Money**

means currency, coins, bank notes and bullion, cheques, travellers cheques, registered cheques postal orders or money orders or money orders held for sale to the public.

**Policy Period**

means the period of time from inception to expiry date in Item 2 of the Schedule.

**Policy Holder**

means the entity named in Item 1 of the Schedule

**Securities**

means all negotiable and non-negotiable instruments or contracts, including any note, stock, bond, debenture, evidence of indebtedness, share or other equity or debt security, representing either money or property, but does not include **money**.

**Sum insured**

our limit of liability in respect of loss being the amount specified in Item 3 of the Schedule to this policy.

**Theft**

means a dishonest and unlawful act, of a person, other than an **employee**, of taking your property, **money** or **securities** with the intention of permanently depriving you of its use and obtaining a financial gain for themselves.

**General Matters**

References in this policy to we, our or us are references to ACE Global Markets. References to you or your are references to the **Insured**.

For the purposes of this policy, an inventory shortage or profit and loss calculation are not sufficient to establish that you have suffered a loss because of an act or acts described under What has gone wrong.

The insurance including its construction, application and validity is governed by the laws of California, USA.

Any dispute arising out of or relating to this insurance, including a dispute in respect of its construction, application or validity, will be referred to arbitration. The terms of which are to be mutually agreed by the **Insured** and Underwriters.

The policy is a single contract of insurance between us and the **Insured** and is for the benefit of all of you as joint insured parties. Accordingly, without limitation:-

- a) the **policyholder** will act for itself and for all of you for all purposes under this policy;
- b) payment of any loss under this policy to the policyholder shall fully release us with respect to such loss;

- c) our liability for loss sustained by one or all of you shall not exceed the amount for which we would have been liable had the loss been sustained by any one of you.

The insurance may be cancelled for anyone of you or all of you if you or we give the other thirty days written notice. This insurance is cancelled automatically for all of you if a petition is presented, an order made or a resolution passed to wind up or appoint an administrator in respect of the **policyholder** or if a receiver is appointed over the whole or part of its assets. If this insurance is cancelled in respect of all of you, we will return a pro rata amount of premium unless you have discovered a loss before the cancellation takes effect.

Should a petition be presented, order made or a resolution passed to wind up or appoint an administrator in respect of any other of you or if a receiver is appointed in respect of the whole or part of any of your assets, this insurance is cancelled automatically. Cancellation takes effect as from the date of the petition, order, resolution or appointment and as regards those of you that are the subject of these procedures. As cover will be continuing as regards those of you that are not effected there will be no return of premium.

The insurance is also cancelled automatically as regards any of you that do not fall within the definition of **Insured** from the date that you no longer meet that definition.

Where this insurance is cancelled as described above cover prior to cancellation is not effected. Accordingly, subject to all the terms of this policy and in particular those dealing with **discovery**, acts committed prior to the cancellation of this insurance will remain covered as regards those of you whom cover continues and those of you for whom cover is cancelled.

You may not assign this policy or the rights to it unless we have agreed in writing.



Auxiliary Organisations Schedule

1. Associated Students Inc., CSU Bakersfield
2. CSU Bakersfield, Foundation
3. Student Union of CSU Bakersfield
4. California State University Foundation
5. CSU Institute
6. Associated Students, CSU Channel Islands
7. CSU Channel Islands Foundation
8. CSU Channel Islands University Glen Corp.
9. Associated Students of CSU Chico
10. Auxiliary Organizations Association. c/o CSU Chico Research Foundation
11. CSU Chico Research Foundation
12. University Foundation, CSU Chico
13. Associated Students Inc., CSU Dominguez Hills
14. CSU Dominguez Hills Foundation
15. Donald P. & Katherine B. Loker University Student Union Inc., CSU Dominguez Hills
16. Associated Students Inc., CSU East Bay
17. CSU East Bay Foundation
18. Associated Students Inc., CSU Fresno
19. CSU Fresno Association
20. CSU Fresno Association (Save Mart Center)
21. CSU Fresno Courtyard
22. CSU Fresno Foundation
23. Fresno State Programs for Children
24. The Agricultural Foundation of CSU Fresno
25. The Athletic Corporation, CSU Fresno
26. Associated Students of CSU Fullerton
27. Cal State Fullerton Auxiliary Services Corporation
28. Cal State Fullerton Philanthropic Foundation
29. CSU Fullerton Housing Authority
30. Associated Students of Humboldt State University
31. Humboldt State University Advancement Foundation
32. Humboldt State University Sponsored Programs Foundation

33. University Center, Humboldt State University
34. Associated Students Inc., CSU Long Beach
35. CSU Long Beach Foundation
36. Forty-Niner Shops Inc., CSU Long Beach
37. Associated Students Inc., CSU Los Angeles
38. Cal State Los Angeles Univ. Auxiliary Services Inc.
39. The California State University, Los Angeles Foundation
40. University Student Union, CSU Los Angeles
41. Associated Students Inc., California Maritime Academy
42. California Maritime Academy Foundation
43. CSU Monterey Bay Employee Housing Inc.
44. University Corporation, CSU Monterey Bay
45. Associated Students Inc., CSU Northridge
46. CSU Northridge Foundation
47. North Campus Park Development Corporation
48. The University Corp., CSU Northridge
49. University Student Union, CSU Northridge
50. "Associated Students Inc.,
51. California State Polytechnic University, Pomona"
52. Cal Poly Pomona Educational Trust
53. The Cal Poly Pomona Foundation, Inc.
54. Associated Students Inc., CSU Sacramento
55. Capital Public Radio, CSU Sacramento
56. The University Foundation of CSU Sacramento
57. University Enterprises Development Group, Inc. CSU Sacramento
58. University Enterprises, Inc. CSU Sacramento
59. University Union, CSU Sacramento
60. Associated Students Inc., CSU San Bernardino
61. Student Union, CSU San Bernardino
62. The Foundation of CSU San Bernardino
63. Associated Students of San Diego State University
64. "Aztec Shops, LTD
65. San Diego State University"

66. San Diego State University Research Foundation
67. "Associated Students Inc.,
68. San Francisco State University"
69. "Franciscan Shops,
70. San Francisco State University"
71. The University Corp, San Francisco State
72. Student Center, San Francisco State University
73. Associated Student Inc., San Jose State University
74. San Jose State University Research Foundation
75. Spartan Shops, Inc.
76. Student Union of San Jose State University
77. The Tower Foundation, San Jose State University
78. Associated Students Inc., California Polytechnic State University, San Luis Obispo
79. Cal Poly Corporation
80. Cal Poly Foundation
81. Cal Poly Housing Corporation
82. Associated Students Inc, CSU San Marcos
83. University Auxiliary and Research Services Corporation, CSU San Marcos
84. The University Corporation of CSU San Marcos
85. Associated Students Inc., Sonoma State University
86. Sonoma State University Academic Foundation
87. Sonoma State Enterprises
88. Sonoma Student Union Corporation
89. Associated Students Inc., CSU Stanislaus
90. Auxiliary & Business Services of CSU Stanislaus
91. CSU Stanislaus Foundation
92. University Student Union of CSU Stanislaus

**ENDORSEMENTS**

**1. SERVICE OF SUIT CLAUSE (U.S.A.)**

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or any State in the United States. It is further agreed that service of process in such suit may be made upon Foley & Gardner LLP, 555 California Street, Suite 1700, San Francisco, California 94104-1520 United States of America, and that any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

NMA 1998 (24/4/86) Form approved by Lloyd's Underwriters' Non-Marine Association.

**2. FAITHFUL PERFORMANCE OF DUTY COVERAGE FOR GOVERNMENT EMPLOYEES ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**GOVERNMENT CRIME COVERAGE FORM  
GOVERNMENT CRIME POLICY**

and applies to the Insuring Agreements designated below:

1. the following is added to the Employee Theft Insuring Agreement designated above:

we will pay for loss or damage to "money", "securities" and "other property" resulting directly from the failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property. The most we will pay for loss arising out of any one "occurrence" is the Limit of Insurance shown in the Schedule.

2. the following exclusions are added to the What is not covered Section:
- p) loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.
  - q) damages for which you are legally liable as a result of:
    - (1) the deprivation or violation of the civil rights of any person by an "employee";
    - or
    - (2) the tortious conduct of an "employee", except the conversion of property of other parties held by you in any capacity.
3. the Indemnification is added to General matters Section:
- We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their duties against loss through the failure of any "employee" under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property.
4. Part (l) of the Termination As To Any Employee Condition is replaced by the following:
- (1) As soon as:
    - (a) You; or
    - (b) Any official or employee authorized to manage, govern or control your "employees" learn of any act committed by the "employee" whether before or after becoming employed by you which would constitute a loss covered under the terms of the Employee Theft Insuring Agreement, as amended by this endorsement.

**3. B.E.J. & H. DISCOVERY LIMITATION CLAUSE (1)**

It is hereby understood and agreed that there shall be no liability under this Policy in respect of any claim –

- (a) arising out of or in connection with any circumstances or occurrences which have been notified to the Insurer on any other policy of insurance effected prior to the inception of this Policy;
- (b) arising out of or in connection with any circumstances or occurrences known to the **Insured** prior to the inception hereof.



**4. AGGREGATE LIMIT ENDORSEMENT**

The total liability of the Underwriters for any one or all claims under each or all Insuring Clauses of this Policy during the Policy Period shall not exceed the applicable Aggregate Policy Limit stated in Item 3. of the Schedule inclusive of Costs, Charges and Expenses. The applicable Aggregate Policy Limit stated in Item 3. of the Schedule shall be reduced by the amount of any payment made under the terms of this Policy.

**5. FINE ART AND JEWELLERY COLLECTION EXCLUSION**

We will not pay loss consisting of or which is due to fine art and jewellery collections

**6. NOTICE OF CANCELLATION OR NON-RENEWAL AMENDMENT ENDORSEMENT**

It is understood and agreed that this Policy may be cancelled by Underwriters by mailing to the **Insured**, at the address shown in the Declarations, written notice stating when, not less than 90 days thereafter, cancellation shall be effective. However, in the event of non-payment of premium by the **Insured**, this Policy may be cancelled by Underwriters by mailing notice to the **Insured** stating when, not less than 10 days thereafter, cancellation shall be effective. The mailing of notice as aforesaid by Underwriters shall be sufficient proof of notice and the coverage provided by this Policy shall end on the effective date and hour of cancellation as stated in the notice. Delivery of such written notice either by the **Insured** or by Underwriters shall be equivalent to mailing.

In the event of non-renewal of this Policy by the Underwriters, they or their legal representative shall provide the **Insured** with written notice of their intent to nonrenew at least ninety (90) days in advance of the expiration date of the **Policy Period**. Notice shall be provided via regular U. S. mail to the address shown in Item 1 (b) of the Declarations.

**7. SMALL ADDITIONAL OR RETURN PREMIUMS CLAUSE (U.S.A.)**

NOTWITHSTANDING anything to the contrary contained herein and in consideration of the premium for which this Insurance is written, it is understood and agreed that whenever an additional or return premium of USD2 or less becomes due from or to the Assured on account of the adjustment of a deposit premium, or of an alteration in coverage or rate during the term or for any other reason, the collection of such premium from the Assured will be waived or the return of such premium to the Assured will not be made, as the case may be.

N.M.A. 1168

**8. NO CLAIM BONUS ON RENEWAL CLAUSE**

In the event of no claim having been made on this policy and the renewal of this insurance being effected with the Underwriters, the Underwriters will allow to the Insured a No Claim Bonus of 5% of the premium paid hereon, it being understood that no obligation on Underwriters or the Insured to renew is implied.

12/93  
LSW718

9. EXPRESS WARRANTIES

Warranted dual Cheque signatures for amounts in excess of USD15,000 for both Universities and Auxiliary Organisations specified in the Schedule attaching to this Policy

10. It is hereby noted and agreed that, this policy includes coverage for Employee Benefit assets it holds as a fiduciary.

11. AMENDED NOTICE REQUIREMENTS.

In consideration of the premium charged for this policy, the clause "When a problem arises" is deleted and the following substituted therefore:

**When a problem arises** We need prompt notice should a loss arise in order that we can protect your interests. Therefore, you must inform our Claims Department at **Financial Lines Claims, Ace Building, 100 Leadenhall Street, London EC3A 3BP** in writing within:

- a) as soon as practicable after discovering a loss; but
- b) no later than one (1) year from the date of cancellation or termination of an Employee Benefit Plan

We will then liaise with you concerning the steps to be taken in respect of the loss.

You must provide us with full and accurate information about any problem or potential problem of the type described under *What has gone wrong*. If you, or anyone on your behalf, try to deceive us by deliberately giving us false information then the insurance will be treated as if it had never existed.

12. AMENDED DISCOVER/ED OR DISCOVERY CLAUSE

In consideration of the premium charged for this policy, the Discover/ed or Discover clause is deleted and the following substituted therefore:

**Discover/ed or Discovery** means the time at which you or one of your CSU Systemwide Risk Manager becomes aware of acts which a reasonable person would assume to be a loss covered by this policy. We should be informed of any such acts through the exact amount or details of the loss may not be known. Knowledge possessed by any one of you will be deemed to be discovery by all of you.

13. CHOICE OF LAW

This insurance shall be governed by and construed in accordance with the laws of California.



**14. PREMIUM PAYMENT CLAUSE**

The **Insured** undertakes that premium will be paid in full to Underwriters within 30 days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Underwriters by the 30th day from the inception of this policy (and, in respect of instalment premiums, by the date they are due) Underwriters shall have the right to cancel this policy by notifying the **Insured** via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 15 days prior notice of cancellation to the **Insured** via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parties if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Underwriters will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

11/01 LSW3000

**15. SANCTION LIMITATION AND EXCLUSION CLAUSE**

No (re)insurer shall be deemed to provide cover and no (re)insurer shall 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 that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

15/09/10 LMA3100

**16.** It is hereby understood and agreed that this policy will cover the **Insured** for any disallowance from a covered **Externally Funded Program** that results in a financial loss to the **Insured** which the **Insured** is legally obligated to reimburse the funding entity where such disallowance is the result of a fraudulent or criminal act which would otherwise be covered under this policy. For purposes of coverage granted under this endorsement, salaries and wages of the assured shall be covered loss where such salaries and wages have been paid due to fraudulent or criminal acts of an **Insured's** employee. Also for the purposes of coverage granted under this endorsement, when the covered amount of loss determined under this endorsement is reimbursable to a Federal or State agency, the amount payable under the policy shall be payable by the insurer as a legal obligation of the assured even if no court of law has made a final adjudication of the covered disallowance.

For purposes of this endorsement, covered **Externally Funded Programs** are defined as grants, contracts projects and programs by whatever name, which are funded in part by an agency or department of the United States Federal Government or any similar agency or department of a State Government of the United States.

17. It is hereby understood and agreed that the following Loss Payee clause is added::

It is agreed that:

1. At the written request of the **policyholder**, any payment in satisfaction of loss covered by said bond Money or other Property in which Commissioner of the Regents of the University of California has an interest shall be paid by an instrument issued to that organization and the **policyholder** as joint loss-payees, subject to the following conditions and limitations:
  - a. The attached policy is for the sole use and benefit of the **policyholder** as expressed herein. The organization named above shall not be considered as an **Insured** under the policy, nor shall it otherwise have any rights or benefits under said policy.
  - b. Notwithstanding any payment made under the terms of this endorsement or the execution of more than one of such similar endorsement, the amount paid for any one loss occurrence or otherwise in accordance with the terms of this policy shall not exceed the **sum insured** as set forth in the Schedule Page.
  - c. Nothing herein is intended to alter the terms, conditions and limitations of the policy.
2. Should this policy be cancelled, reduced, non-renewed or restrictively modified Us, We will endeavor to give thirty (30) days advance notice to the organization named above, but failure to do so shall not impair or delay the effectiveness of any such cancellation, reduction, non-renewal or restrictive modification, nor shall the We be held liable in any way.
3. Should this policy be cancelled or reduced at the request of the **Insured**, We will endeavor to notify the organization named above of such cancellation or reduction within 10 business days after receipt of such request, but failure to do so shall not impair or delay the effectiveness of such cancellation or reduction, nor shall We be held liable in any way.

**Regents of the University of California**

TO PROVIDE LOSS-PAYEE AND NOTIFICATION AGREEMENT.  
ADOPTED DECEMBER, 1988

SR 6186(A) Printed in U.S.A.


FI-A-91

New Page December, 1990

B5

**SUBJECT OTHERWISE TO THE TERMS, CONDITIONS AND LIMITATIONS OF THIS INSURANCE**

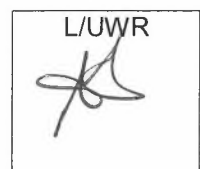
**MR CONTRACT**  
ENQ/QUO : PCSUR000315

L/UWR  




**Information**

As per Alliant renewal presentations held on brokers file and seen by Underwriters.



## Security Details

### LMA3333

#### (RE)INSURERS LIABILITY CLAUSE

##### (Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

#### Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

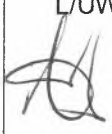
Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

**Order Hereon:** 100% of 100%

**Basis of  
Written Lines:** Percentage of Whole

**MR CONTRACT**  
ENQ/QUO : PCSUR000315

L/UWR  


**Signing Provisions:** In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the contracts will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

**Written Lines:** In a co-insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the lead (re)insurer.

(Re)insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.



SIGNED  
LINE %



AGM  
2488

*[Signature]* 2/6/15

ace global markets

33.34% 

A	K	A	K	6	F	L	K	S	6	8	2
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 BB

S.I.F.



SJC 2003

33.33%

B	X	1	0	0	0	5	1	7	8	4	4
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XL 1209

n	n	n	n	n	n	n	n	n	n	n	n
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S:100%

*[Signature]* 2/6/15

BRIT

*[Signature]* 2/6/15

BRT  
2987

33.33%

GLOBAL SPECIALTY

T	H	7	9	0	C	1	5	A	0	0	0
---	---	---	---	---	---	---	---	---	---	---	---

 BB

Est. Sign = 100%



621  
MIL

PROFESSIONAL RISKS  
UMR / POLICY No. B0621PCSUR000315

PAGE 28 OF 28

SIGNED  
LINE %

MR CONTRACT  
ENQ/QUO : PCSUR000315

L/UWR

8

423



## COVERAGE SUMMARY

**INSURER:**

Travelers Excess and  
Surplus Lines Company

**POLICY TERM:**

July 1, 2015 to

July 1, 2016

**POLICY NO:**

105960479

**QUESTIONS:**

**Mimi Long**

(415) 403-1423

[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**

(415) 403-1408

[vrin@alliant.com](mailto:vrin@alliant.com)

**Hsan Htein**

(415) 403-1452

[hhtein@alliant.com](mailto:hhtein@alliant.com)

**COVERAGE:**

1. Lost wages as a result of time taken off from work to deal with the fraud, including wrongful incarceration – up to \$500 per week for four weeks
2. Notary and certified mail charges for completing and delivering fraud affidavits
3. Fees to re-apply for loans that were denied as a result of erroneous credit information due to the identity theft
4. Long distance telephone charges for calling merchants, law enforcement agencies or credit grantors to discuss an actual identity theft
5. Attorney fees incurred, with Travelers Bond's prior consent, for:
  - a. Defending suits brought incorrectly by merchants or their collection agencies
  - b. Removing criminal or civil judgments wrongly entered against the victim
  - c. Challenging information in a credit report

**THIS BENEFIT APPLIES TO ANY INSURED PERSON -  
INSURED PERSON MEANS:**

1. Any full-time or part-time employee of the Auxiliary Organization
2. The spouse, domestic partner, child under 25 years of age or parent of the employee (residing in the same household)

**LIMITS:**

\$10,000 Any one loss

**DEDUCTIBLE:**

None

**EXCLUSIONS:**

1. Fraud, dishonest or criminal act of any person acting in concert with the Insured Person;
2. Loss other than expenses;
3. Loss that occurred prior to or after being an employee of the covered CSURMA AORMA Member

**HOW TO REPORT A CLAIM:**

Travelers Bond & Financial Products

Claim Department

(800) 842-8496

[bondclaimidfraud@travelers.com](mailto:bondclaimidfraud@travelers.com)

*While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.*



IDENTITY FRAUD EXPENSE REIMBURSEMENT MASTER POLICY DECLARATIONS

Travelers Excess and Surplus Lines Company
Hartford, Connecticut

POLICY NUMBER:

105960479

POLICY PERIOD:

Inception Date: July 01, 2015 Expiration Date: July 01, 2016
12:01 A.M. standard time both dates at the Principal Address stated in ITEM 1.

MASTER POLICY HOLDER:

Members of CSURMA AORMA
401 Golden Shore, 5th Floor
Long Beach, CA 90802

FILING A CLAIM

Travelers Bond & Financial Products
Attn: Claim Department
Phone: 1-800-842-8496
Email: Bondclaimidfraud@travelers.com

PREMIUM:

\_\_\_\_\_

INSURANCE AFFORDED is only with respect to the following coverage(s), subject to all terms of this Policy having reference thereto.

(1) Identity Fraud Expense Reimbursement Coverage:

Limit of Insurance: \$10,000.00

Deductible: \$0.00

ENDORSEMENTS:

ID-1006 04-01
ID-1013 05-10
ILT-1069 07-08

Countersigned by (if required)

[Signature]
Authorized Company Representative

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its authorized officers.

[Signature: Thomas M. Hunkel]
Executive Vice President

[Signature: Wendy C. Skj]
Corporate Secretary

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**CONSIDERATION CLAUSE**

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In consideration of the payment of the premium for this Policy and subject to the Insuring Agreements, Conditions, and other terms of this Policy, the Company agrees with the **Master Policy Holder**:

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**INSURING AGREEMENT**

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**(1) IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE**

To reimburse an **Insured Person** for **Expenses** incurred by the **Insured Person** as the direct result of any one **Identity Fraud Discovered** during the policy period.

Only an **Insured Person** will be entitled to coverage under this Insuring Agreement **(1) Identity Fraud Expense Reimbursement Coverage**.

---

**CONDITIONS**

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**1. Definitions**

- (a) **Discovers, Discovered, or Discovery** means the moment when the **Insured Person** first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this **Identity Fraud Expense Reimbursement Master Policy** has been or will be incurred, even though the exact details of loss may not then be known.
- (b) **Expenses** means
- (i) costs for notarizing fraud affidavits or similar documents for credit agencies, financial institutions, healthcare providers, merchants or other credit grantors that have required that such affidavits be notarized.
  - (ii) costs for certified mail to law enforcement agencies, credit agencies, financial institutions, healthcare providers, merchants or other credit grantors.
  - (iii) lost wages or salaried earnings, up to a maximum payment of \$1,000 per week for a maximum period of five weeks, during absence from employment:
    - a. to communicate with law enforcement agencies, legal counsel, credit agencies, financial institutions, healthcare providers, merchants or other credit grantors;
    - b. to complete fraud affidavits or similar documents; or
    - c. due to wrongful incarceration arising solely from someone having committed a crime in the **Insured Person's** name; provided, that lost wages will not apply in the case of wrongful incarceration absent all charges being dismissed or an acquittal.
  - (iv) loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
  - (v) costs for long distance telephone calls, cellular telephone calls and facsimiles, to law enforcement agencies, credit agencies, financial institutions, healthcare providers, merchants or other credit grantors to report or discuss any actual **Identity Fraud**.
  - (vi) reasonable attorney fees incurred, with the Company's prior written consent, for:

- a. defense of lawsuits brought against the **Insured Person** by financial institutions, healthcare providers, merchants, other credit grantors or their collection agencies;
  - b. the removal of any criminal or civil judgments wrongly entered against the **Insured Person**;
  - c. challenging the accuracy or completeness of any information in a consumer credit report;
  - d. pursuing the release of medical records solely for the purpose of investigating medical-related **Identity Fraud**, upon the exhaustion of the healthcare provider's medical record and personal information request and appeal process;
  - e. contesting wrongfully incurred tax liability; or
  - f. contesting the wrongful transfer of ownership of an **Insured Person's** tangible property;
- (vii) costs for daycare and eldercare incurred solely as a direct result of any one Identity Fraud **Discovered** during the policy period.
- (viii) reasonable costs for travel and accommodations incurred by the **Insured Person**, up to a maximum payment of \$1,000 per week for a maximum period of five weeks, to:
- a. participate in the defense of lawsuits brought against the **Insured Person** by financial institutions, healthcare providers, merchants, other credit grantors or their collection agencies;
  - b. challenge the accuracy or completeness of any information in a consumer credit report;
  - c. participate in the criminal prosecution of the perpetrators of the **Identity Fraud**; or
  - d. file in person loss affidavits and civil or criminal complaints with local law enforcement in the jurisdiction in which the **Identity Fraud** occurred, as required by local law;
- (ix) fees for the re-application and re-issuance of government issued personal identification documentation, including passports, commercial and non-commercial drivers licenses, state and federal personal identification cards, and social security cards, compromised as a result of **Identity Fraud**; and
- (x) fees charged for copies of medical records, including x-rays, obtained solely for the purpose of investigating medical-related **Identity Fraud**.
- (c) **Identity Fraud** means the act of knowingly transferring or using, without lawful authority, a means of identification of an **Insured Person** with the intent to commit, or to aid or abet, any unlawful activity that constitutes a violation of Federal law or a felony under any applicable state or local law.
- (d) **Insured Person** means any natural person who is currently subscribed to a **Membership Program** that has been specifically expanded by the **Master Policy Holder** to include the protection afforded by this Policy.
- (e) **Master Policy Holder** means the entity named in the Declarations as the **Master Policy Holder**.
- (f) **Membership Program** means a membership program or affinity group sponsored by the **Master Policy Holder** and that is specifically named within an endorsement attached to this Policy.
- (g) **Policy Period** means the period stated in the Declarations.

## 2. Exclusions

This Policy does not apply:

- (a) to loss due to any fraudulent, dishonest or criminal act by an **Insured Person** or any person acting in concert with an **Insured Person**, or by any authorized representative of an **Insured Person**, whether acting alone or in collusion with others;
- (b) to loss other than **Expenses**;

- (c) to an **Identity Fraud** that was **Discovered**, or **Expenses** incurred, when an individual was not an **Insured Person**.
  - (d) to loss due to nuclear reaction, nuclear radiation or radioactive contamination, or due to any act or condition incident to any of the foregoing; or
  - (e) to loss due to war, whether or not declared, civil war, insurrection, rebellion, revolution, or to any act or condition incident to any of the foregoing.
3. **Policy Period – Discovery** – This Policy applies only to **Identity Fraud**, occurring anywhere in the world, which is **Discovered** during the **Policy Period** and is reported to the Company during the **Policy Period** or within 30 days following the termination of either
- (a) this Policy; or
  - (b) membership of the **Insured Person** in a **Membership Program**.
4. **Limits of Insurance** - Under Insuring Agreement (1), the limit of the Company's liability per **Insured Person** for loss covered under this Policy shall not exceed the applicable Limit of Insurance shown in the Declarations. Under this Policy, all losses incidental to an act or series of related acts or arising from the same method of operation, whether committed by one or more persons, shall be deemed to arise out of one occurrence and shall be treated as one loss. However, solely with respect to Insuring Agreement (1), should one such act cause a covered loss to more than one **Insured Person**, the available Limit of Insurance under this Policy and the deductible amount shall apply to each **Insured Person** separately.

Regardless of the number of **Membership Programs** that an **Insured Person** is a member of, the Company's liability to such **Insured Person** for loss covered under this Policy shall not exceed the applicable Limit of Insurance shown in the Declarations.

5. **Deductible** - The Company shall be liable only for the amount by which any loss exceeds the applicable Deductible Amount as shown in the Declarations. This Deductible Amount applies to each and every loss and shall have no aggregate limitation.
6. **Recoveries** - Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this Policy will be distributed as follows:
- (a) first, to the **Insured Person**, until the **Insured Person** is reimbursed for any loss that was sustained by the **Insured Person** that exceeds the Limit of Insurance and the Deductible Amount, if any;
  - (b) then to the Company, until the Company is reimbursed for the settlement made; and
  - (c) then to the **Insured Person** until the **Insured Person** is reimbursed for that part of the loss equal to the Deductible Amount, if any.

Recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for the Company's benefit.

7. **Ownership Interests Covered** - This Policy shall be for the sole use and benefit of the **Insured Persons** and the **Master Policy Holder**. It provides no rights or benefits to any other person, entity, or organization.
8. **Insured Person's Duties When Loss Occurs** – Upon knowledge or **Discovery** of loss or of an occurrence which may give rise to a claim under the terms of this Policy, the **Insured Person** shall give notice thereof as soon as practicable to the Company, and file detailed proof of loss, duly sworn to, with the Company within six months after the **Discovery** of loss and provide any subsequently obtained supplemental information within twelve months after the **Discovery** of such loss. If the loss involves a violation of law, the **Insured Person** shall also notify the police.

Upon the Company's request, the **Insured Person** shall submit to examination by the Company, subscribe the same, under oath if required, and produce for the Company's examination all pertinent records, all at such reasonable times and places as the Company shall designate, and shall cooperate with the Company in all matters pertaining to loss or claims with respect thereto. Compliance with all terms and conditions of this Policy are conditions precedent to recovery under this Policy.

The **Insured Person** shall keep books, receipts, bills and other records in such manner that the Company can accurately determine therefrom the amount of any loss. At any time subsequent to the reporting thereof to the

Company, the Company may examine and audit the **Insured Person's** books and records as they relate to a loss under this Policy.

9. **Other Insurance** - If there is any other valid and collectible insurance which would apply in the absence of this Policy, the insurance under this Policy shall apply only as excess insurance over such other insurance.
10. **Action Against Company** - No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all terms of this Policy, nor until 90 days after the required proof of loss has been filed with the Company, nor at all unless commenced within two years from the date when the **Insured Person** first **Discovers** the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Policy, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.
11. **Subrogation** - In the event of any payment under this Policy, the Company shall be subrogated to all the **Insured Person's** rights of recovery therefor against any person or organization, and the **Insured Person** shall execute and deliver instruments and papers and shall take whatever other actions are necessary to secure such rights for the Company. The **Insured Person** shall not take any action after the **Discovery** of any loss that would prejudice such rights.
12. **Changes** - Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or stop the Company from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued by the Company and made to form a part of this Policy.
13. **Cancellation:**
  - (a) The **Master Policy Holder** may cancel this Policy by mailing or delivering to the Company advance written notice of cancellation.
  - (b) The Company may cancel this Policy by mailing or delivering to the **Master Policy Holder** written notice of cancellation at least:
    - (i) ten (10) days before the effective date of cancellation if the Company cancels for nonpayment of premium; or
    - (ii) thirty (30) days before the effective date of cancellation if the Company cancels for any other reason.
  - (c) The Company will deliver notice to the **Master Policy Holder's** last mailing address known to it.
  - (d) Notice of cancellation will state the effective date of cancellation. The **Policy Period** will end on that date.
  - (e) If this Policy is canceled by the Company, the Company will send the **Master Policy Holder** any premium refund due and the refund will be pro rata. If the **Master Policy Holder** cancels, the refund may be less than pro rata. The cancellation will be effective even if the Company has not made or offered a refund.
  - (f) If notice is mailed, proof of mailing will be sufficient proof of notice.
14. **Assignment** - Assignment of interest under this Policy shall not bind the Company until its consent is endorsed herein.
15. **Concealment or Misrepresentation** - This Policy is void as to any **Insured Person** if, at any time, said **Insured Person** intentionally conceals or misrepresents a material fact concerning either this insurance or a claim under this insurance.



**SCHEDULE OF MEMBERSHIP PROGRAMS**

This endorsement changes the following:

**Identity Fraud Expense Coverage Master Policy**

---

**It is agreed that:**

**"Membership Program"** as used in the attached Policy shall solely mean the programs listed in the below schedule:

**SCHEDULE**

<b>Name of Membership Program</b>	<b>Added to Coverage Effective</b>	<b>Limit of Insurance</b>	<b>Deductible Amount</b>
Members of the CSURMA AORMA Full Time and Part Time Employees	July 01, 2015	\$10,000.00	\$0.00

Or as amended and reported to the Company within 60 days of the change in name of the **Membership Program**.

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Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.



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

**FAMILY COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**IDENTITY FRAUD EXPENSE REIMBURSEMENT MASTER POLICY**

It is agreed that:

**CONDITIONS, 1. Definitions, (d) Insured Person** is replaced with:

**(d) Insured Person** means:

- (i) any natural person who is currently subscribed to a **Membership Program** that has been specifically expanded by the **Master Policy Holder** to include the protection afforded by this Policy; and
- (ii) any spouse, person qualifying as a domestic partner under the provisions of any applicable federal, state or local law, child under 25 years of age or parent of such natural person, residing in the same household.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

This endorsement is effective at the Policy Period inception date stated in the Declarations or effective at 12:01 A.M. on \_\_\_\_\_, if indicated herein. Complete the following only when this endorsement is not prepared with the policy or is to be effective on a date other than the Inception Date of the policy.

Accepted by:

\_\_\_\_\_  
On behalf of the entity named in  
ITEM 1 of the Declarations.

  
Authorized Company Representative

## SERVICE OF LAWSUIT ENDORSEMENT

This endorsement changes the following:

### Identity Fraud Expense Coverage Master Policy

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It is agreed that in the event of the failure of the Travelers Excess and Surplus Lines Company (the Insurer) to pay any amount claimed to be due hereunder, the Insurer shall honor the decision of the court that is authorized to hear the case; provided that the Insurer has the right to appeal that decision. It is further agreed that service of process for any lawsuit brought against the Insurer may be made upon the Insurer by serving its Corporate Secretary, or the Corporate Secretary's designee, at One Tower Square, Hartford, CT 06183 and such person shall be authorized to receive the papers on behalf of the Insurer. However, the Insured may also serve or send papers involving such lawsuit to the Commissioner, Director or Superintendent of Insurance for the state in which the lawsuit is being filed. The Insurer designates that appropriate officer, or that person's successor, to mail a copy of the paper to the Insurer.

#### California Clause:

For the State of California, it is agreed that service of process in a lawsuit against the Insurer may be made upon:

CSC-Lawyers Incorporating Service  
2730 Gateway Oaks Drive, Suite 100  
Sacramento, California 95833

#### Rhode Island Clause:

For the State of Rhode Island, it is agreed that service of process in a lawsuit against the Insurer may be made upon:

Corporation Service Company  
222 Jefferson Blvd., Suite 200  
Warwick, Rhode Island 02888

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Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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Issuing Company: Travelers Excess & Surplus Lines Company  
Policy Number: 105960479

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## Identity Fraud Expense Reimbursement Coverage

Identity fraud is one of the fastest growing crimes in the country today. According to the 2010 Identity Fraud Survey report released by the Better Business Bureau and Javelin Strategy & Research, about 11 million people were victims of identity fraud during 2009. This means that one in every 28 consumers fell victim to the crime, with total out-of-pocket expenses exceeding \$4.9 billion<sup>1</sup>.

Members of CSURMA AORMA has purchased the Identity Fraud Expense Master policy from Travelers Bond & Financial Products in order to provide you and your spouse with this valuable coverage.

Your Policy Number is: 105960479

Your Coverage Limit is: \$10,000.00

Your Deductible is: \$0.00

If you are a victim of Identity Fraud, please call Travelers to report your claim: 800.842.8496

The coverage reimburses identity fraud victims for the following:

- Lost wages as a result of time taken off from work to deal with the fraud, including wrongful incarceration – up to \$1000 per week for a maximum period of five weeks
- Notary and certified mail charges for completing and delivering fraud affidavits
- Fees to re-apply for loans that were denied as a result of erroneous credit information due to the identity fraud
- Long distance telephone charges for calling merchants, law enforcement agencies or credit grantors to discuss an actual identity fraud
- Attorney fees incurred, with Travelers Bond & Financial Product's prior consent, for:
  - Defending suits brought incorrectly by merchants or their collection agencies
  - Removing criminal or civil judgments wrongly entered against the victim
  - Challenging information in a credit report
  - Release of medical records in cases of medical identity fraud
  - Contesting wrongfully incurred tax liability
  - Contesting the wrongful transfer of ownership of an insured person's tangible property
- Additional coverage for spouse, family, and daycare and eldercare coverage are available by endorsement
- Costs for daycare and eldercare coverage, if that coverage is necessary for an insured person to attend meetings or otherwise have the ability to restore financial health and credit history as a result of identity fraud
- Travel and accommodations expense up to \$1,000 per week up to five weeks
- Expenses and fees for new government issued identification such as passports, drivers license and social security cards
- Expense and fees for copies of health records for purpose of investigating medical identity fraud

Becoming a victim of identity fraud is a frightening, frustrating experience. It can happen to anyone at any time. Our identity fraud specialists can help victims during this difficult time. Not only will we pay for expenses associated with clearing up your credit, but we will also provide you with detailed information on how to fix your credit and resolve other identity fraud issues.

<sup>1</sup>Source: [www.idsafety.net/report.html](http://www.idsafety.net/report.html)

Travelers Casualty and Surety Company of  
America and its property casualty affiliates  
One Tower Square  
Hartford, CT 06183

[travelers.com](http://travelers.com)

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.

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Travelers is pleased to supply this member benefit card template which you may reproduce and distribute to members at your option.



Members of CSURMA AORMA has purchased the Identity Fraud Expense Master policy from Travelers Bond & Financial Products in order to provide you and your spouse with this valuable coverage.

Your Policy Number is: 105960479  
Your Coverage Limit is: \$10,000.00  
Your Deductible is: \$0.00

If you are a victim of Identity Fraud, please call Travelers to report your claim: 800.842.8496



Members of CSURMA AORMA has purchased the Identity Fraud Expense Master policy from Travelers Bond & Financial Products in order to provide you and your spouse with this valuable coverage.

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Your Policy Number is: 105960479  
Your Coverage Limit is: \$10,000.00  
Your Deductible is: \$0.00

If you are a victim of Identity Fraud, please call Travelers to report your claim: 800.842.8496



IDENTITY FRAUD EXPENSE REIMBURSEMENT MASTER POLICY DECLARATIONS

Travelers Excess and Surplus Lines Company
Hartford, Connecticut

POLICY NUMBER:

105960479

POLICY PERIOD:

Inception Date: July 01, 2015 Expiration Date: July 01, 2016
12:01 A.M. standard time both dates at the Principal Address stated in ITEM 1.

MASTER POLICY HOLDER:

Members of CSURMA AORMA
401 Golden Shore, 5th Floor
Long Beach, CA 90802

FILING A CLAIM

Travelers Bond & Financial Products
Attn: Claim Department
Phone: 1-800-842-8496
Email: Bondclaimidfraud@travelers.com

PREMIUM:

INSURANCE AFFORDED is only with respect to the following coverage(s), subject to all terms of this Policy having reference thereto.

(1) Identity Fraud Expense Reimbursement Coverage:

Limit of Insurance: \$10,000.00

Deductible: \$0.00

ENDORSEMENTS:

ID-1006 04-01
ID-1013 05-10
ILT-1069 07-08

Countersigned by (if required)

Authorized Company Representative (with signature)

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its authorized officers.

Thomas M. Hunkel
Executive Vice President

Wendy C. Skj...
Corporate Secretary

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**CONSIDERATION CLAUSE**

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In consideration of the payment of the premium for this Policy and subject to the Insuring Agreements, Conditions, and other terms of this Policy, the Company agrees with the **Master Policy Holder**:

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**INSURING AGREEMENT**

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**(1) IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE**

To reimburse an **Insured Person** for **Expenses** incurred by the **Insured Person** as the direct result of any one **Identity Fraud Discovered** during the policy period.

Only an **Insured Person** will be entitled to coverage under this Insuring Agreement **(1) Identity Fraud Expense Reimbursement Coverage**.

