



BeazleyOne ENVIRO INSURANCE POLICY

ENGINEERS, CONSULTANTS AND CONTRACTORS PROFESSIONAL LIABILITY, CONTRACTORS POLLUTION LIABILITY, GENERAL LIABILITY, PERSONAL AND ADVERTISING INJURY LIABILITY, TRANSPORTATION POLLUTION LIABILITY, NAMED INSURED LOCATION POLLUTION LIABILITY, NON-OWNED DISPOSAL SITE POLLUTION LIABILITY, TECHNOLOGY BASED SERVICES, TECHNOLOGY PRODUCTS, COMPUTER NETWORK SECURITY, AND PRIVACY LIABILITY INSURANCE

NOTICE: This coverage is provided on a Claims Made and Reported Basis. Except as otherwise provided, this coverage applies only to **Claims** first made against the **Insured** during the **Policy Period** and reported in writing to the Underwriters pursuant to the terms of this Insurance Policy. Upon exhaustion of the Limit of Liability stated in Item 3.(a) of the Declarations by payment of **Claims Expenses**, the Limit of Liability available to pay **Damages**, as stated in Item 3.(b) of the Declarations, shall be reduced and may be completely exhausted by payment of **Claims Expenses**. Please review the coverage afforded under this Insurance Policy carefully and discuss the coverage hereunder with your insurance agent or broker.

In consideration of the payment of the premium and reliance upon the statements in the **Application** which is deemed a part of this Insurance Policy (hereinafter referred to as the "Policy" or "Insurance") and subject to the Limit of Liability, deductible, exclusions, conditions and other terms of this Insurance, the Underwriters agree with the **Named Insured**:

I. INSURING CLAUSE

To pay on behalf of the **Insured Damages** and **Claims Expenses**, in excess of the Each **Claim** Deductible, which the **Insured** shall become legally obligated to pay because of any **Claim** first made against the **Insured** during the **Policy Period** or **Optional Extension Period** (if applicable) and reported in writing to the Underwriters either during the **Policy Period**, within sixty (60) days after the expiration of the **Policy Period**, or during the **Optional Extension Period** (if applicable) arising out of one or more of the following acts or events committed or taking place on or after the Retroactive Date set forth in Item 6. of the Declarations and before the end of the **Policy Period**:

A. **Engineers, Consultants and Contractors Professional Liability Coverage**

any act, error or omission in rendering or failing to render **Professional Services** by the **Insured** or by any person, including an independent

contractor, for whose act, error or omission the **Named Insured** is legally responsible;

B. Contractors Pollution Liability Coverage

a **Pollution Condition** arising out of the performance of or failing to perform **Contracting Services** by the **Insured** or by any person, including an independent contractor, for whom the **Named Insured** is legally responsible;

C. General Liability Coverage

Bodily Injury or Property Damage caused by an **Occurrence**;

D. Personal and Advertising Injury Coverage

liability imposed by law or **Assumed Under Contract** arising out of **Personal and Advertising Injury** in the course of the **Named Insured's** business, which shall include, but not be limited to, the performance of **Professional Services** or **Media Activities**, and if Insuring Clauses I.H., I.I., I.J., and I.K. are purchased, **Technology Based Services**;

E. Transportation Pollution Liability Coverage

a **Pollution Condition** wholly occurring during and resulting solely from **Transportation**.

This Insuring Clause shall not be utilized to evidence financial responsibility of any **Insured** under any federal, state, provincial or local law;

F. Named Insured Location Pollution Liability Coverage

a **Pollution Condition**, originating from a **Named Insured Location**, that is on, at, under or migrates from such **Named Insured Location**; provided that the **Pollution Condition** is both sudden and accidental and first commences during the **Policy Period** and finally ends within seven (7) consecutive days from its first commencement; or

G. Non-Owned Disposal Site Pollution Liability Coverage

a **Pollution Condition**, originating from a **Non-Owned Disposal Site**, that is on, at, under or migrates from such **Non-Owned Disposal Site**; provided that the **Pollution Condition** arises from waste or materials generated by the performance of **Contracting Services** or originating from a **Named Insured Location**.

The following Insuring Clause I.H., I.I., I.J. and I.K. only applies if Item 7. of the Declarations indicates that these Coverages have been purchased.

H. Technology Based Services Coverage

any negligent act, error or omission, or any unintentional breach of contract, in rendering or failing to render **Technology Based Services** by the **Insured** or by any person, including an independent contractor, for whose negligent act, error or omission or unintentional breach of contract the **Named Insured** is legally responsible;

I. **Technology Products Coverage**

any negligent act, error or omission, or any unintentional breach of contract, by the **Insured** that results in the failure of **Technology Products** to perform the function or serve the purpose intended;

J. **Computer Network Security Coverage**

any act, error or omission in the course of providing or managing **Computer Systems** security by the **Insured** or by any person, including an independent contractor, for whose act, error or omission the **Named Insured** is legally responsible that results in:

1. the inability of a third party, who is authorized to do so, to gain access to **Computer Systems** or your **Technology Based Services**;
2. the failure to prevent **Unauthorized Access** to **Computer Systems** that results in:
 - a. the destruction, deletion or corruption of electronic data on **Computer Systems**;
 - b. **Theft of Data** from **Computer Systems**; or
 - c. denial of service attacks against Internet sites or computers; or
3. the failure to prevent transmission of **Malicious Code** from **Computer Systems** to third party computers and systems; or

K. **Privacy Liability Coverage**

1. theft or misuse of **Personally Identifiable Non-Public Information** or **Third Party Corporate Information** that is in the care, custody or control of the **Named Insured**, or an independent contractor that is holding or processing such information on behalf of the **Named Insured**;
2. the **Named Insured's** failure to timely disclose a **Security Breach** in violation of any **Breach Notice Law**;
3. failure by the **Insured** to comply with that part of a **Privacy Policy** that specifically:

- a. prevents or prohibits improper or intrusive collection of **Personally Identifiable Non-Public Information** from a person;
- b. requires notice to a person of the **Named Insured's** collection or use of, or the nature of the collection or use of his or her **Personally Identifiable Non-Public Information**;
- c. provides a person with the ability to assent to or withhold assent for (e.g. opt-in or opt-out) the **Named Insured's** collection or use his or her **Personally Identifiable Non-Public Information**;
- d. prohibits or restricts the **Named Insured's** disclosure, sharing or selling of a person's **Personally Identifiable Non-Public Information**;
- e. requires the **Named Insured** to provide access to **Personally Identifiable Non-Public Information** or to correct incomplete or inaccurate **Personally Identifiable Non-Public Information** after a request is made by a person; or
- f. mandates procedures and requirements to prevent the loss of **Personally Identifiable Non-Public Information**;

provided the **Named Insured** must, at the time of such acts, errors or omissions have in force a **Privacy Policy** that addresses those subsections above that are relevant to such **Claim**.

Provided, however, this Insurance shall not apply to any **Claim** for or arising out of the disclosure, misuse or misappropriation of any ideas, trade secrets or confidential information that came into the possession of any person prior to the date he or she became an employee, officer, director, principal or partner of the **Named Insured**.

II. SUPPLEMENTARY PAYMENTS

All payments made under this Clause are not subject to the Each **Claim** Deductible and are payable by the Underwriters in addition to the Limits of Liability.

A. Pre-Claims Assistance

If the **Insured** reports a **Circumstance** during the **Policy Period**, in accordance with Clause XII.B., until such time a **Claim** is made, any costs or expenses the Underwriters incur as a result of investigating or monitoring such **Circumstance**, will be paid for by the Underwriters. The decision to incur any costs or expenses to monitor or investigate such **Circumstance** shall be at the sole discretion of the Underwriters.

B. Defendants Reimbursement

Upon the Underwriters request, the **Insured** shall attend mediation meetings, arbitration proceedings, hearings, depositions and trials relative to the defense of a **Claim**. After the first three (3) days' attendance required for each **Claim**, the Underwriters shall reimburse the **Insured**, upon written request, for actual loss of earnings and reasonable expenses due to such attendance up to \$500 for each day in the aggregate for all **Insureds** subject to a maximum amount of \$10,000 for each **Claim**.

C. ADA, FHA, OSHA Regulatory / Administrative Actions Reimbursement

The Underwriters will reimburse the **Insured**, upon written request, for legal fees and expenses up to \$30,000 in the aggregate for the **Policy Period**, incurred by the **Insured** with the prior written consent of the Underwriters, in responding to a regulatory or administrative action brought directly against the **Insured** during the **Policy Period** by a government agency under the Americans with Disabilities Act of 1990 (ADA), the Fair Housing Act (FHA) or the Occupational Safety and Health Act (OSHA) or any similar law or legislation of any state provided that the regulatory or administrative action:

1. arises out of the rendering of or failure to render **Professional Services**; and
2. is reported to the Underwriters during the **Policy Period**.

After the Underwriters have paid \$30,000 under this Clause II.C., the Underwriters shall not be obligated to pay any further legal fees and expenses.

D. Disciplinary Proceedings Reimbursement

The Underwriters will reimburse the **Insured**, upon written request, for legal fees and expenses up to \$10,000 in the aggregate for the **Policy**

Period, incurred by the **Insured** with the prior written consent of the Underwriters, in responding to a disciplinary proceeding brought directly against the **Insured** during the **Policy Period** provided that the disciplinary proceeding:

1. arises out of the rendering of or failure to render **Professional Services**; and
2. is reported to the Underwriters during the **Policy Period**.

After the Underwriters have paid \$10,000 under this Clause II.D., the Underwriters shall not be obligated to pay any further legal fees and expenses.

E. Reputation Management Reimbursement

The Underwriters will reimburse the **Named Insured** fifty percent (50%) of the first \$30,000 in Reputational Management Expenses in the aggregate for the **Policy Period** incurred by the **Named Insured** for reputational management consulting services which are incurred in connection with a **Claim** covered under this Policy that the **Named Insured** reasonably believes will have a material adverse effect upon the **Named Insured's** reputation.