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**CONDITIONS**

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**1. Definitions**

- (a) **Discovers, Discovered, or Discovery** means the moment when the **Insured Person** first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this **Identity Fraud Expense Reimbursement Master Policy** has been or will be incurred, even though the exact details of loss may not then be known.
- (b) **Expenses** means
- (i) costs for notarizing fraud affidavits or similar documents for credit agencies, financial institutions, healthcare providers, merchants or other credit grantors that have required that such affidavits be notarized.
  - (ii) costs for certified mail to law enforcement agencies, credit agencies, financial institutions, healthcare providers, merchants or other credit grantors.
  - (iii) lost wages or salaried earnings, up to a maximum payment of \$1,000 per week for a maximum period of five weeks, during absence from employment:
    - a. to communicate with law enforcement agencies, legal counsel, credit agencies, financial institutions, healthcare providers, merchants or other credit grantors;
    - b. to complete fraud affidavits or similar documents; or
    - c. due to wrongful incarceration arising solely from someone having committed a crime in the **Insured Person's** name; provided, that lost wages will not apply in the case of wrongful incarceration absent all charges being dismissed or an acquittal.
  - (iv) loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
  - (v) costs for long distance telephone calls, cellular telephone calls and facsimiles, to law enforcement agencies, credit agencies, financial institutions, healthcare providers, merchants or other credit grantors to report or discuss any actual **Identity Fraud**.
  - (vi) reasonable attorney fees incurred, with the Company's prior written consent, for:

- a. defense of lawsuits brought against the **Insured Person** by financial institutions, healthcare providers, merchants, other credit grantors or their collection agencies;
  - b. the removal of any criminal or civil judgments wrongly entered against the **Insured Person**;
  - c. challenging the accuracy or completeness of any information in a consumer credit report;
  - d. pursuing the release of medical records solely for the purpose of investigating medical-related **Identity Fraud**, upon the exhaustion of the healthcare provider's medical record and personal information request and appeal process;
  - e. contesting wrongfully incurred tax liability; or
  - f. contesting the wrongful transfer of ownership of an **Insured Person's** tangible property;
- (vii) costs for daycare and eldercare incurred solely as a direct result of any one Identity Fraud **Discovered** during the policy period.
- (viii) reasonable costs for travel and accommodations incurred by the **Insured Person**, up to a maximum payment of \$1,000 per week for a maximum period of five weeks, to:
- a. participate in the defense of lawsuits brought against the **Insured Person** by financial institutions, healthcare providers, merchants, other credit grantors or their collection agencies;
  - b. challenge the accuracy or completeness of any information in a consumer credit report;
  - c. participate in the criminal prosecution of the perpetrators of the **Identity Fraud**; or
  - d. file in person loss affidavits and civil or criminal complaints with local law enforcement in the jurisdiction in which the **Identity Fraud** occurred, as required by local law;
- (ix) fees for the re-application and re-issuance of government issued personal identification documentation, including passports, commercial and non-commercial drivers licenses, state and federal personal identification cards, and social security cards, compromised as a result of **Identity Fraud**; and
- (x) fees charged for copies of medical records, including x-rays, obtained solely for the purpose of investigating medical-related **Identity Fraud**.
- (c) **Identity Fraud** means the act of knowingly transferring or using, without lawful authority, a means of identification of an **Insured Person** with the intent to commit, or to aid or abet, any unlawful activity that constitutes a violation of Federal law or a felony under any applicable state or local law.
- (d) **Insured Person** means any natural person who is currently subscribed to a **Membership Program** that has been specifically expanded by the **Master Policy Holder** to include the protection afforded by this Policy.
- (e) **Master Policy Holder** means the entity named in the Declarations as the **Master Policy Holder**.
- (f) **Membership Program** means a membership program or affinity group sponsored by the **Master Policy Holder** and that is specifically named within an endorsement attached to this Policy.
- (g) **Policy Period** means the period stated in the Declarations.

## 2. Exclusions

This Policy does not apply:

- (a) to loss due to any fraudulent, dishonest or criminal act by an **Insured Person** or any person acting in concert with an **Insured Person**, or by any authorized representative of an **Insured Person**, whether acting alone or in collusion with others;
- (b) to loss other than **Expenses**;



- (c) to an **Identity Fraud** that was **Discovered**, or **Expenses** incurred, when an individual was not an **Insured Person**.
  - (d) to loss due to nuclear reaction, nuclear radiation or radioactive contamination, or due to any act or condition incident to any of the foregoing; or
  - (e) to loss due to war, whether or not declared, civil war, insurrection, rebellion, revolution, or to any act or condition incident to any of the foregoing.
3. **Policy Period – Discovery** – This Policy applies only to **Identity Fraud**, occurring anywhere in the world, which is **Discovered** during the **Policy Period** and is reported to the Company during the **Policy Period** or within 30 days following the termination of either
- (a) this Policy; or
  - (b) membership of the **Insured Person** in a **Membership Program**.
4. **Limits of Insurance** - Under Insuring Agreement (1), the limit of the Company's liability per **Insured Person** for loss covered under this Policy shall not exceed the applicable Limit of Insurance shown in the Declarations. Under this Policy, all losses incidental to an act or series of related acts or arising from the same method of operation, whether committed by one or more persons, shall be deemed to arise out of one occurrence and shall be treated as one loss. However, solely with respect to Insuring Agreement (1), should one such act cause a covered loss to more than one **Insured Person**, the available Limit of Insurance under this Policy and the deductible amount shall apply to each **Insured Person** separately.

Regardless of the number of **Membership Programs** that an **Insured Person** is a member of, the Company's liability to such **Insured Person** for loss covered under this Policy shall not exceed the applicable Limit of Insurance shown in the Declarations.

5. **Deductible** - The Company shall be liable only for the amount by which any loss exceeds the applicable Deductible Amount as shown in the Declarations. This Deductible Amount applies to each and every loss and shall have no aggregate limitation.
6. **Recoveries** - Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this Policy will be distributed as follows:
- (a) first, to the **Insured Person**, until the **Insured Person** is reimbursed for any loss that was sustained by the **Insured Person** that exceeds the Limit of Insurance and the Deductible Amount, if any;
  - (b) then to the Company, until the Company is reimbursed for the settlement made; and
  - (c) then to the **Insured Person** until the **Insured Person** is reimbursed for that part of the loss equal to the Deductible Amount, if any.

Recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for the Company's benefit.

7. **Ownership Interests Covered** - This Policy shall be for the sole use and benefit of the **Insured Persons** and the **Master Policy Holder**. It provides no rights or benefits to any other person, entity, or organization.
8. **Insured Person's Duties When Loss Occurs** – Upon knowledge or **Discovery** of loss or of an occurrence which may give rise to a claim under the terms of this Policy, the **Insured Person** shall give notice thereof as soon as practicable to the Company, and file detailed proof of loss, duly sworn to, with the Company within six months after the **Discovery** of loss and provide any subsequently obtained supplemental information within twelve months after the **Discovery** of such loss. If the loss involves a violation of law, the **Insured Person** shall also notify the police.

Upon the Company's request, the **Insured Person** shall submit to examination by the Company, subscribe the same, under oath if required, and produce for the Company's examination all pertinent records, all at such reasonable times and places as the Company shall designate, and shall cooperate with the Company in all matters pertaining to loss or claims with respect thereto. Compliance with all terms and conditions of this Policy are conditions precedent to recovery under this Policy.

The **Insured Person** shall keep books, receipts, bills and other records in such manner that the Company can accurately determine therefrom the amount of any loss. At any time subsequent to the reporting thereof to the

Company, the Company may examine and audit the **Insured Person's** books and records as they relate to a loss under this Policy.

9. **Other Insurance** - If there is any other valid and collectible insurance which would apply in the absence of this Policy, the insurance under this Policy shall apply only as excess insurance over such other insurance.
10. **Action Against Company** - No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all terms of this Policy, nor until 90 days after the required proof of loss has been filed with the Company, nor at all unless commenced within two years from the date when the **Insured Person** first **Discovers** the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Policy, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.
11. **Subrogation** - In the event of any payment under this Policy, the Company shall be subrogated to all the **Insured Person's** rights of recovery therefor against any person or organization, and the **Insured Person** shall execute and deliver instruments and papers and shall take whatever other actions are necessary to secure such rights for the Company. The **Insured Person** shall not take any action after the **Discovery** of any loss that would prejudice such rights.
12. **Changes** - Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or stop the Company from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued by the Company and made to form a part of this Policy.
13. **Cancellation:**
  - (a) The **Master Policy Holder** may cancel this Policy by mailing or delivering to the Company advance written notice of cancellation.
  - (b) The Company may cancel this Policy by mailing or delivering to the **Master Policy Holder** written notice of cancellation at least:
    - (i) ten (10) days before the effective date of cancellation if the Company cancels for nonpayment of premium; or
    - (ii) thirty (30) days before the effective date of cancellation if the Company cancels for any other reason.
  - (c) The Company will deliver notice to the **Master Policy Holder's** last mailing address known to it.
  - (d) Notice of cancellation will state the effective date of cancellation. The **Policy Period** will end on that date.
  - (e) If this Policy is canceled by the Company, the Company will send the **Master Policy Holder** any premium refund due and the refund will be pro rata. If the **Master Policy Holder** cancels, the refund may be less than pro rata. The cancellation will be effective even if the Company has not made or offered a refund.
  - (f) If notice is mailed, proof of mailing will be sufficient proof of notice.
14. **Assignment** - Assignment of interest under this Policy shall not bind the Company until its consent is endorsed herein.
15. **Concealment or Misrepresentation** - This Policy is void as to any **Insured Person** if, at any time, said **Insured Person** intentionally conceals or misrepresents a material fact concerning either this insurance or a claim under this insurance.

**SCHEDULE OF MEMBERSHIP PROGRAMS**

This endorsement changes the following:

**Identity Fraud Expense Coverage Master Policy**

---

**It is agreed that:**

**"Membership Program"** as used in the attached Policy shall solely mean the programs listed in the below schedule:

**SCHEDULE**

<b>Name of Membership Program</b>	<b>Added to Coverage Effective</b>	<b>Limit of Insurance</b>	<b>Deductible Amount</b>
Members of the CSURMA AORMA Full Time and Part Time Employees	July 01, 2015	\$10,000.00	\$0.00

Or as amended and reported to the Company within 60 days of the change in name of the **Membership Program**.

---

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

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

**FAMILY COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**IDENTITY FRAUD EXPENSE REIMBURSEMENT MASTER POLICY**

It is agreed that:

**CONDITIONS, 1. Definitions, (d) Insured Person** is replaced with:

**(d) Insured Person** means:

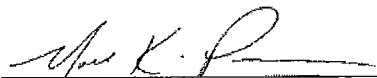
- (i) any natural person who is currently subscribed to a **Membership Program** that has been specifically expanded by the **Master Policy Holder** to include the protection afforded by this Policy; and
- (ii) any spouse, person qualifying as a domestic partner under the provisions of any applicable federal, state or local law, child under 25 years of age or parent of such natural person, residing in the same household.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

This endorsement is effective at the Policy Period inception date stated in the Declarations or effective at 12:01 A.M. on \_\_\_\_\_, if indicated herein. Complete the following only when this endorsement is not prepared with the policy or is to be effective on a date other than the Inception Date of the policy.

Accepted by: \_\_\_\_\_

On behalf of the entity named in  
ITEM 1 of the Declarations.



Authorized Company Representative

## SERVICE OF LAWSUIT ENDORSEMENT

This endorsement changes the following:

### Identity Fraud Expense Coverage Master Policy

---

It is agreed that in the event of the failure of the Travelers Excess and Surplus Lines Company (the Insurer) to pay any amount claimed to be due hereunder, the Insurer shall honor the decision of the court that is authorized to hear the case; provided that the Insurer has the right to appeal that decision. It is further agreed that service of process for any lawsuit brought against the Insurer may be made upon the Insurer by serving its Corporate Secretary, or the Corporate Secretary's designee, at One Tower Square, Hartford, CT 06183 and such person shall be authorized to receive the papers on behalf of the Insurer. However, the Insured may also serve or send papers involving such lawsuit to the Commissioner, Director or Superintendent of Insurance for the state in which the lawsuit is being filed. The Insurer designates that appropriate officer, or that person's successor, to mail a copy of the paper to the Insurer.

#### California Clause:

For the State of California, it is agreed that service of process in a lawsuit against the Insurer may be made upon:

CSC-Lawyers Incorporating Service  
2730 Gateway Oaks Drive, Suite 100  
Sacramento, California 95833

#### Rhode Island Clause:

For the State of Rhode Island, it is agreed that service of process in a lawsuit against the Insurer may be made upon:

Corporation Service Company  
222 Jefferson Blvd., Suite 200  
Warwick, Rhode Island 02888

---

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

---

Issuing Company: Travelers Excess & Surplus Lines Company  
Policy Number: 105960479

---



## Identity Fraud Expense Reimbursement Coverage

Identity fraud is one of the fastest growing crimes in the country today. According to the 2010 Identity Fraud Survey report released by the Better Business Bureau and Javelin Strategy & Research, about 11 million people were victims of identity fraud during 2009. This means that one in every 28 consumers fell victim to the crime, with total out-of-pocket expenses exceeding \$4.9 billion<sup>1</sup>.

Members of CSURMA AORMA has purchased the Identity Fraud Expense Master policy from Travelers Bond & Financial Products in order to provide you and your spouse with this valuable coverage.

Your Policy Number is: 105960479

Your Coverage Limit is: \$10,000.00

Your Deductible is: \$0.00

If you are a victim of Identity Fraud, please call Travelers to report your claim: 800.842.8496

The coverage reimburses identity fraud victims for the following:

- Lost wages as a result of time taken off from work to deal with the fraud, including wrongful incarceration – up to \$1000 per week for a maximum period of five weeks
- Notary and certified mail charges for completing and delivering fraud affidavits
- Fees to re-apply for loans that were denied as a result of erroneous credit information due to the identity fraud
- Long distance telephone charges for calling merchants, law enforcement agencies or credit grantors to discuss an actual identity fraud
- Attorney fees incurred, with Travelers Bond & Financial Product's prior consent, for:
  - Defending suits brought incorrectly by merchants or their collection agencies
  - Removing criminal or civil judgments wrongly entered against the victim
  - Challenging information in a credit report
  - Release of medical records in cases of medical identity fraud
  - Contesting wrongfully incurred tax liability
  - Contesting the wrongful transfer of ownership of an insured person's tangible property
- Additional coverage for spouse, family, and daycare and eldercare coverage are available by endorsement
- Costs for daycare and eldercare coverage, if that coverage is necessary for an insured person to attend meetings or otherwise have the ability to restore financial health and credit history as a result of identity fraud
- Travel and accommodations expense up to \$1,000 per week up to five weeks
- Expenses and fees for new government issued identification such as passports, drivers license and social security cards
- Expense and fees for copies of health records for purpose of investigating medical identity fraud

Becoming a victim of identity fraud is a frightening, frustrating experience. It can happen to anyone at any time. Our identity fraud specialists can help victims during this difficult time. Not only will we pay for expenses associated with clearing up your credit, but we will also provide you with detailed information on how to fix your credit and resolve other identity fraud issues.

<sup>1</sup>Source: [www.idsafety.net/report.html](http://www.idsafety.net/report.html)

Travelers Casualty and Surety Company of  
America and its property casualty affiliates  
One Tower Square  
Hartford, CT 06183

[travelers.com](http://travelers.com)

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.

**443**

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Travelers is pleased to supply this member benefit card template which you may reproduce and distribute to members at your option.



Members of CSURMA AORMA has purchased the Identity Fraud Expense Master policy from Travelers Bond & Financial Products in order to provide you and your spouse with this valuable coverage.

Your Policy Number is: 105960479  
Your Coverage Limit is: \$10,000.00  
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## COVERAGE SUMMARY

**INSURER:**  
AGCS Marine Insurance  
Company

**POLICY TERM:**  
July 1, 2015 to  
July 1, 2016



**QUESTIONS:**

**Mimi Long**  
(415) 403-1423  
[mlong@alliant.com](mailto:mlong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**Hsan Htein**  
(415) 403-1452  
[hhtein@alliant.com](mailto:hhtein@alliant.com)

**COVERAGE:**

All Risk equipment floater including earthquake and flood for equipment on the scheduled of equipment on file with the company

**LIMITS:**

As per individual member schedule as part of the policy

**DEDUCTIBLE:**

\$1,000

**PERILS INSURED:**

All Risk of direct physical loss or damage, except as excluded

**PERILS EXCLUDED:**

1. Loss of use
2. Loss or damage to equipment while waterborne
3. Wear and tear, insects/vermin, mechanical breakdown
4. Infidelity of insured's employees
5. Equipment which the insured has loaned
6. Unexplained or mysterious disappearance
7. Nuclear reaction or nuclear radiation
8. Hostile or warlike actions
9. Terrorism

**HOW TO REPORT A CLAIM:**

**Notify Alliant:**

**Michelle Maffei**  
(415) 403-1418  
[mmaffei@alliant.com](mailto:mmaffei@alliant.com)

**Martin Fox-Foster**  
(415) 403-1417  
[martin.fox-foster@alliant.com](mailto:martin.fox-foster@alliant.com)

**Elaine Kim**  
(415) 403-1458  
[ekim@alliant.com](mailto:ekim@alliant.com)

**After Hours Reporting:**

**Robert Frey**  
(415) 403-1445  
(415) 518-8490 (Cell)  
[rfrey@alliant.com](mailto:rfrey@alliant.com)

# Allianz Global Corporate & Specialty®

## Scheduled Property Floater Declarations

Commercial Inland Marine

Insured	California State University Risk Management Authority (CSURMA) will be an Insured Member under a Master Policy issued by Allianz Global Corporate Specialty, a form of which is attached, and will be issued a Declaration of Insurance under the Master Policy.	Policy Number	MXI93058679
Producer	Alliant Specialty Insurance Services, Inc.	Effective Date	7/1/15

### Schedule of Coverage

**Insurance is provided only for those coverages for which a Limit of Insurance is shown in these Declarations.**

### Rate and Premium

**Rate** \$ As Per Schedule on File with Us                      **Premium** \$71,640 Including TRIA

### Description of Covered Property:

As Per Schedule on File with Us

### Location of Covered Property

As Per Schedule on File with Us Dated  
 Unscheduled vehicles and/or equipment that are not owned by you, but in your care, custody, and control

**All Covered Property in any one occurrence**

### Limit of Liability

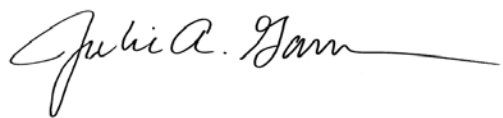
\$7/1/15  
 \$1,000,000 not exceeding  
 \$500,000 any one item  
 \$8,937,837

### Deductibles

- |   |                                    |
|---|------------------------------------|
| A. All Covered Causes of Loss other than B., C. or D. below | \$ As Per Schedule on File with Us |
| B. Earth Movement   | \$ As Per Schedule on File with Us |
| C. Water  | \$ As Per Schedule on File with Us |
| D. Named Storm  | \$ As Per Schedule on File with Us |

**(If no entry appears above, information required to complete this Endorsement will be show in the Declarations as applicable to this Endorsement.)**

This Form must be attached to Change Endorsement when issued after the policy is written.



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Secretary



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President

Allianz Global Corporate & Specialty®

## Inland Marine & Related Property

Insurance Carrier: **54 - AGCS MARINE INSURANCE COMPANY**

Issued to: **Members Named In Declarations of Insurance Issued by Alliant Specialty Insurance**

Agent or Broker Name and Address: **ALLIANT SPECIALTY INS SVCS  
9201 SPECTRUM CENTER BLVD  
SAN DIEGO, CA 92123**

Underwriting Office: **0Z - LOS ANGELES**

Dear Valued Business Partner,

Allianz Global Corporate & Specialty® (AGCS) is committed to delivering top-shelf corporate and specialty insurance solutions to businesses like yours. From expertise in the entertainment, hospitality and real estate industries to manufacturing, transportation, energy, construction and aviation, our combined capabilities give clients more opportunities to grow by being able to cover the increasingly diverse risks. We are one of the best capitalized P&C insurers in the world and our financial strength allows us to partner on a variety of Specialty and Corporate risks.

For AGCS Marine, the prospects for 2015 are truly exciting. We will continue to expand our Project Cargo book in growth markets, significantly broaden our Inland Marine footprint, build on our Program business and continue to increase our capabilities throughout North America. We look to assist you in growing your business by drawing on the expertise within the larger AGCS family to become your one-stop insurance solution.

All of us at AGCS Marine are eager to share with you the capabilities and services we can bring to your firm. We truly appreciate your business and want to thank you for choosing AGCS – the premier provider of Inland Marine & Related Property, Ocean Cargo, and Hull and Marine Liability insurance products.

Learn more about our product offerings, as well as our claims and loss control capabilities, by visiting us at [www.agcs.allianz.com](http://www.agcs.allianz.com).

Sincerely,



John Barnwell  
Global Marine Head, Americas  
Allianz Global Corporate & Specialty

**Allianz** 

## Inland Marine & Related Property

### Inland Marine & Property Claims Reporting

Our highly skilled Marine Claims professionals are committed to providing our valued clients with the best service possible and they will respond quickly to any claim situation that you may have.

You can notify us of a new claim via any of the following reporting options:

Telephone: **+1.800.558.1606**  
**Outside of the US: +1.314.513.1353**

Email: [NewLoss@agcs.allianz.com](mailto:NewLoss@agcs.allianz.com)

Fax: **+1-888.323.6450**  
**Outside of the US: +1.314.513.1345**

Mailing Address: **Allianz Global Corporate & Specialty**  
**Attn: FNOL Claims Unit**  
**One Progress Point Parkway, 3rd Floor**  
**O'Fallon, MO 63368**

If possible, please include the following information in your claim notice or have it available for our customer service representative:

**Contact information**  
**Policy #**  
**Date of loss**  
**Description of loss**



## Allianz Global Corporate & Specialty®

**POLICY NUMBER**  
MXI93058679

Transaction Type  
RENEWAL

Coverage for policies other than  
**WORKERS' COMPENSATION** is  
provided in the following company  
54 - AGCS MARINE  
INSURANCE COMPANY

### MANDATORY PREMIUM TRANSACTION FORM

Named Insured and Mailing Address

Members Named In Declarations of Insurance Issued by Alliant Specialty Insurance  
9201 Spectrum Center Boulevard  
San Diego, CA 92123

---

**Change Effective Date: 07/01/2015**

Policy Period Inception Date: 07/01/2015

Expiration Date: 07/01/2016

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PREMIUM SUMMARY:

---

Producer: **ALLIANT SPECIALTY INS SVCS**  
**9201 SPECTRUM CENTER BLVD**  
**SAN DIEGO, CA 92123**

Transaction Date 07/07/2015

THIS IS NOT A BILL

Mandatory Premium Transaction Form 01 05



Allianz Global Corporate & Specialty®

**AGCS Marine Insurance Company**

**\*MXI93058679\***

“Original”

### Table of Contents

**POLICY NUMBER MXI-93058679**

Named Insured

**Members Named In Declarations of Insurance Issued by Alliant Specialty Insurance**

Producer

**ALLIANT SPECIALTY INS SVCS**

**9201 SPECTRUM CENTER BLVD**

**SAN DIEGO, CA 92123**

*Document*

*Number of Pages*

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Allianz Global Corporate & Specialty®

**AGCS Marine Insurance Company**

## **COMPLAINT PROCEDURES AND TOLL FREE NUMBER**

### **IMPORTANT NOTICE FOR CALIFORNIA POLICYHOLDERS**

If you have question about your policy, or about any insurance matter, you can contact your independent agent or broker. If you have additional questions, contact the company issuing the policy at the following address:

**AGCS Marine Insurance Company  
225 W. Washington St., Suite 1800  
Chicago, IL 60606**

**Phone: 1-888-466-7883**

If you have been unable to obtain satisfaction from either the agent or the company, you may contact the California Department of Insurance at the following address:

**California Department of Insurance  
Consumer Communications Bureau  
300 South Spring St. South Tower  
Los Angeles, CA 90013**

**Phone: 1-800-927-4357**

The Department of Insurance should be contacted only after the contacts with agent and the company have failed to produce a satisfactory solution to your problem.



**Allianz Global Corporate & Specialty®  
INLAND MARINE - GENERAL DECLARATIONS**

The Company issuing this policy is indicated by the Company Code (first letter or number) in the POLICY NUMBER, as follows:  
**A STOCK COMPANY**

**Policy Number**  
MXI93058679

**Renewal of Policy Number/Previous Policy Number**  
MXI93058679

**054 - AGCS Marine Insurance Company**

**AGCS Marine Insurance Company  
225 W. Washington St., Suite 1800  
Chicago, IL 60606**

Producer Code:

**S-00152562**

Producer or Agent Name

**ALLIANT SPECIALTY INS SVCS**

Address:

**9201 SPECTRUM CENTER BLVD  
SAN DIEGO, CA 92123**

**Named Insured: Members Named In Declarations of Insurance Issued by Alliant Specialty Insurance**

**Mailing Address: 9201 Spectrum Center Boulevard  
San Diego, CA 92123**

**Policy Period: From: 07/01/2015 To: 07/01/2016 at 12:01 A.M. Standard Time at your mailing address shown above.**

**The Named Insured is a(n) CORPORATION**

**Business or Operations of the Named Insured: Public Entity Vehicles & Equipment Program**

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**In return for payment of the premium and subject to all the terms of this policy, we agree with you to provide the insurance as stated in the policy.**

**INLAND MARINE COVERAGES:**

**COVERAGE FORMS AND CORRESPONDING ENDORSEMENTS ATTACHED AT INCEPTION:**

TER 9005 01 15, SA 5011 APE 05 14, SA 5011DEC APE 05 14, NIM 1050 APE 05 14, IL 00 17 ALLIANT PE 05 14, IM 1000DEC 07 14, CL 9603PHN 01 10, CA 8601 01 10, IL 02 70 08 11

**PREMIUM SUMMARY:**

The premium may be subject to adjustment.

**Terrorism Risk Insurance Act - Certified Acts Coverage - Covered**

**Terrorism Risk Insurance Act - Certified Acts Coverage - Not Covered**

**IN WITNESS WHEREOF**, the Company has caused this policy to be signed by its President and Secretary.



\_\_\_\_\_  
Secretary



\_\_\_\_\_  
President



## Allianz Global Corporate & Specialty®

This endorsement changes  
the policy  
**PLEASE READ THIS CAREFULLY**

---

### AMENDATORY ENDORSEMENT CALIFORNIA

1. In all coverage forms, Actual Cash Value, if applicable, is amended to include the following:
  - a. The actual cash value of covered property will be determined as:
    - 1) the amount it would cost to repair, rebuild, or replace the lost, damaged, or destroyed property less a fair and reasonable deduction for physical depreciation; or
    - 2) the limit applicable to that property at the time of the loss.whichever is less.
  - b. The condition of the property at the time of the loss is the basis for determining the amount of physical depreciation. The expense of labor necessary to repair, rebuild, or replace covered property is not a component of physical depreciation.
  - c. a. and b. above do not apply to property subject to Agreed Amount valuation terms or an item of property specifically scheduled with a value applicable to such item.
2. Under Loss Conditions, F. Other Insurance is deleted and replaced by the following:

#### F. Other Insurance

You may have another policy covering identical risks, whether or not both policies are subject to the same terms, such as insurers are liable to make loss payment as described below. In the event you have double insurance, and incur:

- a. a total or constructive total loss, we will pay our share of the covered loss if that policy has the same effective date as this policy. Our share is the proportion that the applicable limit under this policy bears to the limit of all policies covering on the same basis.

However, if there is a total or constructive loss and that policy has an effective date other than the effective date on this policy, we will pay according to the effective dates on the policies. This policy will be primary to any policy with an effective date after the effective date of this policy. This policy will be excess over any policy with an effective date before the effective date of this policy.

- b. a partial loss, we will pay our share of the covered loss. Our share is the proportion that the applicable limit under this policy bears to the limit of all policies covering on the same basis.

# Commercial Inland Marine Conditions

## Policy Amendment(s) Commercial Inland Marine

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

### Loss Conditions

#### A. Abandonment

There can be no abandonment of any property to us.

#### B. Appraisal

If you and we fail to agree on the amount of loss, either one can ask that the amount of loss be established by appraisal. To start the appraisal process either you or we must make the request in writing to the other. Each must then choose a competent, independent appraiser and give the name and address of that appraiser to the other. This must be done within 30 days after the written request for appraisal is received.

The two appraisers must then choose a competent and impartial umpire. If they do not agree on an umpire within 15 days, either you or we may have an umpire selected by a court located in the same state as the covered property. The appraisers will then set the amount of the loss. A copy of their report will be given to you and to us. The amount they agree upon will be the amount of loss.

If the appraisers fail to agree within a reasonable period of time, they will give the umpire a statement of their differences. A written agreement signed by any two of the three will set the amount of the loss. You will pay your appraiser and we will pay ours. The umpire's fee and other appraisal expenses will be shared equally by you and us.

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

#### C. Duties in the Event of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.

2. Give us prompt notice of the loss or damage. Include a description of the property involved. You must also file with us or our agent, a detailed sworn proof of loss within ninety (90) days following the loss or damage. We will supply you with the necessary forms.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also if feasible, set the damaged property aside and in the best possible order for examination. If you move the covered property to a safe place, that property will continue to be covered and we will reimburse you for the reasonable expenses for doing so. You must tell us as soon as practical that you have moved the covered property to a safe place.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In

the event of an examination, an insured's answers must be signed.

8. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
9. Cooperate with us in the investigation or settlement of the claim.

#### D. Insurance Under Two or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

#### E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property.

We will not pay the owners more than their financial interest in the Covered Property.

4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense. The expenses we incur will not reduce the applicable limit for coverage described under Property Covered.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
  - a. We have reached agreement with you on the amount of the loss; or
  - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.
7. If we recover any part of a loss from another party, after we deduct the expenses of making the recovery we will share the

recovery with you. Your share will be the proportion that your share of the loss bears to the total amount of the loss.

#### F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

#### G. Pair, Sets or Parts

##### 1. Pair or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

##### 2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

#### H. Labeled Goods

If covered property bearing labels, packaging or wrappers is lost or damaged, we will pay you an amount sufficient to replace those labels, packaging or wrappers.

#### I. Loss Payee

If a loss payee is named in the Declarations, we will pay you and the loss payee, as the interest of each may appear.

**J. Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

**K. Reinstatement of Limit After Loss**

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

**L. Transfer of Rights of Recovery Against Others to Us**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. If that person or organization does anything to impair our rights after a loss, we will not have to pay the loss. But you may waive your rights against another party in writing:

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

This will not restrict your insurance.

**General Conditions**

**A. Concealment, Misrepresentation or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

**B. Control of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance. The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**C. Legal Action Against Us**

1. No one may bring us a legal action against us under this Coverage Part unless:
  - a. There has been full compliance with all the terms of this Coverage Part; and
  - b. The action is brought within 2 years after you first have knowledge of the direct loss or damage.
2. You agree not to sue us or involve us in another action proceeding after 2 years have past since you discovered the loss or damage giving rise to such action. If the state law applicable to this coverage requires a different time period within which suit may be brought, this provision is amended to conform to such law.

**D. No Benefit to Bailee**

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

**E. Policy Period, Coverage Territory**

We cover loss or damage commencing:

1. During the policy period shown in the General Declarations and the policy period begins and ends at 12:01 a.m., Standard



Time, at your address shown in the General Declarations. But if this policy replaces a policy which expires at noon Standard Time on the effective date of this policy, then this policy will not be effective until the policy being replaced expires. In those states which require policy periods to begin and end at noon Standard Time, this policy will begin and end at noon Standard Time. And,

2. Within the coverage territory.

#### F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

#### G. Your Name and Address

Your name and address as the Named Insured shall be as specified in the General Declarations.

#### H. The Declarations

The Declarations shows you which coverages you have purchased and the limits of insurance that apply. You have only those coverages and amounts of insurance. If this coverage applies only at specified locations, they are shown in the Declarations.

By accepting this policy, you agree that:

- a. The statements in the Declarations are your agreements and representations.
- b. That this policy is issued in reliance on the truth of such representations.

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 60 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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

## **CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
 COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART  
 FARM COVERAGE PART  
 LIQUOR LIABILITY COVERAGE PART  
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**A. Paragraphs 2., 3. and 5. of the Cancellation Common Policy Condition are replaced by the following:**

**2. All Policies In Effect For 60 Days Or Less**

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

- a.** 10 days before the effective date of cancellation if we cancel for:
  - (1)** Nonpayment of premium; or
  - (2)** Discovery of fraud by:
    - (a)** Any insured or his or her representative in obtaining this insurance; or
    - (b)** You or your representative in pursuing a claim under this policy.
- b.** 30 days before the effective date of cancellation if we cancel for any other reason.

**3. All Policies In Effect For More Than 60 Days**

- a.** If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:
  - (1)** Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
  - (2)** Discovery of fraud or material misrepresentation by:
    - (a)** Any insured or his or her representative in obtaining this insurance; or
    - (b)** You or your representative in pursuing a claim under this policy.
  - (3)** A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

- (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
- (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
- (6) A determination by the Commissioner of Insurance that the:
  - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
  - (b) Continuation of the policy coverage would:
    - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
    - (ii) Threaten our solvency.
  - (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
  - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.
- 5. If this policy is cancelled, we will send the first Named Insured any premium refund due. The refund, if any, will be computed on a pro rata basis. However, the refund may be less than pro rata if we made a loan to you for the purpose of payment of premiums for this policy.

The cancellation will be effective even if we have not made or offered a refund.

- B. The following provision is added to the **Cancellation Common Policy Condition:**

#### 7. Residential Property

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:

Commercial Property Coverage Part  
 Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in b. and c. below.
- b. We may not cancel this policy solely because the first Named Insured has:
  - (1) Accepted an offer of earthquake coverage; or
  - (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.

- c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
  - (1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
  - (2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

C. The following is added and supersedes any provisions to the contrary:

**Nonrenewal**

1. Subject to the provisions of Paragraphs **C.2.** and **C.3.** below, if we elect not to renew this policy, we will mail or deliver written notice, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. **Residential Property**

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

Commercial Property Coverage Part  
Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a. We may elect not to renew such coverage for any reason, except as provided in **b.**, **c.** and **d.** below.
- b. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

- (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

- (3) We have:

- (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
- (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

- c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority, that included an earthquake policy premium surcharge.
  - d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This restriction (**d.**) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
    - (1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
    - (2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph **D.** Covered Causes Of Loss – Special.
3. We are not required to send notice of nonrenewal in the following situations:
    - a. If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between us and a member of our insurance group.

- b.** If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph **C.1**.
- c.** If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- d.** If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
- e.** If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
- f.** If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph **C.1.**, to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.



# Allianz Global Corporate & Specialty®

## Scheduled Property Floater Declarations

Commercial Inland Marine

Insured	Members Named In Certificates of Insurance Issued by Alliant Specialty Insurance	Policy Number	MXI93058679
Producer	Alliant Specialty Insurance Services	Effective Date	07/01/2015

### Schedule of Coverage

Insurance is provided only for those coverages for which a Limit of Insurance is shown in these Declarations.

### Rate and Premium

Rate \$ VRS

### Description of Covered Property:

As Per Certificates of Insurance and Schedules on File with Us

### Location of Covered Property

As Per Certificates of Insurance

Unscheduled vehicles and/or equipment that are not owned by you, but in your care, custody, and control

**All Covered Property in any one occurrence**

### Limit of Liability

\$ As Per Certificates of Insurance

\$1,000,000 not exceeding

\$500,000 any one item

\$ As Per Certificates of Insurance

### Deductibles

**A. All Covered Causes of Loss other than B., C. or D. below**

\$ As Per Certificates of Insurance

**B. Earth Movement**

\$ As Per Certificates of Insurance

**C. Water**

\$ As Per Certificates of Insurance

**D. Named Storm**

\$ As Per Certificates of Insurance

(If no entry appears above, information required to complete this Endorsement will be show in the Declarations as applicable to this Endorsement.)



This Form must be attached to Change Endorsement when issued after the policy is written.



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Secretary



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President



## Allianz Global Corporate & Specialty®

### Scheduled Property Floater 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. The words "we", "us" and "our" refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Section G. Definitions.

In return for your payment of the premium shown in the Declarations which are part of this policy, we provide the coverage described herein subject to all the conditions of this policy. This coverage is also subject to the additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records. Endorsements and schedules may also apply as identified in the Declarations or schedule of coverages.

#### A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

##### 1. Covered Property

- a. Covered Property means:
  - (1) Your property; or
  - (2) Property of others in your care, custody, and control.
- b. Coverage Conditions

We cover only your property and property of others that are described in the Declarations.

##### 2. Property Not Covered

Covered Property does not include:

- a. Aircraft or watercraft.
- b. Buildings or land (including land on which the property is located) or water.
- c. Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities.
- d. Property while waterborne except while in transit in the custody of a carrier for hire operating on inland waterways.
- e. Contraband or property in the course of illegal transportation or trade.

##### 3. Covered Causes of Loss

Covered Causes of Loss means Risks of Direct Physical Loss or Damage to Covered Property from any external cause except those causes of loss listed in the Exclusions.

##### 4. Additional Coverages

###### a. Debris Removal Coverage

- (1) We will pay your reasonable expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the direct physical loss or damage.

(2) The amount we will pay under this Additional Coverage is: \$25,000, but not more than the actual reasonable expenses incurred.

(3) This Additional Coverage does not apply to costs to:

- (i) Extract "pollutants" from land or water; or
- (ii) Remove, restore or replace polluted land or water.

**b. Preservation of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of loss, we will pay for any direct physical loss to that property:

While it is being moved or while temporarily stored at another location; and  
Only if the loss or damage occurs within 30 days after the property is first moved.

**c. Pollutant Cleanup And Removal**

We will pay your expenses to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if reported to us within 180 days on which the Covered Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for existing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

**5. Coverage Extensions**

**a. Additional Acquired Property**

If during the policy period you acquire additional property of a type already covered by this form, we will cover such property for up to 45 days, but not beyond the end of the policy period. The most we will pay for loss or damage is \$250,000.

**b. Rental Reimbursement or Additional Transportation Expense**

(1) If a loss to a covered vehicle occurs as a result of a Covered Cause of Loss, we will pay for such expense as may be necessarily incurred in the rental of substitute equivalent equipment in order to continue your normal operations. We will also pay for additional transportation expenses you may incur because of a loss to a covered vehicle. Our liability for such expenses shall not exceed the amount incurred during the period commencing 24 hours after the date of loss, and ending, regardless of the expiration of this coverage form, with the lesser of the following number of days:

When the vehicle has been, or in the exercise of due diligence and dispatch should have been, repaired or replaced by you, whichever occurs first; or if loss is caused by theft, the number of days of coverage provided is in addition to the number of days it takes to locate the covered vehicle and return it to you; or, sixty (60) days.

For the purposes of this Coverage Extension, day(s) shall be a period of twenty-four (24) consecutive hours in which your operations are usually performed.

(2) The most we will pay for rental reimbursement and/or transportation expenses under this Coverage Extension, regardless of whether the expense was rental reimbursement, transportation expense or a combination of rental reimbursement and transportation expense, is the lesser of the following:

- (i) The necessary and actual expenses incurred while renting a substitute vehicle comparable to the vehicle lost or damaged; or
  - (ii) \$10,000.
- (3) It is a condition of this Coverage Extension that, as soon as practicable after any loss, you will resume operation of the vehicle lost or damaged and, insofar as possible, reduce or dispense with such additional expenses as are being incurred.
  - (4) You agree to substitute other equivalent equipment at your disposal if any such equipment is available. This Coverage Extension will not apply while there are spare or reserve vehicle available to you within your Insured organization for your operations.
  - (5) Coverage under this Coverage Extension shall be in addition to any other Limit of Insurance that may apply to the loss or damaged vehicles.

## B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

### a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.

### b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

### c. War And Military Action

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

### d. Fungi, Wet Rot And Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot.

But if "fungi", or wet or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

- (1) When "fungi", or wet or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungi", Wet Rot And Dry Rot with respect to loss or damage by a cause of loss other than fire or lightning.

### e. Virus, Bacterium Or Other Microorganism

Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in the previous exclusion.

The terms of this exclusion, or the inapplicability of this exclusion to a particular loss, does not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part. This exclusion applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover business income, extra expense or action of civil authority.

Exclusions **B.1.a.** through **B.1.e.** apply whether or not the loss event results in widespread damage or affects a substantial area.

**2.** We will not pay for loss or damage caused by or resulting from any of the following:

- a.** Delay, loss of use, loss of market or any other consequential loss.
- b.** Unexplained disappearance.
- c.** Shortage found upon taking inventory.
- d.** Dishonest or criminal act committed by:
  - (1)** You, any of your partners, employees, directors, trustees, or authorized representatives;
  - (2)** A manager or a member if you are a limited liability company;
  - (3)** Anyone else with an interest in the property, or their employees or authorized representatives; or
  - (4)** Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- e.** Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
  - (1)** Electrical or electronic wire, device, appliance, system or network; or
  - (2)** Device, appliance, system or network utilizing cellular or satellite technology.

But if fire results, we will pay for the loss or damage caused by that fire if the fire would be covered under this coverage form.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (1)** Electrical current, including arcing;
  - (2)** Electrical charge produced or conducted by a magnetic or electromagnetic field;
  - (3)** Pulse of electromagnetic energy; or
  - (4)** Electromagnetic waves or microwaves.
- f.** Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
  - g.** Unauthorized instructions to transfer property to any person or to any place.
  - h.** Neglect of an insured to use all reasonable means to save and preserve property from further damage at or after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage to Covered Property by a Covered Cause of Loss results, we will pay for the loss or damage to Covered Property caused by that Covered Cause of Loss.
- a. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
  - b. Faulty, inadequate or defective:
    - (1) Planning, zoning, development, surveying, siting;
    - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
    - (3) Materials used in repair, construction, renovation or remodeling; or
    - (4) Maintenance;of part or all of any property wherever located.
  - c. Wear and tear.
  - d. Marring or scratching.
  - e. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, or gradual deterioration.
  - f. Mechanical breakdown, including rupture or bursting caused by centrifugal force.
  - g. Insects, birds, rodents or other animals.
  - h. Rust or other corrosion, dampness or dryness of atmosphere, or changes in or extremes of temperature.

### **C. Limits Of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

#### **1. Preservation Of Property**

The limits applicable to all other Additional Coverages are in addition to the Limits of Insurance

### **D. Deductible**

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible(s) shown in the Declarations. The Deductible(s) will be deducted from the loss amount of each item, subject to a maximum of three (3) deductibles for any one occurrence. We will then pay the amount of the adjusted loss or damage in excess of the Deductible(s), up to the applicable Limit of Insurance.

If more than one deductible is applicable under this Coverage Form, we will only apply the highest amount that is applicable.

### **E. Interests Insured**

The interests insured under this policy include:

- 1. "You";
- 2. A "member" who participates under this policy and has been accepted by us as a participant;

The interests are in:

1. Automobiles, or
2. Equipment

"Loss", if any, is payable to "you" and the "member" as their respective interests may appear.

#### F. Additional Conditions

1. The Valuation General Condition in the Commercial Inland Marine Conditions is replaced by the following:
  - a. The value of each item of property that is individually listed and described in the Declarations is the applicable Limit of Insurance shown in the Declarations for that item.
  - b. The value of all Covered Property, including newly acquired property, will be the least of the following amounts:
    - (1) The cost of reasonably restoring that property to its condition immediately before loss; or
    - (2) The cost of replacing that property with substantially identical property; or
    - (3) The limit of Insurance indicated in the schedule for the property lost or damaged up to a maximum of 120% of the scheduled item; or Full Replacement cost for property three years of age or newer.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage

2. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:
  - a. **Coverage Territory**
    - (1) We cover property wherever located within:
      - (a) The United States of America;
      - (b) The District of Columbia;
      - (c) Puerto Rico; and
      - (d) Canada.
3. **Salvage Recovery:** In the event of any salvage recovery resulting from a Covered Cause of Loss, such salvage recovery shall be paid first to us up to the full amount of the covered loss, and then to you.

#### G. Definitions

1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Member" means entity named in certificate that participates under this policy and has been accepted by us.
3. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
4. For purposes of Deductible D., "Named Storm" means: A storm system that has been declared and named a tropical storm or hurricane by the National Hurricane Center of the National Weather Service, continuing for the period of time the named tropical storm or hurricane conditions exist and ending seventy-two (72) consecutive hours following the termination of the last tropical storm or hurricane watch or warning issued by the National Hurricane Center of the National Weather Service.
5. For purposes of Deductible B., "Earth Movement" means:
  - a. Earthquake, including any earth sinking, rising or shifting related to such event;
  - b. Landslide, including any earth sinking, rising or shifting related to such event;



- c. Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- d. Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.
- e. Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (1) Airborne volcanic blast or airborne shock waves;
- (2) Ash, dust or particulate matter; or
- (3) Lava flow.

All Earth Movements that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

**6.** For purposes of Deductible C., "Water " means:

- a. Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge); or
- b. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph a..



Allianz Global Corporate & Specialty®

**AGCS Marine Insurance Company**

**POLICY NUMBER:** MXI93058679

## **CERTIFIED ACTS OF TERRORISM COVERAGE**

**This endorsement modifies insurance provided under the following:**

### **Commercial Inland Marine Coverage Part(s)**

#### **I. Certified Acts of Terrorism Coverage**

In recognition of your decision to purchase coverage required to be offered to you pursuant to the Terrorism Risk Insurance Act, as amended, and subject to paragraph II below, this endorsement confirms that this Coverage Part, Coverage Section, or Policy provides such coverage as mandated by The Terrorism Risk Insurance Act, as amended, with respect to losses caused by a **Certified Act of Terrorism**.

#### **II. Cap on Insurer Participation In Payment of Terrorism Losses**

If the Secretary of the Treasury determines that the aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed \$100 billion in a calendar year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, as amended, then 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 under the Terrorism Risk Insurance Act, as amended.

#### **III. Application of Other Exclusions**

This endorsement does not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part, Coverage Section, or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War and Military Action Exclusion.

#### **IV. Definitions**

The following definition is added with respect to the provisions of this endorsement:

**Certified Act of Terrorism** means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act, as amended. The criteria contained in that Act for a **certified act of terrorism** include the following:

- A. 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, as amended; and

B. 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.

V. All other terms and conditions of the policy remain unchanged.

[www.agcs.allianz.com](http://www.agcs.allianz.com)



# Aviation (Non-Owned) Liability

## COVERAGE SUMMARY

**INSURER:**

Westchester Fire Insurance Company (ACE Group)

**POLICY TERM:**

July 1, 2015 to July 1, 2016

**POLICY NO:**

AACN0738511005

**A.M. Best Rating:**

A++

**NAMED COVERED ENTITY:**

The California State University and its Auxiliary Organizations

**WHAT THIS POLICY COVERS:**

The insurer will pay on behalf the Named Covered Entities, claims which must legally be paid because of an event involving a non-owned aircraft causing bodily injury or property damage

**COVERAGE LIMIT:**

\$50,000,000 Single Limit Including Passengers - Each Occurrence

**SELF-INSURED RETENTION:**

None

**COVERAGE TERRITORY:**

Worldwide, suits must be brought in the United States of America

**SPECIAL CONDITIONS:**

1. Maximum seats including crew: 40
2. Pilot must be properly certificated and rated for the flight involved
3. Aircraft is regularly based in the Coverage Territory

**EXCLUSION(S):**

1. Noise, Pollution and other Perils exclusion clause
2. Aircraft Physical Damage
3. Nuclear Risk Exclusion Clause
4. War and Other Perils Exclusion Clause

**QUESTIONS:****Robert Leong**

(415) 403-1441  
[rleong@alliant.com](mailto:rleong@alliant.com)

**Van Rin**

(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**Hsan Htein**

(415) 403-1452  
[hhtein@alliant.com](mailto:hhtein@alliant.com)

**HOW TO REPORT A CLAIM:****Notify Alliant:**

**Michelle Maffei**  
(415) 403-1418  
[mmaffei@alliant.com](mailto:mmaffei@alliant.com)

**Martin Fox-Foster**  
(415) 403-1417  
[martin.fox-foster@alliant.com](mailto:martin.fox-foster@alliant.com)

**Elaine Kim**  
(415) 403-1458  
[ekim@alliant.com](mailto:ekim@alliant.com)

**After Hours Reporting:**

**Robert Frey**  
(415) 403-1445  
(415) 518-8490 (Cell)  
[rfrey@alliant.com](mailto:rfrey@alliant.com)

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM  
INSURANCE COVERAGE**

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is \$3,440, and does not include any charges for the portion of losses covered by the United States government under the Act.

TR-45231 (01/15)



**ace group**

**THIS SHEET DOES NOT FORM PART OF THE POLICY AND IS INCLUDED FOR INFORMATION ONLY**

**CLAIMS REPORTING INFORMATION**

All claim functions for your airport and aircraft insurance with Member Insurance Companies of the ACE USA Group are handled by ACE USA Aerospace Claims in Chicago. The staff of ACE USA Aerospace Claims is one of the most experienced and efficient in the aviation claims business. Sean Finnegan, experienced Casualty Claim Specialist, is responsible for administering your claims on a day-to-day basis. Sean reports to Dennis Krueger, Senior Aviation Technical Specialist. Johns Walsh is available to accept claims information if Sean is unavailable.

All claims should be reported to Aerospace Claims as soon as practicable, in order for us to establish immediate contact with claimants and initiate any necessary investigation. An initial report of claim may be emailed to [Aerospacefirstnotice@acegroup.com](mailto:Aerospacefirstnotice@acegroup.com) or faxed to 877-201-4125. To ensure prompt attention, it is recommended that any transmission be confirmed with a phone call. Where possible, pictures of the accident scene should be obtained during your initial investigation.

**Because ACE USA Claims has gone paperless, it is imperative that you put the addressee's name and claim number on all correspondence and note address / Fax changes below.**

**FIRST NOTICE OF LOSS:**                      **Email**                      **AerospaceFirstNotice@acegroup.com**  
**Fax**    **877-201-4125**

	<b>Contact</b>	<b>Phone</b>	<b>Fax</b>	<b>E-Mail</b>
<b>Primary</b>	<b>Sean Finnegan</b>	<b>312-775-7947</b>	<b>866-635-5687</b>	<b>Sean.Finnegan@acegroup.com</b>
<b>Secondary</b>	<b>John Walsh</b>	<b>312 775-7943</b>	<b>866-635-5687</b>	<b>John.Walsh@acegroup.com</b>
<b>Secondary</b>	<b>Betty Remblake</b>	<b>312-775-7910</b>	<b>866-635-5687</b>	<b>Betty.Remblake@acegroup.com</b>
<b>After Hours</b>	<b>Dennis Krueger</b>	<b>815-738-2755</b>	<b>866-635-5687</b>	<b>Dennis.Krueger@acegroup.com</b>
<b>24 Hour Emergency</b>		<b>815-275-1133</b>		

All claims that require reporting after hours, should be directed to Dennis Krueger. All claims involving large aircraft should be reported immediately to Dennis Krueger.

If you are served with a summons or suit, please call immediately and forward the papers via overnight delivery.

**MAILING ADDRESS**  
ACE USA Claims  
P.O. Box 5101  
Scranton, PA 18505-0500

**OVERNIGHT DELIVERY ADDRESS**  
ACE USA Aerospace Claims  
525 W. Monroe, 7th Floor  
Chicago, IL 60661

Should you have any questions concerning our claims handling procedures, please feel free to contact us at any time.

*One of the ACE Group of Insurance & Reinsurance Companies.*





**ace group**

**ACE Producer Compensation  
Practices & Policies**

ACE believes that policyholders should have access to information about ACE's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at <http://www.aceproducercompensation.com> or by calling the following toll-free telephone number: 1-866-512-2862.

ALL-20887 (10/06)



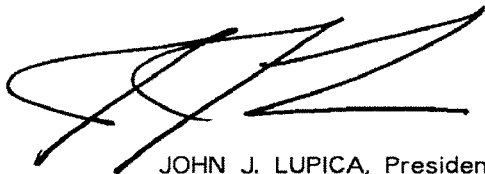
ace group

## AIRCRAFT POLICY

### WESTCHESTER FIRE INSURANCE COMPANY

436 Walnut Street,  
Philadelphia, Pennsylvania, 19106 - 3703

IN WITNESS WHEREOF, Westchester Fire Insurance Company has caused this policy to be executed and attested. This policy is a valid contract when countersigned by an authorized representative (where required by law).



JOHN J. LUPICA, President



REBECCA L. COLLINS, Secretary



**ace group**

**AIRCRAFT POLICY**

**DECLARATIONS**

**Policy Number:** AAC N07385110 005      **Previous Policy Number:** AAC N07385110 004

<p>ITEM 1(A) <b>ISSUING COMPANY:</b>  <b>WESTCHESTER FIRE INSURANCE COMPANY</b>  <b>436 Walnut Street, Philadelphia,</b>  <b>Pennsylvania 19106 - 3703</b></p>	<p>ITEM 1(B) <b>PRODUCER'S NAME AND ADDRESS</b>  Alliant Insurance Services, Inc.  100 Pine Street, 11th Floor  San Francisco, CA 94111</p>
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ITEM 2 **NAMED INSURED:**  
The California State University and its Auxiliary Organizations

ITEM 3 **POSTAL ADDRESS OF "NAMED INSURED":**  
Office of the Chancellor  
401 Golden Shore, 5th Floor  
Long Beach, California 90802-4210

ITEM 4 **POLICY PERIOD (When insurance is provided under this policy):**  
FROM: July 1, 2015      TO: July 1, 2016  
Both days at 12.01 a.m. local standard time at the address in Item 3.

ITEM 5 **BUSINESS OR OCCUPATION OF THE "NAMED INSURED":**  
Governmental Agency

ITEM 6 **FINANCIAL INTEREST**  
The Named Insured is the sole owner of the Aircraft and no one else has any financial interest in the Aircraft except as shown below.

Any loss payable under Section Two of this policy will be paid to the Named Insured and the party shown above according to their respective financial interest.

ITEM 7 **REGULAR LOCATION OF THE AIRCRAFT:**  
The aircraft is regularly based in the "Coverage Territory"

ITEM 8	<b>LIABILITY COVERAGES, LIMITS OF LIABILITY AND PREMIUMS:</b>		
	<b>COVERAGES</b>	<b>LIMITS OF LIABILITY US\$</b>	<b>LIABILITY PREMIUMS</b>
	A: Bodily Injury Excluding Passengers	each person each Occurrence	
	B: Property Damage	each Occurrence	
	C: Passenger Bodily Injury	each person each Occurrence	
	D: Single Limit Including Passengers	\$50,000,000 each Occurrence	\$34,400
	E: Medical Payments	each person each Occurrence	
		Terrorism Risk Insurance Act Liability Premium:	\$3,440
		Other Liability Endorsement Premium:	\$860
		<b>TOTAL LIABILITY PREMIUM:</b>	<b>\$38,700</b>

ITEM 9 **DESCRIPTION OF AIRCRAFT, HULL COVERAGES AND HULL DEDUCTIBLES:**  
 Description of Aircraft insured for liability coverages in Item 8 above and hull coverages in this Item 9 and deductibles. The Named Insured affirms that each of the Aircraft described in this policy is licensed under a "standard" Airworthiness Certificate as defined by the F.A.A.

DESCRIPTION OF AIRCRAFT

Type Codes are: A = Amphibian L = Landplane R = Rotorcraft S = Seaplane

F.A.A. Cert. No.	Make and Model	Type Code	Year Built	Engine and Horse Power	Total Seats including Crew
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Non Owned Aircraft Liability. See Non Owned Aircraft endorsement AC 109

HULL COVERAGES, AMOUNT OF INSURANCE, DEDUCTIBLES AND PREMIUMS

Deductibles shall apply to each claim. Ingestion deductibles apply to each claim each engine. In the event of a claim involving both the In Motion and Ingestion deductibles, only the higher of the two deductibles shall apply.

F.A.A. Cert. No.	Hull Coverage	Amount of insurance	Not In Motion Deductible	In Motion or Moored Deductible	Ingestion Deductible	Hull Premiums
	No Aircraft	Physical	Damage	Coverage	Hereunder	
					Terrorism Risk Insurance Act Hull Premium:	Not Insured
					Other Hull Endorsement Premium:	Nil
					Total Hull Premium:	Not Applicable

ITEM 10 **PURPOSE OF USE. The Aircraft will be used only for the following purposes:**  
 All uses required by the "Named Insured" but excluding any use for which the "Named Insured" or "Anyone" We insure under this policy expects to or does receive "Compensation".

ITEM 11 **PILOTS WHO MAY FLY THE AIRCRAFT: (See Endorsements)**

ITEM 12 **TERRITORY (Where insurance is provided under this policy):**  
 Insurance is only provided under this policy for accidents or Occurrences that take place during the policy period while the Aircraft insured under this policy is in the United States of America (excluding Alaska), Canada or Mexico, or while the Aircraft is dismantled and is being transported between ports in the territory where insurance is provided under this policy.

ITEM 13 **During the past year no insurer has cancelled or declined to renew any Aircraft Insurance issued to the Named Insured, except as follows:**

Absence of entry means no exception.

Signature: 

By Authorized Representative

Policy Number: AAC N07385110 005  
 Effective Date: July 1, 2015  
 Insured: The California State University and its Auxiliary Organizations

The endorsements listed below form part of this policy at inception and are deemed to have been signed by the same Authorized Representative that signed the Declarations (form AC 101 (07-07))

**SCHEDULE OF ENDORSEMENTS**

TITLE	ENDORSEMENT NO.	EDITION
Aircraft Policy Jacket		AC 100 (01-11)
Aircraft Policy Declarations		AC 101 (07-07)
Aircraft Policy Schedule of Endorsements		AC 101S (07-07)
Aircraft Policy Provisions		AC 102 (11-98)
Pilots Who May Fly The Aircraft		AC 103 (11-98)
Non-Owned Aircraft Liability Endorsement		AC 109 (11-98)
War, Hi-jacking and Other Perils Exclusion Clause (Aviation)		AC 110 (11-98)
Extended Coverage - War, Hi-Jacking and Other Perils Endorsement (Aviation Liabilities)		AC 112A (02-08)
Medical Services Limitation Endorsement		AC 129 (11-98)
Nuclear Risk Exclusion Clause		AC 159 (11-98)
Date Recognition Exclusion Endorsement		AC 161 (11-98)
Date Recognition Limited Coverage Endorsement		AC 162 (11-98)
Amendment to Include Coverage for Certified Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism		AC 165 (01-15)
Pollution Endorsement		AC 168 (11-03)
Limited Terrorism Coverage Endorsement		AC 170 (01-15)
Coverage Territory Endorsement		AC 194 (02-05)
Cancellation Notification Change Endorsement		AC 195 (02-05)
Governmental Entity Limited Enhanced Coverage Endorsement - California		AC 1200-CA (05-10)
Trade or Economic Sanctions Endorsement		ALL-21101 (11-06)
California Changes - Cancellation and Nonrenewal		AC CA1 (11-98)

**AIRCRAFT POLICY  
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## **AIRCRAFT POLICY POLICY PROVISIONS**

In consideration of the payment of the premium We agree to provide insurance to the extent indicated in the Declarations, subject to all the terms of the Policy.

### **SECTION ONE**

This section of the policy contains General Definitions, General Exclusions and General Conditions which also apply to Sections Two and Three of this policy.

### **GENERAL DEFINITIONS**

The following words and phrases have specific meanings within this policy. Please read them carefully.

- (A) "ACCIDENT" means a sudden event, during the policy period, which is neither expected nor intended by the Named Insured or Anyone We insure under this policy, that involves the Aircraft and causes physical damage to or loss of the Aircraft.
- (B) "AIRCRAFT" means the Aircraft shown in Item 9. of the Declarations or qualifying under Section One, General Condition (N) (Insurance for newly acquired Aircraft and deletion of Aircraft) or Section Three (B) Special Provision 2 (use of other Aircraft) of this policy including the engines, propellers (and with respect to rotorcraft the rotorblades), operating and navigational instruments and radio equipment attached to the Aircraft, including tools which are standard for the make and type of Aircraft, and parts which are detached from the Aircraft at the time of loss and not replaced by similar parts.
- (C) "ANYONE" means any person, partnership, corporation or organization other than the Named Insured.
- (D) "BODILY INJURY" means injury, sickness or disease and, if arising out of the foregoing, mental anguish, including death resulting therefrom.
- (E) "COMPENSATION" means any consideration greater than the cost of owning, operating and maintaining the Aircraft.
- (F) "CREW" means any Passenger who has any duties involved in the operation of the Aircraft. Crew members include, but are not limited to: pilot, co-pilot, check pilot, flight examiner, F.A.A. Designated Flight Examiner, flight instructor, flight engineer, navigator, mechanic, flight attendant or loadmaster, but see Section Three (C) exclusion 2 (employees) and exclusion 3 (Bodily Injury to Named Insured).
- (G) "DISAPPEARANCE" means the Aircraft is missing and has not been located within 60 days after commencing Flight by the Named Insured or their agent or by Anyone We insure under this policy or their agent.
- (H) "F.A.A." means the authority of the United States of America or its counterpart in a foreign country, having jurisdiction over civil aviation.
- (I) "FLIGHT", with respect to fixed wing Aircraft, means from the time the Aircraft moves forward in preparing to take off or in attempting to take off until it has completed its landing and landing run after contact with the land or water. With respect to rotorcraft, Flight means while the rotors are In Motion under engine power or resulting momentum.
- (J) "INGESTION" means physical loss or damage to the engine(s) caused by accidental, sudden, immediate or unexpected Ingestion of objects attributable to a single recorded incident, requiring the immediate repair of the engine(s).



- (K) "IN MOTION", with respect to fixed wing Aircraft, means while the Aircraft is moving under its own power or resulting momentum. With respect to rotorcraft, "In Motion" means while the rotors are moving under engine power or resulting momentum.
- (L) "MOORED" means while an Aircraft or rotorcraft equipped for water operations is secured with cables, lines or anchors or is being launched into or hauled out of the water, other than under its own power or resulting momentum.
- (M) "NAMED INSURED" means the person, partnership, corporation or organization shown in Item 2. of the Declarations (Named Insured).
- (N) "OCCURRENCE" means an event occurring by chance, or a continuous or repeated exposure to conditions, involving the Aircraft, which results in Bodily Injury or Property Damage during the policy period, provided it is not expected or intended by the Named Insured or by Anyone We insure under this policy. All Bodily Injury or Property Damage that arises out of such exposure to substantially the same general conditions shall be deemed one Occurrence.
- (O) "PASSENGER" means any person or persons, including Crew, while in, or entering the Aircraft for the purpose of riding or flying therein, or exiting the Aircraft during or following a Flight or attempted Flight.
- (P) "PROPERTY DAMAGE" means physical injury to or destruction of tangible property, including the loss of use of such property except as provided for in Section Three (C) exclusion 4 (property).
- (Q) "PERSONAL BELONGINGS" means carry on luggage such as handbags, suitcases and briefcases - and their contents - that persons normally carry. But Personal Belongings does not mean luggage checked with a commercial air carrier.
- (R) "TOTAL LOSS" means when the cost to repair the Aircraft plus any salvage value is greater than the amount of insurance. Theft or Disappearance of the Aircraft is also a Total Loss, if the Aircraft is not recovered.
- (S) "USES" includes the specific Uses defined below, but does not include any other use of the Aircraft for which the Named Insured or Anyone We insure under this policy expects to or does receive Compensation.
1. "PLEASURE AND BUSINESS" means personal, pleasure, family and business use.
  2. "INDUSTRIAL AID" includes the Uses shown in "Pleasure and Business" and in addition includes the transportation of executives, employees, guests and customers.
  3. "CHARTER COMMERCIAL" includes the Uses shown in "Industrial Aid" and in addition the transportation of Passengers and cargo for Compensation.
  4. "INSTRUCTION AND RENTAL" includes the Uses shown in "Industrial Aid" and in addition the instruction of others and rental to others for their "Pleasure and Business" or "Industrial Aid" use.
  5. "COMMERCIAL" includes all Uses shown in "Industrial Aid", "Instruction and Rental" and "Charter Commercial", but does not include any other use.
- (T) "WE, "OUR" and "US" means Westchester Fire Insurance Company.

## GENERAL EXCLUSIONS

We will not provide insurance under any part of this policy or provide defense under any part of this policy.

- (A) **PILOTS.** If the Aircraft is in Flight and is being flown by a pilot who is not qualified under the endorsements to this policy or if the pilot is not properly certificated, rated and qualified under the current F.A.A. Regulations which apply to the operation of the Aircraft, whether or not the pilot is named in this policy.
- (B) **USE.** If the Aircraft is used for any purpose not specified in Item 10. of the Declarations (purpose of use), but this exclusion does not apply to the Named Insured or to Anyone We insure under this policy who did not have knowledge of, or give consent to, the uninsured use.
- (C) **TERRITORY.** If the Aircraft is outside the territory described under Item 12. of the Declarations (territory).
- (D) **SEAPLANES/AMPHIBIANS.** If the Aircraft is a seaplane or amphibian Aircraft unless this is stated in Item 9. of the Declarations (description of Aircraft), but this exclusion does not apply to rotorcraft.
- (E) **UNLAWFUL PURPOSE.** If the Aircraft is used for any unlawful purpose, but this exclusion does not apply to the Named Insured or to Anyone We insure under this policy who did not have knowledge of, or give consent to, the unlawful use.
- (F) **STANDARD AIRWORTHINESS CERTIFICATE.** If the Aircraft does not have a valid Standard Airworthiness Certificate, or if the Aircraft is not maintained in accordance with the Federal Aviation regulations which apply for the Flight involved, but the insurance provided by this policy will not be invalidated while the Aircraft is being flown without a Standard Airworthiness Certificate provided the Flights are solely for the purpose of renewing the Standard Airworthiness Certificate and provided a valid ferry Flight permit has been issued by the F.A.A. in respect of the Flights.
- (G) **WAR AND OTHER PERILS EXCLUSION CLAUSE.** To any loss, damage or liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

## GENERAL CONDITIONS

These conditions apply to all parts of this policy. Please read them carefully:

- (A) **ASSISTANCE AND CO-OPERATION.** The Named Insured and Anyone We insure under this policy must co-operate with Us and attend hearings and trials if We request, and must assist Us in effecting settlements, securing and giving evidence and obtaining the attendance of witnesses. The Named Insured and Anyone We insure under this policy must not, except at their own cost, make any payment, take on any obligation or expense or admit any fault other than as stated under Section Two (G) 1 (protect the Aircraft).
- (B) **REPRESENTATIONS.**

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; and
- c. We have issued this policy in reliance upon your representations.

- (C) **ACTION AGAINST INSURED BY US.** We have the right to sue the Named Insured for non payment of premium due under this policy, and We have the right to sue the Named Insured and Anyone We insure under this policy for breach of any other obligation arising from or by reason of this insurance.
- (D) **INSPECTION AND AUDIT BY US.** We are allowed to inspect the Aircraft, and all books and records relating to the Aircraft, at any time during the policy period and up to one year after the end of the policy period or until final settlement of all claims is made.
- (E) **OUR RIGHT OF RECOVERY.** Except in respect of Section Three (A) Coverage E - (medical payments), if We make any payment under this policy which can be recovered from somebody else, the Named Insured and Anyone We insure under this policy agrees to transfer to Us, in exchange for that payment, any right to make this recovery. The Named Insured and Anyone We insure under this policy must do everything necessary to transfer this right of recovery to Us, including allowing suit to be brought in the name of the Named Insured and Anyone We insure under this policy. The Named Insured and Anyone We insure under this policy must not interfere with Our effort to recover and must preserve any evidence. We are not obliged to attempt to recover any deductible that may have been paid unless a specific request to do so is made to Us in writing.
- (F) **OTHER INSURANCE.** Except with respect to insurance bought by the Named Insured to apply in excess of this policy, if the Named Insured or Anyone We insure under this policy has other insurance which will also pay for an Accident or Occurrence insured by this policy, We will only pay the percentage that the limit of this policy bears to the total limit of all policies. But this policy will only pay in excess of any valid insurance which exists with respect to Section One General Condition (N) (insurance for newly acquired Aircraft and deletion of Aircraft) and Section Three (B) Special Provision 2 (use of other Aircraft) of this policy.
- (G) **CHANGES.** If the Named Insured wishes to change this policy, contact Us through the producer. Even though the producer may have knowledge of a request for a change, no change is effective until agreed by Us and an endorsement has been issued and signed by Us.
- (H) **TRANSFER OF INTEREST.** Transfer of interest in this policy cannot be made by the Named Insured or by Anyone We insure under this policy without Our written consent in the form of an endorsement agreed to and issued by Us.
- (I) **CANCELLING THIS POLICY.** The Named Insured may cancel this policy at any time by telling Us in writing in advance of the date that this insurance is to be cancelled, but if this policy contains additional insureds or agreements to notify other parties a certain number of days in advance of cancellation, then that number of days (plus three working days for Us to prepare the necessary documents) must be taken into account when advising Us of the date that this insurance is to be cancelled. If the Named Insured cancels We will compute the premium earned by Us by using the customary standard short rate scale or the cancellation tables promulgated under the statutes of the State shown under item 3 of the Declarations, whichever is more beneficial to the Named Insured.

We can cancel this policy at any time by mailing a notice of cancellation to the Named Insured at the address shown in Item 3. of the Declarations (postal address of Named Insured), or the Named Insured's last postal address known to Us, at least 30 days before the date that coverage will end. If We cancel because premium has not been paid, We can do so with 10 days notice instead of 30 days notice. Proof of mailing of the notice is sufficient proof that We have issued notice. We will compute the premium earned by Us based on the percentage of the policy period used multiplied by the annual premium. We will return to the Named Insured any premium paid that We have not earned, but making the refund at the time of cancellation is not a condition of cancellation. However, We will not return any

Aircraft physical damage premium on an Aircraft for which We have paid the Amount of Insurance, less the applicable deductible.

- (J) CONCEALMENT OR MISREPRESENTATION.** If the Named Insured has concealed or misrepresented any material fact or circumstance relating to this policy, either before or after a loss, then this policy is void.
- (K) STATE INSURANCE STATUTES.** Statements in this policy which conflict with insurance statutes of the state shown in Item 3. of the Declarations (postal address of Named Insured) are automatically amended by Us to conform to the statutes.
- (L) OUR OBLIGATIONS AND INSURED'S DUTIES.** We will only provide the coverage in this policy if the Named Insured pays the premium stated in this policy and only if the policy requirements are fully complied with. We have the right to deduct any premium or other debts owed under this policy from any payment We make to the Named Insured or to Anyone We insure under this policy.
- (M) WHEN INSURANCE IS PROVIDED.** Insurance is only provided under this policy during the policy period shown in Item 4. of the Declarations (policy period).
- (N) INSURANCE FOR NEWLY ACQUIRED AIRCRAFT AND DELETION OF AIRCRAFT:**

  - 1. We will insure, for an additional premium, Aircraft acquired during the policy period if these Aircraft are owned or leased by the Named Insured and provided that:

    - (a) We insure all Aircraft owned or leased by the Named Insured.
    - (b) We are advised of the acquisition of the new Aircraft within ten (10) days after the date that it was acquired.
    - (c) The newly acquired Aircraft:

      - (i) is of the same type as an Aircraft shown under Item 9. of the Declarations (description of Aircraft).
      - (ii) has no more than the number of engines of an Aircraft shown under Item 9. of the Declarations (description of Aircraft).
      - (iii) has engine(s) which do not exceed 150% of the power of the engine(s) of an Aircraft shown under Item 9. of the Declarations (description of Aircraft).
      - (iv) has total seating, including Crew, which does not exceed the total seats, including Crew, of an Aircraft shown under Item 9. of the Declarations (description of Aircraft).
    - (d) The maximum amount of insurance of the newly acquired Aircraft will be the price paid by the Named Insured, but in no event greater than the highest amount of insurance of an Aircraft shown under Item 9. of the Declarations (description of Aircraft). If the price paid for the Aircraft is greater than the highest amount of insurance of an Aircraft shown under Item 9. of the Declarations (description of Aircraft) and We have not agreed to this greater amount, then in the event of a claim under Section Two of this policy, We will only pay the same proportion of the claim that the highest amount of insurance of an Aircraft shown under Item 9. of the Declarations (description of Aircraft) bears to the actual price paid.
    - (e) Our agreement is obtained before any Aircraft that is not provided for under (a), (b), (c) or (d) of this General Condition (N) is acquired. Aircraft falling within this

category may be subject to different terms than those falling under (a), (b), (c) or (d) of this General Condition (N).

- (f) The Named Insured agrees to pay the full annual Section Two premium in respect of any newly acquired Aircraft on which We pay the amount of insurance, less the applicable deductible.
2. If an Aircraft insured under this policy is sold, disposed of or deleted, We will return pro rata of the annual premium for that Aircraft, except:
- (a) Where there is a claim under Section Two of this policy in respect to that Aircraft, in which case We will not return the Section Two premium.
  - (b) When the last Aircraft insured under this policy is sold, disposed of or deleted, in which event We will keep short-rate of the annual premium for that Aircraft in accordance with the customary short rate scale or the cancellation tables promulgated under the statutes of the State shown in item 3 of the Declarations, whichever is most beneficial to the Named Insured.

We must be advised within ten (10) days after the sale, disposal or deletion of any Aircraft insured under this policy.

3. If, for any reason, an Aircraft is insured under this policy for less than fifteen (15) days, We will charge fifteen (15) days premium for that Aircraft. Aircraft that are insured for fifteen (15) days or more will be subject to the premium terms shown under Paragraphs (1) and (2) of this General Condition (N).

## **SECTION TWO AIRCRAFT PHYSICAL DAMAGE**

Please refer to Item 9. of the Declarations (description of Aircraft) to see which Aircraft Physical Damage Coverage this policy insures, the Amount of Insurance and the Deductible for which the Named Insured is responsible.

This coverage is for the benefit of the Named Insured and not for the benefit of Anyone else in possession of the Aircraft.

### **(A) WHAT WE INSURE:**

- 1. **COVERAGE F** - to pay for Physical Loss of or damage to the Aircraft, including Disappearance, caused by Accident, but see the exclusions which show what We will not insure.
- 2. **COVERAGE G** - to pay for Physical Loss of or damage to the Aircraft caused by Accident, but only while the Aircraft is not In Motion, but see the exclusions which show what We will not insure.
- 3. **COVERAGE H** - to pay for Physical Loss of or damage to the Aircraft caused by Accident, but only while the Aircraft is not in Flight, but see the exclusions which show what We will not insure.

- (B) DEDUCTIBLE** (what the Named Insured must pay or bear). We will deduct from the amount We owe under this policy the deductible shown in Item 9. of the Declarations (description of Aircraft). We will not apply any deductible if a fixed wing Aircraft is a Total Loss, but We will apply the deductible if a rotorwing Aircraft is a Total Loss.



**(C) WHAT WE WILL PAY:**

1. If the Aircraft is a Total Loss, We will pay the Amount of Insurance shown in Item 9. of the Declarations (description of Aircraft) less the deductible which applies. We are entitled to all salvage value of the Aircraft.
2. If the Aircraft is not a Total Loss, We will pay the reasonable cost to repair the Aircraft, including essential temporary repairs, being the cost of labor at straight time rates (excluding overtime), parts and materials of like kind and quality and the cost of transportation, less the deductible which applies. We are entitled to all the salvage value of the parts that have been replaced.

However, We will not pay more than the amount of insurance shown under Item 9. of the Declarations (description of Aircraft) less the applicable deductible.

We will not accept responsibility for the Aircraft nor the replaced part(s), nor will We accept title to the Aircraft nor the replaced part(s). If the Aircraft or replaced part(s) is to be sold, the Named Insured is responsible for the delivery of a clear title to the buyer.

- (D) COST OF TRANSPORTATION.** We will pay the cost of transporting new or damaged parts or of transporting the damaged Aircraft to the place where repairs will be made and its return to the place of Accident or home airport, whichever is the nearer. These costs will be limited to the least expensive method of reasonable transportation.
- (E) APPRAISAL/ARBITRATION.** If the Named Insured and We cannot agree to the amount of loss, either party may insist that the matter be put to arbitration. The party who requires the arbitration must write and inform the other party within sixty days of Our receiving the sworn statement in proof of loss. Both parties must then select their own appraisers who must be competent to do the job. The appraisers must then select an umpire, but if they cannot agree on an umpire within 15 days, then either the Named Insured or We may request that the umpire should be selected by a judge of a court of record in the County and State where the arbitration is to take place. The appraisers will then appraise the loss, but if they cannot agree on the amount of loss, they must submit to the umpire who will make his appraisal. Agreement between the umpire and any of the appraisers will determine the amount of loss. The Named Insured and We will be responsible for paying the respective appraisers but the other costs of the appraisal, including those of the umpire, will be divided equally. It is important that the Named Insured understands that none of Our other rights, nor the Named Insured's rights, under this policy are affected by this arbitration.
- (F) EXCLUSIONS (what we will not pay for):** These exclusions are in addition to those appearing under Section One.

We will not pay for physical loss of or damage:

1. **MECHANICAL BREAKDOWN / WEAR AND TEAR / INGESTION:** which is due and confined to wear and tear, deterioration, freezing, mechanical, structural or electrical breakdown or failure, unless the loss or damage is the direct result of other physical damage covered under this policy, nor will We pay for engine loss or damage which is caused by heat which results from the start up, operation, shutdown, or the attempted start up, operation or shutdown of the engine, or is caused by or is attributed to the Ingestion of stone, grit, dust, sand, ice or any corrosive or abrasive material or any other substance which has a progressive or cumulative damaging effect.
2. **LOSS OF USE, DEPRECIATION, GUARANTY OR WARRANTY:** that results because the Aircraft cannot be used, nor will We pay for depreciation, or loss of guaranty, or warranty, however caused.

3. TIRES: to tires, except if damaged by fire or stolen, unless the loss or damage is a direct result of other physical damage insured under this policy.
4. UNDISCLOSED FINANCIAL INTEREST: to the Aircraft if any person, other than the Named Insured and those named in the policy, has any financial interest in the Aircraft.
5. CONVERSION, EMBEZZLEMENT, SECRETION: due to conversion, embezzlement or secretion by any person in possession of the Aircraft due to any lien, mortgage or any other encumbrance, or due to any rental, sales or purchase agreement, nor to any physical loss or damage resulting therefrom.

**(G) NAMED INSURED'S DUTIES (what the Named Insured must do):**

If the Aircraft is damaged or lost the Named Insured must:

1. PROTECT THE AIRCRAFT: whether or not the damage or loss is covered by this policy, do everything possible to protect the Aircraft from further damage or loss. If this is not done We will not pay for any further damage or loss to the Aircraft. If the reasonable expenses incurred in doing this arise out of damage or loss covered by this policy, then We will make reimbursement for these reasonable expenses.
2. NOTICE: immediately notify Us and the police if there is any theft. We will not pay for any reward offered unless We agree.
3. SWORN STATEMENT IN PROOF OF LOSS: give Us a sworn statement in Proof of Loss within 60 days of the Accident on a form which We will provide upon request.
4. CO-OPERATION, STATEMENT UNDER OATH, EXHIBITING OF DAMAGED AIRCRAFT: co-operate with Us and provide all documents and statements requested and help to recover the Aircraft. If the Accident is covered under the policy We will pay for the reasonable costs for doing this. The Named Insured must allow Us to take statements under oath of the Named Insured and Anyone We choose and exhibit the damaged Aircraft to Us. The Named Insured also agrees to preserve the damaged Aircraft until We authorize its disposal. The Named Insured must attend hearings and trials and help Us in obtaining the attendance of witnesses and in the conduct of suits.

**(H) WHEN WE WILL PAY - ACTION AGAINST US.** We will pay for loss or damage to the Aircraft within 60 days after the Named Insured has given Us a sworn Statement in Proof of Loss, provided both parties agree on the amount and provided We agree that the Accident is covered. The Named Insured may not bring any suit or action against Us until 60 days after We have been given a sworn Statement in Proof of Loss, nor may the Named Insured bring any suit or action against Us more than 12 months after the date of the Accident.

**(I) THEFT.** If the Aircraft, or any part of it, is stolen and recovered before We have paid for it, We may return it to the Named Insured along with payment for any physical damage to it in accordance with the terms of the policy. Whether before or after We pay the loss, the Named Insured and Anyone We insure under Section Two must notify Us as soon as the Aircraft, or any part of it, is located.

**(J) REINSTATEMENT OF COVERAGE.** In the event of loss, even if it is not insured by this policy, the amount of insurance applicable to the Aircraft will be reduced at the date of Accident by the amount of the loss and the reduced value will continue until repairs are started after which the amount of insurance will automatically increase by the cost of the repairs until the original amount of insurance is reinstated or the policy has expired.



### SECTION THREE INSURANCE FOR LIABILITY TO OTHERS

Please refer to Item 8. of the Declarations (liability coverages) to see what liability coverage and limits apply.

**(A) WHAT WE INSURE.** We will pay on behalf of the Named Insured and Anyone We insure under this policy, claims which must legally be paid because of an Occurrence causing Bodily Injury or Property Damage, but see the exclusions which show what We will not insure.

But We will only pay for these claims if they arise out of the ownership, maintenance or use of the Aircraft.

**COVERAGE A - BODILY INJURY LIABILITY (excluding passengers).** Coverage A insures liability for Bodily Injury to people other than Passengers in the Aircraft. The maximum amount We will pay each person is the amount shown under Item 8.A. of the Declarations (Bodily Injury excluding Passengers) under "each person" and the maximum amount We will pay for each Occurrence is the amount shown under Item 8.A. of the Declarations (Bodily Injury excluding Passengers) under "each Occurrence".