Reputational Management Expenses means reasonable fees, costs, and expenses incurred by the **Named Insured** for reputational management consulting services provided by a public relations firm to the **Named Insured** in response to a **Claim**.

After the Underwriters have paid \$15,000 under this Clause II.E., the Underwriters shall not be obligated to pay any further Reputational Management Expenses.

F. Medical Payments Reimbursement

The Underwriters will reimburse the **Named Insured** for Medical Expenses up to \$30,000 in the aggregate for the **Policy Period** incurred as a result of **Bodily Injury** caused by an accident on premises owned or rented by the **Named Insured** or arises out of the rendering of or failing to render **Professional Services** or the performance of or failing to perform **Contracting Services** by the **Named Insured** provided that:

1. the accident takes place during the **Policy Period**;
2. the expenses are incurred and reported to the Underwriters within one year of the date of the accident;
3. the injured person submits to examination, at the Underwriters' expense, by physicians of the Underwriters' choice as often as they reasonably require; and

4. the injured person is not an employee of the **Insured** or an employee of any subcontractor or subconsultant working on behalf of the **Named Insured**.

Medical Expenses shall mean:

- a. first aid administered at the time of an accident;
- b. necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- c. necessary ambulance, hospital, professional nursing and funeral services.

The Underwriters will make these payments regardless of fault. After the Underwriters have paid \$30,000 under this Clause II.F., the Underwriters shall not be obligated to pay any further Medical Expenses.

III. DEFINITIONS

Wherever used in this Policy in bold face type, the following definitions shall apply.

- A. “**Advertising**” means material which promotes the product, service or business of the **Named Insured** or others.
- B. “**Application**” means all signed applications, including all attachments and other materials submitted therewith or incorporated therein, and any other such documents submitted in connection with the underwriting of this Policy including any endorsement or other part thereof, or any other policy issued by the Underwriters, of which this Policy is a renewal, replacement or which it succeeds in time.
- C. “**Assumed Under Contract**” means liability assumed by the **Named Insured** under a written hold harmless or indemnity agreement regarding the content of **Media Material** used in a **Media Communication**, but only as respects **Personal and Advertising Injury**.
- D. “**Auto**” means:
 1. a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or
 2. any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

“**Auto**” does not include or mean **Mobile Equipment**.

- E. “**Bodily Injury**” means physical injury, sickness, disease or death of any person, including any mental anguish or emotional distress resulting therefrom.
- F. “**Breach Notice Law**” means any state, federal or foreign statute or regulation that requires notice to persons whose **Personally Identifiable Non-Public Information** was accessed or may reasonably have been accessed by an unauthorized person.
- G. “**Cargo**” means any waste or materials transported by motorized land vehicle for delivery by a carrier properly licensed to transport such waste or materials.
- H. “**Circumstance**” means any fact, event or situation that could reasonably be the basis for a **Claim**.
- I. “**Claim**” means a demand received by any **Insured** for money or services including the service of suit or institution of arbitration proceedings. “**Claim**” shall also mean a threat or initiation of a suit seeking injunctive relief (meaning a temporary restraining order or a preliminary or permanent injunction).

Multiple **Claims** arising from the same or a series of related or repeated acts, errors, omissions, **Pollution Conditions, Occurrences or Personal and Advertising Injuries** or from any continuing acts, errors, omissions, **Pollution Conditions, Occurrences or Personal and Advertising Injuries** shall be considered a single **Claim** for the purposes of this Policy, irrespective of the number of Claimants or **Insureds** involved in the **Claim**. All such **Claims** shall be deemed to have been made at the time of the first such **Claim**.

- J. “**Claims Expenses**” means:
 - 1. reasonable and necessary fees charged by an attorney designated or consented to by the Underwriters;
 - 2. all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, suit or proceeding arising in connection therewith, if incurred by the Underwriters, or by the **Insured** with the prior written consent of the Underwriters; and
 - 3. premiums for appeal bonds for covered judgments or bonds to release property used to secure a legal obligation, if required for a **Claim** against any **Insured** for a covered act, error or omission, **Pollution Condition, Occurrence or Personal and Advertising Injury**, provided, however, that the Underwriters shall have no obligation to appeal or to obtain such bonds.

Claims Expenses do not include any salary, overhead or other charges of or by the **Insured** for any time spent in cooperating in the defense and

investigation of any **Claim** notified under this Insurance, or costs to remediate an act, error or omission, **Pollution Condition, Occurrence or Personal and Advertising Injury** without the prior written consent of the Underwriters.

- K. “**Cleanup Costs**” means reasonable and necessary costs, charges and expenses incurred with the prior written consent of the Underwriters in the investigation, assessment, removal, remediation (including the associated testing and monitoring) or neutralization of a **Pollution Condition**, provided that such costs, charges and expenses are caused by a **Pollution Condition** arising out of the performance of or failure to perform **Contracting Services** by or on behalf of the **Named Insured** or that is on, at, under or migrates from a **Named Insured Location**.

The term **Cleanup Costs** shall also include:

1. reasonable and necessary legal costs, where such costs have been incurred by the **Insured** with the prior written consent of the Underwriters; and
2. reasonable and necessary expenses required to restore, repair or replace real or personal property, owned by third parties, to substantially the same condition it was in prior to being damaged during the course of responding to a **Pollution Condition** to which this Insurance applies. However, these costs will not exceed the actual cash value of such real or personal property immediately prior to incurring the **Cleanup Costs** or include costs associated with improvements or betterments. Actual Cash Value shall mean the cost to replace such real or personal property, immediately prior to incurring the **Cleanup Costs**, minus the accumulated depreciation of the real or personal property.

- L. “**Computer Systems**” means computers and associated input and output devices, data storage devices, networking equipment, and back up facilities:

1. operated by and either owned by or leased to the **Named Insured**; or
2. operated by a third party service provider and used for the purpose of providing hosted computer application services to the **Named Insured** or for processing, maintaining, hosting or storing the **Named Insured’s** electronic data, pursuant to written contract with the **Named Insured** for such services.

- M. “**Contracting Services**” means the performance of construction, drilling, operations and/or maintenance services, or remediation activities by or on behalf of the **Named Insured**.

- N. “**Damages**” means a monetary judgment, award or settlement of compensatory damages, including any pre-judgment and/or post-

judgment interest thereon. Solely with respect to the coverage afforded under Insuring Clauses I.B. and I.F., the term **Damages** shall also include **Cleanup Costs**.

The term **Damages** shall not include or mean:

1. future profits, restitution, disgorgement of unjust enrichment or profits by an **Insured**, or the costs of an **Insured** to comply with orders granting injunctive or equitable relief;
2. return or offset of fees, charges, or commissions for goods or services already provided or contracted to be provided;
3. costs incurred by the **Insured** to correct, re-perform or complete any **Media Activities** or **Technology Based Services**;
4. any damages which are a multiple of compensatory damages;
5. fines, taxes or loss of tax benefits, sanctions or penalties assessed against the **Insured**;
6. punitive or exemplary damages, unless insurable by law under the law under which this Policy is construed;
7. discounts, coupons, prizes, awards or other incentives offered to the **Insured's** customers or clients;
8. liquidated damages to the extent that such damages exceed the amount for which the **Insured** would have been liable in the absence of such liquidated damages agreement;
9. any amounts for which the **Insured** is not liable, or for which there is no legal recourse against the **Insured**; or
10. matters deemed uninsurable under the law pursuant to which this Policy shall be construed.

O. **"Hired or Non-owned Auto"** means:

1. an **Auto** that the **Named Insured** either leases, hires, rents or borrows, but does not include any **Auto** that is leased, hired, rented or borrowed from any director, officer, principal, partner or employee of the **Named Insured** or from any member of their households; or
2. an **Auto** that the **Named Insured** either does not own, lease, hire, rent or borrow that is used in connection with the **Named Insured's** business, this includes an **Auto** owned by any director, officer, principal, partner or employee of the **Named Insured** or by any member of their households but only while used in connection with the **Named Insured's** business.

P. **"Impaired Property"** means tangible property, other than the **Named Insured's Products** or the **Named Insured's Work**, that cannot be used or is less useful or less valuable because:

1. it incorporates the **Named Insured's Products** or the **Named Insured's Work** that is known or thought to be defective, deficient, inadequate or dangerous; or
2. the **Insured** has failed to fulfill the terms of a contract or agreement;

if such property can be restored to use or to its previous value by:

- (a) the repair, replacement, adjustment or removal of the **Named Insured's Products** or the **Named Insured's Work**; or
- (b) the **Insured** fulfilling the terms of the contract or agreement.

Q. **"Insured"** shall mean:

1. the **Named Insured**;
2. a director or officer of the **Named Insured**, but only with respect to the performance of his or her duties as such on behalf of the **Named Insured**;
3. an employee or **Temporary Employee** of the **Named Insured**, but only for work done while acting within the scope of his or her employment and related to the conduct of the **Named Insured's** business;
4. a principal if the **Named Insured** is a sole proprietorship, or a partner if the **Named Insured** is a partnership, but only with respect to the performance of his or her duties as such on behalf of the **Named Insured**;
5. any person who previously qualified as an **Insured** under 2, 3 or 4 above prior to the termination of the required relationship with the **Named Insured**, but only with respect to the performance of his or her duties as such on behalf of the **Named Insured**;
6. the estate, heirs, executors, administrators, assigns and legal representatives of any **Insured** in the event of such **Insured's** death, incapacity, insolvency or bankruptcy, but only to the extent that such **Insured** would otherwise be provided coverage under this Insurance;
7. the **Named Insured** with regard to its participation in a joint venture, but solely for the **Named Insured's** liability that arises out of an act, error or omission in rendering or failing to render

Professional Services by the **Named Insured** or for a **Pollution Condition** that arises out of the rendering of or failing to render **Professional Services** or the performance of or failing to perform **Contracting Services** by the **Named Insured**; and

8. solely with respect to Insuring Clause I.B. and/or I.C., the client for whom the **Named Insured** performs or performed **Contracting Services** and/or with respect to the **Named Insured's Work**, provided that a written contract or agreement is in effect between the **Named Insured** and the client requiring the client to be an additional insured under the **Named Insured's** general liability and/or contractors pollution liability policy. However, such clients are covered under Insuring Clause I.B. and/or I.C. of this Policy solely with respect to **Damages** and **Claims Expenses** arising from **Contracting Services** performed by or on behalf of the **Named Insured** and/or with respect to the **Named Insured's Work** and are not covered for any **Damages** and **Claims Expenses** arising from the client's own acts, errors or omissions or **Occurrences**. Clients of the **Named Insured** are covered under Insuring Clause I.B. and/or I.C. of this Policy, subject to Clause IX., only up to and to the extent of the Limits of Liability required by the written contract or agreement.

R. "**Insured Contract**" shall mean:

1. with respect to Insuring Clause I.B., that part of any written contract or agreement under which the **Named Insured** assumes tort liability of another party to pay compensatory damages for **Bodily Injury** or **Property Damage** to a third party or organization; and
2. with respect to Insuring Clause I.C.:
 - (a) a contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to the **Named Insured** or temporarily occupied by the **Named Insured** with permission of the owner is not an **Insured Contract**;
 - (b) a sidetrack agreement;
 - (c) any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - (d) an obligation, as required by ordinance, to indemnify a municipality except in connection with work for a municipality;
 - (e) an elevator maintenance agreement;

- (f) that part of any other contract or agreement pertaining to the **Named Insured's** business (including an indemnification of a municipality in connection with work performed for a municipality) under which the **Named Insured** assumes the tort liability of another party to pay for **Bodily Injury** or **Property Damage** to a third person or organization.

Paragraph (f) does not include that part of any contract or agreement:

- (i) that indemnifies a railroad for **Bodily Injury** or **Property Damage** arising out of construction or demolition operations within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (ii) that indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - a. preparing, approving, or failing to prepare or approve, maps, shop drawing, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b. giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - 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 a. or b. above and supervisory, inspection, architectural or engineering activities.

Tort liability means liability that would be imposed by law in the absence of any contract or agreement.

The term **Insured Contract** shall not include the assumption of liability of another party to pay compensatory damages based upon, arising from, or in consequence of (1) any actual or alleged act, error or omission or claimed damages that otherwise would not be covered under this Policy; or (2) liability resulting solely from the actual or alleged acts, errors or omissions of the client of the **Named Insured**.

- S. **“Loading or Unloading”** means the handling of property:
1. after it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or **Auto**;
 2. while it is in or on an aircraft, watercraft or **Auto**; or
 3. while it is being moved from an aircraft, watercraft or **Auto** to the place where it is finally delivered.
- “Loading or Unloading”** does not include or mean 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**.
- T. **“Malicious Code”** means any virus, Trojan Horse, worm or other similar software program, code or script intentionally designed to insert itself into computer memory or onto a computer disk and spread itself from one computer to another.
- U. **“Media Communication”** means the display, broadcast, dissemination, distribution or release of **Media Material** to the public by the **Named Insured**.
- V. **“Media Material”** means information in the form of words, sounds, numbers, images, or graphics in electronic, print or broadcast form, including **Advertising**, but does not mean computer software.
- W. **“Media Activities”** means **Media Communication** and/or the gathering, collection or recording of **Media Material** for inclusion in any **Media Communication** in the ordinary course of the **Named Insured’s** business.
- X. **“Mediation”** means the voluntary and otherwise non-binding process by which a qualified professional mediator mutually agreed upon by the parties intercedes between the parties with the intention to reconcile them to resolve a **Claim**. The term **Mediation** shall not include or mean other dispute resolution by litigation or arbitration.
- Y. **“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 the **Named Insured** owns or rents;
 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 1, 2, 3 or 4 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 1, 2, 3 or 4 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**:

- (i) equipment designed primarily for:
 - (a) snow removal;
 - (b) road maintenance, but not construction or resurfacing; or
 - (c) street cleaning;
- (ii) cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (iii) air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

“Mobile Equipment” does not include or mean land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered **Autos**.

- Z. **“Named Insured”** means only those persons, partnerships, corporations or entities specified in Item 1 of the Declarations.

The term **Named Insured** shall include any corporate entity while more than fifty percent (50%) of the outstanding securities representing the present right to vote for the election of such entity's directors are owned by the **Named Insured** if such entity becomes so owned after the inception date of the Policy, subject to the terms and conditions of Clause XVIII.A.

AA. **"Named Insured Location"** means any location owned, rented or leased by the **Named Insured**, provided that such location is specified in Item 10. of the Declarations.

BB. **"Named Insured's Products"** means:

1. any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) the **Named Insured**; or
 - (b) others trading under the **Named Insured's** name; and
2. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products

and shall include:

- (i) warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of such goods or products; and
- (ii) the providing of or failure to provide warnings or instructions.

"Named Insured's Products" shall not include or mean any **Technology Products** or vending machines or other property rented to or located for the use of others but not sold.

CC. **"Named Insured's Work"** means:

1. work or operations performed by the **Named Insured** or on the **Named Insured's** behalf; and
2. materials, parts or equipment furnished in connection with such work or operations

and shall include:

- (a) warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of such work or operations; and
- (b) the providing of or failure to provide warnings or instructions.

- DD. **“Natural Resource Damage”** means physical injury to or destruction of, as well as the assessment of such injury or destruction, including the resulting loss of value of land, fish, wildlife, biota, 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 (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, local or provincial government, any foreign government, any native american tribe or if such resources are subject to a trust restriction on alienation, any member of a native american tribe.
- EE. **“Non-Owned Disposal Site”** means any location used by the **Named Insured** for the treatment, storage or disposal of waste or material provided that:
1. such location is not managed, operated, owned or leased by any **Insured** or an affiliate of any **Insured**; and
 2. such location is permitted and/or licensed by the applicable federal, state, local or provincial authorities to accept such waste or materials as of the date the waste or materials are treated, stored or disposed of at such location; and
 3. such location is within the United States, its territories or possessions, or in Canada; and
 4. such location is not listed on a proposed or final Federal National Priorities List and/or any state or provincial equivalent National Priority List, Superfund or Hazardous Waste List prior to the treatment, storage or disposal of the waste or material at such location.
- FF. **“Occurrence”** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which involves one or more persons or entities, and which results in **Bodily Injury** or **Property Damage** to such persons or entities.
- GG. **“Optional Extension Period”** means the period of time after the end of the **Policy Period** for reporting **Claims** as provided in Clause XIII. of this Policy.
- HH. **“Personal and Advertising Injury”** means
1. defamation, libel, slander, product disparagement, trade libel, prima facie tort, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organization;
 2. invasion of or interference with the right to privacy or of publicity;

3. misappropriation of any name or likeness for commercial advantage;
 4. false arrest, detention or imprisonment or malicious prosecution;
 5. invasion of or interference with any right to private occupancy, including trespass, wrongful entry, eviction or eavesdropping;
 6. plagiarism, piracy or misappropriation of ideas under implied contract;
 7. infringement of copyright;
 8. infringement of trade dress, domain name, title or slogan, or the dilution or infringement of trademark or service mark;
 9. negligence regarding the content of any **Media Communication**, including harm caused through any reliance or failure to rely upon such content; or
 10. misappropriation of trade secret.
- II. **“Personally Identifiable Non-Public Information”** means an individual’s name in combination with one or more of the following:
1. information concerning the individual that constitutes “non-public personal information” as defined in the Gramm-Leach Bliley Act of 1999, as amended, and regulations issued pursuant to the Act;
 2. medical or health care information concerning the individual, including “protected health information” as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and regulations issued pursuant to the Act; or
 3. the individual’s social security number, driver’s license or state identification number, credit, debit or other financial account numbers and associated security codes, access codes, passwords or pins that allows access to the individual’s financial account information.
- JJ. **“Policy Period”** means the period of time between the inception date shown in the Declarations and the effective date of termination, expiration or cancellation of this Insurance and specifically excludes any **Optional Extension Period** or any prior policy period or renewal period.
- KK. **“Pollution Condition”** means the actual or alleged discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land or structures thereupon, the atmosphere or any watercourse or body of water, which results in **Bodily Injury, Property Damage or Cleanup Costs**.

LL. **“Privacy Policy”** means the internal or publicly accessible written documents that set forth the **Named Insured’s** policies, standards and procedures for collection, use, disclosure, sharing, dissemination and correction or supplementation of, and access to, **Personally Identifiable Non-Public Information**.

MM. **“Products - Completed Operations Hazard”** means all **Bodily Injury** and **Property Damage** occurring away from premises the **Named Insured** owns or rents and arising out of the **Named Insured’s Products**, the **Named Insured’s Work** or **Contracting Services** except:

1. products that are still in the **Named Insured’s** physical possession; or
2. work or services that have not yet been completed or abandoned.

However, work or “services” will be deemed completed at the earliest of the following times:

- (a) when all of the work or services called for in the **Named Insured’s** contract have been completed;
- (b) when all of the work or services to be done at the job site have been completed if the **Named Insured’s** contract calls for work or services at more than one job site; or
- (c) when that part of the work or services done at a job site have been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

“Products - Completed Operations Hazard” does not include or mean **Bodily Injury** or **Property Damage** arising out of:

- (i) the transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by the **Named Insured**, and that condition was created by the **Loading or Unloading** of that vehicle by any **Insured**; or
- (ii) the existence of tools, uninstalled equipment or abandoned or unused materials.

NN. **“Professional Services”** means those services performed for others by or on behalf of the **Named Insured** in the capacity as an architect, engineer, land surveyor, landscape architect, interior designer,

construction manager, project manager, forensic consultant environmental consultant or design, construction or project consultant or planner.