**COVERAGE B - PROPERTY DAMAGE LIABILITY.** Coverage B insures liability for Property Damage. The maximum amount We will pay is the amount shown under Item 8.B. of the Declarations (Property Damage) under "each Occurrence".

**COVERAGE C - PASSENGER BODILY INJURY LIABILITY.** Coverage C insures liability for Bodily Injury to Passengers in the Aircraft. The maximum amount We will pay for each Passenger is the amount shown under "each person" under Item 8.C. of the Declarations (Passenger Bodily Injury).

The maximum amount We will pay each Occurrence is the amount shown under "each Occurrence" under Item 8.C. of the Declarations (Passenger Bodily Injury).

**COVERAGE D - SINGLE LIMIT - BODILY INJURY (including or excluding passengers) AND PROPERTY DAMAGE LIABILITY.** Coverage D insures liability for Bodily Injury and Property Damage combined; if Item 8.D. of the Declarations shows INcluding Passengers then Coverage D also insures Bodily Injury to Passengers, but if Item 8. D. of the Declarations shows EXcluding Passengers then Coverage D does not insure Bodily Injury to Passengers.

**COVERAGE E - MEDICAL PAYMENTS.** Coverage E pays for all reasonable medical and funeral expenses incurred by Passengers of the Aircraft, but only if the expenses are incurred within a period of one year from the date of the Occurrence. The maximum amount We will pay for each person is shown under "each person" in Item 8. E. of the Declarations (medical payment). The maximum amount We will pay for "each Occurrence" is shown under "each Occurrence" in Item 8. E. of the Declarations (medical payment).

**SEPARATE INSUREDS.** The coverages shown above apply separately to the Named Insured and Anyone We insure under this Section of the policy against whom claim is made or suit is brought, but regardless of the number of persons, partnerships, corporations or organizations insured under this Section of the policy We will not pay more than the applicable limit of liability shown in Item 8. of the Declarations (liability coverages, limits of liability and premiums).

## (B) SPECIAL PROVISIONS

### 1. DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS.

This Special Provision only applies to Section Three (A) Coverages A, B, C and D, and applies only if insurance is provided by the policy (but see the exclusions which show claims for which We will not provide defense) and in this connection We will:

- (a) **DEFENSE:** defend, at Our expense, any claim or legal action made against the Named Insured and Anyone We insure under this policy because of an Occurrence causing Bodily Injury or Property Damage insured under this policy. We may investigate, negotiate or settle any claim or legal action as We see fit.
- (b) **BONDS:** pay premiums for appeal bonds and for bonds to release any property that is being held as security. However, We are not under any obligation to apply for or furnish such bonds.
- (c) **EXPENSES:** pay the expense and the court costs of claims or legal actions We defend, and interest that is owed on a judgment We are paying until We have paid or offered to pay the part of such judgment which does not exceed Our Limit of Liability as shown under Item 8. of the Declarations (liability coverages, limits of liability and premiums).

We will pay expenses incurred by the Named Insured and Anyone We insure under this policy, in the event of Bodily Injury, for emergency medical and surgical relief to others necessary at the time of the Occurrence. We will also reimburse the Named Insured and Anyone We insure under this policy for all reasonable expenses (other than loss of earnings or wages and salaries of employees) incurred at Our request.

We will pay the amounts incurred under this Special Provision 1, except for settlement of suits and claims, in addition to the Limits of Liability shown under Item 8. of the Declarations (liability coverages, limits of liability and premiums).

### 2. USE OF OTHER AIRCRAFT

- (a) If the Named Insured is one individual, and is the only Insured shown in Item 2. of the Declarations (Named Insured) and
- (b) If the purpose of use shown under Item 10. of the Declarations (purpose of use) is only Business and Pleasure or Industrial Aid and
- (c) If We insure all Aircraft owned or leased by the Named Insured,

then We will extend the insurance provided by this section of the policy to include use of another Aircraft by the Named Insured or spouse if they live together, provided:

- (i) This other Aircraft:
  - I. has a standard airworthiness certificate issued by the F.A.A.;
  - II. is of the same type as an Aircraft shown in Item 9. of the Declarations (description of Aircraft) and has not more than the number of engines of an Aircraft shown in Item 9. of the Declarations (description of Aircraft);
  - III. has engine(s) which do not exceed 150% of the power of the engine(s) of an Aircraft shown in Item 9. of the Declarations (description of Aircraft);
  - IV. does not have total seats, including Crew, exceeding the total seats, including Crew, of an Aircraft shown in Item 9. of the Declarations (description of Aircraft);

- V. is not owned in whole or in part by the Named Insured or any member of the Named Insured's household;
  - VI. is not leased to the Named Insured under any form of lease agreement with a term of more than 30 days or lease option or purchase agreement.
- (ii) The Insurance provided under this policy will only apply in excess of any other collectible insurance available to the Named Insured or their spouse.
  - (iii) We will not insure or defend under this Special Provision 2, physical loss of or damage to the other Aircraft being used or depreciation, loss of guaranty or warranty, however caused.
  - (iv) We will not insure or defend under this Special Provision 2 the owner of the other Aircraft being used or any agent or employee of that owner.
  - (v) We will not under this Special Provision 2 provide insurance for, or defend, any claim because of products manufactured, sold, handled or distributed by the Named Insured or the Named Insured's spouse.

### 3. PREMISES

If the Named Insured or Anyone We insure under this policy has the right to use premises at airport for parking or storing the Aircraft, the coverage for liability to others will also protect the Named Insured and Anyone We insure under this policy for claims which must legally be paid because of an Occurrence causing Bodily Injury or Property Damage arising out of their use of those premises. The amount We will pay is included as part of the limit shown under Item 8. of the Declarations (liability coverages, limits of liability and premiums).

**(C) EXCLUSIONS:** (What we will not pay for) These exclusions are in addition to those shown under Section One.

#### 1. NOISE, POLLUTION AND OTHER PERILS EXCLUSION CLAUSE.

- (a) this policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:
  - (i) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,
  - (ii) pollution and contamination of any kind whatsoever,
  - (iii) electrical and electromagnetic interference,
  - (iv) interference with the use of property;

unless caused by or resulting in a crash, fire, explosion, or collision or a recorded in Flight emergency causing abnormal Aircraft operation.

- (b) With respect to any provision in the policy concerning any duty of Us to investigate or defend claims, such provision shall not apply and We shall not be required to defend
  - (i) claims excluded by Paragraph 1 or
  - (ii) a claim or claims covered by the policy when combined with any claims excluded by Paragraph 1 (referred to below as "Combined Claims").

- (c) In respect of any Combined Claims, We shall (subject to proof of loss and the limits of the policy) reimburse the Named Insured and Anyone We insure under this policy for that portion of the following items which may be allocated to the claim or claims covered by the Policy:
    - (i) damages awarded against the Named Insured and Anyone We insure under this policy and
    - (ii) defense fees and expenses incurred by the Named Insured and Anyone We insure under this policy.
  - (d) Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this policy.
2. **EMPLOYEES.** This Policy does not insure claims nor provide defense for claims because of Bodily Injury to any employee of the Named Insured or of Anyone We insure under this policy while in the course and scope of his employment for the person, organization, partnership or corporation against whom the claim has been made, or to any obligation for which the Named Insured or Anyone We insure under this policy or any company as their insurer may be held liable under any Workers' Compensation, Occupational Disease, Disability Benefit, Unemployment Compensation, Employers Liability, United States Longshoremen's and Harbor Workers Act, The Jones Act, Federal Employers Liability Act, Defense Bases Act, or any similar act, plan or law, whether state, federal or foreign.
3. **BODILY INJURY TO NAMED INSURED.** This policy does not insure claims nor provide defense for claims because of Bodily Injury to any person who is a Named Insured, or their spouse(s) or damage to the respective estates resulting from their Bodily Injury.
4. **PROPERTY.** This policy does not insure claims nor provide defense for claims because of Property Damage to property which is:
- (a) Owned or rented or leased by the Named Insured or Anyone We insure under this policy: or
  - (b) In the care, custody or control of the Named Insured or Anyone We insure under this policy: or
  - (c) Being transported by the Named Insured or Anyone We insure under this policy.

But We will cover Personal Belongings up to a limit of \$500 each Passenger.

If Property Damage is not covered by virtue of this exclusion, We also do not insure against delay, loss of market, loss of use or any consequential loss arising from such Property Damage.

This exclusion does not apply to property that is owned by one person, organization, partnership or corporation insured hereunder and damaged by another person, organization, partnership or corporation insured under this policy.

This exclusion does not apply as respects the coverage provided under Section Three (B) Special Provision 3 (premises).

5. **INTENTIONAL INJURY.** This policy does not insure claims, nor provide defense, for intentional Bodily Injury or Property Damage caused by or at the direction of the Named Insured or Anyone We insure under this policy, except to prevent physical

loss or damage to the Aircraft or other dangerous interference with the operation of the Aircraft.

6. ASSUMED LIABILITY. This policy does not insure claims, nor provide defense for claims if the Named Insured or Anyone We insure under this policy has signed an agreement that obligates them to assume the liability of others but this exclusion does not apply to:
  - (a) Liability assumed under any written agreement required by statute or ordinance or by any rule or regulation made by a Federal, State, County or Municipal Authority as a condition of use of any airport or airport facility.
  - (b) Legal Liability which would have existed whether or not the agreement was signed.

**(D) WHO IS INSURED UNDER THIS SECTION OF THE POLICY.** We will insure any person while using or riding in the Aircraft and any person or organization legally responsible for its use provided the actual use is with the expressed permission of the Named Insured, but see Section Three (A) (Separate Insureds).

We will not insure:

1. Any employee, or official of the Named Insured or Anyone We insure under this policy for Bodily Injury that such person causes to another official or employee of the same employer if injured in the scope of their employment;
2. Any person or organization, or their agents or employees (but not the Named Insured's employees while in the scope of their employment) who are involved in the manufacture or repair of Aircraft, Aircraft engines, Aircraft parts or accessories, or in the operation of an Aircraft electronic repair shop, airport, hangar, Aircraft sales agency, airline, Aircraft rental service, commercial flying service, air taxi or charter flying service, flying club or flying school if an Occurrence arises because of their operations;
3. A student pilot, other than the Named Insured, or any person or organization renting or leasing the Aircraft or any person operating the Aircraft with the actual or implied knowledge or consent of said student pilot, individual or organization renting or leasing the Aircraft.

**(E) INSURED'S DUTIES.** (what Insureds must do): In the event of an Occurrence the Insured must:

1. immediately notify Us at Our address, which is shown in Item 1(A) of the Declarations; this notice must identify the Named Insured, and contain details of the Occurrence including the time, place and circumstances and the names and addresses of any injured people and witnesses.
2. if claim is made or suit is filed against the Named Insured or Anyone We insure under this policy, the person or organization insured must immediately notify Us by telephone or telegraph and forward the suit or claim and any demand, notice, summons, or other legal document to Us at Our address, which is shown in Item 1(A) of the Declarations.

**(F) SUIT OR ACTION AGAINST US:** (This does not apply to Section Three (A) Coverage E Medical Payments.) Nobody We insure under this policy may sue Us to recover payment under this Section Three of the policy, until all the terms of the policy have been complied with and a court has entered a judgment against the Named Insured or against any one We insure under this policy.

Nobody We insure under this policy may bring Us into any legal action to determine their liability or the liability of the Named Insured or of Anyone We insure.

If the Named Insured or Anyone We insure files bankruptcy or becomes insolvent, this does not relieve Us of Our obligations under this policy.

**(G) FINANCIAL RESPONSIBILITY LAWS.** If this policy is certified as proof of financial responsibility under any Aircraft financial responsibility law, the coverages provided by this policy will comply with the provisions of that law but only to the extent of the coverage and limits of liability required by such law, but in no event in excess of the limits of liability shown in this policy. The Named Insured and Anyone We insure under this policy must pay back to Us any payment We make which We would not have had to make under this policy if it had not been for this paragraph.

**(H) MEDICAL REPORTS:**

1. **PROOF AND PAYMENT OF CLAIM (APPLIES TO MEDICAL PAYMENTS ONLY):**  
As soon as possible the injured person(s) or someone on their behalf must give Us written proof of claim, under oath if We require, and must, if We request, authorize Us to obtain medical reports and copies of records. The injured person(s) must submit to physical examination by a physician selected by Us when and as often as We may reasonably request. We will pay the injured person(s) or any person(s) or organization rendering the services but this payment will be deducted from the amount payable for the injury under coverages A, C or D. Payment for medical examination does not mean that We admit liability for the injury.
2. **ACTION AGAINST US (APPLIES TO MEDICAL PAYMENTS ONLY):** Legal action against Us for medical payments cannot be made unless the Named Insured or Anyone We insure has done everything We require to be done and at least 60 days must have passed since the proof of claim has been given to Us.
3. **OTHER INSURANCE (APPLIES TO MEDICAL PAYMENTS ONLY):** With respect to Section One General Condition (N) (Insurance for newly acquired Aircraft and deletion of Aircraft) and Section Three (B) Special Provision 2 (Use of other Aircraft), the Insurance provided by Section Three (A) Coverage E (medical payments) is excess insurance over any other valid medical payments insurance that the Named Insured or Anyone We insure under this policy can collect.
4. We do not admit that the Named Insured or Anyone We insure under this policy has any legal liability by making medical expense payments.



This Endorsement effective July 1, 2015  
forms part of Policy Number: AAC N07385110 005  
Issued to The California State University and its Auxiliary Organizations  
By Westchester Fire Insurance Company

**PILOTS WHO MAY FLY THE AIRCRAFT**  
(For use with Aircraft Policy AC 102 11-98)

The Aircraft may only be flown by the pilots listed below provided that those pilots have all the qualifications shown in this endorsement and provided also that all pilots are properly certificated, rated and qualified under the current F.A.A. regulations which apply to the operation of the Aircraft.

Any pilot who is properly certificated and rated for the flight involved

Authorized Representative

Endorsement No. 1

AC 103 (11-98)

06/25/2015



This Endorsement effective  
forms part of Policy Number  
Issued to  
By Westchester Fire Insurance Company

July 1, 2015  
AAC N07385110 005  
The California State University and its Auxiliary Organizations

**NON-OWNED AIRCRAFT LIABILITY ENDORSEMENT**  
(For use with Aircraft Policy AC 102 11-98)

In consideration of an additional premium of (Included) , it is agreed such insurance as is provided by Section Three of this Policy is extended to include Aircraft which are used by the Named Insured but which are not owned by the Named Insured.

The insurance provided by this endorsement is subject to the following terms:

1. The following amendments are made to this Policy:
  - (a) Paragraph 1 of General Condition (N) of Section One (Insurance for Newly Acquired Aircraft and Deletion of Aircraft) is deleted;
  - (b) Paragraph 2 of Item (B) of Section Three (Use of Other Aircraft) is deleted;
  - (c) General Condition (F) of Section One (Other Insurance) is deleted and replaced by the following:  
If the Named Insured has any other available insurance which will pay for an Occurrence insured under this endorsement, We will only pay in excess of that other insurance.
2. The insurance provided by this endorsement does not apply to:
  - (a) Aircraft in which the Named Insured has an interest either as owner or financially;
  - (b) Aircraft which are leased for a period of Thirty (30) days or more to the Named Insured or to:
    - (i) any member of the Named Insured's household or family, if the Named Insured is an individual;
    - (ii) any executive officer or partner, or member of an executive officer's or partner's household or family, if the Named Insured is a corporation or partnership;
  - (c) Any claims, nor provide any defense for claims, arising out of any product manufactured, sold, handled or distributed by the Named Insured;
  - (d) Aircraft which have total seating capacity, including crew seats, of more than 40 (forty)
  - (e) Any claims for loss of or damage to the Aircraft nor for any claims because the Aircraft cannot be used. Neither will We provide any defense for these claims.

Authorized Representative

Endorsement No. 2

AC 109 (11-98)

06/25/2015

This Endorsement effective July 1, 2015  
forms part of Policy Number AAC N07385110 005  
Issued to The California State University and its Auxiliary Organizations  
By Westchester Fire Insurance Company

**WAR, HI-JACKING AND OTHER PERILS EXCLUSION CLAUSE (Aviation)**  
(For use with Aircraft Policy AC 102 11-98)

It is understood and agreed that exclusion (G) of Section One of policy form AC 102 (11-98) (War and Other Perils Exclusion Clause) is deleted and replaced with the following:

This policy does not cover claims caused by:

- (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.
- (b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- (c) Strikes, riots, civil commotions or labor disturbances.
- (d) Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.
- (e) Any malicious act of sabotage.
- (f) Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any government (whether civil, military or de facto) or public or local authority.
- (g) Hijacking or any unlawful seizure or wrongful exercise of control of the Aircraft or crew in Flight (including any attempt at such seizure or control) made by any person or persons on board the Aircraft acting without the consent of the insured.

Furthermore this policy does not cover claims arising while the Aircraft is outside the control of the Insured by reason of any of the above perils.

The Aircraft shall be deemed to have been restored to the control of the Insured on the safe return of the Aircraft to the Insured at an airfield not excluded by the geographical limits of this policy, and entirely suitable for the operation of the Aircraft (such safe return shall require that the Aircraft be parked with engine shut down and under no duress).

Authorized Representative

Endorsement No. 3

AC 110 (11-98)

06/25/2015

This Endorsement effective July 1, 2015  
forms part of Policy Number AAC N07385110 005  
Issued to The California State University and its Auxiliary Organizations  
By Westchester Fire Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY**  
**EXTENDED COVERAGE - WAR, HI-JACKING AND OTHER PERILS ENDORSEMENT**  
**(AVIATION LIABILITIES)**

In exchange for the premium shown in the Schedule below, we agree that:

1. Paragraphs (a), (c), (d), (e), (f) and (g) of endorsement AC 110 (11-98) do not apply to Section Three of this policy, SUBJECT TO all terms and conditions of this endorsement.
2. The most we will pay under this endorsement for:
  - (a) all "bodily injury" (except "bodily injury" to "passengers") and "property damage" combined is the Aggregate Limit shown in the Schedule below; and
  - (b) "bodily injury" to "passengers" is the applicable Limit(s) of Liability shown in the Declarations.

The Aggregate Limit shown in the Schedule below is included within, and is not in addition to, the Limits of Liability shown in the Declarations.

3. The following definition is added to the policy:

"Certified act of terrorism" means an act certified by the Secretary of the Treasury, in concurrence with:

- (a) the Secretary of State; and
- (b) the Attorney General of the United States of America,

to be an act of terrorism pursuant to the Terrorism Risk Insurance Act ("TRIA").

The criteria for a "certified act of terrorism" include that the act:

- A. resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
- B. is a violent act or an act that is dangerous to:
  - (a) human life; or
  - (b) property or infrastructureand is part of an effort to:
  - (c) coerce the civilian population of the United States of America; or
  - (d) influence the policy or affect the conduct of the United States Government by coercion.

This Endorsement effective July 1, 2015  
forms part of Policy Number AAC N07385110 005  
Issued to The California State University and its Auxiliary Organizations  
By Westchester Fire Insurance Company

4. This endorsement does not apply to:
- (a) any damage to property on the ground while outside:
    - (i) Canada, or
    - (ii) the United States of America,unless caused by or arising out of the use of aircraft;  
or
  - (b) "Certified Acts of Terrorism", if the "Amendment to Include Coverage for Certified Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism Endorsement", is attached to this policy.
5. If the "Amendment to Include Coverage for Certified Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism Endorsement" is not attached to this policy, then if:
- (a) aggregate insured losses certified under TRIA exceed \$100 billion in a Program Year (January 1 through December 31); and
  - (b) our insurer deductible under TRIA is met,
- we are not liable for such losses that exceed \$100 billion.

In such case insured losses up to that amount will be pro-rated according to the procedures established by the Secretary of the Treasury of the United States of America.

All other terms and conditions of this policy remain unchanged.

#### SCHEDULE

<b>Aggregate Limit:</b>	\$50,000,000
<b>Annual Additional Premium:</b>	\$860
<b>Premium Due Hereon:</b>	\$860

Authorized Representative

Endorsement No. 4

AC 112A (02-08)

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06/25/2015

This Endorsement effective July 1, 2015  
forms part of Policy Number AAC N07385110 005  
Issued to The California State University and its Auxiliary Organizations  
By Westchester Fire Insurance Company

**MEDICAL SERVICES LIMITATION ENDORSEMENT**  
(For use with Aircraft Policy AC 102 11-98)

It is understood and agreed that We will not provide insurance nor defense under this policy for claims because of Bodily Injury:

1. Arising from the rendering of any medical or surgical treatments or professional services, by any doctor, nurse or other professional attendant, or the omission of such services or treatments.
2. Arising from the aggravation of any existing injury or condition of any Passenger.
3. To any corpse being carried in the Aircraft, but We will provide insurance and defense for such injury under Property Damage coverage.
4. Caused by or resulting in any manner from the transportation of blood or human organs.

Authorized Representative

Endorsement No. 5

AC 129 (11-98)

06/25/2015

This Endorsement effective  
forms part of Policy Number  
Issued to  
By Westchester Fire Insurance Company

July 1, 2015  
AAC N07385110 005  
The California State University and its Auxiliary Organizations

### NUCLEAR RISK EXCLUSION CLAUSE

- (1) This Policy does not provide insurance under any part of this Policy or provide defense under any part of this Policy:
  - (i) loss of or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
  - (ii) any legal liability of whatsoever naturedirectly or indirectly caused by or contributed to by or arising from:
  - (a) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
  - (b) the radioactive properties of, or a combination of radioactive properties with toxic, explosive or other hazardous properties of, any other radioactive material in the course of carriage as cargo, including storage or handling incidental thereto;
  - (c) ionizing radiations or contamination by radioactive form, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.
- (2) It is understood and agreed that such radioactive material or other radioactive source in paragraph (1)(b) and (c) above shall not include:
  - (i) depleted uranium and natural uranium in any form;
  - (ii) radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational, or industrial purpose.
- (3) This Policy, however, does not provide insurance or provide defense for loss of or destruction to any property or any consequential loss or any legal liability of whatsoever nature with respect to which:
  - (i) the Insured under this Policy is also an insured or an additional insured under any other insurance policy, including any nuclear energy liability policy; or
  - (ii) any person or organization is required to maintain financial protection pursuant to legislation in any country; or
  - (iii) the Insured under this Policy is, or had this Policy not been issued would be, entitled to indemnification from any government or agency thereof.
- (4) Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of paragraph (2) shall (subject to all other terms, conditions, limitations, warranties and exclusions of this Policy) be covered, provided that:

This Endorsement effective  
forms part of Policy Number  
Issued to  
By Westchester Fire Insurance Company

July 1, 2015  
AAC N07385110 005  
The California State University and its Auxiliary Organizations

NUCLEAR RISKS EXCLUSION CLAUSE (CONT'D.)

- (i) in the case of any claim in respect of radioactive material in the course of carriage as cargo, including storage or handling incidental thereto, such carriage shall in all respects have complied with the full International Civil Aviation Organization "Technical Instructions for the Safe Transport of Dangerous Goods by Air", unless the carriage shall have been subject to any more restrictive legislation, when it shall in all respect have complied with such legislation;
- (ii) this Policy shall only apply to an incident happening during the period of this Policy and where any claim by the Insured against Us or by any claimant against the Insured arising out of such incident shall have been made within three years after the date thereof;
- (iii) in the case of any claim for the loss of or destruction of or damage to or loss of use of an aircraft caused by or contributed to by radioactive contamination, the level of such contamination shall have exceeded the maximum permissible level set out in the following scale:

<u>Emitter</u> (IAEA Health and Safety Regulations)	<u>Maximum permissible level of Non-fixed radioactive surface Contamination</u> (Averaged over 300cm <sup>2</sup> )
Beta, gamma and low toxicity alpha emitters	Not exceeding 0.4 Bequerels/cm <sup>2</sup> (10 <sup>- 4</sup> microcuries/cm <sup>2</sup> )
All Other emitters	Not exceeding 0.4 Bequerels/cm <sup>2</sup> (10 <sup>- 5</sup> microcuries/cm <sup>2</sup> )

- (iv) the cover afforded hereby may be cancelled by Us at any time by giving seven days notice of cancellation.

Authorized Representative



This Endorsement effective July 1, 2015  
forms part of Policy Number AAC N07385110 005  
Issued to The California State University and its Auxiliary Organizations  
By Westchester Fire Insurance Company

DATE RECOGNITION EXCLUSION ENDORSEMENT  
(For use with Aircraft Policy AC 102 11-98)

We will not provided insurance under any part of this policy or provided defense under any part of this policy for any claim, damage, injury, loss, cost, expense or liability (whether in contract, tort, negligence, product liability, misrepresentation, fraud or otherwise) of any nature whatsoever arising from or occasioned by or in consequence of (whether directly or indirectly and whether wholly or partly):

- (a) the failure or inability of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) accurately or completely to process, exchange or transfer year, date or time data or information in connection with:
- the change of year from 1999 to 2000; and/or
  - the change of date from 21 August 1999 to 22 August 1999; and/or
  - any other change of year, date or time;

whether on or before or after such change of year, date or time;

- (b) any implemented or attempted change or modification of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) in anticipation of or in response to any such change of year, date or time, or any advice given or services performed in connection with any such change or modification;
- (c) any non-use or unavailability for use of any property or equipment of any kind whatsoever resulting from any act, failure to act or decision of the Insured or of any third party related to any such change of year, date or time;

and any provision in this Policy concerning our duty to investigate or defend claims shall not apply to any claims so excluded.

Authorized Representative

Endorsement No. 7

AC 161 (11-98)

06/25/2015

This Endorsement effective July 1, 2015  
forms part of Policy Number AAC N07385110 005  
Issued to The California State University and its Auxiliary Organizations  
By Westchester Fire Insurance Company

DATE RECOGNITION LIMITED COVERAGE ENDORSEMENT  
(For use with Aircraft Policy AC 102 11-98)

In consideration of the premium at which this policy is written, it is understood and agreed that the Date Recognition Exclusion Endorsement AC161 (11-98) shall not apply to any coverage provided under:

1. Section Two (Aircraft Physical Damage), of this policy;
2. Section Three (Insurance for Liability to Others) of this policy for;
  - (a) accidental Bodily Injury (fatal or otherwise) to Passengers directly caused by an accident to the Aircraft; and/or
  - (b) loss of or damage to baggage and personal articles of Passengers, mail and cargo directly caused by an accident to the Aircraft; and/or
  - (c) accidental Bodily Injury (fatal or otherwise) or accidental Property Damage directly caused by an accident to the Aircraft or by any person or object falling therefrom;

For the purposes of this paragraph 2, the word "accident" means a sudden event, during the policy period, which is neither expected nor intended by the Named Insured or Anyone We insure under this policy, that involves the Aircraft.

**provided that:**

1. Coverage provided pursuant to this endorsement shall be subject to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of the policy (except as specifically provided herein), and nothing in this endorsement extends coverage beyond that which is provided by the policy.
2. Nothing in this endorsement shall provided any coverage in respect of grounding of any Aircraft.
3. The Insured recognizes that We consider the information provided by the Insured in the application form, and/or other documentation provided, to be material to our decision to issue this endorsement. The Insured further agrees that it has a continuing obligation to disclose in writing to Us during the policy period any additional material facts relating to the Date Recognition Conformity of the Insured's operations, equipment and products.

Authorized Representative

Endorsement No. 8

AC 162 (11-98)

06/25/2015

This Endorsement effective  
forms part of Policy Number  
Issued to  
By Westchester Fire Insurance Company

July 1, 2015  
AAC N07385110 005  
The California State University and its Auxiliary Organizations

**AMENDMENT TO INCLUDE COVERAGE FOR CERTIFIED ACTS OF TERRORISM;  
CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

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

**This endorsement modifies insurance provided under the following:**

**AIRCRAFT POLICY**

1. No exclusion of terrorism contained in this policy applies to a "certified act of terrorism".
2. In the event that aggregate insured losses certified under the federal Terrorism Risk Insurance Act (hereafter "TRIA" or the "Act") exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we are not liable for payment for any part of such losses that exceed \$100 billion.

In such case insured losses up to that amount will be pro-rated according to the procedures established by the Secretary of the Treasury of the United States of America.

3. "Certified act of terrorism" means an act certified by the Secretary of the Treasury in accordance with the provisions of the Act, to be an act of terrorism pursuant to the Act. The criteria for a "certified act of terrorism" include the following:
  - A. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
  - B. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is part of an effort to coerce the civilian population of the United States of America or to influence the policy or affect the conduct of the United States Government by coercion.
4. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

Subject otherwise to all terms and conditions of the Policy to which this endorsement is attached.

Authorized Representative

This Endorsement effective  
forms part of Policy Number  
Issued to  
By Westchester Fire Insurance Company

July 1, 2015  
AAC N07385110 005  
The California State University and its Auxiliary Organizations

## POLLUTION ENDORSEMENT

1. SECTION THREE (C) EXCLUSIONS, is amended by deleting exclusion 1. and inserting the following:

**1. Noise and pollution and other perils.**

This Policy does not cover claims directly or indirectly, occasioned by, happening through, in consequence of:

- (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith;
- (b) "Pollution" or contamination of any kind whatsoever;
- (c) electrical or electromagnetic emission or interference of any kind whatsoever,;
- (d) interference with the use of property;
- (e) any direction, obligation, request, demand, order, or statutory or regulatory requirement, or any voluntary decision to do so, that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, protect against or in any other way respond to the actual, alleged or threatened presence of "Pollutants" or "Waste".

unless caused by or resulting in a crash, fire, explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.

2. SECTION ONE, GENERAL DEFINITIONS, is amended as follows:

a. Definition (D), the definition of "Bodily Injury", shall be amended by adding the following:

"Bodily injury" also means fear of bodily injury, sickness or disease and, if arising out of the foregoing, mental anguish including death resulting therefrom.

b. The following definitions are added:

"Pollution" means the mere presence of "Pollutants" in any form, as well as the actual, alleged or threatened discharge, dispersal, release, escape, seepage, migration or disposal of "Pollutants" in any form.

"Pollutants" include, without limitation, solid, liquid, gaseous or thermal irritants, any air emission, contaminant, smoke, vapor, soot, fume, acid, alkali, chemical, "waste", or any material alleged to be a possible or probable carcinogenic, odor, waste water, oil or other petroleum product, infectious or medical waste, asbestos or asbestos product, fungus (including mold or mildew or any mycotoxin, spore, scent or byproduct produced or released by fungi, other than any fungi intended by the insured for consumption).

"Waste" includes materials to be recycled, reconditioned or reclaimed, whether or not the material has been disposed of by you or any person handling the waste.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

Endorsement No. 10

AC 168 (11-03)

Page 1 of 1

06/25/2015

This Endorsement effective  
forms part of Policy Number  
Issued to  
By Westchester Fire Insurance Company

July 1, 2015  
AAC N07385110 005  
The California State University and its Auxiliary Organizations

### **LIMITED TERRORISM COVERAGE ENDORSEMENT**

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

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:**

#### **AIRCRAFT POLICY**

1. Any terrorism exclusion in this policy shall not apply to an "act of terrorism" which:
  - (a) results in losses no greater than \$5,000,000 in the aggregate, attributable to all types of insurance; and
  - (b) is not otherwise excluded by this policy.
2. Additional definition:

"Act of terrorism" means an act that is:

  - (a)
    - (1) dangerous to human life; or
    - (2) property; or
    - (3) infrastructure; and
  - (b) committed by an individual or individuals; and
  - (c) seen as part of an effort to:
    - (1) coerce a civilian population; or
    - (2) influence the policy or affect the conduct of any government by coercion.
3. Multiple "acts of terrorism" which occur in a seventy-two hour period and which appear to:
  - (a) be carried out in concert; or
  - (b) have a related purpose; or
  - (c) have common leadership

shall be deemed one "act of terrorism".

All other terms and conditions of this policy remain unchanged.

This Endorsement effective July 1, 2015  
forms part of Policy Number AAC N07385110 005  
Issued to The California State University and its Auxiliary Organizations  
By Westchester Fire Insurance Company

**COVERAGE TERRITORY ENDORSEMENT**  
(For use with Aircraft Policy AC 102 11-98)

It is agreed that the Declarations are amended at Item 12, Territory (Where insurance is provided under this policy), by deleting the words "in the United States of America (excluding Alaska), Canada and Mexico" and replacing them with "anywhere in the world".

All other terms and conditions remain unchanged

Authorized Representative

This Endorsement effective July 1, 2015  
forms part of Policy Number AAC N07385110 005  
Issued to The California State University and its Auxiliary Organizations  
By Westchester Fire Insurance Company

### **CANCELLATION NOTIFICATION CHANGE ENDORSEMENT**

It is understood and agreed that Section One, General Conditions, subsection (I), Cancelling This Policy, is amended by deleting "30" and replacing it with 120 however, this amendment shall not operate to change any provisions of any statutory cancellation requirements unless more beneficial to the Named Insured.

All other terms and conditions remain unchanged

Authorized Representative



This Endorsement effective July 1, 2015  
forms part of Policy Number AAC N07385110 005  
Issued to The California State University and its Auxiliary Organizations  
By Westchester Fire Insurance Company

### LIMITED ENHANCED COVERAGE ENDORSEMENT - CALIFORNIA

In consideration of the premium paid it is agreed that:

1. SECTION ONE, GENERAL DEFINITIONS is amended at subsection (G) "Disappearance", by deleting the number "60" and replacing it with the number "30".
2. The following changes are made to SECTION ONE, GENERAL EXCLUSIONS:
  - a. Subsection (A) PILOTS is amended by adding the following:

However, this exclusion shall not apply to the Named Insured or Anyone We insure under this policy who did not know and reasonably should not have known that the Aircraft was being operated by a pilot who was not so qualified or so certificated, rated and qualified.
3. The following changes are made to SECTION ONE, GENERAL CONDITIONS:
  - a. Subsection (E) OUR RIGHT OF RECOVERY is amended by adding the following:

However, We will not exercise our right of recovery under this provision with respect to any oral agreement between the Named Insured and a hangar or airport manager for the temporary storage or minor servicing of the Aircraft when away from their regular base.
  - b. Subsection (I) CANCELLING THIS POLICY is deleted in its entirety.
  - c. Subsection (N) INSURANCE FOR NEWLY ACQUIRED AIRCRAFT AND DELETION OF AIRCRAFT is amended as follows:
    1. Part 1.(b) is deleted and replaced with the following:
      - (b) We are advised of the acquisition of the new Aircraft within 90 days of the date that it was acquired.
    2. Part 1.(c) is deleted and replaced with the following:
      - (c) The newly acquired Aircraft has a maximum seating capacity of no more than 20 total seats including crew.
    3. The words "the highest amount of insurance for an Aircraft shown under Item 9. of the Declarations (description of Aircraft)" are deleted from part 1.(d) and replaced with the following:

150% of the highest amount of insurance of an Aircraft shown under Item 9. of the Declarations (Description of Aircraft), but in no event greater than \$10,000,000.

This Endorsement effective July 1, 2015  
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By Westchester Fire Insurance Company

e. The following new conditions are added:

#### AUTOMATIC INCREASE IN AMOUNTS OF INSURANCE AND SEATING CAPACITIES

We will provide automatic coverage for:

- (a) Increases or reductions in Amounts of Insurance to 150% of the highest Amount of Insurance of an Aircraft shown under Item 9. of the Declarations (Description of Aircraft), but in no event greater than \$10,000,000.
- (b) Increases or decreases in Aircraft Seating Capacity to a maximum of 20 total seats, including crew, any one Aircraft.

However, such changes must be reported to Us within 90 days, and the Named Insured agrees to pay any additional premium or receive return premium which becomes due as consequence of such changes.

#### INADVERTENT ERRORS

The insurance provided by this policy shall not be prejudiced or invalidated by any inadvertent error in the name or description of persons, aircraft, equipment, location or services insured or to be insured, provided that any such error is corrected as soon as it is known by an executive officer or designated risk manager of the Named Insured.

4. SECTION TWO, AIRCRAFT PHYSICAL DAMAGE is amended by adding the following to Subsection (B) DEDUCTIBLE:

We will not apply any deductible with respect to loss of or damage to an Aircraft due to fire, lightning or theft.

5. SECTION THREE, INSURANCE FOR LIABILITY TO OTHERS, is changed as follows:

- a. Subsection (A) WHAT WE INSURE is amended by deleting the words "But We will only pay for these claims if they arise from the ownership, maintenance or use of the Aircraft" and replacing them with the following:

But We will only pay for these claims if they arise out of the:

- 1. Ownership, maintenance or use of the Aircraft;
- 2. Sale of an Aircraft shown under Item 9. of the Declarations; or
- 3. Sale of aircraft parts, and, on a non-profit basis, the sale of fuel, oil, food, beverages, accessories, equipment, maintenance or services to someone else in connection with the Named Insured's aviation operations.

- b. Subsection (B) SPECIAL PROVISIONS is amended by adding the following new part to provide coverage for Runway Foaming, Search and Rescue:

Runway Foaming, Search and Rescue.

This Endorsement effective July 1, 2015  
forms part of Policy Number AAC N07385110 005  
Issued to The California State University and its Auxiliary Organizations  
By Westchester Fire Insurance Company

We will pay a maximum of \$250,000 each Occurrence for expenses incurred for the use of foam on a runway for an Aircraft insured under this policy. We will also pay a maximum of \$1,000,000 each Occurrence for search and rescue operations begun by the Named Insured or Anyone We insure under this policy.

c. Subsection (C) EXCLUSIONS (What we will not pay for) is amended as follows:

1. The following is added to subsection 4. Property:

Parts (a) and (b) of this exclusion shall not apply to Property Damage to hangars and their contents that you do not own.

2. Parts (a) and (b) of this exclusion shall not apply to:

Aircraft, while in your care, custody or control, however, this coverage extension does not apply to "property damage" to aircraft:

(a) you own, rent or lease; or

(b) on loan to you;

(c) while "in flight"; or

(d) for which the Insured is obligated to pay damages due to liability assumed in a contract or agreement. This exclusion does not apply to liability that would have existed in the absence of the contract or agreement.

3. Parts (a) and (b) of this exclusion shall not apply to Property Damage to "cargo" however such coverage as is afforded for property damage to "cargo" does not apply to:

(a) accounts, deeds, evidences of debt, mail, money, notes, securities, bullion, credit cards;

(b) furs, fur garments, jewelry, precious stones;

(c) valuable papers and records, paintings, statuary or other works of art, or other articles of extraordinary value;

(d) baggage, luggage, wearing apparel or Personal Belongings of Passengers;

(e) live animals, birds, reptiles, fish or plants;

(f) any property in storage whether incidental to transportation or not; or

(g) Property Damage caused by or resulting from:

(i) delay, loss of market, loss of use, or any consequential loss;

(ii) gradual deterioration, moths, vermin, inherent vice, marring or scratching;

This Endorsement effective July 1, 2015  
forms part of Policy Number AAC N07385110 005  
Issued to The California State University and its Auxiliary Organizations  
By Westchester Fire Insurance Company

- (iii) misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Named Insured or Anyone We insure under the Policy or any of the agents or employees of the Named Insured or Anyone We insure under the Policy; or
- (iv) any deviation from a contract of affreightment or cost or expense of defending against the same.

d. Subsection 6. Assumed Liability is deleted and replaced with the following:

6. Assumed Liability. This policy does not insure claims, nor provide defense for claims, if, the Named Insured or Anyone We insure under this policy has made an agreement:

- (a) which will benefit Passengers, or their heirs; or
- (b) which will benefit any manufacturer of an Aircraft; or
- (c) with respect to any Occurrence resulting from a major alteration or repair to an Aircraft; or
- (d) which is an oral agreement between the Named Insured or Anyone We insure under this policy and another party, unless the agreement is required by statute or ordinance or by any rule or regulation made by a federal, state, county or municipal authority as a condition of use of any airport that pertains to the temporary storage or minor servicing of an Aircraft when away from its regular base.

But this exclusion does not apply to legal liability which would have existed whether or not the agreement was executed.

With respect to agreements that are not excluded by this exclusion 6., any agreement entered into (except for the use of an airport or facilities at an airport) must be forwarded to Us within 30 days after receipt by the Named Insured or the Named Insured's representative, but inadvertent failure to forward such agreement within the aforesaid time frame will not invalidate coverage hereunder, provided that it is corrected and forwarded to Us as soon as the inadvertent failure is known by an executive officer or designated risk manager of the Named Insured.

e. Subsection (E) INSURED'S DUTIES is deleted and replaced with the following:

- (E) DUTIES OF THE NAMED INSURED OR ANYONE WE INSURE UNDER THIS POLICY: In the event of an Occurrence, the Named Insured or Anyone We insure under this policy must:
  - 1. immediately notify Us at Our address, which is shown in Item 1(A) of the Declaration; this notice must identify the Named Insured, and contain details of the Occurrence including the time, place and circumstances and the names and addresses of any injured people and witnesses.