- OO. **“Property Damage”** means:
1. physical injury to or destruction of any tangible property, including the loss of use thereof;
 2. loss of use of tangible property that has not been physically injured or destroyed;
 3. diminished value of property owned by third parties; or
 4. **Natural Resource Damage.**
- PP. **“Security Breach”** means **Unauthorized Access of Computer Systems**, infection of **Computer Systems** by **Malicious Code** or transmission of **Malicious Code** from **Computer Systems**, whether any of the foregoing is specifically targeted attack or a generally distributed attack. A series of continuing **Security Breaches** or related or repeated **Security Breaches** shall be considered a single **Security Breach** and be deemed to have occurred at the time of the first such **Security Breach**.
- QQ. **“Technology Based Services”** means computer and electronic technology services, including data processing, Internet services, data and application hosting, computer systems analysis, technology consulting and training, custom software programming for a specific client of the **Named Insured**, computer and software systems installation and integration, computer and software support, and network management services performed by the **Insured**, or by others acting under the **Named Insured’s** trade name, for others for a fee, but shall not mean **Technology Products**.
- RR. **“Technology Products”** means a computer or telecommunications hardware or software product, or related electronic product that is created, manufactured or developed by the **Named Insured** for others, or distributed, licensed, leased or sold by the **Named Insured** to others, for compensation, including software updates, service packs and other maintenance releases provided for such products.
- SS. **“Temporary Employee”** means a natural person furnished or leased to the **Named Insured** to meet short term or project specific workloads and for whom the **Named Insured** has the right to direct and control the means of performance.

- TT. **"Theft of Data"** means the unauthorized taking, misuse or disclosure of information on **Computer Systems**, including but not limited to charge, debit, and credit card information, banking, financial, and investment services account information, proprietary information, and personal, private, and confidential information.
- UU. **"Third Party Corporate Information"** means any trade secret, data, design, interpretation, forecast, formula, method, practice, process, record, report or other item of information of a third party not insured under this Policy which is not available to the general public and is provided to the **Insured** subject to a mutually executed written confidentiality agreement or marked "confidential" in writing by such third party.
- VV. **"Transportation"** means the movement of **Cargo** from the place where **Contracting Services** are being performed and the **Cargo** is accepted by the carrier toward the place designated for delivery by the **Insured**.
- Transportation** includes the carrier's **Loading or Unloading** of **Cargo** onto or from a motorized land vehicle provided that the loading and unloading is performed by or on behalf the **Insured**.
- XX. **"Unauthorized Access"** means:
1. the use of or access to **Computer Systems** by a person not authorized to do so by the **Named Insured**; or
 2. the authorized use of or access to **Computer Systems** in a manner not authorized by the **Named Insured**.
- YY. **"Underground Storage Tank"** means any stationary container or vessel, including the associated piping connected thereto, which is (1) ten percent (10%) or more beneath the surface of the ground; (2) constructed primarily of non-earthen materials; and (3) designated to contain any substance.

IV. DEFENSE, SETTLEMENT, AND INVESTIGATION OF CLAIMS

- A. The Underwriters shall have the right and duty to defend, subject to the Limit of Liability, exclusions and other terms and conditions of this Policy, any **Claim** against the **Insured** seeking **Damages** which are payable under the terms of this Policy, even if any of the allegations of the **Claim** are groundless, false or fraudulent.
- B. The Underwriters shall have the right and duty to defend, subject to the Limit of Liability, exclusions, and other terms and conditions of this Policy, any **Claim** in the form of a civil suit against the **Insured** that seeks injunctive relief (meaning a temporary restraining order or a preliminary or permanent injunction) for **Personal and Advertising Injury** if:

1. the **Claim** is first made during the **Policy Period** or **Optional Extension Period** (if applicable) and reported to the Underwriters pursuant to the terms of this Policy; and
 2. the **Personal and Advertising Injury** was committed on or after the Retroactive Date set forth in Item 6. of the Declarations and before the end of the **Policy Period** in the course of the **Named Insured's** business.
- C. When the Underwriters defend a **Claim**, they will pay **Claims Expenses** incurred with their prior written consent. Upon exhaustion of the Limit of Liability stated in Item 3.(a) of the Declarations by payment of such **Claims Expenses**, the Limit of Liability available to pay **Damages**, as stated in Item 3.(b) of the Declarations, shall be reduced and may be completely exhausted by payment of **Claims Expenses**. **Damages** and **Claims Expenses** shall be applied against the Each **Claim** Deductible.
- D. The Underwriters shall have the right to make any investigation they deem necessary, including, without limitation, any investigation with respect to the **Application** and statements made in the **Application** and with respect to coverage.

However, notwithstanding the above, the **Insured's** rights under this Policy shall not be prejudiced by any refusal to disclose the identity of any confidential source of information, or to produce any documentation or information obtained in the course of **Media Activities** in respect of which the **Insured** has asserted a claim of reporter's privilege or any other privilege regarding the protection of news-gathering activities.

- E. If the **Insured** shall refuse to consent to any settlement or compromise recommended by the Underwriters and acceptable to the Claimant and elects to contest the **Claim**, the Underwriters' liability for any **Damages** and **Claims Expenses** shall not exceed the amount for which the **Claim** could have been settled, less the remaining Each **Claim** Deductible, plus the **Claims Expenses** incurred up to the time of such refusal, or the applicable Limit of Liability, whichever is less, and the Underwriters shall have the right to withdraw from the further defense thereof by tendering control of said defense to the **Insured**. The portion of any proposed settlement or compromise that requires the **Insured** to cease, limit or refrain from actual or alleged infringing or otherwise injurious activity or is attributable to future royalties or other amounts that are not **Damages** shall not be considered in determining the amount for which a **Claim** could have been settled.
- F. It is further provided that the Underwriters shall not be obligated to pay any **Damages** or **Claims Expenses**, or to undertake or continue defense of any suit or proceeding after the applicable Limit of Liability has been exhausted by payment of **Damages** and/or **Claims Expenses** or after deposit of the applicable Limit of Liability in a court of competent jurisdiction, and that upon such payment, the Underwriters shall have the

right to withdraw from the further defense thereof by tendering control of said defense to the **Insured**.

V. TERRITORY

Insuring Clause I.A., I.D., I.H., I.I., I.J. and I.K. of this Policy applies to **Claims** made and acts, errors or omissions or **Personal and Advertising Injury** committed or arising anywhere in the world.

Insuring Clause I.B., I.C., I.E., I.F. and I.G. of this Policy applies to **Claims** made within the United States of America (including its territories and possessions), Puerto Rico or Canada arising out of any **Pollution Condition** or **Occurrence** committed or arising within:

- A. the United States of America (including its territories and possessions), Puerto Rico or Canada;
- B. international waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in paragraph A. above; or
- C. all other parts of the world if the injury or damage arises out of:
 - 1. goods or products made or sold by the **Named Insured** in the territory described in paragraph A. above; or
 - 2. the **Named Insured's Work** and/or **Contracting Services** provided by a person, on behalf of the **Named Insured**, whose home is in the territory described in paragraph A. above, but is away for a less than 121 days on **Named Insured** business.

VI. EXCLUSIONS APPLICABLE TO ALL COVERAGES UNDER THIS INSURANCE

The coverage under this Insurance does not apply to **Damages** or **Claims Expenses** in connection with or resulting from any **Claim**:

- A. **Criminal, Dishonest, Intentional, Fraudulent, Malicious, Willful or Knowing Acts**

arising out of or resulting from any criminal, dishonest, intentional, fraudulent, malicious, willful or knowing act, error or omission committed by any **Insured**; however, this Policy shall apply to **Claims Expenses** incurred in defending any such **Claim** alleging the foregoing until such time as there is a final adjudication, judgment, binding arbitration decision or conviction against the **Insured**, or admission by the **Insured**, establishing such criminal, dishonest, intentional, fraudulent, malicious willful or knowing conduct, or a plea of *nolo contendere* or no contest regarding such conduct, at which time the **Named Insured** shall reimburse the Underwriters for all **Claims Expenses** incurred defending

the **Claim** and the Underwriters shall have no further liability for **Claims Expenses**.

Provided, that this exclusion shall not apply to any **Claim** based upon or arising from the **Insured's** unintentional breach of a written agreement to refrain from disclosing confidential or proprietary information in rendering or failure to render **Professional Services** or in the performance of or failure to perform **Contracting Services**.

B. Prior Knowledge, Prior Notice and Prior Acts

1. arising out of or resulting from any actual or alleged act, error or omission, **Pollution Condition, Occurrence or Personal and Advertising Injury** committed or arising prior to the inception date of this Insurance:
 - a. if any director, officer, principal, partner, insurance manager or any member of the risk management or legal department of the **Named Insured** on or before the inception date knew or could have reasonably foreseen that such act, error or omission, **Pollution Condition, Occurrence or Personal and Advertising Injury** might be expected to be the basis of a **Claim**; or
 - b. in respect of which any **Insured** has given notice of a **Claim** or **Circumstance** to the insurer of any other policy in force prior to the inception date of this Policy; or
2. arising out of related or continuing acts, errors or omissions, **Pollution Conditions, Occurrences or Personal and Advertising Injuries** where the first such act, error or omission, **Pollution Condition, Occurrence or Personal and Advertising Injury** was committed or arose prior to the Retroactive Date set forth in Item 6. of the Declarations.

C. Insured versus Insured

by or on behalf of any **Insured**; provided, that this exclusion shall not apply to a **Claim** by or on behalf of any client of the **Named Insured** who is an **Insured** by virtue of Clause III.Q.8.

D. Ownership Interest and Outside Positions

1. arising out of or resulting from any **Insured's** activities as a trustee, partner, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than that of the **Named Insured**; or
2. made by any entity, arising out of **Professional Services, Contracting Services, Media Activities, Technology Based Services** or **Transportation** performed for such entity, or

Technology Products provided to such entity, or in the course of the **Named Insured's** business operations for such entity which:

- a. is operated, managed or controlled by an **Insured** or in which any **Insured** has an ownership interest which cumulatively exceeds twenty-five percent (25%), or in which any **Insured** is an officer or director; or
- b. operates, controls or manages the **Named Insured**, or has an ownership interest of more than fifteen percent (15%) in the **Named Insured**.

E. Discrimination, Humiliation, Harassment and Misconduct

for or arising out of or resulting from any actual or alleged discrimination, humiliation, harassment or misconduct because of age, color, race, sex, creed, national origin, marital status, sexual preference or orientation, religion, disability or pregnancy; provided, that this exclusion shall not apply to any **Claim** based upon the Americans with Disabilities Act of 1990 (ADA), as amended, or the Fair Housing Act (FHA), or any state or local versions of those acts, and arising out of the **Insured's** rendering or failure to render **Professional Services**.

F. Assumption of Contractual Liability of Others

arising out of or resulting from the liability of others assumed by the **Insured** under any contract or agreement either oral or written, including any hold harmless or indemnity agreements, except:

1. with respect to Insuring Clause I.B. for liability assumed under a contract or agreement that is an **Insured Contract** provided the **Pollution Condition** occurs subsequent to the execution of the contract or agreement; or
2. with respect to Insuring Clause I.C. for liability assumed under 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
3. with respect to Insuring Clause I.D. for liability **Assumed under Contract**; or
4. to the extent the **Insured** would have been liable in the absence of such contract or agreement.

G. Express Warranties, Representations, Guarantees and Promises

for or arising out of or resulting from:

1. breach of any express warranty or representation except for an agreement to perform within a reasonable standard of care or skill consistent with applicable industry standards; or
2. a demand for satisfaction of or breach of guarantee or any promises including, without limitation, cost savings, cost of construction, maximum construction price, financing, profits, or return on investment.

H. **Faulty Workmanship**

under Insuring Clause I.A., I.B. or I.C., arising out of the cost to repair or replace any faulty workmanship performed in whole or in part by any **Insured** on any construction, erection, fabrication, installation, assembly, manufacture or remediation, including any materials, parts, labor or equipment furnished in connection with such repair or replacement.

Provided this exclusion does not apply to any **Claim** which is covered pursuant to Insuring Clause I.C. if the faulty workmanship was performed on behalf the **Named Insured** by a subcontractor.

I. **Asbestos / Lead Based Paint**

either in whole or in part, directly or indirectly, arising out of or resulting from or in consequence of, or in any way involving asbestos or lead-based paint, or any materials containing asbestos or lead-based paint in whatever form or quantity; provided, that this exclusion does not apply to:

1. any **Claim** which is covered pursuant to Insuring Clause I.A. of this Policy arising out of an act, error or omission in rendering or failure to render **Professional Services** on or after January 1, 1990 or the Retroactive Date set forth in Item 6. of the Declarations (whichever is the later) by or on behalf of the **Insured**; or
2. any **Claim** which is covered pursuant to Insuring Clause I.A. or I.B. of this Policy arising out of any asbestos or lead abatement operations performed on behalf of the **Named Insured** by a certified and insured asbestos and/or lead abatement subcontractor or subconsultant; or
3. any **Claim** which is covered pursuant to Insuring Clause I.A. or I.B. of this Policy arising out of the inadvertent disturbance of asbestos or lead-based paint or materials containing asbestos or lead-based paint by or on behalf of an **Insured** during the rendering of **Professional Services** or the performance of **Contracting Services**; or
4. any **Claim** which is covered pursuant to Insuring Clause I.E. or I.G. of this Policy.

J. **Employers Liability and Workers Compensation**

for or arising out of or resulting from:

1. **Bodily Injury** to any employee of the **Named Insured** arising out of and in the course of:
 - (a) employment by the **Named Insured**; or
 - (b) performing duties related to the conduct of the **Named Insured's** business; or
2. **Bodily Injury** to any spouse (or person living together as spouse), child, parent, brother, sister or dependent of the employee as a consequence of 1. above; or
3. the **Named Insured's** employment obligations, decisions, practices or policies as an employer; or
4. any obligation which the **Insured** or any carrier as insurer may be liable under any workers compensation, unemployment compensation or disability benefits law or similar law.

This exclusion applies:

- (i) whether the **Insured** may be liable as an employer or in any other capacity; and
- (ii) to any obligation to share **Damages** with or repay someone else who must pay **Damages** arising out of such liability.

Provided, parts 1. and 2. of this exclusion do not apply to liability assumed by the **Insured** in a contract or agreement that is an **Insured Contract**.

K. **Property Liability**

arising out of or resulting from the **Insured's** ownership, rental, lease, maintenance, operation, use, repair, voluntary or involuntary sale, transfer, exchange, gift, abandonment or condemnation of any real or personal property including without limitation, automobiles, aircraft, watercraft and other kinds of conveyances; provided, that this exclusion does not apply to:

1. any **Claim** which is covered pursuant to Insuring Clause I.A. or I.B. of this Policy arising out of any property the **Named Insured** has voluntarily or involuntarily sold, transferred, exchanged, given away, abandoned or that has been condemned where the **Named Insured** rendered **Professional Services** or performed

Contracting Services and has never occupied, used, rented or leased such property; or

2. any **Claim** which is covered pursuant to Insuring Clause I.C., I.E. or I.F. of this Policy.

L. **Products Liability**

arising out of or resulting from the design or manufacture of any goods or products for multiple sales or mass distribution which are sold or supplied by the **Insured** or by others under license from the **Insured**; provided, that this exclusion shall not apply to:

1. any **Claim** which is covered pursuant to Insuring Clause I.B. of this Policy arising out of the fabrication, assembly or installation of any goods or products provided by the **Named Insured** in the performance of or failing to perform **Contracting Services**; or
2. any **Claim** arising out of the **Named Insured's Products** which is covered pursuant to Insuring Clause I.C. of this Policy; or
3. any **Claim** which is covered pursuant to Insuring Clause I.I. of this Policy.

M. **Transportation, Shipment or Delivery of Waste, Products or Materials**

under Insuring Clause I.A. or I.B., arising out of or resulting from any waste or any products or materials transported, shipped or delivered via watercraft, aircraft, motor vehicle, mobile equipment or rolling stock to a location beyond the boundaries of a site at which **Professional Services** are being rendered or **Contracting Services** are being performed.

N. **Property Damage to Named Insured's Work and Products**

under Insuring Clause I.B. or I.C., arising out of or resulting from any **Property Damage**:

1. to the **Named Insured's Work** and/or to **Contracting Services** arising out of it or any part of it and included within the **Products - Completed Operations Hazard**; or
2. to the **Named Insured's Products** arising out of it or any part of it.

Provided paragraph 1. of this exclusion does not apply to any **Claim** which is covered pursuant to Insuring Clause I.C. if the damaged work or the work out of which the damage arises was performed on behalf the **Named Insured** by a subcontractor.

O. **Patent Infringement**

for or arising out of actual or alleged infringement of patent or patent rights or misuse of patent.

P. **Fungi**

for, arising out of or resulting from the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind; any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins; and any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins.

Q. **Material Change in Use**

under Insuring Clause I.F. arising out of a material change in the use of, or operations at, a **Named Insured Location** from the use or operations identified by the **Insured** in the statements and information contained in the **Application** and other supplemental materials submitted to the Underwriters prior to the inception of the **Policy Period** or prior to adding such location as a **Named Insured Location** as specified in Item 10. of the Declarations.

R. **Underground Storage Tank**

under Insuring Clause I.F. arising out of the existence of any **Underground Storage Tank** on, at or under a **Named Insured Location**; provided, that this exclusion does not apply to:

1. an **Underground Storage Tank** that is closed, abandoned in place or removed prior to the inception date of this Policy, in accordance with all applicable federal, state, local or provincial regulations, in effect at the time of closure, abandonment or removal;
2. an **Underground Storage Tank** that is identified as a **Named Insured Location** as specified in Item 10. of the Declarations;
3. an **Underground Storage Tank**, the existence of which is unknown by any director, officer, principal, partner, insurance manager or any member of the risk management or legal department of the **Named Insured** or any employee of the **Named**

Insured that has responsibility, in whole or in part, for risk control, risk management, health and safety or environmental affairs, control or compliance as of the inception date of this Policy;

4. a flow-through process tank, including oil/water separators; or
5. a storage tank situated in an underground area (such as a basement, cellar, mine shaft or tunnel) if the storage tank is situated upon or above the surface of the floor.

S. Financial Services

for, arising out of, or resulting from any act, error or omission in the provision of or failure to provide Financial Services by or on behalf of the **Insured**.

For the purpose of this exclusion, Financial Services shall include, but not be limited to:

1. planning, administering or advising on:
 - (a) any investment plan, fund or account;
 - (b) any pension plan, fund or account;
 - (c) any annuity plan, fund or account;
 - (d) any savings plan, fund or account;
 - (e) any checking plan, fund or account;
 - (f) any individual retirement plan, fund or account;
 - (g) the issuance or withdrawal of any bond, debenture, stock or other securities;
 - (h) the trading of securities, commodities or currencies; or
 - (i) any acquisitions or mergers;

2. acting as a dividend disbursing agent, exchange agent, redemption or subrogation agent, warrant or scrip agent, fiscal or paying agent, tax withholding agent, escrow agent, clearing agent or electronic funds transfer agent;
3. lending or arranging for the lending of money, including credit card, debit card, leasing or mortgage operations or activities or interbank transfers;
4. repossessing of real or personal property from a borrower or acting as an assignee for the benefit of creditors;
5. checking or reporting of credit;
6. maintaining of financial accounts or records;
7. tax planning, tax advising or the preparation of tax returns; or
8. selling or issuing travelers checks, letters of credit, certified checks, bank checks or money orders.

T. Securities

For, arising out of, or resulting from the 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, the Sarbanes-Oxley Act of 2002, any state or provincial blue sky or securities law, any other federal securities law or legislation, or any or 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.

U. Employment Related Practices

for or arising out of or resulting from:

1. any actual or alleged injury or damage to any person arising out of any:
 - (a) refusal to employ such person;
 - (b) termination of such person's employment; or
 - (c) employment related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, wrongful infliction of emotional distress or other related torts, defamation, harassment, wrongful deprivation of a career opportunity, humiliation, discrimination, written or implied employment contract or quasi-employment contract, or violation of any federal, state or local statute, regulation, ordinance, common law or

public policy concerning employment or discrimination in employment; or

2. any actual or alleged injury or damage to any spouse (or person living together as spouse), child, parent, brother, sister or dependent of such person as a consequence of 1. above.