This Endorsement effective July 1, 2015  
forms part of Policy Number AAC N07385110 005  
Issued to The California State University and its Auxiliary Organizations  
By Westchester Fire Insurance Company

2. if claim is made or suit is filed against the Named Insured or Anyone We insure under this policy, the person or organization insured must immediately notify Us by telephone, e-mail or facsimile transmission and forward the suit or claim and any demand, notice summons, or other legal document to Us at Our address, which is shown in Item 1 (A) of the Declarations.
- f. The insurance provided by Coverage A will also apply to those sums that the Insured becomes legally obligated to pay as damages because of "bodily injury" and "property and damage" caused by an "occurrence" arising out of the Insured's ownership, maintenance or use of "mobile equipment". The insurance provided by this sub-paragraph 2.e. will be excess over any other insurance available to the Insured.
- g. The terms and conditions of the U.S. Department of Defense's Use of Military installations Form DD 2400 endorsement are incorporated herein by reference.
- h. For purposes of this endorsement and Policy, "cargo" means the property of others, including mail, which is to be transported in the "aircraft". Coverage for cargo:
  - (a) begins at the time you, or your agent, accept the cargo; and
  - (b) continues until the cargo reaches its final destination or is transferred to a succeeding carrier or its agents, whichever comes first.
- i. Under Section Three, Coverage E. Medical Payments is changed to read as follows:

Coverage E pays for all reasonable medical and funeral expenses incurred by Passengers of the Aircraft or arising out of your ownership, maintenance, use or provision of premises in connection with your aircraft operations, but only if the expenses are incurred within a period of one year from the date of the Occurrence. The maximum amount We will pay for each person is shown under "each person" in Item 8.E. of the Declarations (medical payment). The maximum amount We will pay, as respects passengers of 'the aircraft, in Item 8.E. of the Declarations (medical payment), for "each Occurrence" is shown under "each Occurrence".

All other terms, conditions and exclusions of this Policy remain unchanged.

Authorized Representative

This Endorsement effective July 1, 2015  
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By Westchester Fire Insurance Company

### TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

This endorsement modifies insurance provided under the AIRCRAFT POLICY.

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

All other terms and conditions of the policy remain unchanged.

Authorized Representative

This Endorsement effective  
forms part of Policy Number  
Issued to  
By Westchester Fire Insurance Company

July 1, 2015  
AAC N07385110 005  
The California State University and its Auxiliary Organizations

## CALIFORNIA CHANGES - CANCELLATION AND NONRENEWAL

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

A. Section (I) of the General Conditions is replaced by the following:

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

2. All Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured at the mailing address shown in the policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

a. 10 days before the effective date of cancellation if we cancel for:

(1) Nonpayment of premium; or

(2) Discovery of fraud or material misrepresentation by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

(1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.

(2) Discovery of fraud or material misrepresentation by:

(a) Any insured or his or her representative in obtaining this insurance; or

(b) You or your representative in pursuing a claim under this policy.

(3) A judgment by a court or an administrative tribunal that you have violated a California or Federal having as one of its necessary elements an act which materially increases any of the risks insured against.



This Endorsement effective  
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July 1, 2015  
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- (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
  - (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
  - (6) A determination by the Commissioner of Insurance that the:
    - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
    - (b) Continuation of the policy coverage would:
      - (I) Place us in violation of California law or the laws of the state where we are domiciled; or
      - (II) Threaten our solvency.
  - (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
- (1) 10 days before the effective date of cancellation if we cancel for a reason listed in Paragraph 3.a. (1) or 3.a.(2); or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
  5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If We cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro-rata. The cancellation will be effective even if we have not made or offered a refund.
  6. If notice is mailed, proof of mailing will be sufficient proof of notice.

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B. The following is added and supersedes any provisions to the contrary:

#### NONRENEWAL

1. Subject to the provisions of Paragraph B.2. below, if we elect not to renew this policy, we will mail or deliver

written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. We are not required to send notice of nonrenewal in the following situations:
  - a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.
  - b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph B.1.
  - c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
  - d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
  - e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
  - f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph B.1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

Authorized Representative

## COVERAGE SUMMARY

**INSURER:**

ACE USA – U.S  
International Advantage  
Program

**POLICY TERM:**

July 1, 2015 to  
July 1, 2016

**POLICY NO:**

GLMN04950872



**NAMED COVER ENTITY:**

1. California State University Risk Management Authority (CSURMA)
2. California State University (CSU)
3. CSU Auxiliary Organizations

**COVERAGE TERRITORY:**

ANYWHERE IN THE WORLD excluding:

1. The United States of America, Puerto Rico, (including its territories and possessions); and
2. Any country or jurisdiction which is the subject of trade or economic sanctions imposed by the laws regulations of the United States of America

**LIMITS / SUB-LIMITS:**

**Primary General Liability**

- \$5,000,000 Coverage A – Bodily Injury/Property Damage Each Occurrence
- \$5,000,000 Aggregate Limit/Products/Completed Ops
- \$1,000,000 Premises Damage Limit
- \$5,000,000 Coverage B – Personal Injury & Advertising Injury – Aggregate Limit
- \$10,000 Coverage C – Medical Expense Limit (any one person)
- \$1,000,000 Employee Benefits Liability Endorsement- Each Claim (Subject to \$1,000 Deductible) (Claims Made Coverage) and Annual Aggregate

**Contingent Auto Liability (Excess)**

- \$1,000,000 Bodily Injury/Property Damage Liability Each “accident”
- \$100,000 Hired Auto Physical Damage/any one policy period
- \$25,000 Auto Medical Payments/each person/ each accident

**Employers Responsibility Coverage Voluntary Compensation**

- State of Hire North Americans – State of Hire
- Country Origin Third Country Nationals – Country of Origin
- Country Origin Local Nationals – Country of Origin

**Employers Liability**

- \$1,000,000 Bodily Injury by Accident/each Accident
- \$1,000,000 Bodily Injury by Disease/each Employee (including Endemic Disease)
- \$1,000,000 Bodily Injury by Disease/Policy Limit (including Endemic Disease)

**Primary Accident or Sickness Expense Benefit**

- \$250,000 Employee/Student (Primary Accident or Sickness Expense Benefit)
- \$250,000 Spouse/Dependent/Volunteer (Primary Accident or Sickness Expense Benefit)
- Treated as any other medical condition Maximum Preexisting Conditions
- \$1,000 Maximum for Dental Treatment – Injury Only
- \$500 Alleviation of Pain – Maximum
- \$2,000 Maximum for Therapeutic Termination of Pregnancy
- \$0 Deductible per Covered Accident or Sickness
- 364 Maximum Period of Coverage
- Incurral Period: 60 days after the date of Covered Accident or Sickness

**Emergency Medical Benefits**

- Up to \$10,000 Emergency Medical Benefit Maximum

**QUESTIONS:**

**Stacey Weeks**

(415) 403-1448

[sweeks@alliant.com](mailto:sweeks@alliant.com)

**Van Rin**

(415) 403-1408

[vrin@alliant.com](mailto:vrin@alliant.com)

**Rob Leong**

(415) 403-1448

[rleong@alliant.com](mailto:rleong@alliant.com)

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.

## COVERAGE SUMMARY

**INSURER:**

ACE USA – U.S  
International Advantage  
Program

**POLICY TERM:**

July 1, 2015 to  
July 1, 2016

**POLICY NO:**

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**QUESTIONS:**

**Stacey Weeks**

(415) 403-1448

[sweeks@alliant.com](mailto:sweeks@alliant.com)

**Van Rin**

(415) 403-1408

[vrin@alliant.com](mailto:vrin@alliant.com)

**Rob Leong**

(415) 403-1441

[rleong@alliant.com](mailto:rleong@alliant.com)

**LIMITS / SUB-LIMITS:**

**Emergency Medical Evacuation**

100% of Emergency Medical Evacuation Benefit Maximum  
Covered  
Expense

**Repatriation of Remains Benefit**

100% of Repatriation of Remains Benefit Maximum  
Covered  
Expense

**Emergency Reunion**

\$5,000 Benefit Maximum  
\$300 Daily Benefit Maximum  
10 days Maximum Number of Days  
Round Trip Ticket to fly to injured participant included in maximum benefit

**Aggregate Limit Benefit**

\$3,000,000 Aggregate Limit/Benefit Maximum

**Accidental Death & Dismemberment Benefit**

\$100,000 Employee / Student – AD&D Benefit  
\$50,000 Other– AD& D Benefit

**Trip Cancellation**

\$2,500 Benefit Reimbursement of non-refundable covered expenses paid for trip up to Benefit  
Maximum Maximum if prevented from taking trip as a result of injury, sickness, or death

**Trip Interruption Benefit**

\$2,500 Benefit Reimbursement of cost for one-way economy air/or ground transportation  
Maximum ticket, up to benefit maximum, if participant’s trip is interrupted as a result of  
a death of a family member or unforeseen injury or sickness of participant’s  
family member.

**Trip Cancellation (Self-Funded)**

\$2,500 Benefit Limited self-insured coverage for trip cancellation, addressing the cost of  
Maximum cancelling or early return from travel triggered by critical events that may not  
be covered under the insurance program.

**COMMENTS / CONDITIONS:**

1. Trips need to be reported
2. For any high hazardous / war risk country both the Campus President and Chancellor’s Office approvals are required

## COVERAGE SUMMARY

**INSURER:**

ACE USA - U.S  
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**POLICY TERM:**

July 1, 2015 to  
July 1, 2016

**POLICY NO:**

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**QUESTIONS:**

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[vrin@alliant.com](mailto:vrin@alliant.com)

**Rob Leong**

(415) 403-1448  
[Rleong@alliant.com](mailto:Rleong@alliant.com)

### TRAVEL ASSISTANCE:

ACE Travel Assistance Program

1-855-327-1414 (Toll-Free)

1-630-9764 (Direct Dial)

Email: [medassist-usa@axa-assistance.us](mailto:medassist-usa@axa-assistance.us)

Policyholder: California State University RMA

Policy Number: ADDN04950872

Assistance Provider: AXA Assistance USA, Inc.

*While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.*



## ACE GROUP OF COMPANIES U.S. PRIVACY NOTICE

FACTS	WHAT DOES THE ACE GROUP OF COMPANIES DO WITH YOUR PERSONAL INFORMATION?
<b>Why?</b>	Insurance companies choose how they share your personal information. Federal and state law gives consumers the right to limit some but not all sharing. Federal and state law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>Social Security number and payment history</li> <li>insurance claim history and medical information</li> <li>account transactions and credit scores</li> </ul> <p>When you are no longer our customer, we continue to share information about you as described in this notice.</p>
<b>How?</b>	All insurance companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons insurance companies can share their customers' personal information; the reasons the ACE Group chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does ACE share?	Can you limit this sharing?
<b>For our everyday business purposes</b> – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> – to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	No
<b>For our affiliates' everyday business purposes</b> – information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes</b> – information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

<b>Questions?</b>	<b>Call 1-800-352-4462 or go to <a href="http://www.acegroup.com/us-en/contact-us/general-inquiry-form.aspx">www.acegroup.com/us-en/contact-us/general-inquiry-form.aspx</a></b>
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<b>Who we are</b>	
<b>Who is providing this notice?</b>	The ACE Group of Companies. A list of these companies is located at the end of this document.
<b>What we do</b>	
<b>How does ACE Group protect my personal information?</b>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>We restrict access to personal information to our employees, affiliates' employees, or others who need to know that information to service the account or to conduct our normal business operations.</p>
<b>How does ACE Group collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• apply for insurance or pay insurance premiums</li> <li>• file an insurance claim or provide account information</li> <li>• give us your contact information</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>

<b>Definitions</b>	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• Our affiliates include those with an ACE name and financial companies, such as Westchester Fire Insurance Company and ESIS, Inc.</li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• ACE does not share with nonaffiliates so they can market to you.</li> </ul>
<b>Joint Marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• Our joint marketing partners include categories of companies such as banks.</li> </ul>



**Other important information**

**For Insurance Customers in CA, CT, GA, IL, MA, ME, MN, MT, NC, NJ, OH, OR, and VA only:** Under state law, you have the right see the personal information about you that we have on file. To see your information, write ACE US Customer Services, P.O. Box 1000, 436 Walnut Street, WA04B, Philadelphia, PA 19106. ACE USA may charge a reasonable fee to cover the costs of providing this information. If you think any of the information is wrong, you may write us. We will let you know what actions we take. If you do not agree with our actions, you may send us a statement. If you want a full description of privacy rights that we will protect in accordance with the law in your home state, please contact us and we will provide it. We may disclose information to certain third parties, such as law enforcement officers, without your permission.

**For Nevada residents only:** We may contact our existing customers by telephone to offer additional insurance products that we believe may be of interest to you. Under state law, you have the right to opt out of these calls by adding your name to our internal do-not-call list. To opt out of these calls, or for more information about your opt out rights, please contact our customer service department. You can reach us by calling 1-800-352-4462, emailing us at [info@acegroup.com](mailto:info@acegroup.com), or writing to P.O. Box 1000, 436 Walnut Street, WA04B, Philadelphia, PA 19106. You are being provided this notice under Nevada state law. In addition to contacting ACE, Nevada residents can contact the Nevada Attorney General for more information about your opt out rights by calling 775-684-1100, emailing [bcpinfo@ag.state.nv.us](mailto:bcpinfo@ag.state.nv.us), or by writing to: Office of the Attorney General, Nevada Department of Justice, Bureau of Consumer Protection: 100 North Carson Street, Carson City, NV 89701.

**For Vermont residents only:** Under state law, we will not share information about your creditworthiness within our corporate family except with your authorization or consent, but we may share information about our transactions or experiences with you within our corporate family without your consent.

**ACE Group of Companies legal entities**

ACE Group of Companies use the names: ACE American Insurance Company, ACE Fire Underwriters Insurance Company, ACE Insurance Company of the Midwest, ACE Property and Casualty Insurance Company, Atlantic Employers Insurance Company, Bankers Standard Fire and Marine Company, Bankers Standard Insurance Company, Century Indemnity Company, Illinois Union Insurance Company, Indemnity Insurance Company of North America, Insurance Company of North America, Pacific Employers Insurance Company, Westchester Fire Insurance Company, Westchester Surplus Lines Insurance Company, ESIS, Inc., Combined Insurance Company of America, Combined Life Insurance Company of New York, Penn Millers Insurance Company, Agri General Insurance Company

## ACE Group of Companies

### Notice of HIPAA Privacy Practices for Protected Health Information

**THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.**

This notice is effective as of September 23, 2013.

The ACE Group of Companies, as affiliated covered and hybrid entities, (the "Company") is required by law to take reasonable steps to ensure the privacy of your personally identifiable health information, and to inform you about:

- The Company's uses and disclosures of Protected Health Information ("PHI")
- Your privacy rights with respect to your PHI;
- The Company's duties with respect to your PHI;
- Your right to file a complaint with the Company and to the Secretary of the U.S. Department of Health and Human Services ("HHS"); and
- The person or office to contact for further information regarding the Company's privacy practices.

PHI includes all individually identifiable health information transmitted or maintained by the Company, regardless of form (e.g. oral, written, electronic).

A federal law, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), regulates PHI use and disclosure by the Company. You may find these rules at *45 Code of Federal Regulations* Parts 160 and 164. This notice attempts to summarize the regulations.

The regulations will supersede any discrepancy between the information in this notice and the regulations.

#### I. Notice of PHI Uses and Disclosures

##### A. Required Uses and Disclosures

Upon your request, the Company is required to give you access to certain PHI in order to inspect and copy it.

Use and disclosure of your PHI may be required by the Secretary of Health and Human Services to investigate or determine the Company's compliance with the privacy regulations.

##### B. Uses and Disclosures to Carry Out Treatment, Payment, and Health Care Operations

The Company and its business associates will use PHI without your consent, authorization or opportunity to agree or object to carry out treatment, payment and health care operations. The Company also may also disclose PHI to a plan sponsor for purposes related to treatment, payment and health care operations and as otherwise permitted under HIPAA to the extent the plan documents restrict the use and disclosure of PHI as required by HIPAA.

*Treatment* is the provision, coordination or management of health care and related services.

It also includes but is not limited to consultations and referrals between one or more of your providers. For example, the Company may disclose to a treating orthodontist the name of your treating dentist so that the orthodontist may ask for your dental X-rays from the treating dentist.

*Payment* includes, but is not limited to, actions to make coverage determinations and payment (including establishing employee contributions, claims management, obtaining payment under a contract of reinsurance, utilization review and pre-authorizations). For example, the Company may tell a doctor whether you are eligible for coverage or what percentage of the bill will be paid by the Company.

*Health care operations* include, but are not limited to, underwriting, premium rating and other insurance activities relating to creating or reviewing insurance contracts. It also includes disease management, case management, conducting or arranging for medical review, legal services and auditing functions including fraud and abuse compliance programs, business planning and development, business management and general administrative activities. For example, the Company may use information about your claims to refer you to a disease management

program, project future benefit costs or audit the accuracy of its claims processing functions. The Company will not use or disclose PHI that is genetic information for underwriting purposes.

The Company also may contact you to provide appointment reminders or information about treatment alternatives or health-related benefits and services that may be of interest to you.

#### C. Uses and Disclosures that Require Your Written Authorization

The Company will not use or disclose your PHI for the following purposes without your specific, written authorization:

- Use and disclosure of psychotherapy notes, except for your treatment, Company training programs, or to defend Company against litigation filed by you.
- Use and disclosure for marketing purposes, except for face to face communications with you.
- Use and disclosure that constitute the sale of your PHI. The Company does not sell the PHI of its customers.

Except as otherwise indicated in this notice, uses and disclosures of PHI will be made only with your written authorization subject to your right to revoke such authorization. You may revoke an authorization by submitting a written revocation to the Company at any time. If you revoke your authorization, the Company will no longer use or disclose your PHI under the authorization. However, any use or disclosure made in reliance of your authorization before its revocation will not be affected.

#### D. Uses and Disclosures Requiring Authorizations or Opportunity to Agree or Disagree Prior to the Use or Release

If you authorize in writing the Company to use or disclose your own PHI, the Company may proceed with such use or disclosure without meeting any other requirements and the use or disclosure shall be consistent with the authorization.

Disclosure of your PHI to family members, other relatives or your close personal friends is allowed if:

- The information is directly relevant to the family or friend's involvement with your care or payment for that care; and
- You have either agreed to the disclosure or have been given an opportunity to object and have not objected.

#### E. Uses and Disclosures for which Consent, Authorization or Opportunity to Object is Not Required

Use and disclosure of your PHI is allowed without your authorization or request under the following circumstances:

- (1) When required by law.
- (2) When permitted for purposes of public health activities, including when necessary to report product defects and to permit product recalls and to conduct post-market surveillance. PHI may also be used or disclosed if you have been exposed to a communicable disease or are at risk of spreading a disease or condition, if authorized by law.
- (3) When authorized by law to report information about abuse, neglect or domestic violence. In such case, the Company will promptly inform you that such a disclosure has been or will be made unless that notice would cause a risk of serious harm. For the purpose of reporting child abuse or neglect, it is not necessary to inform the minor that such a disclosure has been or will be made. Disclosure may generally be made to the minor's parents or other representatives although there may be circumstances under federal or state law where the parents or other representatives may not be given access to the minor's PHI.
- (4) The Company may disclose your PHI to a public health oversight agency for oversight activities authorized by law. This includes uses or disclosures in civil, administrative or criminal investigations; inspections; licensure or disciplinary actions (for example, to investigate complaints against providers); and other activities necessary for appropriate oversight of government benefit programs (for example, to investigate Medicare or Medicaid fraud).
- (5) The Company may disclose your PHI when required for judicial or administrative proceedings. For example, your PHI may be disclosed in response to a subpoena or discovery request provided certain conditions are met. One of those conditions is that satisfactory assurances must be given to the Company that the requesting party has made a good faith attempt to provide written notice to you, and the notice provided sufficient information about the proceeding to permit you to raise an objection and no objections were raised or were resolved in favor of disclosure by the court or tribunal.

- (6) When required for law enforcement purposes (for example, to report certain types of wounds).
- (7) For law enforcement purposes, including for the purpose of identifying or locating a suspect, fugitive, material witness or missing person. Also, when disclosing information about an individual who is or is suspected to a victim of a crime but only if the individual agrees to the disclosure or the covered entity is unable to obtain the individual's agreement because of emergency circumstances. Furthermore, the law enforcement official must represent that the information is not intended to be used against the individual, the immediate law enforcement activity would be materially and adversely affected by waiting to obtain the individual's agreement and disclosure is in the best interest of the individual as determined by the exercise of the Company's best judgment.
- (8) When required to be given to a coroner or medical examiner for the purpose of identifying a deceased person, determining a cause of death or other duties as authorized by law. Also, disclosure is permitted to funeral directors, consistent with applicable law, as necessary to carry out their duties with respect to the decedent.
- (9) The Company may use or disclose PHI for government-approved research, subject to conditions.
- (10) When consistent with applicable law and standards of ethical conduct if the Company, in good faith, believes the use of disclosure is necessary to prevent or lessen a serious and imminent threat to the health or safety of a person or the public and the disclosure is to a person reasonably able to prevent or lessen the threat, including the target of the threat.
- (11) For certain government functions such as related to military service or national security.
- (12) When authorized by and to the extent necessary to comply with workers' compensation or other similar programs established by law.
- (13) That is "incident to" an otherwise permitted use or disclosure of PHI by the Company.

## II. Rights of Individuals

### A. Right to Request Restrictions on Use and Disclosure of PHI

You may request the Company to restrict its use and disclosure of your PHI to carry out treatment, payment or health care operations, or to restrict its use and disclosure to family members, relatives, friends or other persons identified by you who are involved in your care or payment for your care. However, the Company may not be required to agree to your request, unless you have paid out of pocket in full for services, depending on the specific facts.

The Company will accommodate reasonable requests to receive communications of PHI by alternative means or alternative locations, such as a location other than your home. The Company will accommodate this request if you state in writing that you would be in danger from receiving communications through the normal means.

You or your personal representative will be required to complete a form to request restrictions on uses and disclosures of your PHI.

Such requests should be made to: ACE US Customer Services, 436 Walnut Street, Philadelphia, PA 19106, 1-800-352-4462.

### B. Right to Inspect and Copy PHI

You have a right to inspect and obtain a copy of your PHI contained in a "designated record set," for as long as the Company maintains the PHI.

"*Protected Health Information*" (PHI) includes all individually identifiable health information transmitted or maintained by the Company, regardless of form.

"*Designated Record Set*" includes the medical records and billing records about individuals maintained by or for a covered health care provider; enrollment, payment, billing, claims adjudication and case or medical management record systems maintained by or for a health plan; or other information used in whole or in part by or for the covered entity to make decisions about individuals. Information used for quality control or peer review analyses and not used to make decisions about individuals is not in the designated record set.

The requested information will be provided within 30 days if the information is maintained on site or within 60 days if the information is maintained offsite. A single 30-day extension is allowed if the Company is unable to comply with the deadline.

You or your personal representative will be required to complete a form to request access to the PHI in your designated record set. Requests for access to PHI should be made to: ACE US Customer Services, 436 Walnut Street, Philadelphia, PA 19106, 1-800-352-4462.

If access is denied, you or your personal representative will be provided with a written denial setting forth the basis for the denial, a description of how you may exercise those review rights and a description of how you may complain to the Secretary of Health and Human Services.

#### C. Right to Amend PHI

You have the right to request the Company to amend your PHI or a record about you in a designated record set for as long as the PHI is maintained in the designated record set.

The Company has 60 days after the request to act on the request. A single 30-day extension is allowed if the Company is unable to comply with the deadline. If the request is denied in whole or part, the Company must provide you with a written denial that explains the basis for the denial. You or your personal representative may then submit a written statement disagreeing with the denial and have that statement included with any future disclosures of your PHI.

Requests for amendment of PHI in a designated record set should be made to: ACE US Customer Services, 436 Walnut Street, Philadelphia, PA 19106, 1-800-352-4462.

You or your personal representative(s) will be required to complete a form to request amendment of the PHI in your designated record set.

#### D. Right to Receive an Accounting of PHI Uses and Disclosures

Upon your request, the Company will provide you with an accounting of disclosures by the Company of your PHI during the six (6) years prior to the date of your request. However, such accounting need not include PHI disclosures made: (1) to carry out treatment, payment or health care operations; (2) to individuals about their own PHI; (3) prior to the compliance date; or (4) based upon your own written authorization.

If the accounting cannot be provided within 60 days, an additional 30 days is allowed if the individual is given a written statement of the reasons for the delay and the date by which the accounting will be provided.

If you request more than one accounting within a 12-month period, the Company will charge a reasonable, cost-based fee for each subsequent accounting.

#### E. Right to Obtain a Paper Copy of This Notice Upon Request (Even if you have consented to receive this notice electronically)

To obtain a paper copy of this notice contact: ACE US Customer Services, 436 Walnut Street, Philadelphia, PA 19106, 1-800-352-4462.

#### F. Note About Personal Representatives

You may exercise your rights through a personal representative. Your personal representative will be required to produce evidence of his/her authority to act on your behalf before that person will be given access to your PHI or allowed to take any action for you. Proof of such authority may take one of the following forms:

- A power of attorney for health care purposes, notarized by a notary public;
- A court order of appointment of the person as the conservator or guardian of the individual; or
- An individual who is the parent of a minor child.

The Company retains discretion to deny access to your PHI to a personal representative to provide protection to those vulnerable people who depend on others to exercise their rights under these rules and who may be subject to abuse or neglect. This also applies to personal representatives of minors.

### III. The Company's Duties

The Company is required by law to maintain the privacy of PHI and to provide individuals (participants and beneficiaries) with notice of its legal duties and privacy practices and to notify affected individuals of a breach of unsecured PHI. The Company is required to abide by the terms of this notice.

The Company reserves the right to change its privacy practices and to apply the changes to any PHI received or maintained by the Company prior to that date. If a privacy practice is changed, a revised version of this notice will be provided to all past and present participants and beneficiaries for whom the Company still maintains PHI. This notice and any revised version of this notice will be posted on the Company's internal website or mailed.

Any revised version of this notice will be distributed within 60 days of the effective date of any material change to the uses or disclosures, the individual's rights, the duties of the Company or other privacy practices stated in this notice.

#### A. "Minimum Necessary" Standard

When using or disclosing PHI, or when requesting PHI from another covered entity, the Company will make reasonable efforts not to use, disclose or request more than the minimum amount of PHI necessary to accomplish the intended purpose of the use, disclosure or request, taking into consideration practical and technological limitations.

However, the minimum necessary standard will not apply in the following situations:

- Disclosures to or requests by a health care provider for treatment;
- Uses or disclosures made to the individual;
- Disclosures made to the Secretary of HHS;
- Uses or disclosures that are required by law; and
- Uses or disclosures that are required for the Company's compliance with legal regulations.

This notice does not apply to information that has been "de-identified." *De-identified information* is information that does not identify an individual and with respect to which there is no reasonable basis to believe that the information can be used to identify an individual is not individually identifiable health information.

In addition, the Company may use or disclose "summary health information" to a plan sponsor for obtaining premium bids or modifying, amending or terminating the Company, which summarizes the claims history, claims expenses or type of claims experienced by individuals for whom the Company Sponsor has provided health benefits under the Company; and from which identifying information has been deleted in accordance with HIPAA.

### IV. Your Right to File a Complaint with the Company or the HHS Secretary

If you believe that your privacy rights have been violated, you may complain to the Company in care of: ACE US Customer Services, 436 Walnut Street, Philadelphia, PA 19106, 1-800-352-4462.

You may file a complaint with the Secretary of the U.S. Department of Health and Human Services, Hubert H. Humphrey Building, 200 Independence Avenue S.W., Washington, D.C. 20201.

The Company will not retaliate against you for filing a complaint.

### V. Contact Information

If you have any questions regarding this notice or the subjects addressed in it, you may contact: ACE US Customer Services, 436 Walnut Street, Philadelphia, PA 19106, 1-800-352-4462.

### VI. ACE Group of Companies Legal Entities

The ACE Group of Companies include the following: ACE American Insurance Company, ACE Property and Casualty Insurance Company, Illinois Union Insurance Company, ACE Fire Underwriters Insurance Company, Combined Insurance Company of America, Combined Life Insurance Company of New York. These companies are covered entities whose business activities include both covered and non-covered functions under HIPAA (i.e., hybrid entities) and are legally separate covered entities that are under common ownership or control (i.e., affiliated covered entity).



**CALIFORNIA LIFE AND HEALTH INSURANCE  
GUARANTY ASSOCIATION ACT  
SUMMARY DOCUMENT AND DISCLAIMER**

Residents of California who purchase life and health insurance and annuities should know that the insurance companies licensed in this state to write these types of insurance are members of the California Life and Health Insurance Guaranty Association. The purpose of this Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Association will assess its other member insurance companies for the money to pay the claims of insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided through the Association is not unlimited, as noted in the box below, and is not a substitute for consumers' care in selecting well managed and financially stable insurers.

**The California Life and Health Insurance Guaranty Association may not provide coverage for this insurance. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in the state. You should not rely on coverage by the Association in selecting an insurance company or in selecting an insurance policy.**

**Coverage is NOT provided for your insurance or any portion of it that is not guaranteed by the Insurer or for which you have assumed the risk, such as a variable contract sold by prospectus.**

**Insurance companies or their agents are required by law to give or send you this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Association to induce you to purchase any kind of insurance policy.**

**If you have additional questions, you should first contact your insurer or agent and then may contact:**

**California Life and Health  
Insurance Guaranty Association  
P.O. Box 16860  
Beverly Hills, CA 90209-3319**

**OR**

**Consumer Service Division  
California Department of Insurance  
300 South Spring Street, South Tower  
Los Angeles, CA 90013**

Below is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Association.

## **COVERAGE**

Generally, individuals will be protected by the California Life and Health Insurance Guaranty Association if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.



## **EXCLUSIONS FROM COVERAGE**

However, persons holding such policies are not protected by this Association if:

- their insurer was not authorized to do business in this state when it issued the policy or contract;
- their policy was issued by a health care service plan (HMO), Blue Cross, Blue Shield, a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, or a grants and annuities society;
- they are eligible for protection under the laws of another state. This may occur when the insolvent insurer was incorporated in another state whose Guaranty Association protects insureds who live outside that state.

The Association also does not provide coverage for:

- unallocated annuity contracts; that is, contracts which are not issued to and owned by an individual and which guarantee rights to group contract holders, not individuals;
- employer and association plans to the extent they are self-funded or uninsured;
- synthetic guaranteed interest contracts;
- any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- any policy of reinsurance unless an assumption certificate was issued;
- interest rate yields that exceed an average rate; and
- any portion of a contract that provides dividends or experience rating credits.

## **LIMITS ON AMOUNT OF COVERAGE**

The Act limits the Association to pay benefits as follows:

### **Life and Annuity Benefits**

- 80% of what the life insurance company would owe under a life policy or annuity contract up to
  - \$100,000 in cash surrender values;
  - \$100,000 in present value of annuities; or
  - \$250,000 in life insurance death benefits.
- A maximum of \$250,000 for any one insured life no matter how many policies and contracts there were with the same company, even if the policies provided different types of coverages.

### **Health Benefits**

- A maximum of \$200,000 of the contractual obligations that the health insurance company would owe were it not insolvent. The maximum may increase or decrease annually based upon changes in the health care cost component of the consumer price index.

## **PREMIUM SURCHARGE**

Member insurers are required to recoup assessments paid to the Association by way of a surcharge on premiums charged for health insurance policies to which the act applies.



## Participating Organization Endorsement

This Endorsement form is made a part of the Policy to which it is attached as of the Effective Date shown above. If no Effective Date is shown, this form takes effect as of the Policy Effective Date shown in the Policy's Master Application. This form is subject to all of the terms, limitations and exclusions of the Policy except as they are changed by it.

**I.** This definition is added to the Definitions section of the Policy:

Participating Organization – means any individual, firm, corporation or other organization which meets these tests:

1. it elects coverage or elects to offer coverage under the Policy by completing a Participating Organization Application; and
2. its Application has been accepted by Us; and
3. it pays any required premium when due;

while coverage through the Participating Organization is available under the Policy.

**II.** This section is added to the Policy:

### **PARTICIPATING ORGANIZATION EFFECTIVE AND TERMINATION DATES**

**A. EFFECTIVE DATE.** A Participating Organization's coverage under the Policy begins on the later of:

1. the Participating Organization Effective Date shown in the Participating Organization Application on the first day of the Policy Term at the address of the Participating Organization shown in the Participating Organization Application; or
2. the Policy Effective Date shown in the Master Application.

**B. TERMINATION DATE.** We may terminate the Participating Organization's coverage under the Policy by giving 31 days advance notice in writing to the Participating Organization. Either We or the Participating Organization may terminate the Participating Organization's coverage under the Policy on any premium due date by giving 31 days advance written notice to the other party. The Participating Organization's coverage under the Policy may also, at any time, be terminated by the mutual written consent of Us and the Participating Organization.

A Participating Organization's coverage terminates automatically on the first of these dates:

1. the Participating Organization Termination Date shown on the Participating Organization Application; or
2. the premium due date if any required premiums are not paid when due; or
3. the date the Policy terminates.

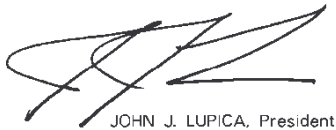
III. This language applies to each Amendment form attached to the Policy:

Any Amendment form applies only to accidents that occur on or after the later of:

1. the effective date of each such form; or
2. the effective date of the Participating Organization's coverage under the Policy.

Each such form applies to a Participating Organization's coverage only if the Participating Organization has elected the coverage described in the form as shown in the Participating Organization Application.

Signed for ACE American Insurance Company in Philadelphia, Pennsylvania.



JOHN J. LUPICA, President



REBECCA L. COLLINS, Secretary



ACE American Insurance Company  
 (A Stock Company)  
 Philadelphia, PA 19106

# Participating Organization Application

I. Application is hereby made for a plan of blanket travel Accident and Sickness insurance based on the following statements and representations:

**1. Identification of Policyholder:**

Name of Policyholder: Trustee of ACE USA Accident & Health Insurance Trust  
 Address of Policyholder: Washington, D.C.  
 Policy Number: GLM N04950872R

**2. Identification of Participating Organization:**

Name of Participating Organization: California State University  
 Address of Participating Organization: 401 Golden Shore, 5th Floor  
 Long Beach, CA 90802

**3. Classification of Eligible Persons:**

Class 1 All students and employees of the Participating Organization traveling outside of the United States.

\*Dependents of Class(es) 1 are eligible for coverage under this Policy.

**4. Participating Organization Riders and/or Endorsements:**

The following Riders and/or Endorsements, if any, are attached to and made part of the Participating Organization’s coverage under the Policy as of the Participating Organization Effective Date. Each Rider and/or Endorsement is subject to all provisions, limitations and exclusions of the Policy that are not specifically modified by the Rider and/or Endorsement.

FORM NO.	DESCRIPTION
AH10051a	Participating Organization Endorsement

**5. Participating Organization Coverage:**

**Covered Activities:**

Class 1	Educational Travel
Dependents of Class 1	Educational Travel

**Benefits:** Medical Expense Benefits  
Emergency Medical Benefits  
Emergency Medical Evacuation Benefit  
Repatriation of Remains Benefit

**Additional Benefits:** Emergency Reunion Benefit  
Home Country Extension Benefit  
Security Evacuation Benefit  
Trip Cancellation Benefit  
Trip Interruption Benefit  
Accidental Death & Dismemberment  
Coma Benefit  
Felony Assault Benefit  
Hijacking and Air Piracy Benefits

**6. Premiums:** \$227,500 minimum annual deposit premium, subject to quarterly audits of \$2.00 per person per day, and war risk quarterly audits

No change in rates will be made until 12 months after the Policy Effective Date. An increase in rates will not be made more often than once in a 12-month period.

Such Premiums are due and payable in the following manner: The Applicant agrees to pay, in advance, the required Premium for these coverages.

**7. Participating Organization's Policy Term:** July 1, 2015 at 12:00 a.m. to June 30, 2016 at 12:00 (midnight)

II. The undersigned Participating Organization hereby elects the blanket travel Accident and Sickness Insurance Benefits provided by ACE American Insurance Company as outlined on this Participating Organization Application. It is agreed that this Application for Insurance Benefits replaces any prior application made for the same coverage.

**WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.**

\_\_\_\_\_  
Signed for the Participating Organization

\_\_\_\_\_  
Title

---

Date

---

Signed by Licensed Resident Agent  
(Where Required by Law)



ACE American Insurance Company  
 (A Stock Company)  
 Philadelphia, PA 19106

# Blanket Accident and Sickness Policy

**POLICYHOLDER:** Trustee of the ACE USA Accident & Health Insurance Trust on behalf of the Participating Organization

**PARTICIPATING ORGANIZATION:** California State University

**POLICY NUMBER:** GLM N04950872R

**POLICY EFFECTIVE DATE:** July 1, 2015

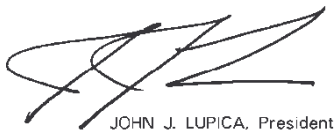
**POLICY TERM:** July 1, 2015 at 12:00 a.m. to June 30, 2016 at 12:00 (midnight)

**STATE OF DELIVERY:** District of Columbia

This Policy takes effect at the Participating Organization’s address on the Policy Effective Date shown above. It will remain in effect for the duration of the Policy Term shown above if the premium is paid according to the agreed terms. This Policy terminates at the Participating Organization’s address, on the last day of the Policy Term unless the Participating Organization and We agree to continue coverage under this Policy for an additional Policy Term.

This Policy is governed by the laws of the state in which it is delivered.

Signed for ACE American Insurance Company in Philadelphia, Pennsylvania.

  
 JOHN J. LUPICA, President

  
 REBECCA L. COLLINS, Secretary

## IMPORTANT NOTICE

This policy provides travel insurance benefits for individuals traveling outside of their home country. This policy does not constitute comprehensive health insurance coverage (often referred to as “major medical coverage”) and does not satisfy a person’s individual obligation to secure the requirement of minimum essential coverage under the Affordable Care Act (ACA).

For more information about the ACA, please refer to [www.HealthCare.gov](http://www.HealthCare.gov).

**PLEASE READ THE POLICY CAREFULLY.**



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## SCHEDULE OF BENEFITS

**PREMIUM DUE DATE:** On or before the Policy Effective Date, and subsequently, on the Renewal Date, if the Policy is renewed for an additional term.

### CLASSES OF ELIGIBLE PERSONS:

A person may be insured only under one Class of Eligible Persons even though he or she may be eligible under more than one class. Also, a person may not be insured as a Dependent and an Insured at the same time.

Class 1 All students and employees of the Participating Organization traveling outside of the United States.

\*Dependents of Class(es) 1 Insureds are eligible for Coverage under this Policy.

### COVERED ACTIVITIES:

Class 1	Educational Travel
Dependents of Class 1	Educational Travel

### BENEFITS:

#### Medical Expense Benefits

Total Maximum for all Accident or Sickness Expense Benefits:

Class 1:	\$250,000
Spouse of Class 1	\$250,000
Children of Class 1	\$250,000

Maximum for Preexisting Conditions: treated as any other medical condition

Maximum for Dental Treatment (Injury Only):	\$1,000
(Alleviation of Pain):	\$500

Maximum for Emergency Medical Treatment of Pregnancy: To be treated as any other medical condition

Maximum for Room & Board Charges: The average semi private room rate

Maximum for ICU Room & Board Charges: Two times the average semi private room rate

Maximum for Prescription Drugs:	
Inpatient Co-insurance:	100%
Outpatient Co-insurance:	80%
Maximum for Therapeutic Termination of Pregnancy:	\$2,000
Deductible:	\$0 per Covered Accident or Sickness
Co-insurance Rate:	100% of the Usual and Customary Charges
Incurral Period:	60 days after the date of Covered Accident or Sickness
Maximum Benefit Period:	The earlier of the date the Covered Person's Trip ends, or 364 days from the date of a Covered Accident or Sickness
Maximum Period of Coverage:	364 days
<b>Emergency Medical Benefits</b>	
Benefit Maximum:	up to \$10,000
<b>Emergency Medical Evacuation Benefit</b>	
Benefit Maximum:	100% of the Covered Expenses
<b>Repatriation of Remains Benefit</b>	
Benefit Maximum:	100% of the Covered Expenses
<b>Emergency Reunion Benefit</b>	
Benefit Maximum:	\$5,000
Daily Benefit Maximum:	\$300
Maximum Number of Days:	10
<b>Home Country Extension Benefit</b>	
Benefit Maximum:	up to the Medical Expense Benefit Maximum
Deductible:	\$0
Maximum Benefit Period:	60 days
<b>Security Evacuation Expense Benefit</b>	
Benefit Maximum:	\$50,000
Aggregate Limit per Occurrence:	\$500,000
<b>Trip Cancellation Benefit</b>	
Benefit Maximum:	\$2,500 per Policy Term

**Trip Interruption Benefit**

Benefit Maximum: \$2,500

**AGGREGATE LIMIT:**

Benefit Maximum: \$3,000,000

We will not pay more than the Benefit Maximum for all Accidental Death & Dismemberment losses per Covered Accident. If, in the absence of this provision, We would pay more than Benefit Maximum for all losses from one Covered Accident, then the benefits payable to each person with a valid claim will be reduced proportionately, so the total amount We will pay is the Benefit Maximum.