This exclusion applies:

- (i) whether the **Insured** may be liable as an employer or in any other capacity; and
- (ii) to any obligation to share **Damages** with or repay someone else who must pay **Damages** arising out of such liability.

VII. EXCLUSIONS APPLICABLE TO INSURING CLAUSE I.C.

The coverage under Insuring Clause I.C. of this Insurance does not apply to **Damages** or **Claims Expenses** in connection with or resulting from any **Claim**:

A. **Expected or Intended Injury or Damage**

arising out of or resulting from **Bodily Injury** or **Property Damage** expected or intended from the standpoint of the **Insured**, except this exclusion does not apply to **Bodily Injury** resulting from the use of reasonable force to protect persons or property.

B. **Aircraft, Auto or Watercraft**

for **Bodily Injury** or **Property Damage** arising out of the ownership, maintenance, use or entrustment to others of any aircraft, **Auto** or watercraft owned by operated by or rented or loaned to any **Insured**. Use includes operation and **Loading or Unloading**.

This exclusion applies even if the **Claims** against the **Insured** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Insured**, if the **Occurrence** which caused the **Bodily Injury** or **Property Damage** involved the ownership, maintenance, use or entrustment to others of any aircraft, **Auto** or watercraft that is owned or operated by or rented or loaned to any **Insured**.

This exclusion does not apply to:

1. a **Hired or Non-owned Auto** provided there is no other similar insurance available to the **Insured** for such **Hired or Nonowned Auto**;
2. a watercraft while ashore on premises the **Named Insured** owns or rents:

3. a watercraft the **Named Insured** does not own that is:
 - (a) less than 26 feet long; and
 - (b) not being used to carry persons or property for a charge;
4. parking an **Auto** on, or on the ways next to, premises the **Named Insured** owns or rents, provided the **Auto** is not owned by or rented or loaned to any **Insured**;
5. liability assumed under any **Insured Contract** for the ownership, maintenance or use of aircraft or watercraft; or
6. **Bodily Injury** or **Property Damage** arising out of:
 - (a) the operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of **Mobile Equipment** if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
 - (b) the operation of any of the equipment listed in subparagraph (ii) or (iii) of the definition of **Mobile Equipment**.

C. **Mobile Equipment**

for **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 any **Insured**; or
2. the use of **Mobile Equipment** in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

D. **Damage to Property**

arising out of or resulting from **Property Damage** to:

1. property the **Named Insured** owns, rents, or occupies, including any costs or expenses incurred by the **Named Insured**, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
2. premises the **Named Insured** sells, gives away or abandons, if the **Property Damage** arises out of any part of those premises;
3. property loaned to the **Named Insured**;

4. personal property in the care, custody or control of the **Insured**;
5. that particular part of real property on which the **Named Insured** or any contractors or subcontractors working directly or indirectly on the **Named Insured's** behalf are performing operations, if the **Property Damage** arises out of those operations; or
6. that particular part of any property that must be restored, repaired or replaced because the **Named Insured's Work** was incorrectly performed on it.

Paragraphs 1., 3. and 4. of this exclusion do not apply to **Property Damage** (other than damage by fire) to premises, including the contents of such premises, rented to the **Named Insured** for a period of 7 or fewer consecutive days. A sub-limit of liability applies to damage to premises rented to the **Named Insured** as described in Clause IX - Limits of Liability.

Paragraph 2. of this exclusion does not apply if the premises are the **Named Insured's Work** and were never occupied, rented or held for rental by the **Named Insured**.

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

Paragraph 6. of this exclusion does not apply to **Property Damage** included within the **Products - Completed Operations Hazard**.

E. Damage to Impaired Property or Property Not Physically Injured

arising out of or resulting from **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 the **Named Insured's Products** or the **Named Insured's Work**; or
2. a delay or failure by the **Insured** or anyone acting on the **Insured's** 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 the **Named Insured's Products** or the **Named Insured's Work** after it has been put to its intended use.

F. Recall of Products, Work or Impaired Property

arising out of or resulting from any loss, cost or expense incurred by the **Insured** or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

1. the **Named Insured's Products**;
2. the **Named Insured's 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.

G. Pollution Liability

arising out of or resulting from a **Pollution Condition**.

H. Professional Services, Media Activities, Technology Based Services and Technology Products

For **Bodily Injury** or **Property Damage** arising out of any act, error or omission by or on behalf of the **Insured** in the provision of **Professional Services, Media Activities** or **Technology Based Services** or relating to **Technology Products**.

The following exclusions do not apply to damage by fire to premises while rented to the **Named Insured** or temporarily occupied by the **Named Insured** with permission of the owner. A sub-limit of liability applies to this coverage as described in Clause IX. Limit of Liability.

- Clause VI.J. Employers Liability and Worker's Compensation
- Clause VI.N. Property Damage to Named Insured's Work and Products
- Clause VII.B. Aircraft, Auto or Watercraft
- Clause VII.C. Mobile Equipment
- Clause VII.D. Damage to Property
- Clause VII.E. Damage to Impaired Property or Property Not Physically Injured
- Clause VII.F. Recall of Products, Work or Impaired Property
- Clause VII.G. Pollution Liability

VIII. EXCLUSIONS APPLICABLE TO INSURING CLAUSE I.D., I.H., I.I., I.J. AND I.K.

The coverage under Insuring Clause I.D., I.H., I.I., I.J. and/or I.K. of this Policy does not apply to **Damages** or **Claims Expenses** in connection with or resulting from any **Claim**:

A. **Contractual Liability**

arising out of or resulting from:

1. any contractual liability or obligation, or arising out of or resulting from breach of contract or agreement either oral or written, except:
 - a. with respect to Insuring Clause I.D. for liability:
 - i. **Assumed under Contract**; or
 - ii. misappropriation of ideas under an implied contract;
 - b. with respect to:
 - i. Insuring Clause I.H. for breach of an agreement by the **Named Insured** to perform **Technology Based Services**; or
 - ii. Insuring Clause I.I. for breach of an agreement by the **Named Insured** to manufacture, develop, create, distribute, license, lease or sell **Technology Products**;

this exclusion shall not apply to breach of any hold harmless or indemnity agreement;

 - c. with respect to Insuring Clause I.K. for liability or any obligation under a confidentiality or non-disclosure agreement with regards to **Personally Identifiable Non-Public Information** or **Third Party Corporate Information**; or
 - d. to the extent the **Insured** would have been liable in the absence of such contract or agreement; or
2. breach of any contractual obligation which goes beyond an express or implied duty to exercise a degree of care or skill as is consistent with applicable industry standards.

B. **Business Risks**

for or arising out of or resulting from:

1. inaccurate, inadequate or incomplete description of the price of goods, products or services;

2. cost guarantees, cost representations, or contract price estimates of probable costs or cost estimates actually or allegedly being exceeded;
3. the failure of goods, products, or services to conform with any represented quality or performance contained in **Advertising**; or
4. any actual or alleged gambling, contest, lottery, promotional game or other game of chance.

C. **Licensing Fees and Royalty Payments**

arising out of or resulting from any actual or alleged obligation to make licensing fee or royalty payments, including but not limited to the amount or timeliness of such payments.

D. **Reprinting, Recall, Removal, Disposal, Withdrawal, Inspection, Repair, Replacement, Reproduction Costs and Expenses**

for or arising out of or resulting from any costs or expenses incurred or to be incurred by the **Insured** or others for:

1. the reprinting, recall, removal or disposal of any **Media Material**, including any media or products containing such **Media Material**; or
2. the withdrawal, recall, inspection, repair, replacement, reproduction, removal or disposal of:
 - a. **Technology Products**, including any products or other property of others that incorporate **Technology Products**;
 - b. work product resulting from or incorporating the results of **Technology Based Services**; or
 - c. any products or other property on which **Technology Based Services** are performed;

provided, that this exclusion shall not apply to **Claims** for the resulting loss of use of such **Media Material** or **Technology Products**, or loss of use of the work product resulting from such **Technology Based Services**.

E. **Electrical and Telecommunications Failure and Malfunction and Force Majeure**

arising out of, resulting from or alleging:

1. any failure or malfunction of electrical or telecommunications infrastructure or services, unless under the **Named Insured's** operational control; or

2. fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical or force majeure event.

F. **Antitrust**

for or arising out of any actual or alleged antitrust violation, restraint of trade, unfair competition, violation of the Sherman Antitrust Act, the Clayton Act, the Robinson-Patman Act, as amended, or any similar law or legislation of any state, province or other jurisdiction, false, deceptive or unfair trade practices, violation of consumer protection laws or false or deceptive or misleading advertising.

G. **Federal Trade Commission and Federal Communications Commission**

brought by or on behalf of the Federal Trade Commission, the Federal Communications Commission, or any similar governmental entity, in such entity's regulatory or official capacity.

H. **Copyright and Trade Secret Infringement of Technology Products**

for or arising out of actual or alleged infringement of copyright or misappropriation of trade secret arising out of or related to **Technology Products**.

I. **Electromagnetic Fields and Radiation**

for or arising out of or resulting from the existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety or condition of any person or the environment, or that affects the value, marketability, condition or use of any property.

J. **Delay in Delivery or Performance**

for or arising out of or resulting from delay in delivery or performance, or failure to deliver or perform at or within an agreed upon period of time.

K. **Pollution Liability**

under Insuring Clause I.D. arising out of or resulting from a **Pollution Condition**.

IX. LIMIT OF LIABILITY

- A. The Limit of Liability stated in Item 3.(a) of the Declarations for "Each **Claim - Claims Expenses**" is the limit of the Underwriters' liability for all **Claims Expenses** arising out of each **Claim**. In the event such limit is exhausted by payment of **Claims Expenses**, any further **Claims**

Expenses paid by Underwriters shall erode the Limit of Liability stated in Item 3.(b) of the Declarations.

- B. The Limit of Liability stated in Item 3.(b) of the Declarations for “Each **Claim - Damages**” is the limit of the Underwriters’ liability for all **Damages** arising out of each **Claim**. In the event the Limit of Liability stated in Item 3.(a) of the Declarations is exhausted by payment of **Claims Expenses**, the Limit of Liability stated in Item 3.(b) of the Declarations shall be eroded and may be completely exhausted by payment of additional **Claims Expenses**.
- C. The Limit of Liability stated in Item 3.(c) of the Declarations is the limit of the Underwriters’ liability for all **Damages** and **Claims Expenses** arising out of each **Claim** which is covered under Insuring Clause I.C. because of **Property Damage** to any one premises, while rented to the **Named Insured**, or in the case of damage by fire, while rented to the **Named Insured** or temporarily occupied by the **Named Insured** with permission of the owner.
- D. The “Aggregate for the **Policy Period**” stated in Item 3.(d) of the Declarations is the Underwriters’ combined total Limit of Liability for all **Damages** and **Claims Expenses** arising out of all **Claims** which are covered under the terms and conditions of this Policy, and neither the inclusion of more than one **Insured** under this Policy, nor the making of **Claims** by more than one person or entity shall increase the Limit of Liability.
- D. The Underwriters’ maximum aggregate Limit of Liability with respect to all **Claims** brought by or on behalf of or in the name or right of or involving the same claimant on a single project or related projects shall not exceed the Each **Claim** Limit of Liability stated in Item 3.(a) and (b) of the Declarations.
- E. The Limit of Liability for the **Optional Extension Period** shall be part of and not in addition to the Limit of Liability of the Underwriters for the **Policy Period**.

X. DEDUCTIBLE

- A. The “Each **Claim** Deductible” stated in Item 4. of the Declarations applies separately to each **Claim**. The Each **Claim** Deductible shall be satisfied by monetary payments by the **Named Insured** of **Damages** and **Claims Expenses** resulting from **Claims** first made during the **Policy Period** and the **Optional Extension Period** (if applicable) and reported to the Underwriters pursuant to the terms of this Policy. Satisfaction of the Each **Claim** Deductible 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 the Each **Claim** Deductible subject to the Underwriters total liability not exceeding the Limits of Liability stated in Items 3.(a) and 3.(b) of the Declarations. The **Named**

Insured shall make direct payments within the Each **Claim** Deductible to appropriate other parties designated by the Underwriters.

- B. If the **Insured** and the Underwriters agree to use **Mediation** and the **Claim** is fully and finally resolved through the use of **Mediation**, the **Insured's** Deductible shall be reduced by fifty percent (50%) of the Each **Claim** Deductible, up to \$25,000 for such **Claim**.
- C. Any payments by the **Named Insured** in satisfaction of its deductible or retention obligations under any other valid and collectible insurance shall not satisfy the Each **Claim** Deductible under this Policy.

XI. INNOCENT INSURED

- A. Whenever coverage under this Insurance would be excluded, suspended or lost because of Exclusion VI.A relating to criminal, dishonest, intentional, fraudulent, malicious, willful or knowing acts, errors or omissions by any **Insured**, and with respect to which any other **Insured** did not personally participate or personally acquiesce or remain passive after having personal knowledge thereof, then the Underwriters agree that such insurance as would otherwise be afforded under this Policy shall cover and be paid with respect to those **Insureds** who did not personally commit or personally participate in committing or personally acquiesce in or remain passive after having personal knowledge of one or more of the acts, errors or omissions described in Exclusion VI.A.

This provision is inapplicable to any **Claim** or **Circumstance** against the **Named Insured** arising from acts, errors or omissions known to any present or former principal, partner, director or officer of the **Named Insured**.

- B. With respect to this provision, the Underwriters obligation to pay in such event shall only be in excess of the full extent of any recoverable assets of any **Insured** to whom Exclusion VI.A. applies and shall be subject to the terms, conditions and limitations of this Policy.

XII. NOTICE OF CLAIM OR CIRCUMSTANCE

- A. If any **Claim** is made against an **Insured**, the **Insured** shall forward as soon as practicable to the Underwriters through the persons named in Item 9.(a) of the Declarations written notice of such **Claim** in the form of a facsimile, email or express or certified mail together with every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative, but in no event later than sixty (60) days after the expiration of the **Policy Period** or during the **Optional Extension Period**, if purchased.
- B. If during the **Policy Period** any director, officer, principal, partner, insurance manager or any member of the risk management or legal department of the **Named Insured** first becomes aware of any **Circumstance** and gives written notice to the Underwriters in the form of

a facsimile, email or express or certified mail through persons named in Item 9.(a) of the Declarations as soon as practicable during the **Policy Period** of:

1. the specific details of the act, error or omission or **Pollution Condition** in the provision of **Professional Services, Contracting Services, Media Activities, Technology Based Services** or **Transportation** or relating to **Technology Products**, or a **Non-Owned Disposal Site** or an **Occurrence** or **Personal and Advertising Injury** that gave rise to the **Circumstance**;
2. the injury or damage which may result or has resulted from the **Circumstance**; and
3. the facts by which such director, officer, principal, partner, insurance manager or any member of the risk management or legal department of the **Named Insured** first became aware of the act, error or omission, **Pollution Condition, Occurrence** or **Personal and Advertising Injury**

then any subsequent **Claim** made against the **Insured** arising out of such **Circumstance** which is the specific subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to the Underwriters.

- C. A **Claim** shall be considered to be reported to the Underwriters when written notice is first received by the Underwriters in the form of a facsimile, email or express or certified mail through persons named in Item 9.(a) of the Declarations of the **Claim** or of a **Circumstance** if provided in compliance with Clause B. above.

XIII. OPTIONAL EXTENSION PERIOD

- A. If this Policy is cancelled or non-renewed by the Underwriters or by the **Named Insured**, then the **Named Insured** shall have the right, upon payment of an additional premium calculated at that percentage shown in Item 8.(a) of the Declarations of the total premium for this Policy, to an extension of the coverage granted by this Policy with respect to any **Claim** first made against any **Insured** and reported in writing to the Underwriters during the period of time set forth in Item 8.(b) of the Declarations after the end of the **Policy Period**, but only with respect to any act, error or omission, **Pollution Condition, Occurrence** or **Personal and Advertising Injury** committed or arising on or after the Retroactive Date and before the effective date of cancellation or non-renewal.
- B. As a condition precedent to the right to purchase the **Optional Extension Period**, the total premium for this Policy must have been paid. The right to purchase the **Optional Extension Period** shall terminate unless written notice together with full payment of the premium for the **Optional Extension Period** is given to the Underwriters within sixty (60) days after

the effective date of cancellation or non-renewal. If such notice and premium payment is not so given to the Underwriters, there shall be no right to purchase the **Optional Extension Period**.

- C. In the event of the purchase of the **Optional Extension Period**, the entire premium for the **Optional Extension Period** shall be deemed earned at its commencement.
- D. The Limit of Liability for the **Optional Extension Period** shall be part of and not in addition to the Limit of Liability of the Underwriters for the **Policy Period**.
- E. The offer of renewal terms, conditions or premiums different from those in effect prior to renewal shall not constitute a refusal to renew for purposes of this Clause XIII.

XIV. REPRESENTATIONS

By acceptance of this Policy, all **Insureds** agree that the statements contained in the **Application** are their agreements and representations, that they shall be deemed material to the risk assumed by the Underwriters, and that this Policy is issued in reliance upon the truth thereof.

XV. OTHER INSURANCE

- A. Insuring Clauses I.A., I.B., I.E., I.F., I.G., I.H., I.I., I.J. and I.K. of this Insurance shall apply in excess of:
 - 1. any other valid and collectible insurance available to any **Insured**, including, but not limited to, any project specific professional liability and/or contractors pollution liability insurance; and
 - 2. any self insured retention or deductible portion thereof

unless such other insurance is written only as specific excess insurance over the Limit of Liability of this Policy.

- B. Insuring Clauses I.C. and I.D. of this Insurance shall apply as primary insurance. Where this Insurance applies as primary insurance, the Underwriters' obligations are not affected unless any other insurance is also primary. In such event the Underwriters will share with such other insurance by the method described below.

If all other insurance permits contribution by equal shares, the Underwriters will follow this method. Under this approach, the Underwriters and all other insurers shall contribute equal amounts until they have paid their applicable limits of liability or none of the **Claim** remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, the Underwriters will contribute by limits. Under this method, the Underwriters' and all other insurers' share is based on the ratio of their

applicable limit of liability to the total applicable limits of liability of all insurers.

Notwithstanding the foregoing, Insuring Clauses I.C. and I.D. of this Insurance shall apply in excess of any other valid and collectible insurance available to any **Insured**:

1. that is effective prior to the **Policy Period** and applies on other than a claims made basis if:
 - a. no Retroactive Date is set forth in Item 6. of the Declarations; or
 - b. the other insurance has a policy period which continues after the Retroactive Date set forth in Item 6. of the Declarations;
2. that is fire, extended coverage, builders' risk, installation risk or similar coverage;
3. that is fire insurance for premises rented or temporarily occupied by any **Insured** with the permission of the owner;
4. that is insurance purchased by any **Insured** to cover liability as a tenant for **Property Damage** to premises rented or temporarily occupied by any **Insured** with the permission of the owner;
5. to the extent the **Claim** arises out of the maintenance or use of any aircraft, **Auto** or watercraft not subject to Clause VII. Exclusion B.; or
6. that is also primary insurance covering liability for **Damages** and **Claims Expenses** for which the **Insured** has been added as an additional insured by attachment of an endorsement

including any self insured retention or deductible portion thereof, unless such other insurance is written only as specific excess insurance over the Limit of Liability of this Policy.

XVI. ASSIGNMENT

The interest hereunder of any **Insured** is not assignable. If an **Insured** shall die or be adjudged incompetent, such insurance shall cover that **Insured's** legal representative as the **Insured** as would be permitted by this Policy.

XVII. CANCELLATION AND NONRENEWAL

- A. The **Named Insured** may cancel this Policy by surrender thereof to the Underwriters, or by mailing to the Underwriters written notice stating when thereafter such cancellation shall be effective. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice shall be equivalent to mailing.