**Accidental Death & Dismemberment Benefits**

Principal Sum:

Class 1	\$100,000
Spouse of Class 1	\$50,000
Children of Class 1	\$50,000

**Coma Benefit**

Benefits are payable initially as 1% of the Principal Sum per Month up to 11 months and thereafter in a lump sum of 100% of the Principal Sum.

**Felonious Assault Benefit**

Benefit Amount: 5% of the Covered Person's Principal Sum up to a Maximum Benefit of \$5,000

**Hijacking and Air Piracy Benefit**

Benefit Amount: 5% of the Covered Person's Principal Sum up to a Maximum Benefit of \$5,000

**INITIAL PREMIUM RATES:**

\$227,500 minimum annual deposit premium, subject to quarterly audits of \$2.00 per person per day, and war risk quarterly audits

No change in rates will be made until 12 months after the Policy Effective Date. An increase in rates will not be made more often than once in a 12-month period.

## DEFINITIONS

Please note, certain words used in this document have specific meanings. These terms will be capitalized throughout the document. The definition of any word, if not defined in the text where it is used, may be found either in this Definitions section or in the *Schedule of Benefits*.

**“Active Service”** means a Covered Person is either 1) actively at work performing all regular duties at his or her employer’s place of business or someplace the employer requires him or her to be; 2) employed, but on a scheduled holiday, vacation day, or period of approved paid leave of absence; or 3) if not employed, able to engage in substantially all of the usual activities of a person in good health of like age and sex and not confined in a Hospital or rehabilitation or rest facility.

**“Country of Permanent Assignment”** means a country, other than a Covered Person’s Home Country, in which the Participating Organization requires a Covered Person to work for a period of time that exceeds 364 continuous days.

**“Country of Permanent Residence”** means a country or location in which the Covered Person maintains a primary permanent residence.

**“Covered Accident”** means an accident that occurs while coverage is in force for a Covered Person and results directly and independently of all other causes in a loss or Injury covered by the Policy for which benefits are payable.

**“Covered Activity”** means any activity in which a Covered Person must be engaged when a Covered Accident occurs in order to be eligible for benefits under the Policy. These Covered Activities are listed in the *Schedule of Benefits* and described in the Hazards section of the Policy.

**“Covered Expenses”** means expenses actually incurred by or on behalf of a Covered Person for treatment, services and supplies covered by the Policy. Coverage under the Participating Organization’s Policy must remain continuously in force from the date of the Covered Accident or Sickness until the date treatment, services or supplies are received for them to be a Covered Expense. A Covered Expense is deemed to be incurred on the date such treatment, service or supply, that gave rise to the expense or the charge, was rendered or obtained.

**“Covered Loss” or “Covered Losses”** means an accidental death, dismemberment, or other Injury covered under the Policy.

**“Covered Person”** means any eligible person, including Dependents if eligible for coverage under the Policy, for whom the required premium is paid. If the cost for this insurance is paid for by the Participating Organization, individual applications are not required for an eligible person to be a Covered Person.

**“Deductible”** means the dollar amount of Covered Expenses that must be incurred as an out-of-pocket expense by each Covered Person per Covered Accident or Sickness basis before Medical Expense Benefits and/or other Additional Benefits paid on an expense incurred basis are payable under the Policy.

**“Dependent”** means an Insured’s lawful spouse or an Insured’s unmarried child, from the moment of birth to age 19, 25 if a full-time student, who is chiefly dependent on the Insured for support. A child, for eligibility purposes, includes an Insured’s natural child; adopted child, beginning with any waiting period pending finalization of the child’s adoption; or a stepchild who resides with the Insured or depends on the Insured for financial support. A Dependent may also include any person related to the Insured by blood or marriage and for whom the Insured is allowed a deduction under the Internal Revenue Code.

Insurance will continue for any Dependent child who reaches the age limit and continues to meet the following conditions: 1) the child is handicapped, 2) is not capable of self-support and 3) depends mainly on the Insured for support and maintenance. The Insured must send Us satisfactory proof that the child meets these conditions, when requested. We will not ask for proof more than once a year.

**“Dependent”** also means an Insured’s Domestic Partner. **“Domestic Partner”** means a person of the same or opposite sex of the Insured who:

- 1) shares the Insured’s primary residence;
- 2) has resided with the Insured for at least 12 months prior to the date of enrollment and is expected to reside with the Insured indefinitely;
- 3) is financially interdependent with the Insured in each of the following ways:
  - a. by holding one or more credit or bank accounts, including a checking account, as joint owners;
  - b. by owning or leasing their permanent residence as joint tenants;
  - c. by naming, or being named by the other as a beneficiary of life insurance or under a will;
  - d. by each agreeing in writing to assume financial responsibility for the welfare of the other.
- 4) has signed a Domestic Partner declaration with Insured, if recognized by the laws of the state in which he or she resides with the Insured;
- 5) has not signed a Domestic Partner declaration with any other person within the last 12 months.
- 6) is 18 years of age or older;
- 7) is not currently married to another person;
- 8) is not in a position as a blood relative that would prohibit marriage.

**“Doctor”** means a licensed health care provider acting within the scope of his or her license and rendering care or treatment to a Covered Person that is appropriate for the conditions and locality. It will not include a Covered Person or a member of the Covered Person’s Immediate Family or household.

**“Home Country”** means a country from which the Covered Person holds a passport. If the Covered Person holds passports from more than one Country, his or her Home Country will be the country that he or she has declared to Us in writing as his or her Home Country. Home Country also includes the Covered Person’s Country of Permanent Assignment or Country of Permanent Residence.

**“Hospital”** means an institution that: 1) operates as a Hospital pursuant to law for the care, treatment, and providing of inpatient services for sick or injured persons; 2) provides 24-hour nursing service by Registered Nurses on duty or call; 3) has a staff of one or more licensed Doctors available at all times; 4) provides organized facilities for diagnosis, treatment, and surgery, either: (i) on its premises; or (ii) in facilities available to it, on a prearranged basis; 5) is

not primarily a nursing care facility, rest home, convalescent home, or similar establishment, or any separate ward, wing, or section of a Hospital used as such; and 6) is not a place for drug addicts, alcoholics, or the aged.

**“Injury”** means accidental bodily harm sustained by a Covered Person that results directly and independently from all other causes from a Covered Accident. The Injury must be caused solely through external, violent, and accidental means. All injuries sustained by one person in any one Covered Accident, including all related conditions and recurrent symptoms of these injuries, are considered a single Injury.

**“Insured”** means a person in a Class of Eligible Persons for whom the required premium is paid making insurance in effect for that person.

**“Medical Emergency”** means a condition caused by an Injury or Sickness that manifests itself by symptoms of sufficient severity that a prudent lay person possessing an average knowledge of health and medicine would reasonably expect that failure to receive immediate medical attention would place the health of the person in serious jeopardy.

**“Medically Necessary”** means a treatment, service, or supply that is: 1) required to treat an Injury or Sickness; 2) prescribed or ordered by a Doctor or furnished by a Hospital; 3) performed in the least costly setting required by the Covered Person’s condition; and 4) consistent with the medical and surgical practices prevailing in the area for treatment of the condition at the time rendered. Purchasing or renting 1) air conditioners; 2) air purifiers; 3) motorized transportation equipment; 4) escalators or elevators in private homes; 5) eyeglass frames or lenses; 6) hearing aids; 7) swimming pools or supplies for them; and 8) general exercise equipment are not Medically Necessary. A service or supply may not be Medically Necessary if a less intensive or more appropriate diagnostic or treatment alternative could have been used. We may consider the cost of the alternative to be the Covered Expense.

**“Preexisting Condition”** means an illness, disease, or other condition of the Covered Person that in the period before the Covered Person’s coverage became effective under the Policy:

1. first manifested itself, worsened, became acute, or exhibited symptoms that would have caused a person to seek diagnosis, care, or treatment; or
2. required taking prescribed drugs or medicines, unless the condition for which the prescribed drug or medicine is taken remains controlled without any change in the required prescription; or
3. was treated by a Doctor or treatment had been recommended by a Doctor.

**“Sickness”** means an illness, disease, or condition of the Covered Person that causes a loss for which a Covered Person incurs medical expenses while covered under this Policy. All related conditions and recurrent symptoms of the same or similar condition will be considered one Sickness.

**“Trip”** means Participating Organization sponsored travel by air, land, or sea from the Covered Person’s Home Country. It includes the period of time from the start of the trip until its end provided the Covered Person is engaged in a Covered Activity or Personal Deviation if covered under the Policy.

**“Usual and Customary Charge”** means the average amount charged by most providers for treatment, service, or supplies in the geographic area where the treatment, service, or supply is provided.



“We,” “Our,” “Us” means the insurance company underwriting this insurance or its authorized agent.

## **ELIGIBILITY FOR INSURANCE**

Each person in one of the Classes of Eligible Persons shown in the *Schedule of Benefits* is eligible to be insured on the Policy Effective Date, or the day he or she becomes eligible, if later. We maintain the right to investigate eligibility status and attendance records to verify eligibility requirements are met. If We discover the eligibility requirements are not met, Our only obligation is to refund any premium paid for that person.

An Insured's Dependent is eligible on the date:

1. the Insured is eligible, if the Insured has Dependents on that date; or
2. the date the person becomes a Dependent, if later.

In no event will a Dependent be eligible if the Insured is not eligible.

## **EFFECTIVE DATE OF INSURANCE**

An Eligible Person will be insured on the later of Policy Effective Date or the date he or she is eligible, if not required to contribute to the cost of this insurance.

If an Eligible Person or Dependent is not in Active Service on the date insurance would otherwise be effective, it will be effective on the date he or she returns to Active Service. A Dependent's insurance will not be in effect prior to the date an Eligible Person is insured.

## **TERM OF COVERAGE**

This coverage will start on the actual start of the Trip. It does not matter whether the Trip starts at the Covered Person's home, place of work, or other place. It will end on the first of the following dates to occur:

1. the date the Covered Person returns to his or her Home Country;
2. the scheduled Trip return date; or
3. the date the Covered Person makes a Personal Deviation (unless otherwise provided by the Policy).

"Personal Deviation" means:

1. An activity that is not reasonably related to the Covered Activity; and
2. Not incidental to the purpose of the Trip.

## **TERMINATION DATE OF INSURANCE**

An Insured's coverage will end on the earliest of the date:

1. the Policy terminates;
2. the Insured is no longer eligible; or
3. the period ends for which premium is paid.

A Dependent's coverage will end on the earliest of the date:

1. he or she is no longer a Dependent;
2. the Insured's coverage ends; or
3. the period ends for which premium is paid.

Termination of the Policy will not affect Trip coverage, if premium for the Trip is paid prior to the actual start of the Trip.

## DESCRIPTION OF BENEFITS

The following Provisions explain the benefits available under the Policy. Please see the *Schedule of Benefits* for the applicability of these benefits on a class level.

### Medical Expense Benefits

We will pay Medical Expense Benefits for Covered Expenses that result directly, and from no other cause, from a Covered Accident or Sickness. These benefits are subject to the Deductible, Co-insurance Rate, Maximum Benefit Period, Benefit Maximum, and other terms or limits shown in the *Schedule of Benefits*.

Medical Expense Benefits are only payable:

1. for Usual and Customary Charges incurred after the Deductible, if any, has been met;
2. for those Medically Necessary Covered Expenses that the Covered Person incurs;
3. for charges incurred for services rendered to the Covered Person while on a covered Trip; and
4. provided the first charge is incurred within the Incurral Period shown in the *Schedule of Benefits*.

### Covered Medical Expenses

- Hospital semi-private room and board (or room and board in an intensive care unit); Hospital ancillary services (including, but not limited to, use of the operating room or emergency room)
- Services of a Doctor or a registered nurse (R.N.)
- Ambulance service to or from a Hospital
- Laboratory tests
- Radiological procedures
- Anesthetics and their administration
- Blood, blood products, artificial blood products, and the transfusion thereof
- Physiotherapy
- Chiropractic expenses on an inpatient or outpatient basis
- Medicines or drugs administered by a Doctor or that can be obtained only with a Doctor's written prescription
- Dental charges for Injury to sound, natural teeth
- Emergency medical treatment of pregnancy
- Therapeutic termination of pregnancy
- Artificial limbs or eyes (not including replacement of these items)
- Casts, splints, trusses, crutches, and braces (not including replacement of these items or dental braces)
- Oxygen or rental equipment for administration of oxygen
- Rental of a wheelchair or hospital-type bed
- Rental of mechanical equipment for treatment of respiratory paralysis
- Mental and Nervous Disorders: limited to one treatment per day. "Mental and Nervous Disorders" means neurosis, psychoneurosis, psychopathy, psychosis, or mental or emotional disease or disorder of any kind
- Pregnancy and childbirth

## **Emergency Medical Benefits**

We will pay Emergency Medical Benefits as shown in the *Schedule of Benefits* for Covered Expenses incurred for emergency medical services to treat a Covered Person. Benefits are payable up to the Benefit Maximum shown in the *Schedule of Benefits* if the Covered Person:

1. suffers a Medical Emergency during the course of the Trip; and
2. is traveling on a covered Trip.

Covered Expenses:

1. Medical Expense Guarantee: expenses for guarantee of payment to a medical provider.
2. Hospital Admission Guarantee: expenses for guarantee of payment to a Hospital or treatment facility.

Benefits for these Covered Expenses will not be payable unless:

1. the charges incurred are Medically Necessary and do not exceed the charges for similar treatment, services, or supplies in the locality where the expense is incurred; and
2. do not include charges that would not have been made if there were no insurance.

Benefits will not be payable unless We (or Our authorized assistance provider) authorize in writing, or by an authorized electronic or telephonic means, all expenses in advance, and services are rendered by Our assistance provider.

## **Emergency Medical Evacuation Benefit**

We will pay Emergency Medical Evacuation Benefits as shown in the *Schedule of Benefits* for Covered Expenses incurred for the medical evacuation of a Covered Person. Benefits are payable up to the Benefit Maximum shown in the *Schedule of Benefits*, if the Covered Person:

1. suffers a Medical Emergency during the course of the Trip;
2. requires Emergency Medical Evacuation; and
3. is traveling on a covered Trip.

Covered Expenses:

1. Medical Transport: expenses for transportation under medical supervision to a different hospital, treatment facility or to the Covered Person's place of residence for Medically Necessary treatment in the event of the Covered Person's Medical Emergency and upon the request of the Doctor designated by Our assistance provider in consultation with the local attending Doctor.
2. Dispatch of a Doctor or Specialist: the Doctor's or specialist's travel expenses and the medical services provided on location, if, based on the information available, a Covered Person's condition cannot be adequately assessed to evaluate the need for transport or evacuation and a doctor or specialist is dispatched by Our service provider to the Covered Person's location to make the assessment.
3. Return of Dependent Child(ren): expenses to return each Dependent child who is under age 18 to his or her principal residence if a) the Covered Person is age 18 or older; and b) the Covered Person is the only person traveling with the minor Dependent child(ren); and c) the Covered Person suffers a Medical Emergency and must be confined in a Hospital.
4. Escort Services: expenses for an Immediate Family Member or companion who is traveling with the Covered Person to join the Covered Person during the Covered

Person's emergency medical evacuation to a different hospital, treatment facility, or the Covered Person's place of residence.

"Immediate Family Member" means a Covered Person's spouse, child, brother, sister, parent, grandparent, or in-law.

Benefits for these Covered Expenses will not be payable unless:

1. the Doctor ordering the Emergency Medical Evacuation certifies the severity of the Covered Person's Medical Emergency requires an Emergency Medical Evacuation;
2. all transportation arrangements made for the Emergency Medical Evacuation are by the most direct and economical conveyance and route possible;
3. the charges incurred are Medically Necessary and do not exceed the charges for similar transportation, treatment, services, or supplies in the locality where the expense is incurred; and
4. do not include charges that would not have been made if there were no insurance.

Benefits will not be payable unless We (or Our authorized assistance provider) authorize in writing, or by an authorized electronic or telephonic means, all expenses in advance, and services are rendered by Our assistance provider. In the event the Covered Person refuses to be medically evacuated, we will not be liable for any medical expenses incurred after the date medical evacuation is recommended.

### **Repatriation of Remains Benefit**

We will pay Repatriation Benefits as shown in the *Schedule of Benefits* for preparation and return of a Covered Person's body to his or her home if he or she dies as a result of a Medical Emergency while traveling on a covered Trip. Covered expenses include:

1. expenses for embalming or cremation;
2. the least costly coffin or receptacle adequate for transporting the remains;
3. transporting the remains;
4. Escort Services: expenses for an Immediate Family Member or companion who is traveling with the Covered Person to join the Covered Person's body during the repatriation to the Covered Person's place of residence.

All transportation arrangements must be made by the most direct and economical route and conveyance possible and may not exceed the Usual and Customary Charges for similar transportation in the locality where the expense is incurred. Benefits will not be payable unless We (or Our authorized assistance provider) authorize in writing, or by an authorized electronic or telephonic means, all expenses in advance, and services are rendered by Our assistance provider.

### **Emergency Reunion Benefit**

We will pay up to the Benefit Maximum as shown in the *Schedule of Benefits* for expenses incurred to have a Covered Person's Family Member accompany him or her to the Covered Person's Home Country or the Hospital where the Covered Person is confined if the Covered Person is: 1) confined in a Hospital for at least 24 consecutive hours due to a covered Injury or Sickness and the attending Doctor believes it would be beneficial for the Covered Person to have an Family Member at his or her side; or 2) the victim of a Felonious Assault. The Family Member's travel must take place within 7 days of the date the Covered Person is confined in the Hospital, or the date of the occurrence of the Felonious Assault.

“Felonious Assault” means a violent or criminal act reported to the local authorities which was directed at the Covered Person during the course of, or an attempt of, a physical assault resulting in serious injury, kidnapping, or rape.

Covered expenses include an economy airline ticket and other travel related expenses not to exceed the Daily Benefit Maximum and the Maximum Number of Days shown in the *Schedule of Benefits*.

All transportation and lodging arrangements must be made by the most direct and economical route and conveyance possible and may not exceed the usual level of charges for similar transportation or lodging in the locality where the expense is incurred. Benefits will not be payable unless We (or Our authorized assistance provider) authorize in writing, or by an authorized electronic or telephonic means, all expenses in advance, and services are rendered by Our assistance provider.

“Family Member” means a Covered Person’s parent, sister, brother, husband, wife, child, grandparent, or immediate in-law.

### **Home Country Extension Benefit**

We will pay benefits for Covered Medical Expenses up to the Benefit Maximum shown in the *Schedule of Benefits* if the Covered Person obtains treatment of a covered Injury or Sickness while he or she is in his or her Home Country provided treatment is rendered within the Incurral Period shown in the *Schedule of Benefits*. These benefits are limited to the benefits that would be otherwise payable under the Medical Expense Benefit if the Covered Person were outside of his or her Home Country. Benefits are payable under the Policy only to the extent that Covered Expenses are not payable under any other domestic health care plan.

Coverage under this benefit begins on the date the Covered Person arrives in his or her Home Country. It ends the later of: 1) the Maximum Benefit Period shown in the *Schedule of Benefits*, or 2) the date the Covered Person leaves his or her Home Country. This benefit is payable only once in any Policy Term.

Home Country Extension Benefit payments are subject to the Deductible, Coinsurance Rate, and Benefit Maximum shown in the *Schedule of Benefits* for Medical Expense Benefits.

### **Security Evacuation Expense Benefit**

We will pay Security Evacuation Expense Benefits to the Covered Person, if:

1. an Occurrence takes place during the Covered Activity described in the Policy and his or her Term of Coverage; and
2. while he or she is traveling outside of his or her Home Country.

Benefits will be subject to the Benefit Maximum shown in the *Schedule of Benefits*.

Benefits will be paid for:

1. the Covered Person’s Transportation and Related Costs to the Nearest Place of Safety necessary to ensure his or her safety and well-being as determined by the Designated Security Consultant.

2. the Covered Person's Transportation within 5 days of the Security Evacuation to either of the following locations as chosen by the Covered Person:
  - a. back to the country in which the Covered Person is traveling during the Covered Activity but only if 1) coverage remains in force under the Policy; and 2) there is no U.S. State Department Travel Warning in place on the date the Covered Person is scheduled to return; or
  - b. the Covered Person's Home Country; or
  - c. where the Policyholder that sponsored the Covered Person's Trip is located.
3. consulting services by a Designated Security Consultant for seeking information on a Missing Person or kidnapping case, if the Covered Person is considered kidnapped or a Missing Person by local or international authorities.

Security Evacuation Expense Benefits are payable only once for a Covered Person for any one Occurrence.

Benefits will not be payable unless We (or Our authorized assistance provider) authorize in writing, or by an authorized electronic or telephonic means, all expenses in advance, and services are rendered by Our assistance provider. Our assistance provider is not responsible for the availability of Transport services. Where a Security Evacuation becomes impractical due to hostile or dangerous conditions, a Designated Security Consultant will endeavor to maintain contact with the Covered Person until a Security Evacuation occurs.

Right of Recovery - If, after a Security Evacuation is completed, it becomes evident that the Covered Person was an active participant in the events that led to the Occurrence, We have the right to recover all Transportation and Related Costs from the Covered Person.

Changes in Terms and Conditions - The terms and conditions of this benefit may be changed at any time to reflect conditions that, in Our opinion, constitute a change in the Policyholder's Security Evacuation exposure. We will give at least 31 days advance written notice (or authorized electronic or telephonic means) to the Policyholder of any change in the terms and condition of this benefit.

"Appropriate Authority(ies)" means the U.S. State Department, the government authority(ies) in the Covered Person's Home Country or Country of Residence or the government authority(ies) of the Host Country.

"Designated Security Consultant" means an employee of a security firm under contract with Us or Our assistance provider who is experienced in security and measures necessary to ensure the safety of the Covered Person(s) in his or her care.

"Evacuation Advisory" means a formal recommendation issued by the Appropriate Authority(ies) that the Covered Person or citizens of his or her Home Country or Country of Residence or citizens of the Host Country leave the Host Country.

"Host Country" means any country, other than an OFAC excluded country, in which the Covered Person is traveling while covered under the Policy.

"Missing Person" means a Covered Person who disappeared for an unknown reason and whose disappearance was reported to the Appropriate Authority(ies).



“Natural Disaster” means storm (wind, rain, snow, sleet, hail, lightning, dust or sand), earthquake, flood, volcanic eruption, wildfire or other similar event that:

1. is due to natural causes; and
2. results in such severe and widespread damage that the area of damage is officially declared a disaster area by the government in which the Covered Person’s Trip occurs and the area is deemed to be uninhabitable or dangerous.

Natural disaster does not mean nuclear reactions, uninhabitable property, transportation strikes, lost or stolen passport or travel documents, radiation or radioactive contamination, civil disorder and other similar events.

“Nearest Place of Safety” means a location determined by the Designated Security Consultant where:

1. the Covered Person can be assumed safe from the Occurrence that precipitated the Covered Person’s Security Evacuation; and
2. the Covered Person has access to Transportation; and
3. the Covered Person has the availability of temporary lodging, if needed.

“Occurrence” means any of the following situations involving a Covered Person that trigger the need for a Security Evacuation;

1. expulsion from a Host Country or being declared persona non-grata on the written authority of the recognized government of a Host Country;
2. political or military events involving a Host Country, if the Appropriate Authority(ies) issue an advisory stating that citizens of the Covered Person’s Home Country or Country of Residence or citizens of the Host Country should leave the Host Country;
3. Natural Disaster within seven (7) days of an event;
4. deliberate physical harm of the Covered Person confirmed by documentation or physical evidence or a threat against the Covered Person’s health and safety as confirmed by documentation and/or physical evidence;
5. the Covered Person had been deemed kidnapped or a Missing Person by local or international authorities and, when found, his or her safety and/or well-being are in question within seven days.

“Related Costs” means lodging and, if necessary, physical protection for the Covered Person during or while waiting for Transport to the Nearest Place of Safety. Related Costs will include temporary lodging, if necessary, while a Covered Person is waiting to be transported back to the Host Country, Home Country or other country where the Policyholder that sponsored the Covered Person’s Trip is located. Benefits will not be payable for Related Costs unless We (or Our authorized assistance provider) authorize in writing, or by an authorized electronic or telephonic means, all expenses in advance, and services are rendered by Our assistance provider.

“Security Evacuation” means the extrication of a Covered Person from the Host Country due to an Occurrence which could result in grave physical harm or death to the Covered Person.

“Transport” or “Transportation” means the most efficient and available method of conveyance, where practical, economy fare will be utilized. If possible, the Covered Person’s common carrier tickets will be used.

Additional Exclusions - We will not pay Security Evacuation Expense Benefits for expenses and fees:

1. payable under any other provision of the Policy.
2. that are recoverable through the Covered Person's employer or other entity sponsoring the Covered Person's Trip.
3. arising from or attributable to an actual fraudulent, dishonest or criminal act committed or attempted by the Covered Person, acting alone or in collusion with other persons.
4. arising from or attributable to an alleged:
  - a. violation of the laws of the country in which the Covered Person is traveling while covered under the Policy; or
  - b. violation of the laws of the Covered Person's Home Country or Country of Residence.
5. due to the Covered Person's failure to maintain and possess duly authorized and issued required travel documents and visas.
6. for repatriation of remains expenses.
7. for common or endemic or epidemic diseases or global pandemic disease as defined by the World Health Organization.
8. for medical services.
9. for monies payable in the form of a ransom, if a Missing Person case evolves into a kidnapping.
10. arising from or attributable, in whole or in part, to:
  - a. a debt, insolvency, commercial failure, the repossession of any property by any title holder or lien holder or any other financial cause;
  - b. non-compliance by the Covered Person with regard to any obligation specified in a contract or license.
11. due to military or political issues if the Covered Person's Security Evacuation request is made more than 10 days after the Appropriate Authority(ies) Advisory was issued.
12. failure of a Covered Person to cooperate with Us or Our assistance provider with regard to a Security Evacuation. Such cooperation includes, but is not limited to, failure to provide any documents needed to extricate the Covered Person, failure to follow the directions given by Our designated security consultants during a Security Evacuation.

If a Covered Person refuses to participate in a Security Evacuation, or any part of a Security Evacuation, no further benefits will be payable under the Security Evacuation Expense Benefit for that Occurrence.

### **Trip Cancellation Benefit**

We will reimburse the Covered Person for the amount of non-refundable Covered Expenses the Covered Person paid for his or her Trip, up to the Benefit Maximum shown in the *Schedule of Benefits*, if the Covered Person is prevented from taking his or her Trip as the result of Injury, Sickness, or death to the Covered Person or a Family Member prior to the scheduled Trip departure date. The Injury or Sickness must be so disabling as to reasonably cause a Trip to be canceled. If the Covered Person must cancel the Trip due to Injury or Sickness of a Family Member, it must be because his or her condition is life-threatening, or because the Family Member requires the Covered Person's care. Cancellation due to the death of a Family Member is covered only if the death occurs within 30 days of the Covered Person's scheduled Trip departure date.

Covered Expenses:

1. any cancellation charges imposed by a travel agency, tour operator, or other recognized travel supplier for the Covered Trip;
2. any prepaid, unused, non-refundable airfare and sea or land accommodations;

3. any other reasonable additional Trip expenses for travel, lodging, or scheduled events that are prepaid, unused, and non-refundable.

“Family Member” means a Covered Person’s spouse, child, brother, sister, parent, grandparent, or immediate in-law.

**Trip Interruption Benefit**

We will reimburse the cost of a one-way economy air and/or ground transportation ticket for a Covered Person’s Trip, up to the Maximum Benefit shown in the *Schedule of Benefits*, if his or her Trip is interrupted as the result of:

1. the death of a Family Member; or
2. the unforeseen Injury or Sickness of the Covered Person or a Family Member. The Injury or Sickness must be so disabling as to reasonably cause a Trip to be interrupted; or
3. a Medically Necessary covered Emergency Medical Evacuation to return the Covered Person to his or her Home Country or to the area from which he or she was initially evacuated for continued treatment, recuperation and recovery of an Injury or Sickness; or
4. substantial destruction of the Covered Person’s principal residence by fire or weather related activity.

“Family Member” means a Covered Person’s parent, sister, brother, spouse, child, grandparent, or in-law.

**Accidental Death and Dismemberment Benefits**

If Injury to the Covered Person results in any one of the losses shown below within 364 from the date of a Covered Accident, We will pay the Benefit Amount shown below for that loss. The Principal Sum is shown in the *Schedule of Benefits*. If multiple losses occur, only one Benefit Amount, the largest, will be paid for all losses due to the same Covered Accident.

**Schedule of Covered Losses**

<b>Covered Loss</b>	<b>Benefit Amount</b>
Life.....	100% of the Principal Sum
Two or more Members.....	100% of the Principal Sum
Quadriplegia .....	100% of the Principal Sum
One Member.....	50% of the Principal Sum
Hemiplegia.....	75% of the Principal Sum
Paraplegia .....	75% of the Principal Sum
Thumb and Index Finger of the Same Hand .....	25% of the Principal Sum
Uniplegia.....	25% of the Principal Sum

“Quadriplegia” means total Paralysis of both upper and lower limbs. “Hemiplegia” means total Paralysis of the upper and lower limbs on one side of the body. “Uniplegia” means total Paralysis of one lower limb or one upper limb. “Paraplegia” means total Paralysis of both lower limbs or both upper limbs. “Paralysis” means total loss of use. A Doctor must determine the loss of use to be complete and not reversible at the time the claim is submitted.

“Member” means Loss of Hand or Foot, Loss of Sight, Loss of Speech and Loss of Hearing. “Loss of Hand or Foot” means complete Severance through or above the wrist or ankle joint. “Loss of Sight” means the total, permanent Loss of Sight of one eye. “Loss of Speech” means total and permanent loss of audible communication that is irrecoverable by natural, surgical or

artificial means. "Loss of Hearing" means total and permanent Loss of Hearing in both ears that is irrecoverable and cannot be corrected by any means. "Loss of a Thumb and Index Finger of the Same Hand" means complete Severance through or above the metacarpophalangeal joints of the same hand (the joints between the fingers and the hand). "Severance" means the complete separation and dismemberment of the part from the body.

### **Coma Benefit**

We will pay the Coma Benefit shown in the *Schedule of Benefits* if a Covered Person becomes Comatose within 31 days of a Covered Accident and remains in a Coma for at least 31 days.

We reserve the right, at the end of the first 31 days of Coma, to require proof that the Covered Person remains Comatose. This proof may include, but is not limited to, requiring an independent medical examination at Our expense.

We will pay this benefit in periodic payments and a lump sum as shown in the *Schedule of Benefits*. Periodic payments will end on the first of the following dates:

1. the end of the month in which the Covered Person dies;
2. the end of the 11th month for which this benefit is payable;
3. the end of the month in which the Insured recovers from the Coma.

A person is deemed "Comatose" or in a "Coma" if he or she is in a profound stupor or state of complete and total unconsciousness, as the result of a Covered Accident.

### **Felonious Assault Benefit**

We will pay the Felonious Assault Benefit shown in the *Schedule of Benefits*, if a Covered Person dies as the result of an Injury that occurs as a direct result of a Felonious Assault. A person other than another person covered by the Policy, a Covered Person's Immediate Family Member or household member must inflict the assault.

"Felonious Assault" means an act of physical violence against a person covered by this Policy. "Immediate Family Member" means a Covered Person's parent, sister, brother, husband, wife or children.

### **Hijacking and Air Piracy Benefit**

We will pay the Hijacking and Air Piracy Benefit shown in the *Schedule of Benefits*, if the Covered Person suffers a Covered Loss that results directly, and from no other cause, from a Covered Accident that occurs during the hijacking, air piracy, or unlawful seizure or attempted seizure of an aircraft.

## HAZARDS INSURED AGAINST

We will pay benefits described in this Policy when a Covered Person suffers a loss or Injury as a result of a Covered Accident or Sickness during one of the Covered Activities listed in the *Schedule of Benefits*. We will only pay benefits if the Insured is engaged in one of the hazards described below when the Covered Accident occurs. Unless otherwise specified, We pay benefits only once for any one Covered Accident or Sickness, even if it is covered by more than one hazard.

### Educational Travel

We will pay the benefits described in this Policy only if a Covered Person suffers a loss or incurs a Covered Expense as the direct result of a Covered Accident or Sickness while traveling:

1. outside of his or her Home Country;
2. up to the Maximum Period of Coverage shown in the *Schedule of Benefits* under the Medical Expense Benefit; and
3. engaging in educational activities sponsored by the Policyholder.

### Exposure & Disappearance

Coverage under this hazard includes exposure to the elements after the forced landing, stranding, sinking, or wrecking of a vehicle in which the Covered Person was traveling.

A Covered Person is presumed dead if:

1. he or she is in a vehicle that disappears, sinks, or is stranded or wrecked on a trip covered by this Policy; and
2. the body is not found within one year of the Covered Accident.

## EXCLUSIONS AND LIMITATIONS

We will not pay benefits for any loss or Injury that is caused by or results from:

- intentionally self-inflicted injury; suicide or attempted suicide.
- war or any act of war, whether declared or not.
- a Covered Accident that occurs while a Covered Person is on active duty service in the military, naval or air force of any country or international organization. Upon receipt of proof of service, we will refund any premium paid for this time. Reserve or National Guard active duty training is not excluded unless it extends beyond 31 days.
- piloting or serving as a crewmember in any aircraft (unless otherwise provided in the Policy).
- commission of, or attempt to commit, a felony.
- sickness, disease, bodily or mental infirmity, bacterial or viral infection, or medical or surgical treatment thereof, except for any bacterial infection resulting from an accidental external cut or wound or accidental ingestion of contaminated food (Applicable to accident benefits only).
- the Covered Person being legally intoxicated as determined according to the laws of the jurisdiction in which the Injury occurred.
- riding in any aircraft except as a fare-paying passenger on a regularly scheduled or charter airline.

- travel in any Aircraft owned, leased or controlled by the Policyholder, or any of its subsidiaries or affiliates. An Aircraft will be deemed to be “controlled” by the Policyholder, if the Aircraft may be used as the Policyholder wishes for more than 10 straight days, or more than 15 days in any year.
- commission of or active participation in a riot or insurrection.

In addition, We will not pay Medical Expense Benefits for any loss, treatment, or services resulting from:

- routine physicals and care of any kind.
- routine dental care and treatment.
- routine nursery care.
- cosmetic surgery, except for reconstructive surgery needed as the result of an Injury.
- eye refractions or eye examinations for the purpose of prescribing corrective lenses or for the fitting thereof; eyeglasses, contact lenses, and hearing aids.
- services, supplies, or treatment including any period of Hospital confinement which is not recommended, approved, and certified as Medically Necessary and reasonable by a Doctor, or expenses which are non-medical in nature.
- treatment or service provided by a private duty nurse.
- treatment by any Immediate Family Member or member of the Insured’s household. “Immediate Family Member” means a Covered Person’s spouse, child, brother, sister, parent, grandparent, or in-laws.
- expenses incurred during travel for purposes of seeking medical care or treatment, or for any other travel that is not in the course of the Participating Organization’s activity (unless Personal Deviations are specifically covered).
- medical expenses for which the Covered Person would not be responsible to pay for in the absence of the Policy. Expenses incurred for services provided by any government Hospital or agency, or government sponsored-plan for which, and to the extent that, the Covered Person is eligible for reimbursement.
- any treatment provided under any mandatory government program or facility set up for treatment without cost to any individual.
- custodial care.
- services or expenses incurred in the Covered Person’s Home Country.
- elective treatment, exams or surgery; elective termination of pregnancy.
- expenses for services, treatment or surgery deemed to be experimental and which are not recognized and generally accepted medical practices in the United States.
- expenses payable by any automobile insurance policy without regard to fault.
- organ or tissue transplants and related services.
- Injury or Sickness for which benefits are paid or payable under any Workers’ Compensation or Occupational Disease Law or Act, or similar legislation, whether United States federal or foreign law.
- Injury sustained while participating in club, intramural, intercollegiate, interscholastic, professional or semi-professional sports.
- expenses incurred for services related to the diagnostic treatment of infertility or other problems related to the inability to conceive a child, including but not limited to, fertility testing and in-vitro fertilization.
- Injury caused by or resulting from travel in or on any off-road motorized vehicle not requiring licensing as a motor vehicle, or a motor vehicle not designed primarily for use on public streets or highways.



- birth defects and congenital anomalies, or complications which arise from such conditions.
- Injury resulting from off-road motorcycling; scuba diving; jet, snow or water skiing; mountain climbing (where ropes or guides are used); sky diving; amateur automobile racing; automobile racing or automobile speed contests; bungee jumping; spelunking; white water rafting; surfing; or parasailing.
- sexually transmitted diseases or immune deficiency disorders and related conditions. This exclusion does not apply to the care or treatment of Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or Human Immunodeficiency Virus (HIV) infection, or any illness or disease arising from these medical conditions.

If We determine the benefits paid under this Policy are eligible benefits under any other benefit plan, We may seek to recover any expenses covered by another plan to the extent that the Insured is eligible for reimbursement.

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

## **CLAIM PROVISIONS**

**Notice Of Claim:** A claimant must give Us or Our authorized representative written (or authorized electronic or telephonic) notice of claim within 90 days after any loss covered by the Policy occurs. If notice cannot be given within that time, it must be given as soon as reasonably possible. This notice should identify the Covered Person and the Policy Number.

**Claim Forms:** Upon receiving written notice of claim, We will send claim forms to the claimant within 15 days. If We do not furnish such claim forms, the claimant will satisfy the requirements of written proof of loss by sending the written (or authorized electronic or telephonic) proof as shown below. The proof must describe the occurrence, extent, and nature of the loss.

**Proof Of Loss:** Written (or authorized electronic or telephonic) proof of loss must be sent to the agent authorized to receive it. Written (or authorized electronic or telephonic) proof must be given within 90 days after the date of loss. If it cannot be provided within that time, it should be sent as soon as reasonably possible. In no event, except in the absence of legal capacity, should proof of loss be sent later than one year from the time proof is otherwise required.

**Claimant Cooperation Provision:** Failure of a claimant to cooperate with Us in the administration of a claim may result in the termination of a claim. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due.

**Time Payment Of Claims:** Any benefits due will be paid when We receive written (or authorized electronic or telephonic) proof of loss.

**Payment Of Claims:** If the Insured dies, any death benefits or other benefits unpaid at the time of the Insured's death will be paid to the beneficiary our records indicate the Insured designated for these plan benefits.



If there is no named beneficiary or surviving beneficiary on record with Us or Our authorized agent, We pay benefits in equal shares to the first surviving class of the following: 1) Spouse; 2) Children; 3) Parents; 4) Brothers and sisters. If there are no survivors in any of these classes, We will pay the Insured's estate.

All other benefits will be paid to the Insured. If the Insured is: (1) a minor; or (2) in Our opinion unable to give a valid release because of incompetence, We may pay any amount due to a parent, guardian, or other person actually supporting him or her. Any payment made in good faith will end Our liability to the extent of the payment.

If a Covered Loss is suffered by a Covered Person who resides outside of the United States, its territories and possessions and in a Country where the Company is not permitted to provide insurance without a License, the Company will pay benefits under the Policy to the Policyholder, who:

1. will hold such payment in trust for the sole use and benefit of the insured person or his or her beneficiary or other person to whom such benefits are payable ("Payee"); and
2. will remit such payment to the Payee in accordance with applicable law.

Any such payment the Company makes to the Policyholder is a full discharge of the Company's liability for the claim for which payment is made.

"Country" includes any political jurisdiction that independently regulates the licensing of insurance companies.

"License" or "Licensed" means with respect to any Country, authorized or otherwise permitted in accordance with applicable law to conduct the business of accident and sickness insurance in such Country.

**Beneficiary:** The Insured may designate a beneficiary for Accidental Death Benefits, if any. The Insured has the right to change the beneficiary at any time by written (or electronic and telephonic) notice. If the Insured is a minor, his or her parent or guardian may exercise this right for him or her. The change will be effective when We or Our authorized agent receive it. When received, the effective date is the date the notice was signed. We are not liable for any payments made before the change was received. We cannot attest to the validity of a change.

The Insured is the beneficiary for any covered Dependent.

**Assignment:** We may pay benefits directly to any Hospital or person rendering covered services, unless the Covered Person requests otherwise in writing no later than the time he or she submits written proof of loss. Any payment made in good faith will end our liability to the extent of the payment.

**Physical Examinations And Autopsy:** We have the right to have a Doctor of Our choice examine the Covered Person as often as is reasonably necessary. This section applies when a claim is pending or while benefits are being paid. We also have the right to request an autopsy in the case of death, unless the law forbids it. We will pay the cost of the examination or autopsy.

**Legal Actions:** No lawsuit or action in equity can be brought to recover on this Policy: (1) before 60 days following the date proof of loss was given to Us; or (2) after 3 years following the date proof of loss is required.

## ADMINISTRATIVE PROVISIONS

**Premiums:** The premiums for this Policy will be based on the rates currently in force, the plan and amount of insurance in effect.

**Changes In Premium Rates:** We may change the premium rates from time to time with at least 31 days advanced written, or authorized electronic or telephonic notice. We reserve the right to change rates at any time if any of the following events take place.

1. The terms of the Policy change.
2. A division, subsidiary, affiliated organization, or eligible class is added or deleted from the Policy.
3. Any federal or state law or regulation is amended to the extent it affects Our benefit obligation.
4. There is a change in the market factors or factors bearing on the risk assumed.

If an increase or decrease in rates takes place on a date that is not a Premium Due Date, a pro rata adjustment will apply from the date of the change to the next Premium Due Date.

**Payment of Premium:** The first Premium is due on the Policy Effective Date. If any premium is not paid when due, the Policy will be canceled as of the Premium Due Date, except as provided in the Policy Grace Period section.

**Policy Grace Period:** A Policy Grace Period of 31 days will be granted for the payment of the required premiums. The Policy will remain in force during the Grace Period. If the required premiums are not paid during the Policy Grace Period, insurance will end on the last Premium Due Date on which required premiums were paid. The Participating Organization will be liable to Us for any unpaid premium for the time the Policy was in force.

## GENERAL PROVISIONS

**Entire Contract; Changes:** The Policy (including any endorsements or amendments), the signed application of the Participating Organization, and any individual applications of Covered Persons, are the entire contract. Any statements made by the Participating Organization or Covered Persons will be treated as representations and not warranties. No such statement shall void the insurance, reduce the benefits, or be used in defense of a claim for loss incurred unless it is contained in a written application.

To be valid, any change or waiver must be in writing (or authorized electronic or telephonic communications). It must be signed by our president or secretary and be attached to the Policy. No agent has authority to change or waive any part of the Policy.

**Policy Effective Date And Termination Date:** The Policy begins on the Policy Effective Date shown on page 1 of the Policy. We may terminate this Policy by giving 31 days advance notice in writing (or authorized electronic or telephonic means) to the Participating Organization. The Participating Organization may terminate this Policy on any Premium Due Date by giving 31 days advance written (or authorized electronic or telephonic) notice to Us. This Policy

terminates automatically on the earlier of: 1) the last day of the Policy Term; or 2) the Premium Due Date if Premiums are not paid when due.

**Clerical Error:** If a clerical error is made, it will not affect the insurance of any Covered Person. No error will continue the insurance of a Covered Person beyond the date it should end under the Policy terms.

**Examination Of Records And Audit:** We shall be permitted to examine and audit the Participating Organization's books and records at any time during the term of the Policy and within 2 years after the final termination of the Policy as they relate to the premiums or subject matter of this insurance.

**Certificates Of Insurance:** Where it is required by law, or upon the request of the Participating Organization, We will make available certificates outlining the insurance coverage and to whom benefits are payable under the Policy.

**Conformity With State Laws:** On the effective date of this Policy, any provision that is in conflict with the laws in the state where it is issued is amended to conform to the minimum requirements of such laws.

**Not In Lieu Of Workers' Compensation:** This Policy is not a workers' compensation policy. It does not provide workers' compensation benefits.



ACE American Insurance Company  
(A Stock Company)  
Philadelphia, PA 19106  
(Herein called We, Us, Our)

## War Risk Benefit Rider

**Policy Number: GLM N04950872R**

**Effective Date: July 1, 2015**

**For: California State University**

**Rider #: 1**

This Rider form is made a part of the Policy to which it is attached as of the Effective Date shown above. If no Effective Date is shown, this Rider takes effect as of the Policy Effective Date. It applies only to Covered Accidents that occur on or after that date. This form is subject to all of the terms, limitations, and exclusions of the Policy, except as they are changed by it.

In return for payment of the required premium, the Policy is changed as follows.

The war exclusion is deleted to the extent coverage is provided by the terms and conditions described in this Rider. We will pay benefits as described in the Policy for Losses resulting from a Covered Accident caused by war or acts of war.

The Covered Accident may occur anywhere in the world, except the following countries:

- The United States
- The Covered Person's Home Country
- The Covered Person's Country of Permanent Assignment

"Home Country" means a country from which the Covered Person holds a passport. If the Covered Person holds passports from more than one Country, his or her Home Country will be the country that he or she has declared to Us in writing as his or her Home Country.

"Country of Permanent Assignment" means a country, other than a Covered Person's Home Country, in which the Policyholder requires a Covered Person to work for a period of time that exceeds 180 continuous days.

**Total Limit of Liability:** We will not pay more than \$3,000,000 per occurrence for the war risk benefits provided by this Rider. This limit shall apply to Injuries sustained in a Covered Accident from all acts of war in any consecutive 72-hour period. If, but for this provision, we would pay more than \$3,000,000, then the benefits We will pay under this Rider to each Covered Person will be reduced in the same proportion, so that the total amount we will pay for war risk coverage is \$3,000,000.

**Premiums and Coverage Subject to Change:** The premiums, benefits, and areas in which coverage is provided may be changed at any time, by sending written notice to the Policyholder at its most recent address in Our records at least 10 days prior to the date of change. These changes may be done as needed to reflect conditions that, in Our opinion, change the war risk exposure.

**Termination:** The Policyholder may cancel war risk coverage at any time by sending written notice to Us. The coverage will be cancelled on the later of: (1) the date We receive the notice; or (2) the termination date specified in the notice.

We may cancel coverage at any time by sending written notice to the Policyholder at its most recent address in Our records at least 10 days prior to the termination date. We will return any unearned premium that has been paid for this coverage. However, the return of premium is not a condition of termination.

Change or termination of this coverage will not affect a claim that begins while this coverage is in force.

The Policyholder must submit at least quarterly reports of war risk exposure. We may require additional premium for war risk coverage to remain in effect.

Travel to the following countries must be reported to Us by the Policyholder and is subject to an additional charge based on the War Risk rates in the following areas:

Area 1: Afghanistan, Iraq, Iran, South Sudan, Sudan, Syria, Ukraine Yemen

Rate per person per day = \$12.35

Area 2: Central African Republic, Chechnya, Democratic Republic of Congo, Egypt, Israel, Libya, Nigeria, Somalia, Rate per person per day = \$6.85

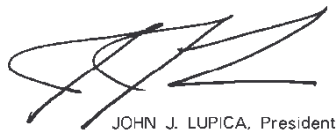
Area 3: Algeria, Burkina Faso, Chad, Guinea, Ivory Coast, Lebanon, Mali, Pakistan

Rate per person per day = \$2.75

Prior notification must be provided to the Company if 1 or more Covered Persons are planning to travel at one time to one of the following countries: Cuba and any OFAC country. Additional premium may be required as a result of travel exposure.

This form ends at the same time as the Policy to which it is attached.

Signed for ACE American Insurance Company in Philadelphia, Pennsylvania.



JOHN J. LUPICA, President



REBECCA L. COLLINS, Secretary



# Student Travel Accident

## COVERAGE SUMMARY

**INSURER:**

QBE Insurance  
Company

**POLICY TERM:**

December 31, 2014 to  
December 31, 2015

**POLICY NO:**

NHH000314

**A.M. Best Rating:**

A

**NAMED COVER ENTITY:**

Trustees of California State University, et al.

**COVERED PARTIES:**

Enrolled students, including students enrolled only in extended education programs, of the California State University

**MEDICAL EXPENSE BENEFIT:**

Full Excess

**LIMITS:**

\$35,000	Accident Medical Expenses - Total Maximum Benefit Amount
\$10,000	Accidental Death
\$10,000	Accidental Dismemberment
\$500,000	Aggregate Limit of Liability

**MEDICAL EXPENSE DEDUCTIBLE:**

\$0	Each covered accident & included covered expense paid under another Health Care Plan
180 days	First Covered Expenses must be incurred with Benefit Period

**HAZARDS INSURED AGAINST:**

Injuries to the Covered Parties while:

1. Away from Campus, or
2. Traveling to or from or participating in a school sponsored activity

**COVERED ACTIVITIES:**

1. Supervised and sponsored activities while away from the campus which are part of a course requirement or are sponsored by an auxiliary organization or other recognized student organization or club
2. Travel to or from intercollegiate athletic events away from campus but does not include participation in such events or practices
3. Overnight supervised and sponsored activities with duration of more than **14 days** and related travel are not covered, or

**COVERAGE TERRITORY:**

United States

**QUESTIONS:**

**Robert Leong**

(415) 403-1441

[rleong@alliant.com](mailto:rleong@alliant.com)

**Van Rin**

(415) 403-1408

[vrin@alliant.com](mailto:vrin@alliant.com)

**Hsan Htein**

(415) 403-1452

[hhtein@alliant.com](mailto:hhtein@alliant.com)

*While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.*

### EXCLUSION(S):

1. Intentionally self-inflicted Injury, suicide or any attempt thereof while sane or insane;
2. Commission or attempt to commit a felony or an assault;
3. Commission of or active participation in a riot or insurrection;
4. Bungee jumping; parachuting; skydiving; parasailing; hang-gliding;
5. Declared or undeclared war or act of war;
6. Flight in, boarding or alighting from an Aircraft or any craft designed to fly above the Earth's surface, except as a fare-paying passenger on a regularly scheduled commercial or charter airline;
7. Travel in or on any off-road motorized vehicle not requiring licensing as a motor vehicle;
8. Participation in any motorized race or contest of speed;
9. Sickness, disease, bodily or mental infirmity, bacterial or viral infection or medical or surgical treatment thereof, except for any bacterial infection resulting from an accidental external cut or wound or accidental ingestion of contaminated food;
10. Travel or activity outside the United States
11. Voluntary ingestion of any narcotic, drug, poison, gas or fumes, unless prescribed or taken under the direction of a Physician and taken in accordance with the prescribed dosage;
12. Injuries compensable under Workers' Compensation law or any similar law

### HOW TO REPORT A CLAIM:

#### Notify your Claims Administrator:

Report claims within 30 days after the covered loss occurs or begins or as soon as reasonably possible.

#### Health Special Risk, Inc. (HSR)

4100 Medical Parkway  
Carrollton, Texas 75007-1517  
(972) 512-5600  
[CSRMA@hsri.com](mailto:CSRMA@hsri.com)



**INSURER:**

ACE Property and  
Casualty Insurance  
Company

**POLICY TERM:**

December 8, 2015 to  
July 1, 2016

**POLICY NO:**

AAPN11234094001

**A.M. Best Rating:**

A++



**QUESTIONS:**

**Robert Leong**

(415) 403-1441

[rleong@alliant.com](mailto:rleong@alliant.com)

**Van Rin**

(415) 403-1408

[vrin@alliant.com](mailto:vrin@alliant.com)

**Hsan Htein**

(415) 403-1452

[hhtein@alliant.com](mailto:hhtein@alliant.com)

**NAMED COVERED ENTITY:**

The California State University and its Auxiliary Organizations

**COVERED TERRITORY:**

Any premises within the Mojave Desert necessary to the Named Insured's aviation operations that have been approved for the launching of rockets by the State & Federal government.

**LAUNCH LOCATIONS:**

Each Launching Location must be disclosed to Ace Underwriting and scheduled on policy prior to a launch.

**State Name**

- |    |   |
|----|---|
| CA | Friends of Amateur Rocketry (FAR): located in the Mojave Desert, CA         |
| CA | Rocketry Organization of California (ROC): Located in the Mojave Desert, CA |
| UT | Green River, UT: Located on Bureau of Land Management property              |

**COVERED PARTIES:**

1. Name Insured, Covered Entities
2. Executive Officers, Directors
3. Employees, Volunteers

**COVERAGE:**

1. Bodily Injury
2. Personal & Advertising Injury
3. Property Damage
4. Medical Payments

**LIMITS/SUBLIMITS:**

- |             |  |
|-------------|--|
| \$5,000,000 | Each Occurrence Limit                                |
| \$5,000,000 | Personal Injury & Advertising Injury Aggregate Limit |
| \$100,000   | Fire Damage Legal Liability Any One Fire             |
| \$5,000     | Medical Expense Limit Any One Person                 |

**DEDUCTIBLE:**

\$0 Each Occurrence of Offense

**SPECIAL TERMS:**

"Aviation Operations" means your operations:

- a. involving aircraft or any parts or equipment relating to aircraft; or
- b. at any airport, airfield or heliport

### EXCLUSIONS & ENDORSEMENTS (INCLUDED BUT NOT LIMITED TO):

1. Nuclear Risk Exclusion Clause
2. Date Recognition Exclusion Clause
3. Silica and Silica-Related Dust Exclusion
4. Infringement of Copyright, Patent, Trademark or Trade Secret Exclusion Endorsement
5. Coverage A. Bodily Injury and Property Damage Liability  
This insurance does not apply to:
  - a. Expected or Intended Injury
  - b. Contractual Liability
  - c. Liquor Liability
  - d. Workers Compensation or Similar Laws
6. Coverage B. Personal and Advertising Injury Liability  
This insurance does not apply to:
  - a. Personal injury or advertising injury:
    1. Arising out of any oral or written publication of material, if done by or at the direction of the insured with knowledge of falsity;
    2. Arising out of the willful violation of the penal statute or ordinance committed by or with the consent of the insured
  - b. Advertising Injury arising out of:
    1. Breach of contract, other than misappropriation of advertising ideas under an implied contract;
    2. An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting
7. Coverage C. Medical Payments  
We will not pay expenses for "bodily injury"
  - a. To any insured;
  - b. To a person hired to do work for or on behalf of any insured or a tenant of any insured;
  - c. To a person injured on that part of premises you own or rent that the person normally occupies
8. Coverage D. Hangar Keepers Liability
9. Coverage E. Non-Owned Aircraft Liability  
This insurance does not apply to:
  - a. Expected or Intended Injury
  - b. Property damage to aircraft

### HOW TO REPORT A CLAIM:

#### Notify Alliant:

**Michelle Maffei**  
(415) 403-1418  
[mmaffei@alliant.com](mailto:mmaffei@alliant.com)

**Martin Fox-Foster**  
(415) 403-1417  
[martin.fox-foster@alliant.com](mailto:martin.fox-foster@alliant.com)

**Elaine Kim**  
(415) 403-1458  
[ekim@alliant.com](mailto:ekim@alliant.com)

#### After Hours Reporting:

**Robert Frey**  
(415) 403-1445  
(415) 518-8490 (Cell)  
[rfrey@alliant.com](mailto:rfrey@alliant.com)

**NOTICE TO POLICYHOLDERS  
RESTRICTIONS OF TERRORISM COVERAGE  
WHEN THE POLICY INCLUDES THE CONDITIONAL EXCLUSION OF TERRORISM**

This Notice has been prepared in conjunction with the POTENTIAL implementation of changes related to coverage of terrorism under your policy.

The Terrorism Risk Insurance Act established a program (Terrorism Risk Insurance Program) within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. That Program is subject to a termination date of December 31, 2014 unless extended by the federal government. If the federal Program terminates, or is extended with certain changes prior to or during the term of your policy, then the treatment of terrorism under your policy will change. This Notice is being provided to you for the purpose of summarizing potential impact on your coverage. The summary is a brief synopsis of significant exclusionary provisions and limitations.

This Notice does not form a part of your insurance contract. The Notice is designed to alert you to coverage restrictions and to other provisions in certain terrorism endorsement(s) in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

Carefully read your policy, including the endorsements attached to your policy

**YOUR POLICY DURING TENURE OF THE TERRORISM RISK INSURANCE PROGRAM AS THAT PROGRAM EXISTS PURSUANT TO THE TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF 2007:**

**If an endorsement entitled "Amendment to Include Coverage for Certified Acts of Terrorism; Cap On Losses From Certified Acts Of Terrorism" is attached to your policy:**

This policy contains an endorsement under which coverage for "certified acts of terrorism" (which is more fully defined in the endorsement) is provided subject to a limit on our liability pursuant to the federal Terrorism Risk Insurance Act. However, this policy also contains a separate exclusion for claims caused by acts for political or terrorist purposes and malicious acts, which may exclude coverage for certain acts of terrorism other than "certified acts of terrorism", under the policy's war liability exclusion or war, hi-jacking and other perils exclusion.

**If your policy does not include an endorsement to include coverage for Certified Acts of Terrorism:**

This policy contains an exclusion for claims caused by acts for political or terrorist purposes and for malicious acts, which may exclude coverage for certain acts of terrorism such as set forth in the policy's war liability exclusion or war, hi-jacking and other perils exclusion.

**If an endorsement entitled "Exclusion Of Certified Acts Of Terrorism" or "Alaska Exclusion Of Certified Acts Of Terrorism" is attached to your policy:**

This policy contains an endorsement excluding coverage for "certified acts of terrorism", which is more fully defined in the endorsement but involves an act of terrorism certified by the federal government to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. As indicated in this endorsement, the Exception Covering Certain Fire Losses applies only in certain states. If the exception applies in any states under your policy, that is indicated in the Schedule of the terrorism endorsement. If the Exception applies, the Schedule indicates the affected types of insurance in affected states. When the Exception applies, the exclusion of terrorism does not apply to direct loss or damage by fire to Covered Property, with respect to affected types of insurance in affected states. The policy also contains a separate exclusion for acts of terrorism other than "certified acts of terrorism" under the policy's war liability exclusion or war, hi-jacking and other perils exclusion.

**If an endorsement entitled "LIMITED TERRORISM COVERAGE ENDORSEMENT" is attached to your policy:**

This policy contains an endorsement under which coverage for certain "acts of terrorism" (more fully defined in the endorsement) is provided subject to the policy limits and the endorsement's specific terms. However, this policy also contains a separate exclusion for claims caused by acts for political or terrorist purposes and malicious acts, which may exclude coverage for certain "acts of terrorism" under the policy's war liability exclusion or war, hi-jacking and other perils exclusion.

**POTENTIAL CHANGE TO YOUR POLICY:**

**An endorsement for the Conditional Exclusion of Terrorism is attached to your policy. Its provisions become applicable to your policy only if certain events (one or more of them) occur. Those events include the following:**

- \* If the federal Terrorism Risk Insurance Program (TRIP) terminates with respect to the type of insurance provided under this policy. (TRIP is/was scheduled to terminate at the end of December 31, 2014 unless extended by the federal government.); or
- \* If TRIP is extended with changes that redefine terrorism, and we are not required to make such revised coverage available to you; or
- \* If TRIP is extended with changes that make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other events or occurrences under this policy, and we are not required to make such revised coverage available to you; or
- \* If TRIP is extended with changes that increase insurers' statutory percentage deductible under TRIP for terrorism losses, or decrease the federal government's statutory percentage share in potential terrorism losses, and we are not required to make terrorism coverage available to you. Our deductible is 20% of the total of our previous year's direct earned premiums. The government's share is 85% of the terrorism losses paid by us above the deductible.

**This Conditional Terrorism Endorsement treats terrorism as follows:**

- \* Coverage for injury or damage arising out of a terrorism incident is excluded only if:
  - \* The total of all insured damage to all types of property (including business interruption losses sustained by owners or occupants of damaged property), from the incident, exceeds \$25 million. The \$25 million property damage threshold is based on losses sustained by all persons and entities who are affected by an incident of terrorism, and who are insured for the damage, or who would be insured but for a terrorism exclusion; or
  - \* Fifty or more persons sustain death or serious physical injury; or

*(To determine whether the threshold for property damage (\$25 million) or persons injured (fifty) is exceeded, multiple incidents of terrorism which occur within a seventy-two hour period and appear to be linked together or have a related purpose or common leadership behind them shall be considered to be one incident of terrorism.)*

  - \* The terrorism event involves nuclear materials or results in nuclear reaction or radiation or radioactive contamination; or
  - \* The terrorism event involves the release of radioactive material, and it appears that one purpose of the terrorism was to release such material; or
  - \* The terrorism event is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

- \* The terrorism event involves the release of pathogenic or poisonous biological or chemical materials, and it appears that one purpose of the terrorism was to release such materials.
- \* With respect to policies providing coverage for the peril of fire, the Exception Covering Certain Fire Losses applies only in certain states. If the exception applies in any states under your policy, that is indicated in the Schedule of the terrorism endorsement. If the Exception applies, the Schedule indicates the affected types of insurance in affected states. When the Exception applies, the exclusion of terrorism does not apply to direct loss or damage by fire to Covered Property, with respect to affected types of insurance in affected states.

**See the Conditional Exclusion of Terrorism Endorsement and the definition of "terrorism" for purposes of this "terrorism" exclusion.**



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**CLAIMS REPORTING INFORMATION**

All claim functions for your airport and aircraft insurance with Member Insurance Companies of the ACE USA Group are handled by ACE USA Aerospace Claims in Chicago. The staff of ACE USA Aerospace Claims is one of the most experienced and efficient in the aviation claims business. Sean Finnegan, experienced Casualty Claim Specialist, is responsible for administering your claims on a day -to-day basis. Sean reports to Dennis Krueger, Senior Aviation Technical Specialist. Sara Meske, Aerospace Claims Assistant, is available to accept claims information if Sean is unavailable.

All claims should be reported to Aerospace Claims as soon as practicable, in order for us to establish immediate contact with claimants and initiate any necessary investigation. An initial report of claim may be faxed to 877-201-4125. To ensure prompt attention, it is recommended that the fax transmission be confirmed with a phone call. Upon notification of a claim, an appropriate Accident Statement will be forwarded for your completion. Where possible, pictures of the accident scene should be obtained during your initial investigation.

**Because ACE USA Claims has gone paperless, it is imperative that you put the addressee's name and claim number on all correspondence and note address / Fax changes below.**

**FIRST NOTICE OF LOSS:**

**Email                   AerospaceFirstNotice@acegroup.com**  
**Fax                       877-201-4125**

	<b>Contact</b>	<b>Phone</b>	<b>Fax</b>	<b>E-Mail</b>
<b>Primary</b>	Sean Finnegan	312-775-7947	866-635-5687	Sean.Finnegan@acegroup.com
<b>Secondary</b>	Sara Kenney	312 775-7945	866-635-5687	Sara.Kenney@acegroup.com
<b>Secondary</b>	Betty Remblake	312-775-7910	866-635-5687	Betty.Remblake@acegroup.com
<b>After Hours</b>	Dennis Krueger	815-738-2755	866-635-5687	Dennis.Krueger@acegroup.com
<b>24 Hour Emergency</b>		815-275-1133		

All claims that require reporting after hours, should be directed to Dennis Krueger. All claims involving large aircraft should be reported immediately to Dennis Krueger.

If you are served with a summons or suit, please call immediately and forward the papers via overnight delivery.

**MAILING ADDRESS**  
ACE USA Claims  
P.O. Box 5101  
Scanton, PA 18505- 0500

**OVERNIGHT DELIVERY ADDRESS**  
ACE USA Aerospace Claims  
525 W. Monroe, 5th Floor  
Chicago, IL 60661

Should you have any questions concerning our claims handling procedures, please feel free to contact us at any time.

One of the ACE Group of Insurance & Reinsurance Companies.



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ACE Producer Compensation  
Practices & Policies

ACE believes that policyholders should have access to information about ACE's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at <http://www.aceproducercompensation.com> or by calling the following toll-free telephone number: 1-866-512-2862.





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**AIRPORT OWNERS AND OPERATORS GENERAL LIABILITY POLICY**

**ACE PROPERTY AND CASUALTY INSURANCE COMPANY**

436 Walnut Street,  
Philadelphia, Pennsylvania, 19106 - 3703

IN WITNESS WHEREOF, ACE Property and Casualty Insurance Company has caused this policy to be executed and attested. This policy is a valid contract when countersigned by an authorized representative (where required by law).

A handwritten signature in black ink, appearing to read 'John J. Lupica'.

JOHN J. LUPICA, President

A handwritten signature in black ink, appearing to read 'Rebecca L. Collins'.

REBECCA L. COLLINS, Secretary



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**AIRPORT OWNERS AND OPERATORS  
GENERAL LIABILITY POLICY**

**DECLARATIONS**

**This Insurance Policy is issued By:**

**ACE Property and Casualty Insurance Company  
436 Walnut Street,  
Philadelphia, Pennsylvania, 19106 - 3703**

**Policy Number:  
AAP N11234094 001**

**Renewal of:  
New**

**Named Insured and Mailing Address:**

California State University Risk Management Authority  
Office of Chancellor  
401 Golden Shore, 5th Floor  
Long Beach, California 90802

**The Named Insured is:** Not an Individual, Partnership, Joint Venture or Public Corporation

**Location of the Airport(s) You Own or Operate:**

Friends of Amateur Rocketry (FAR): located in the Mojave Desert, CA  
Rocketry Organization of California (ROC): Located in the Mojave Desert, CA  
Green River, UT: Located on Bureau of Land Management property

**Policy Period: From:** December 8, 2014 **To:** July 1, 2016  
at 12.01 a.m. Standard Time at your mailing address shown above.

In return for the payment of the premium, and subject to all of the terms of this policy, we agree with you to provide the insurance as stated in this policy.

**Limits of Insurance:**

Products-Completed Operations Aggregate Limit . . . . .	Not Insured
Personal Injury and Advertising Injury Aggregate limit . . . . .	\$5,000,000
Malpractice Aggregate Limit . . . . .	Not Insured
Each Occurrence Limit . . . . .	\$5,000,000
Fire Damage Limit Any One Fire . . . . .	\$100,000
Medical Expense Limit Any One Person . . . . .	\$5,000
Hangarkeepers Limit Any One Occurrence . . . . .	Not Insured
Hangarkeepers Limit Any One Aircraft . . . . .	Not Insured
Non-Owned Aircraft Liability Limit Any One Occurrence . . . . .	Not Insured

**Deductibles:**

Each Occurrence or Offense Deductible	Nil
Aggregate Deductible	Nil

**Premium:**

Advance Premium  
Extended Coverage Endorsement AAP 203  
Endorsement Premium  
Terrorism Risk Insurance Act Premium  
Total Advance Premium

Policy Forms and Endorsements are described in the attached Schedule of Endorsements.

AAP201 (11-99)

Signature:   
By Authorized Representative

Policy Number: AAP N11234094 001  
 Effective Date: December 8, 2014  
 Insured: California State University Risk Management Authority

Policy Forms applicable to airports and locations in: California

The endorsements listed below form part of this policy at inception and are deemed to have been signed by the same Authorized Representative that signed the Declarations (form AAP 201 11/99).

TITLE	Endorsement No. and Edition Date
Airport Owners and Operators General Liability Policy - Jacket	AAP 200 (07-10)
Airport Owners and Operators General Liability Policy - Declarations	AAP 201 (11-99)
Airport Owners and Operators General Liability Policy - - Schedule of Endorsements	AAP 201S (11-99)
Airport Owners and Operators General Liability Policy - Policy Provisions	AAP 202 (11-99)
Extended Coverage - War, Hi-jacking and Other Perils Endorsement	AAP 203A (02-08)
Nuclear Risks Exclusion Clause	AAP 237 (11/99)
Personal Injury Limitation Endorsement	AAP 242 (11/99)
Airport Operations Change Endorsement	AAP 243 (11/99)
Volunteers Endorsement	AAP 248 (11/99)
Date Recognition Exclusion Endorsement	AAP 256 (11/99)
Date Recognition Limited Coverage Endorsement	AAP 255 (03-08)
Amendment to Include Coverage for Certified Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism	AAP 270 (02-08)
Disclosure Pursuant to Terrorism Risk Insurance Act	TRIA 11b (01-08)
Pollution Endorsement	AAP 273 (11-03)
Limited Terrorism Coverage Endorsement	AAP 275 (02-08)
Silica And Silica-Related Dust Exclusion	AAP 277 (01-06)
Conditional Exclusion of Terrorism Endorsement	AAP 278 (3-14)
Disclosure Notice Of Terrorism Insurance Coverage Pursuant To Terrorism Risk Insurance Program Reauthorization Act Of 2007	TR-41321 (10/13)
Notice To Policyholders Restrictions Of Terrorism Coverage When The Policy Includes The Conditional Exclusion Of Terrorism	TR-43186 (03/14)
Trade or Economic Sanctions Endorsement	ALL-21101 (11-00)
Infringement of Copyright, Patent, Trademark or Trade Secret Endorsement	AAP 306 (03-08)
Amendment to Supplementary Payments (Court Cost) Endorsement	AAP 307 (03-08)
California Changes - Cancellation and Nonrenewal	AAP CA (03/00)

AAP 201 S (11-99)

11-Dec-14

Policy Number: AAP N11234094 001  
 Effective Date: December 8, 2014  
 Insured: California State University Risk Management Authority

Policy Forms applicable to airports and locations in: Utah

The endorsements listed below form part of this policy at inception and are deemed to have been signed by the same Authorized Representative that signed the Declarations (form AAP 201 11/99).

TITLE	Endorsement No. and Edition Date
Airport Owners and Operators General Liability Policy - Jacket	AAP 200 (07-10)
Airport Owners and Operators General Liability Policy - Declarations	AAP 201 (11-99)
Airport Owners and Operators General Liability Policy - - Schedule of Endorsements	AAP 201S (11-99)
Airport Owners and Operators General Liability Policy - Policy Provisions	AAP 202 (11-99)
Extended Coverage - War, Hi-jacking and Other Perils Endorsement	AAP 203 (02-08)
Nuclear Risks Exclusion Clause	AAP 237 (11/99)
Personal Injury Limitation Endorsement	AAP 242 (11/99)
Airport Operations Change Endorsement	AAP 243 (11/99)
Volunteers Endorsement	AAP 248 (11/99)
Date Recognition Exclusion Endorsement	AAP 256 (11/99)
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Amendment to Include Coverage for Certified Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism	AAP 270 (02-08)
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Pollution Endorsement	AAP 273 (11-03)
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Silica And Silica-Related Dust Exclusion	AAP 277 (01-06)
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California Changes - Cancellation and Nonrenewal	AAP CA (03/00)
Utah Changes	9001-UT (11/00)

AAP 201 S (11-99)

11-Dec-14

**AIRPORT OWNERS AND OPERATORS LIABILITY POLICY  
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**Please Read Your Policy**

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## AIRPORT OWNERS AND OPERATORS GENERAL LIABILITY POLICY

### POLICY PROVISIONS

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 WHO IS AN INSURED (SECTION III).

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

The insurance provided by this policy does not apply to any Coverage or hazard against which the words Not Insured appear in the Limits of Insurance section of the Declarations.

### SECTION I - COVERAGES

#### COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

##### 1. Insuring Agreement .

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result, but:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION IV); and
- (2) Our duty to defend ends when we have used up the applicable LIMITS OF INSURANCE in the payment of judgments or settlements under Coverage A.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A, B, D AND E.

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"; and
- (2) The "bodily injury" or "property damage" occurs during the policy period; and
- (3) The "bodily injury" or "property damage" arises out of your "airport operations".

c. 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) 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 ; or
- (2) That the insured would have in the absence of the contract or agreement.

**c. Liquor Liability**

"Bodily injury" or "property damage" for which the 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.

Premises at the "airport" which you lease to others who are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages, will not be treated as your business.

**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. Employers Liability**

"Bodily injury" to:

- (1) An employee of the insured arising out of and in the course of employment by the insured; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) 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".

**f. Aircraft, Auto or Watercraft**

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

This exclusion does not apply to:

- (1) An "auto" or watercraft while on the "airport";



- (2) An "auto" or watercraft while not on the "airport" if responding to an aviation emergency; or
- (3) Liability assumed under any "insured contract" for the ownership, maintenance or use of watercraft.

**g. Mobile Equipment**

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

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to the insured; or
- (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

**h. Airmeet, Contest or Exhibition**

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

- (1) The conduct of any airmeet, contest or exhibition permitted, sponsored or participated in by any insured; or
- (2) The ownership maintenance or use of grandstands, bleachers or observation platforms.

Paragraph (1) of this exclusion does not apply to static displays.

Paragraph (2) of this exclusion does not apply to observation decks or promenades that are part of a permanent structure on the "airport".

**i. Swimming Pools or Lodging Accommodation**

"Bodily injury" or "property damage" arising out of the ownership, maintenance or use of:

- (1) Swimming pools; or
- (2) Lodging accommodation for the general public.

**j. Control Tower**

"Bodily injury" or "property damage" arising out of the direct operation of a control tower by any insured.

**k. Damage to Property**

"Property damage" to:

- (1) Property you own, rent or occupy;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned or leased to you;
- (4) Personal property, other than "aircraft", 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;
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it; or

- (7) "Aircraft" in your care, custody or control or "aircraft" while being serviced, handled or maintained by you.

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

Paragraph (4) of this exclusion does not apply to "property damage":

- (a) to an "auto" or "mobile equipment" when your control is solely traffic control, but this exception does not override Exclusion j. above;
- (b) to an "auto" while on the "airport"; or
- (c) to baggage or cargo handled by you, provided you are not handling the baggage or cargo as bailee for hire.

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

Paragraph (7) of this exclusion does not apply to "property damage" to "aircraft" when your control is solely traffic control, but this exception does not override Exclusion j above.

**i. Damage to Your Product**

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

**m. 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.

**n. 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.

**o. 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.

Exclusions c. through o. do not apply to damage by fire to premises rented to you. A separate limit of insurance applies to this coverage as described in LIMITS OF INSURANCE (SECTION IV).

## **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement .**

a. We will pay those sums that you become legally obligated to pay as damages because of "personal injury" or "advertising injury" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any offense and settle any claim or "suit" that may result, but:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION IV); and
- (2) Our duty to defend ends when we have used up the applicable LIMITS OF INSURANCE in the payment of judgments or settlements under Coverage 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, B, D AND E.

b. This insurance applies to:

- (1) "Personal injury" caused by an offense excluding advertising, publishing, broadcasting or telecasting done by or for you;
- (2) "Advertising injury" caused by an offense committed in the course of advertising your goods, products or services;

but only if:

- (a) The offense was committed or alleged to have been committed unintentionally by you or any of your employees while engaged in their employment by you; and
- (b) The offense was committed or alleged to have been committed in the "coverage territory" during the policy period and arises out of your "airport operations"

### **2. Exclusions .**

This insurance does not apply to:

a. "Personal injury" or "advertising injury":

- (1) Arising out of any oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (2) Arising out of any oral or written publication of material whose first publication took place before the beginning of the policy period;
- (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured;
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement; or

- (5) Arising out of the conduct of any airmeet, contest or exhibition permitted, sponsored or participated in by any insured. This exclusion does not apply to static displays.
- b. "Advertising injury" arising out of:
  - (1) Breach of contract, other than misappropriation of advertising ideas under an implied contract;
  - (2) The failure of goods, products or services to conform with advertised quality or performance;
  - (3) The wrong description of the price of goods, products or services; or
  - (4) An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.
- c. Any offense which was committed or alleged to have been committed in any State which does not recognize a cause of action for that offense based on negligence.

### **COVERAGE C. MEDICAL PAYMENTS**

#### **1. Insuring Agreement .**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On your "airport"; or
- (2) Because of your "airport operations";

provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident\* and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable LIMITS OF INSURANCE. We will pay reasonable expenses for:

- (1) First aid at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

#### **2. Exclusions .**

We will not pay expenses for "bodily injury":

- a. To any insured.
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an employee of the insured, if benefits for the "bodily injury" are

payable or must be provided under a workers' compensation or disability benefits law or a similar law.

- e. To a person injured while taking part in athletics.
- f. Included within the "products-completed operations hazard".
- g. Excluded under Coverage A.

#### **COVERAGE D. HANGARKEEPERS LIABILITY**

##### **1. Insuring Agreement .**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of physical injury to "aircraft" to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result, but:
  - (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION IV); and
  - (2) Our duty to defend ends when we have used up the applicable LIMITS OF INSURANCE in the payment of judgments or settlements under Coverage D.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A, B, D AND E.

- b. This insurance applies to physical injury only if:
  - (1) The "aircraft" is in your care, custody or control or while the "aircraft" is being serviced, handled or repaired by you; and
  - (2) The physical injury to "aircraft" is caused by an "occurrence" that takes place on the premises of the "airport"; and
  - (3) The physical injury to "aircraft" occurs during the policy period.
- c. Damages because of physical injury include damages claimed for all resultant loss of use of such aircraft.

##### **2. Exclusions .**

This insurance does not apply to:

- a. Physical injury to "aircraft" you own.
- b. Physical injury to "aircraft" you rent, lease or which are on loan to you.
- c. Physical injury to "aircraft" while "in flight".
- d. Physical injury to "aircraft" 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 that the insured would have in the absence of the contract or agreement.

#### **COVERAGE E. NON-OWNED AIRCRAFT LIABILITY**

##### **1. Insuring Agreement .**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have

the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "occurrence" and settle any claim or "suit" that may result, but:

- (1) The amount we will pay for damages is limited as described in LIMITS OF INSURANCE (SECTION IV); and
- (2) Our duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverage E.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SUPPLEMENTARY PAYMENTS - COVERAGES A, B, D AND E.

- 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"; and
  - (2) The "bodily injury" or "property damage" occurs during the policy period; and
  - (3) The "bodily injury" or "property damage" arises out of your use of any aircraft, or its use on your behalf, provided that:
    - (a) The aircraft is not owned by you in whole or in part;
    - (b) The aircraft is not on lease to you;
    - (c) The aircraft is not subject to a lease-purchase agreement to which you are a party; and
    - (d) The aircraft is used in connection with your "airport operations".
- c. 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. "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. "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) 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; or
  - (2) That the insured would have in the absence of the contract or agreement.
- c. "Property damage" to the aircraft.
- d. Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. "Bodily injury" to:

- (1) An employee of the insured arising out of and in the course of employment by the insured; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) 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".

f. "Bodily injury" or "property damage" included in the "products-completed operations" hazard.

g. "Bodily injury" or "property damage" arising out of your use of any aircraft or its use on your behalf, if the aircraft is operated "in flight" by a pilot who is not properly certificated and rated by the F.A.A. for the flight involved.

This exclusion does not apply if the aircraft so operated is without your knowledge or consent.

h. "Property damage" to:

- (1) Property you own, rent or occupy;
- (2) Property loaned or leased to you;
- (3) Personal property in the care, custody or control of the insured.

#### **SUPPLEMENTARY PAYMENTS - COVERAGES A, B, D AND E**

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

1. All expenses we incur.
2. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
3. The cost of bonds to release attachments, but only for bond amounts within the applicable LIMITS OF INSURANCE (SECTION IV). We do not have to furnish these bonds.
4. 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 \$100 a day because of time off from work.
5. All costs taxed against the insured in the "suit".
6. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable LIMITS OF INSURANCE, we will not pay any prejudgment interest based on that period of time after the offer.
7. 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 LIMITS OF INSURANCE.



These payments will not reduce the LIMITS OF INSURANCE.

## SECTION II - COMMON COVERAGE EXCLUSIONS

All Coverages included in this policy are subject to the following exclusions.

### A. Noise and pollution and other perils.

1. This policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:
  - (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,
  - (b) pollution and contamination of any kind whatsoever,
  - (c) electrical and electromagnetic interference,
  - (d) interference with the use of property;unless caused by or resulting in a crash fire explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.
2. With respect to any provision in the policy concerning our duty to investigate or defend claims, such provision shall not apply and we shall not be required to defend:
  - (a) claims excluded by Paragraph 1; or
  - (b) a claim or claims covered by the policy when combined with any claims excluded by Paragraph 1 (referred to below as "Combined Claims").
3. In respect of any Combined Claims, we shall (subject to proof of loss and the LIMITS OF INSURANCE) reimburse you for that portion of the following items which may be allocated to the claims covered by the policy:
  - (i) damages awarded against any insured; and
  - (ii) defense fees and expenses incurred by any insured.
4. Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this policy.