- B. The Underwriters may cancel this Policy by mailing or delivering to the **Named Insured** at the address shown in the Declarations written notice stating when, not less than sixty (60) days thereafter, such cancellation shall be effective. However, if the Underwriters cancel this Policy because the **Insured** has failed to pay a premium when due, this Policy may be cancelled by the Underwriters by mailing or delivering a written notice of cancellation to the **Named Insured** at the address shown in the Declarations stating when not less than ten (10) days thereafter such cancellation shall be effective. The notice of cancellation shall state the reason for cancellation. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice by the Underwriters shall be equivalent to mailing
- C. If this Policy is cancelled pursuant to A. hereinabove, the Underwriters shall retain the short rate portion of the premium hereon calculated in accordance with the Short Rate Cancellation Table set forth in Clause XXX. of this Policy. If this Policy is cancelled pursuant to B. hereinabove, the Underwriters shall retain the pro rata portion of the premium hereon. Payment or tender of any unearned premium by the Underwriters shall not be a condition precedent to the effectiveness of cancellation.
- D. If the Underwriters decide not to renew this Policy, the Underwriters shall mail or deliver written notice to the **Named Insured** at the address shown in the Declarations at least sixty (60) days before the end of the **Policy Period**. The notice of nonrenewal shall state the reason for nonrenewal.

XVIII. MERGERS AND ACQUISITIONS

- A. If during the **Policy Period**, the **Named Insured** acquires another entity for whom more than fifty percent (50%) of the outstanding securities representing the present right to vote for the election of such entity's directors are owned by the **Named Insured**, then no **Insured** shall have coverage under this Policy for any **Claim** that arises out of any act, error or omission, **Pollution Condition**, **Occurrence** or **Personal and Advertising Injury**, whether committed or arising either before or after such acquisition:
1. by the acquired entity or any person employed by the acquired entity; or
 2. involving or relating to the assets, liabilities, or **Computer Systems** of the acquired entity.

The foregoing provision shall not apply if the **Named Insured** gives the Underwriters written notice within sixty (60) days after the effective date of the acquisition, obtains the written consent of the Underwriters to extend coverage to such additional entities, assets or exposures, and agrees to pay any additional premium required by the Underwriters.

- B. If during the **Policy Period** the **Named Insured** consolidates or merges with another entity such that the **Named Insured** is not the surviving entity, is acquired by another entity, or sells substantially all of its assets to any other entity, then coverage under this Policy shall not apply to acts, errors, omissions or other breach, **Pollution Conditions, Occurrences** or **Personal and Advertising Injuries** committed or arising subsequent to such consolidation, merger or acquisition. The **Named Insured** shall provide written notice of such consolidation, merger or acquisition to the Underwriters as soon as practicable, together with such information as the Underwriters may require.
- C. All notices and premium payments made under this section shall be directed to the Underwriters through the entity named in Item 8.(b) of the Declarations.

XIX. ASSISTANCE AND COOPERATION OF THE INSURED

The **Insured** shall cooperate with the Underwriters in all investigations, including investigations regarding the **Application** for and coverage under this Policy. The **Insured** shall execute or cause to be executed all papers and render all assistance as is requested by the Underwriters. The **Insured** agrees not to take any action which in any way increases the Underwriters exposure under the Policy.

Upon the Underwriters request, the **Insured** shall 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 the **Insured** because of acts, errors or omissions, **Pollution Conditions, Occurrences** or **Personal and Advertising Injury** with respect to which insurance is afforded under this Policy; and the **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

The **Insured** shall not admit liability, make any payment, assume any obligations, incur any expense (including, but not limited to, any **Claims Expenses** or **Cleanup Costs**), enter into any settlement, stipulate to any judgment or award or dispose of any **Claim** without the written consent of the Underwriters.

Except as provided for in Clause II.B., expenses incurred by the **Insured** in assisting and cooperating with the Underwriters, as described above, do not constitute **Claims Expenses** and are not reimbursable under the Policy.

XX. ACTION AGAINST THE UNDERWRITERS

No action shall lie against the Underwriters unless, as a condition precedent thereto, the **Insured** shall have fully complied with all of the terms of this Policy, nor until the amount of the **Insured's** obligation to pay shall have been fully and finally determined either by judgment against them or by written agreement between them, the claimant and the Underwriters. Nothing contained herein shall give any person or organization any right to join the Underwriters as a party to any **Claim** against the **Insured** to determine their liability, nor shall the

Underwriters be impleaded by the **Insureds** or their legal representative in any **Claim**.

XXI. SUBROGATION

In the event of any payment under this Insurance, the Underwriters shall be subrogated to all the **Insureds'** rights of recovery therefore 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. The **Insured** shall do nothing to prejudice such rights. The Underwriters agree to waive its rights of recovery against any client of the **Named Insured** for a **Claim** which is covered pursuant to Insuring Clause I.A., I.B. and/or I.E. of this Policy to the extent the **Named Insured** had, prior to such **Claim**, a written agreement to waive such rights. Any recoveries shall be applied first to subrogation expenses, second to **Damages** and **Claims Expenses** paid by the Underwriters, and third to the Each **Claim** Deductible. Any additional amounts recovered shall be paid to the **Named Insured**.

XXII. ENTIRE AGREEMENT

By acceptance of this Policy, all **Insureds** agree that this Policy embodies all agreements existing between them and the Underwriters relating to this Insurance. 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 estop the Underwriters from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by written endorsement issued to form a part of this Policy, signed by the Underwriters.

XXIII. VALUATION AND CURRENCY

All premiums, limits, deductibles, **Damages** and other amounts under this Policy are expressed and payable in the currency of the United States. If judgment is rendered, settlement is denominated or another element of **Damages** under this Policy is stated in a currency other than United States dollars or if **Claims Expenses** are paid in a currency other than United States dollars, payment under this Policy shall be made in United States dollars at the rate of exchange published in the *Wall Street Journal* on the date the judgment becomes final or payment of the settlement or other element of **Damages** is due or the date such **Claims Expenses** are paid.

XXIV. BANKRUPTCY

Bankruptcy or insolvency of the **Insured** shall not relieve the Underwriters of their obligations nor deprive the Underwriters of its rights or defenses under this Policy.

XXV. AUTHORIZATION

By acceptance of this Policy, the **Insureds** agree that the **Named Insured** will act on their behalf with respect to the giving and receiving of any notice provided for in this Policy, the payment of premiums and the receipt of any return

premiums that may become due under this Policy, and the agreement to and acceptance of endorsements.

XXVI. SINGULAR FORM OF A WORD

Whenever the singular form of a word is used herein, the same shall include the plural when required by context.

XXVII. HEADINGS

The descriptions in the headings and subheadings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

XXVIII. SERVICE OF SUIT

It is agreed that in the event of the failure of Underwriters hereon to pay any amount claimed to be due under this Insurance, Underwriters hereon, at the request of the **Insured**, 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 Underwriters' representative, designated in Item 12. of 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.

The Underwriters' representative designated in Item 12. of the Declarations is authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the **Insured** to give a 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 therefore, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his or her successor 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 Underwriters' representative, designated in Item 12. of the Declarations, as the person to whom the said officer is authorized to mail such process or a true copy thereof.

XXIX. CHOICE OF LAW

Any disputes involving this Policy shall be resolved applying the law designated in Item 13. of the Declarations.

XXX. SHORT RATE CANCELLATION TABLE

Notwithstanding anything to the contrary contained herein and in consideration of the premium for which this Insurance is written it is agreed that in the event of cancellation thereof by the **Insured** the Earned Premium shall be computed as follows:-

SHORT RATE CANCELLATION TABLE

A. For insurances written for one year:-

Days Insurance in Force	Per cent. of One Year Premium	Days Insurance in Force	Per cent. of One Year Premium
1 - 73	30	206 - 209	66
74 - 76	31	210 - 214 (7 months)	67
77 - 80	32	215 - 218	68
81 - 83	33	219 - 223	69
84 - 87	34	224 - 228	70
88 - 91 (3 months)	35	229 - 232	71
92 - 94	36	233 - 237	72
95 - 98	37	238 - 241	73
99 - 102	38	242 - 246 (8 months)	74
103 - 105	39	247 - 250	75
106 - 109	40	251 - 255	76
110 - 113	41	256 - 260	77
114 - 116	42	261 - 264	78
117 - 120	43	265 - 269	79
121 - 124 (4 months)	44	270 - 273 (9 months)	80
125 - 127	45	274 - 278	81
128 - 131	46	279 - 282	82
132 - 135	47	283 - 287	83
136 - 138	48	288 - 291	84
139 - 142	49	292 - 296	85
143 - 146	50	297 - 301	86
147 - 149	51	302 - 305 (10 months)	87
150 - 153 (5 months)	52	306 - 310	88
154 - 156	53	311 - 314	89
157 - 160	54	315 - 319	90
161 - 164	55	320 - 323	91
165 - 167	56	324 - 328	92
168 - 171	57	329 - 332	93
172 - 175	58	333 - 337 (11 months)	94
176 - 178	59	338 - 342	95
179 - 182 (6 months)	60	343 - 346	96
183 - 187	61	347 - 351	97
188 - 191	62	352 - 355	98
192 - 196	63	356 - 360	99
197 - 200	64	361 - 365 (12 months)	100

- B. For Insurances written for more or less than one year:-
1. If insurance has been in force for 12 months or less, apply the standard short rate table for annual insurances to the full annual premium determined as for an insurance written for a term of one year.
 2. If insurance has been in force for more than 12 months:
 - (a) Determine full annual premium as for an insurance written for a term of one year.
 - (b) Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata Earned Premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the insurance was originally written.
 - (c) Add premium produced in accordance with items (a) and (b) to obtain Earned Premium during full period insurance has been in force.

Furthermore and notwithstanding the foregoing, Underwriters shall retain the total premium for this Policy, such total premium to be deemed earned upon inception of the Policy if any **Claim** or **Circumstance** is reported to Underwriters under this Policy on or before such date of cancellation.