### B. War, hi-jacking and other perils.

This policy does not cover claims caused by:

- (a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.
- (b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- (c) Strikes, riots, civil commotions or labor disturbances.
- (d) Any act of one or more persons, whether or not agents of a sovereign Power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.
- (e) Any malicious act or act of sabotage.

- (f) Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any Government (whether civil military or de facto) or public or local authority.
- (g) Hi-jacking or any unlawful seizure or wrongful exercise of control of the aircraft or crew in flight (including any attempt at such seizure or control) made by any person or persons on board the aircraft acting without the consent of the Insured.

Furthermore this policy does not cover claims arising while the aircraft is outside the control of the insured by reason of any of the above perils.

The aircraft shall be deemed to have been restored to the control of the insured on the safe return of the aircraft to the insured at an airfield not excluded by the "coverage territory" of this policy, and entirely suitable for the operation of the aircraft (such safe return shall require that the aircraft be parked with engines shut down and under no duress).

**C. Radioactive Contamination.**

1. This policy does not cover:

- (a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom
- (b) any legal liability of whatsoever nature

directly or indirectly caused or contributed to by or arising from ionizing radiations or contamination by radioactivity from any source whatsoever.

2. Loss, destruction, damage, expense or legal liability which, but for the provisions of paragraph 1. of this exclusion, would be covered by this policy, and is directly or indirectly caused or contributed to by or arises from ionizing radiations or contamination by radioactivity from any radioactive materials in course of carriage as cargo under International Air Transport Association Regulations, shall (subject to all other provisions of this policy) be covered, provided that:

- a. it shall be a condition precedent to our liability that the carriage of any radioactive material shall in all respects comply with the current regulations issued by the International Air Transport Association relating to the carriage of restricted articles by air;
- b. this policy shall only apply to any claim made against the insured arising out of any accident or incident occurring during the period of this insurance and any such claim made by the insured against us or by any claimant against the insured shall have been made within three years after the date of the occurrence giving rise to the claim;
- c. the cover afforded by this paragraph 2. may be cancelled at any time by us giving seven days notice of cancellation.

**SECTION III - WHO IS AN INSURED**

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to your "airport operations".
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to your "airport operations".
- c. A public corporation, you are an insured. Your elective or appointive officers or members of any board or commission or agency of yours are also insureds, but only with respect to your

"airport operations".

- d. An organization other than a partnership, joint venture or public corporation, 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.

2. Each of the following is also an insured:

- a. Your employees, other than your executive officers, but only for acts within the scope of their employment by you with respect to your "airport operations".
- b. If you are designated in the Declarations as a public corporation, employees of your boards, commissions or agencies, other than executive officers, but only for acts within the scope of their employment by those boards, commissions or agencies with respect to your "airport operations".

However, no employee of yours or your boards, commissions or agencies is an insured for:

- (1) "Bodily injury" or "personal injury" to you or to a co-employee while in the course of his or her employment, or the spouse, child, parent, brother or sister of that co-employee as a consequence of such "bodily injury" or "personal injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury; or
- (2) "Bodily injury" or "personal injury" arising out of his or her providing or failing to provide professional health care services; or
- (3) "Property damage" to property owned or occupied by or rented or loaned to that employee, any of your other employees, or any of your partners or members (if you are a partnership or joint venture).

- c. Any person (other than your employee), or any organization, while acting as your real estate manager.
- d. Any person or organization having proper temporary custody of your property if you die, but only:
  - (1) With respect to liability arising out of the maintenance or use of that property; and
  - (2) Until your legal representative has been appointed.
- e. 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 policy.

3. 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, and only if no other insurance of any kind is available to that person or organization for this liability. 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.

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

## SECTION IV - LIMITS OF INSURANCE AND DEDUCTIBLES

### A. LIMITS OF INSURANCE

1. The LIMITS OF INSURANCE (SECTION IV) shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
  - a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for all damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
3. The Personal and Advertising Injury Aggregate Limit is the most we will pay under Coverage B for the sum of all damages because of "personal injury" and "advertising injury".
4. The Malpractice Aggregate Limit is the most we will pay under Coverage A for all damages because of "malpractice".
5. Subject to 2, 3 or 4 above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages because of all "bodily injury" and "property damage" under Coverages A and E; and
  - b. Medical expenses under Coverage C; and
  - c. Damages because of physical injury to "aircraft" under Coverage D. arising out of one "occurrence"; and
  - d. Damages because of all "personal injury" and "advertising injury" under Coverage B arising out of one offense.
6. Subject to 5. above, the Fire Damage Limit is the most we will pay under Coverage A for damages because of "property damage" to premises rented to you arising out of any one fire.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.
8. Subject to 5. above, the Hangarkeepers Limit Any One Aircraft is the most we will pay under Coverage D for damages because of physical injury sustained by any one "aircraft" and the Hangarkeepers Limit Any One Occurrence is the most we will pay under Coverage D for physical injury sustained by all "aircraft" in any one "occurrence".
9. Subject to 5. above, the Non-Owned Aircraft Liability Limit Any One Occurrence is the most we will pay under Coverage E for damages because of "bodily injury" and "property damage" arising from one "occurrence".

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

## **B. DEDUCTIBLES**

1. Our obligation to pay:
  - a. Damages because of "bodily injury" and "property damage" under Coverages A and E; and
  - b. Medical expenses under Coverage C; and
  - c. Damages because of physical injury to "aircraft" under Coverage D arising out of one occurrence; and
  - d. Damages because of "personal injury" and "advertising injury" under Coverage B arising out of any one offense

applies only to the amount of damages or medical expenses in excess of the Each Occurrence or Offense Deductible amount stated in the Declarations, but the LIMITS OF INSURANCE applicable to Each Occurrence will not be reduced by the amount of such deductible, nor will Aggregate limits for such coverages be reduced by the application of such deductible amount.

2. The Aggregate Deductible amount stated in the Declarations is the most you will have to pay for all deductible amounts under Coverages A, B, C, D and E for all damages and medical expenses.
3. The terms of this insurance, including those with respect to:
  - (a) Our right and duty to defend any "suits" seeking those damages; and
  - (b) Your duties in the event of an "occurrence", claim, or suitapply irrespective of the application of the deductible amount.
4. We may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, you shall promptly reimburse us for such the deductible amount as has been paid by us.

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

## **SECTION V - CONDITIONS**

1. **Bankruptcy.**  
Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Policy.
2. **Duties In The Event Of Occurrence, Offense, Claim Or Suit.**
  - a. You must notify us as soon as practicable of an "occurrence" or an offense 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) Fully cooperate with us in the investigation, settlement or defense of the claim or "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 insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

### 3. Legal Action Against Us.

No person or organization has a right under this policy:

- 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 policy 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 obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable LIMITS OF INSURANCE (SECTION IV). An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

### 4. Other Insurance.

If other valid and collectible insurance is available to the insured for a loss we cover under Coverage A, B, D or E of this policy, our obligations are limited as follows:

a. Primary Insurance

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

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (2) That is Fire insurance for premises rented to you; or
- (3) If the loss arises out of the maintenance or use of "autos" or watercraft to the extent not subject to Exclusion f. of Coverage A (Section I).
- (4) That is Aircraft Liability insurance on any aircraft to which Coverage E (Section I) applies.

When this insurance is excess, we will have no duty under Coverage A, B, D or E to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (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.

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

**c. Method of Sharing**

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

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

**5. Premium Audit.**

- a. We will compute all premiums for this policy in accordance with our rules and rates.
- b. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy term 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.

**6. Representations.**

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; and
- c. We have issued this policy in reliance upon your representations.

**7. Separation Of Insureds.**

Except with respect to the LIMITS OF INSURANCE (SECTION IV), and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies separately to each insured against whom claim is made or "suit" is brought.



**8. 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 Policy, 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.

**9. Changes.**

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

**10. Examination of your books and records.**

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

**11. Inspections and surveys.**

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

**12. Premiums and deductibles.**

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums and deductibles; and
2. Will be the payee for any return premiums we pay.

**13. Transfer of your rights and duties under this policy.**

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured as directed below:

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

## SECTION VI - DEFINITIONS

1. "Advertising injury" means injury arising out of one or more of the following offenses:
  - a. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - b. Oral or written publication of material that violates a person's right of privacy;
  - c. Misappropriation of advertising ideas or style of doing business; or
  - d. Infringement of copyright, title or slogan.
2. "Aircraft" under Coverage D means any aircraft or its parts or equipment.
3. "Airport" means the Airport(s) designated in the Declarations, including ways and means immediately adjoining such airport(s).
4. "Airport operations" means the ownership, maintenance, use or provision of premises, services and facilities necessary to the operation of the "airport".
5. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment, but "auto" does not include "mobile equipment".
6. "Bodily injury" means:
  - a. Bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time; or
  - b. Fright or mental anguish sustained by a person.
7. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico  
Canada;
  - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a. above; or
  - c. All parts of the world if:
    - (1) The injury or damage arises out of:
      - (a) Goods or products made or sold by you in the territory described in a. above; or
      - (b) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
    - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.
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:
  - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or

- b. Your fulfilling the terms of the contract or agreement.
9. "In flight" means:
- a. With respect to a fixed wing aircraft, from the time the aircraft moves forward in attempting to take off until the aircraft has completed its landing run.
  - b. With respect to a rotorcraft, while its rotors are in motion as a result of engine power or autorotation.
10. "Insured contract" means:
- a. A lease of premises;
  - 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 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.

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies any person or organization for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and effecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
  - b. That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (1) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
    - (2) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
  - c. Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in b. above and supervisory, inspection or engineering services; or
  - d. That indemnifies any person or organization for damage by fire to premises rented or loaned to you.
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. "Malpractice" means malpractice, error or mistake by a physician, surgeon, nurse, medical technician or other person performing medical services on behalf of an insured in the provision of emergency medical relief.
13. "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 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 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;
    - (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.
14. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
  15. "Personal injury" means injury, other than "bodily injury", arising out of one or more of the following offenses:
    - a. Mistaken 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 by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication 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 of material that violates a person's right of privacy;
- f. Unintentional discrimination;
- g. Misdirection of a passenger by an insured to the wrong aircraft, automobile or other connecting transportation; or

The offenses described in paragraph f. of this definition do not include personal injury arising out of the employment, past employment or future employment of a person by any insured.

16. a. "Products-completed operations hazard" 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.
- b. "Your work" will be deemed completed at the earliest of the following times:
- (1) When all of the work called for in your contract has been completed.
  - (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.
  - (3) 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.
- c. This hazard 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 created by the "loading or unloading" of it;
  - (2) The existence of tools, uninstalled equipment or abandoned or unused materials;
  - (3) Products or operations for which the classification in this policy or in our manual of rules includes products or completed operations.
17. "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 shall be deemed to occur at the time of the "occurrence" that caused it.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
  - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

19. "Your product" means:

- a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (1) You;
  - (2) Others trading under your name; or
  - (3) A person or organization whose business or assets you have acquired; and
- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

20. "Your work" means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- b. The providing of or failure to provide warnings or instructions.

This Endorsement effective December 8, 2014  
forms part of Policy Number AAP N11234094 001  
Issued to California State University Risk Management Authority  
By ACE Property And Casualty Insurance Company

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

**EXTENDED COVERAGE - WAR, HI-JACKING AND OTHER PERILS ENDORSEMENT**

This endorsement modifies the insurance coverage provided under your AIRPORT OWNERS AND OPERATORS GENERAL LIABILITY POLICY.

1. Paragraphs (a), (c), (d), (e), (f) and (g) of Common Coverage Exclusion B (Section II) do not apply to Coverages A, C, D, and E of this policy, SUBJECT TO all terms and conditions of this endorsement.

2. The most we will pay under this endorsement for:

(a) all "bodily injury"; and

(b) all "property damage"

combined is the Aggregate Limit shown in the Schedule below; and

The Aggregate Limit shown in the Schedule below is included within, and is not in addition to, the Limits of Liability shown in the Declarations.

3. The following definition is added to the policy:

"Certified act of terrorism" means an act certified by the Secretary of the Treasury, in concurrence with:

(a) the Secretary of State; and

(b) the Attorney General of the United States of America,

to be an act of terrorism pursuant to the Terrorism Risk Insurance Act ("TRIA").

The criteria for a "certified act of terrorism" include that the act:

A. resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and

B. is a violent act or an act that is dangerous to:

(a) human life; or

(b) property or infrastructure

and is part of an effort to:



This Endorsement effective December 8, 2014  
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By ACE Property And Casualty Insurance Company

- (c) coerce the civilian population of the United States of America; or
  - (d) influence the policy or affect the conduct of the United States Government by coercion.
4. This endorsement does not apply to:
- (a) any damage to property on the ground while outside:
    - (i) Canada, or
    - (ii) the United States of America,unless caused by or arising out of the use of aircraft;  
or
  - (b) "Certified Acts of Terrorism", if the "Amendment to Include Coverage for Certified Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism Endorsement", is attached to this policy.
5. If the "Amendment to Include Coverage for Certified Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism Endorsement" is not attached to this policy, then if:
- (a) aggregate insured losses certified under TRIA exceed \$100 billion in a Program Year (January 1 through December 31); and
  - (b) our insurer deductible under TRIA is met,
- we are not liable for such losses that exceed \$100 billion.
- In such case insured losses up to that amount will be pro-rated according to the procedures established by the Secretary of the Treasury of the United States of America.
6. The termination or cancellation of this endorsement is governed solely by paragraphs 7 and 8 below, and not by any other provision of this policy.
7. (a) This endorsement will END AUTOMATICALLY upon the outbreak of war (whether there is a declaration of war or not) between any of the following:
- (i) France,
  - (ii) the People's Republic of China,
  - (iii) the Russian Federation,
  - (iv) the United Kingdom, or
  - (v) the United States of America.
- (b) The coverage provided by deleting paragraph (a) of Common Coverage Exclusion B (section II) will END AUTOMATICALLY upon the hostile detonation of any weapon of war using:
- (i) atomic or nuclear fission and/or fusion; or

Endorsement No. 1

This Endorsement effective December 8, 2014  
forms part of Policy Number AAP N11234094 001  
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By ACE Property And Casualty Insurance Company

- (ii) other like reaction or radioactive force or matter,  
where or whenever such detonation may occur, and whether or not the insured Aircraft is involved.
- (c) All coverage for an insured Aircraft requisitioned for title or use will END AUTOMATICALLY upon such requisition.
- (d) If an insured Aircraft is in the air when 7.(a), (b) or (c) occurs, the coverage provided by this endorsement (unless otherwise cancelled, terminated or suspended) will remain in effect until:
  - (i) the insured Aircraft has completed its first landing thereafter; and
  - (ii) all passengers have disembarked.
- 8. (a) We may give 7 days notice to review the premium and/or geographical limits of your policy at any time.
- (b) We may review premium and/or geographical limits on any January 1, April 1, July and October 1 of the year(s) during the policy period.
- (c) We will send a notice advising you of any change in the premium and/or geographical limits at least 7 days before the effective date of any such change.
- (d) Following a hostile detonation as specified in 7(b) above, we may give 48 hours notice of a full or partial cancellation of this endorsement.
- (e) This endorsement may be cancelled by us or you by giving 7 days notice at any time.
- (f) All notices shall be in writing, and are effective after the specified period of notice beginning at 23.59 hours Greenwich Mean Time on the day notice is given.

All other terms and conditions of this policy remain unchanged.

#### SCHEDULE

Aggregate Limit: The aggregate limit for this endorsement No. 1 and endorsement No. 2 of this policy combined is \$5,000,000

Annual Additional Premium:

Premium Due Hereon:

Authorized Representative

Endorsement No. 1

AAP 203 (02-08)

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12/11/2014

This Endorsement effective December 8, 2014  
forms part of Policy Number AAP N11234094 001  
Issued to California State University Risk Management Authority  
By ACE Property And Casualty Insurance Company

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**EXTENDED COVERAGE - WAR, HI-JACKING AND OTHER PERILS ENDORSEMENT**

This endorsement modifies the insurance coverage provided under your AIRPORT OWNERS AND OPERATORS GENERAL LIABILITY POLICY.

1. Paragraphs (a), (c), (d), (e), (f) and (g) of Common Coverage Exclusion B (Section II) do not apply to Coverages A, C, D, and E of this policy, SUBJECT TO all terms and conditions of this endorsement.

2. The most we will pay under this endorsement for:

- (a) all "bodily injury"; and
- (b) all "property damage"

combined is the Aggregate Limit shown in the Schedule below; and

The Aggregate Limit shown in the Schedule below is included within, and is not in addition to, the Limits of Liability shown in the Declarations.

3. The following definition is added to the policy:

"Certified act of terrorism" means an act certified by the Secretary of the Treasury, in concurrence with:

- (a) the Secretary of State; and
- (b) the Attorney General of the United States of America,

to be an act of terrorism pursuant to the Terrorism Risk Insurance Act ("TRIA").

The criteria for a "certified act of terrorism" include that the act:

- A. resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
- B. is a violent act or an act that is dangerous to:

- (a) human life; or
- (b) property or infrastructure

and is part of an effort to:

This Endorsement effective December 8, 2014  
forms part of Policy Number AAP N11234094 001  
Issued to California State University Risk Management Authority  
By ACE Property And Casualty Insurance Company

- (c) coerce the civilian population of the United States of America; or
- (d) influence the policy or affect the conduct of the United States Government by coercion.

4. This endorsement does not apply to:

(a) any damage to property on the ground while outside:

- (i) Canada, or
- (ii) the United States of America,

unless caused by or arising out of the use of aircraft;

or

(b) "Certified Acts of Terrorism", if the "Amendment to Include Coverage for Certified Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism Endorsement", is attached to this policy.

5. If the "Amendment to Include Coverage for Certified Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism Endorsement" is not attached to this policy, then if:

(a) aggregate insured losses certified under TRIA exceed \$100 billion in a Program Year (January 1 through December 31); and

(b) our insurer deductible under TRIA is met,

we are not liable for such losses that exceed \$100 billion.

In such case insured losses up to that amount will be pro-rated according to the procedures established by the Secretary of the Treasury of the United States of America.

All other terms and conditions of this policy remain unchanged.

#### SCHEDULE

Aggregate Limit:

The aggregate limit for this endorsement No. 2 and endorsement No. 1 of this policy combined is \$5,000,000

Annual Additional Premium:

Premium Due Hereon:

Authorized Representative

Endorsement No. 2

AAP 203A (02-08)

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12/11/2014

This Endorsement effective December 8, 2014  
forms part of Policy Number AAP N11234094 001  
Issued to California State University Risk Management Authority  
By ACE Property And Casualty Insurance Company

### NUCLEAR RISKS EXCLUSION CLAUSE

It is understood and agreed that the Radioactive Contamination exclusion under part C. of the Common Coverage Exclusions (Section II) is deleted and replaced with the following:

- (1) This Policy does not cover:
  - (i) loss of or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
  - (ii) any legal liability of whatsoever naturedirectly or indirectly caused by or contributed to by or arising from:
  - (a) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
  - (b) the radioactive properties of, or a combination of radioactive properties with toxic, explosive or other hazardous properties of, any other radioactive material in the course of carriage as cargo, including storage or handling incidental thereto;
  - (c) ionizing radiations or contamination by radioactive form, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.
- (2) It is understood and agreed that such radioactive material or other radioactive source in paragraph (1)(b) and (c) above shall not include:
  - (i) depleted uranium and natural uranium in any form;
  - (ii) radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational, or industrial purpose.
- (3) This Policy, however, does not cover loss of or destruction of or damage to any property or any consequential loss or any legal liability of whatsoever nature with respect to which:
  - (i) the Insured under this Policy is also an insured or an additional insured under any other insurance policy, including any nuclear energy liability policy; or
  - (ii) any person or organization is required to maintain financial protection pursuant to legislation in any country; or
  - (iii) the Insured under this Policy is, or had this Policy not been issued would be, entitled to indemnification from any government or agency thereof.
- (4) Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of paragraph (2) shall (subject to all other terms, conditions, limitations, warranties and exclusions of this Policy) be covered, provided that:

This Endorsement effective December 8, 2014  
 forms part of Policy Number AAP N11234094 001  
 Issued to California State University Risk Management Authority  
 By ACE Property And Casualty Insurance Company

NUCLEAR RISKS EXCLUSION CLAUSE (CONT'D.)

- (i) in the case of any claim in respect of radioactive material in the course of carriage as cargo, including storage or handling incidental thereto, such carriage shall in all respects have complied with the full International Civil Aviation Organization "Technical Instructions for the Safe Transport of Dangerous Goods by Air", unless the carriage shall have been subject to any more restrictive legislation, when it shall in all respects have complied with such legislation;
- (ii) this Policy shall only apply to an incident happening during the period of this Policy and where any claim by the Insured against us or by any claimant against the Insured arising out of such incident shall have been made within three years after the date thereof;
- (iii) in the case of any claim for the loss of or destruction of or damage to or loss of use of an aircraft caused by or contributed to by radioactive contamination, the level of such contamination shall have exceeded the maximum permissible level set out in the following scale:

Emitter (IAEA Health and Safety Regulations)	Maximum permissible level of non-fixed radioactive surface contamination (Averaged over 300 cm <sup>2</sup> )
Beta, gamma and low toxicity alpha emitters	Not exceeding 4 Bequerels/cm <sup>2</sup> (10 <sup>-4</sup> microcuries / cm <sup>2</sup> )
All other emitters	Not exceeding 0.4 Bequerels/cm <sup>2</sup> (10 <sup>-5</sup> microcuries / cm <sup>2</sup> )

- (iv) the cover afforded hereby may be cancelled by us at any time by giving seven days' notice of cancellation.

Authorized Representative

This Endorsement effective            December 8, 2014  
forms part of Policy Number        AAP N11234094 001  
Issued to                                    California State University Risk Managment Authority  
By ACE Property And Casualty Insurance Company

### PERSONAL INJURY LIMITATION ENDORSEMENT

This endorsement modifies insurance provided under AIRPORT OWNERS AND OPERATORS GENERAL LIABILITY POLICY.

In consideration of the premium at which this policy is written, it is understood and agreed that:

1. the definition of "personal injury" is amended by the deletion of offense f. (Unintentional Discrimination) and this policy, as a result, provides no coverage for discrimination of any description.
2. the offenses described in the definition of "personal injury" do not include "personal injury" arising out of the employment, past employment or future employment of a person by any insured.

Authorized Representative

Endorsement No. 4

AAP 242 (11/99)

12/11/2014



This Endorsement effective            December 8, 2014  
forms part of Policy Number        AAP N11234094 001  
Issued to                                    California State University Risk Management Authority  
By ACE Property And Casualty Insurance Company

### AIRPORT OPERATIONS CHANGE ENDORSEMENT

This endorsement modifies insurance provided under AIRPORT OWNERS AND OPERATORS GENERAL LIABILITY POLICY.

In consideration of the premium at which this policy is written, it is understood and agreed that wherever the term "airport operations" appears in this policy, the same is deemed to read "aviation operations", which is defined as follows:

"Aviation operations" means your operations:

- a. Involving aircraft or any parts or equipment relating to aircraft; or
- b. At any airport, airfield or heliport; or
- c. At any other location in connection with your business of transporting passengers or goods by air;  
or
- d. Involving the supply of goods and services to others:
  1. In connection with the use and/or operation of aircraft; or
  2. Involved in the air transportation industry.

\_\_\_\_\_  
Authorized Representative

Endorsement No. 5

AAP 243 (11/99)

12/11/2014

This Endorsement effective            December 8, 2014  
forms part of Policy Number        AAP N11234094 001  
Issued to                                    California State University Risk Management Authority  
By ACE Property And Casualty Insurance Company

### VOLUNTEERS ENDORSEMENT

In consideration of the premium at which this policy is written, it is understood and agreed that:

1.    Wherever the word employee appears in this policy, the same is deemed to include the insured's volunteers.
  
2.    Wherever reference is made in this policy to the Insured's employment of an employee, the same shall be deemed to also refer to the activities of the Insured's volunteers on behalf of the Insured.

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Authorized Representative

Endorsement No.    6

AAP 248 (11/99)

12/11/2014

This Endorsement effective            December 8, 2014  
forms part of Policy Number        AAP N11234094 001  
Issued to                                    California State University Risk Management Authority  
By ACE Property And Casualty Insurance Company

#### DATE RECOGNITION EXCLUSION CLAUSE

This policy does not cover any claim, damage, injury, loss, cost, expense or liability (whether in contract, tort, negligence, product liability, misrepresentation, fraud or otherwise) of any nature whatsoever arising from or occasioned by or in consequence of (whether directly or indirectly and whether wholly or partly):

- (a) the failure or inability of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) accurately or completely to process, exchange or transfer year, date or time data or information in connection with:
  - the change of year from 1999 to 2000; and/or
  - the change of date from 21 August 1999 to 22 August 1999; and/or
  - any other change of year, date or time;whether on or before or after such change of year, date or time;
- (b) any implemented or attempted change or modification of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) in anticipation of or in response to any such change of year, date or time, or any advice given or services performed in connection with any such change or modification;
- (c) any non-use or unavailability for use of any property or equipment of any kind whatsoever resulting from any act, failure to act or decision of the Insured or of any third party related to any such change of year, date or time;

and any provision in this policy concerning any duty of Insurers to investigate or defend claims shall not apply to any claims so excluded.

Authorized Representative

Endorsement No. 7

AAP 256 (11/99)

12/11/2014

This Endorsement effective            December 8, 2014  
forms part of Policy Number        AAP N11234094 001  
Issued to                                    California State University Risk Management Authority  
By ACE Property And Casualty Insurance Company

#### DATE RECOGNITION LIMITED COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under AIRPORT OWNERS AND OPERATORS GENERAL LIABILITY POLICY.

In consideration of the premium at which this policy is written, it is understood and agreed that the Date Recognition Exclusion Endorsement - AAP 256 (11/99) shall not apply to any "bodily injury" or "property damage" coverage provided by this policy, subject to the following provisions:

1. The term "property damage", as respects the insurance afforded by this endorsement, is redefined as follows:  
  
"Property damage" means physical injury to tangible property, including all resultant loss of use of that property. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
2. The insurance afforded by this endorsement shall not apply with respect to any coverage for which this policy indicates the existence of underlying insurance.

All other terms and conditions remain unchanged.

Authorized Representative

Endorsement No. 8

AAP 255 (03-08)

12/11/2014

This Endorsement effective December 8, 2014  
forms part of Policy Number AAP N11234094 001  
Issued to California State University Risk Management Authority  
By ACE Property And Casualty Insurance Company

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

**AMENDMENT TO INCLUDE COVERAGE FOR CERTIFIED ACTS OF TERRORISM;  
CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under AIRPORT OWNERS AND OPERATORS GENERAL LIABILITY POLICY.

1. No exclusion of terrorism contained in this policy applies to a "certified act of terrorism".
2. In the event that:
  - (a) aggregate insured losses certified under the federal Terrorism Risk Insurance Act (hereafter TRIA) exceed \$100 billion in a Program Year (January 1 through December 31); and
  - (b) our insurer deductible under TRIA is met,

we are not liable for payment in relation to such losses that exceed \$100 billion.

In such case insured losses up to that amount will be pro-rated according to the procedures established by the Secretary of the Treasury of the United States of America.

3. "Certified act of terrorism" means an act certified by the Secretary of the Treasury, in concurrence with:
  - (a) the Secretary of State; and
  - (b) the Attorney General of the United States of America,

to be an act of terrorism pursuant to TRIA.

The criteria for a "certified act of terrorism" include that the act:

- A. resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
- B. is a violent act or an act that is dangerous to:
  - (a) human life; or
  - (b) property or infrastructure

and is part of an effort to:

- (c) coerce the civilian population of the United States of America; or
- (d) influence the policy or affect the conduct of the United States Government by coercion.

4. Premium: Premium as stated on Endorsement TRIA11b (01-08), as attached to this policy.

Authorized Representative

Endorsement No. 9

AAP 270 (02-08)

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12/11/2014

This Endorsement effective December 8, 2014  
forms part of Policy Number AAP N11234094 001  
Issued to California State University Risk Management Authority  
By ACE Property And Casualty Insurance Company

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

**DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT**

**Disclosure of Premium**

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

**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.

**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.

Terrorism Risk Insurance Act premium:

Authorized Representative

Endorsement No. 10

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TRIA11b (01-08)

12/11/2014

This Endorsement effective December 8, 2014  
forms part of Policy Number AAP N11234094 001  
Issued to California State University Risk Management Authority  
By ACE Property And Casualty Insurance Company

## POLLUTION ENDORSEMENT

1. Section II, Common Coverage Exclusions, is amended by deleting exclusion A and inserting the following:

**A. Noise and pollution and other perils.**

This Policy does not cover claims directly or indirectly, occasioned by, happening through, in consequence of:

- (a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith;
- (b) "Pollution" or contamination of any kind whatsoever;
- (c) electrical or electromagnetic emission or interference of any kind whatsoever,;
- (d) interference with the use of property;
- (e) any direction, obligation, request, demand, order, or statutory or regulatory requirement, or any voluntary decision to do so, that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, protect against or in any other way respond to the actual, alleged or threatened presence of "Pollutants" or "Waste".

unless caused by or resulting in a crash, fire, explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.

2. Section VI, Definitions, is amended by as follows:

- a. Definition 6, the definition of "bodily injury", shall be amended by adding the following:

"Bodily injury" also means fear of bodily injury, sickness, disease, fright or mental anguish.

- b. The following definitions are added:

"Pollution" means the mere presence of "Pollutants" in any form, as well as the actual, alleged or threatened discharge, dispersal, release, escape, seepage, migration or disposal of "Pollutants" in any form.

"Pollutants" include, without limitation, solid, liquid, gaseous or thermal irritants, any air emission, contaminant, smoke, vapor, soot, fume, acid, alkali, chemical, "waste", or any material alleged to be a possible or probable carcinogenic, odor, waste water, oil or other petroleum product, infectious or medical waste, asbestos or asbestos product, fungus (including mold or mildew or any mycotoxin, spore, scent or byproduct produced or released by fungi, other than any fungi intended by the insured for consumption.)

"Waste" includes materials to be recycled, reconditioned or reclaimed, whether or not the material has been disposed of by you or any person handling the waste.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

Endorsement No. 11

AAP 273 (11-03)

Page 1 of 1

12/11/2014



This Endorsement effective December 8, 2014  
forms part of Policy Number AAP N11234094 001  
Issued to California State University Risk Management Authority  
By ACE Property And Casualty Insurance Company

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

**LIMITED TERRORISM COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under AIRPORT OWNERS AND OPERATORS GENERAL LIABILITY POLICY.

1. Any terrorism exclusion in this policy shall not apply to an "act of terrorism" which:
  - (a) results in losses no greater than \$5,000,000 in the aggregate, attributable to all types of insurance; and
  - (b) is not otherwise excluded by this policy.

2. Additional definition

"Act of terrorism" means an act that is:

1.
  - (a) dangerous to human life; or
  - (b) property; or
  - (c) infrastructure
2. committed by an individual or individuals, and
3. seen as part of an effort to:
  - (a) coerce a civilian population; or
  - (b) influence the policy or affect the conduct of any government by coercion.

Multiple "acts of terrorism" which:

- (a) occur in a seventy-two hour period; and

which appear to:

- (b) be carried out in concert; or
- (c) have a related purpose; or
- (d) have common leadership

shall be deemed one "act of terrorism".

All other terms and conditions of this policy remain unchanged.

Authorized Representative

Endorsement No. 12

AAP 275 (02-08)

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This Endorsement effective December 8, 2014  
forms part of Policy Number AAP N11234094 001  
Issued to California State University Risk Management Authority  
By ACE Property And Casualty Insurance Company

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

**SILICA AND SILICA-RELATED DUST EXCLUSION**

It is agreed that:

1. SECTION 1 - COVERAGES is amended at COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, subsection 2. Exclusions by adding the following new exclusion:

**Dust or Particulate Matter**

This insurance does not apply to:

- (1) "Bodily injury" arising out of, resulting from, or in any way related to, in whole or in part, the respiration, inspiration, inhalation or breathing in of dust or particulate matter. Dust or particulate matter may include, but is not limited to: dust, particulate matter, inspirable dust, respirable dust, smoke, mist, dirt, fibers, grit, soot, salt, acids, bases, metals, aerosols, crystals, minerals, sand, silicates, or silica.; or
- (2) Any loss, cost or expense arising, in whole or in part, 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, such dust or particulate matter, by any insured or by any other person or entity;

unless caused by or resulting in a crash, fire, explosion or collision or recorded in-flight emergency causing abnormal aircraft operation.

2. The addition of this endorsement does not imply that other policy provisions, including but not limited to any pollution exclusion or asbestos exclusion, do not also exclude coverage for dust or particulate matter related injury, damage, expense, cost, loss, liability, or legal obligation.

All other terms and conditions remain unchanged.

Authorized Representative

This Endorsement effective December 8, 2014  
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**CONDITIONAL EXCLUSION OF TERRORISM ENDORSEMENT**

**(RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE PROGRAM  
REAUTHORIZATION ACT OF 2007)**

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

**This endorsement modifies insurance provided under the following:**

**Airport Owners and Operators General Liability Policy**

It is agreed that:

**A. Applicability of the Provisions of this Endorsement**

1. The provisions of this endorsement will become applicable commencing on the date when the following first occurs, but if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins:
  - a. The federal Terrorism Risk Insurance Program ("Program"), established pursuant to the Terrorism Risk Insurance Act ("TRIA"), has terminated with respect to the type of insurance provided under this policy; or
  - b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
    - (1) Increase our statutory percentage deductible under the Program for terrorism losses (that deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses); or
    - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
    - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
2. If the provisions of this endorsement become applicable, such provisions:
  - a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to an incident(s) of terrorism (however defined) which results in injury, loss or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first

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being made on or after the date when the provisions of this endorsement become applicable);  
and

b. Remain applicable unless we notify the Named Insured of changes in these provisions, in response to federal law

3. If the provisions of this endorsement do NOT become applicable, any terrorism provision already included with or endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism" will continue in effect unless we notify you of changes to that provision in response to federal law.

B. The following definitions are added and apply under this endorsement wherever the term terrorism or the phrase any injury or damage are enclosed in quotation marks.

1. "Terrorism" means activities against persons, organizations or property of any nature:

a. That involve the following or preparation for the following:

- (1) Use or threat of force or violence; or
- (2) Commission or threat of a dangerous act; or
- (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

b. When one or both of the following applies:

- (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

2. "Any injury or damage" means any injury or damage covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part or Policy.

C. The following exclusion is added:

We will not pay for "any injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury or damage" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage.

But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":

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1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or
  - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether whether the thresholds in Paragraphs C.5. or C.6. are exceeded

With respect to this Exclusion, Paragraphs C.5. and C.6. describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Part or Policy.

In the event of any incident of "terrorism" that is not subject to this Exclusion, coverage does not apply to "any injury or damage" that is otherwise excluded under this Coverage Part or Policy.

All other terms and conditions remain unchanged

Authorized Representative

Endorsement No. 13

This Endorsement effective  
forms part of Policy Number  
Issued to  
By ACE Property And Casualty Insurance Company

**DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE PURSUANT TO TERRORISM  
RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF 2007**

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

**Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Program Reauthorization Act of 2007 ("Reauthorization Act"), we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Reauthorization Act. The portion of your premium attributable to such coverage is shown in this endorsement or in the policy Declarations.

**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 Reauthorization 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.

**Cap On Insurer Participation In Payment Of Terrorism Losses**

If aggregate insured losses attributable to terrorist acts certified under the Reauthorization Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Reauthorization 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.

**Possibility of Additional or Return Premium**

The premium attributable to coverage for terrorist acts certified under the Reauthorization Act is calculated based in part on the federal participation in payment of terrorism losses as set forth in the Reauthorization Act. The Reauthorization Act is scheduled to expire **December 31, 2014**, unless extended by the federal government. If the federal program expires or if the level or terms of federal participation change, the estimated premium shown below in B. may not apply or may be subject to change.

Continuation of coverage for terrorist acts certified under the Reauthorization Act, or termination of such coverage, will be determined upon disposition of the federal program. In either case, when disposition of the federal program is determined, we will recalculate the premium shown below in B. and will charge additional premium or refund unearned premium, as applicable.

If we notify you of an additional premium charge, the additional premium will be due as specified in such notice.

**Terrorism Risk Insurance Program Reauthorization Act Premium:**

- A. Premium through December 31, 2014:**
- B. Estimated Premium after December 31, 2014:**

Endorsement No 14

This Endorsement effective            December 8, 2014  
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Issued to                                    California State University Risk Managment Authority  
By ACE Property And Casualty Insurance Company

### **TRADE OR ECONOMIC SANCTIONS ENDORSEMENT**

This endorsement modifies insurance provided under AIRPORT OWNERS AND OPERATORS GENERAL LIABILITY POLICY.

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

All other terms and conditions of the policy remain unchanged.

Authorized Representative

Endorsement No. 15

ALL-21101 (11-06)

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Issued to California State University Risk Management Authority  
By ACE Property And Casualty Insurance Company

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

**INFRINGEMENT OF COPYRIGHT, PATENT, TRADEMARK OR TRADE SECRET  
EXCLUSION ENDORSEMENT**

This Endorsement modifies insurance provided under AIRPORT OWNERS AND OPERATORS GENERAL LIABILITY POLICY.

It is agreed that:

1. The following definition is added to SECTION VI - DEFINITIONS:

"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 web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. The following exclusion is added to SECTION I - COVERAGES, COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions:

This insurance does not apply to "personal and advertising injury" 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.

All other terms and conditions remain unchanged.

Authorized Representative

This Endorsement effective            December 8, 2014  
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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ CAREFULLY.**  
**AMENDMENT TO SUPPLEMENTARY PAYMENTS (COURT COSTS) ENDORSEMENT**

This Endorsement modifies insurance provided under AIRPORT OWNERS AND OPERATORS GENERAL LIABILITY POLICY.

It is agreed that SECTION I - COVERAGES, SUPPLEMENTARY PAYMENTS - COVERAGES A, B, D AND E is amended by deleting subsection 5. and replacing it with the following:

5. all court costs taxed against the insured.

All other terms and conditions remain unchanged.

Authorized Representative

Endorsement No. 17

AAP 307 (03-08)

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This Endorsement effective December 8, 2014  
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## CALIFORNIA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under AIRPORT OWNERS AND OPERATORS GENERAL LIABILITY POLICY.

The following condition is added to SECTION V - CONDITIONS.

### CANCELLATION

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

#### 2. All Policies In Effect For 60 Days or Less

If this Policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured at the mailing address shown in the policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

- a. 10 days before the effective date of cancellation if we cancel for:
  - (1) Nonpayment of premium; or
  - (2) Discovery of fraud or material misrepresentation by:
    - (a) Any insured or his or her representative in obtaining this insurance; or
    - (b) You or your representative in pursuing a claim under this policy.
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

#### 3. All Policies In Effect For More Than 60 Days

- a. If this Policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:
  - (1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
  - (2) Discovery of fraud or material misrepresentation by:
    - (a) Any insured or his or her representative in obtaining this insurance; or
    - (b) You or your representative in pursuing a claim under this policy.
  - (3) Judgment by a court or an administration tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.
  - (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
  - (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
  - (6) A determination by the Commissioner of Insurance that the:
    - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or

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- (b) Continuation of the policy coverage would:
  - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
  - (ii) Threaten our solvency.
- (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
  - (1) 10 days before the effective date of cancellation if we cancel for a reason listed in Paragraph 3.a.(1) or 3.a.(2); or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.
- 4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- 5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- 6. If notice is mailed, proof of mailing will be sufficient proof of notice.

#### **NONRENEWAL**

- 1. Subject to the provisions of Paragraph 2. below, if we elect not to renew this policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.
- 2. We are not required to send notice of nonrenewal in the following situations:
  - a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.
  - b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph 1. above.
  - c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
  - d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
  - e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
  - f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph 1. above, to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

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#### UTAH CHANGES

This endorsement modifies insurance provided under AIRPORT OWNERS AND OPERATORS GENERAL LIABILITY POLICY.

- A. The Condition titled Duties In The Event Of Occurrence, Offense, Claim Or Suit is amended to include:  
"Notice to our authorized representative is notice to us."
- B. The Legal Action Against Us Condition does not apply.

