

# SINGLE RISK PROPOSAL FOR: ST. JOHN THE BAPTIST PARISH SCHOOL BOARD, LA

Euclid Public Sector Alternative Risk is an underwriting company owned and operated by underwriters. Underwriting is our sole focus.

EFFECTIVE: 10/1/2023

Euclid Public Sector  
Alternative Risk  
234 Spring Lake Drive  
Itasca, IL 60143

9/6/2023

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**Euclid Public Sector Alternative Risk (EPSAR)** is a managing general agency specializing in the underwriting of custom alternative risk insurance and reinsurance solutions for the public sector throughout the US. We work with individual, and group self-insured risks, pools, captives, risk retention and risk purchasing groups. We are an underwriting company owned, operated and underwritten by underwriters. Underwriting is our sole focus.

## GENERAL INFORMATION

To:	Brook Noland	From:	Kathy Garcia
Company:	CIC - LA	Company:	Euclid Public Sector, LLC
Surplus Lines License No.	Casualty Insurance Consultants, Inc. 123048		

Insured Name:	St. John the Baptist Parish School Board 118 West 10th Street Reserve, LA 70084
Inception Date:	10/01/2023
Expiration Date:	10/01/2024 12:01 CST

Insurer:	Hudson Excess Insurance Company (HEIC)
Financial Rating:	A M Best Rating A; Financial Size Category XV
Renewal Policy Number:	EPGA 000074 02
Underwriter(s)	Kathy Garcia
Lines of Business:	Auto Liability, Auto Physical Damage, General Liability/Employee Benefits Liability, Educator's Legal Liability, Employment Practices Liability, Sexual Abuse/Molestation Liability/ Law Enforcement Professional Liability
Policy Form: <b>This is a non-admitted product.</b> Producer is responsible for all taxes and fees. Indemnification policy.	Governmental Alternative Solutions Auto, Governmental Alternative Solutions Auto Physical Damage, Scholastic Alternative Solutions General Liability/Employee Benefits Liability, Scholastic Alternative Solutions Employment Practices Liability, Scholastic Alternative Solutions Legal Liability, Scholastic Alternative Solutions Sexual Abuse Molestation, Governmental Alternative Solutions Law Enforcement Liability
Policy Trigger:	Occurrence: Auto Liability, Auto Physical Damage, General Liability/Employee Benefits Liability, Law Enforcement Professional Liability Claims-Made: Educator's Legal Liability, Employment Practices Liability, Sexual Abuse/Molestation Liability
Retro Date:	10/01/2010 for ELL and EPL - 10/1/2023 for SAM
Defense:	Inside Retention/Inside Limit
Euclid Public Sector Alternative Risk based this proposal on the underwriting and pricing information in the submission provided by you. The coverage and terms presented may not be the same or as broad as requested in your submission.	

## COVERAGE / LIMITS / RETENTION

	LIMIT / AGGREGATE	RETENTION	COVERAGE TRIGGER	RETRO DATE
GENERAL LIABILITY	\$1,000,000 Each Occurrence	\$50,000 Each Occurrence	Occurrence	N/A
	\$3,000,000 General Aggregate			
	\$1,000,000 Personal and Advertising Injury			
	\$3,000,000 Products – Completed Operations Aggregate			
GL FEATURES	✓ Pollution exception for Educational Materials any discharge, dispersal, release or escape of pollutants because of conducting classroom laboratory activities or training facilities in conjunction with the curriculum of the insured educational institution. Refer to policy wording.			
	✓ Health care service for school nurse, school counselor psychologist, physical therapist, speech therapist, athletic trainers. Refer to policy wording.			
	✓ “Who is an Insured” includes: Former Employees, Good Samaritan, Student and Substitute Teachers, Students in Practicum.			
	✓ Failure to Supply Provided - Accidental and Sudden			
EBL Included in the GL Limit	\$1,000,000 Each Wrongful Act	\$50,000 Each Wrongful Act	Occurrence	N/A
	\$3,000,000 Aggregate			
SEXUAL ABUSE AND/OR MOLESTATION LIABILITY	\$1,000,000 Each Wrongful Act	\$50,000 Each Wrongful Act	Claims- Made	10/1/2023
	\$1,000,000 Aggregate			
AUTO LIABILITY	\$1,000,000 CSL Each Accident	\$250,000 Each Accident	Occurrence	N/A
AUTO PHYSICAL DAMAGE OTR/CAT	\$255,000 Each Occurrence/ \$500,000 Aggregate	\$25,000 Each Occurrence	Occurrence	N/A
EDUCATORS LEGAL LIABILITY	\$1,000,000 Each Wrongful Act	\$50,000 Each Wrongful Act	Claims-Made	10/01/2010
	\$3,000,000 Aggregate			
LAW ENFORCEMENT PROFESIONAL VICARIOUS LIABILITY	\$1,000,000 Each Wrongful Act	\$50,000 Each Wrongful Act	Occurrence	N/A
	\$1,000,000 Aggregate			
	Vicarious Liability of the St. John the Baptist Parish School Board for School Resource Officers while under direction of the St. John the Baptist Parish Sheriff’s Office performing their duties for the parish school board.			
EMPLOYMENT PRACTICES LIABILITY	\$1,000,000 Each Wrongful Act	\$50,000 Each Wrongful Act	Claims-Made	10/01/2010
	\$3,000,000 Aggregate			

## PREMIUM / COMMISSION

Premium:	\$ 302,448.00	With Terrorism
LA Surplus Lines Tax:	<u>\$ 14,668.73</u>	Commission 10% of Premium, 100% retained by submitting agency
Total:	\$ 317,116.73	
Premium:	\$ 301,862.00	Without Terrorism
LA Surplus Lines Tax:	<u>\$ 14,640.45</u>	
Total:	\$ 316,502.45	
Subject to Audit:	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>

<b>THIS PROPOSAL IS VALID UNTIL:</b>	09/30/2023 12:01 CST
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## APPLICABLE ENDORSEMENTS

Form # / Edition	Title
To Follow	All applicable mandatory state endorsements.
SA-ELL-0002 2/16	Scholastic Alternative Solutions Legal Liability Claims-Made Inside /Inside
SA-EPL-0002 2/16	Scholastic Alternative Solutions Employment Practices Liability Claims-Made Inside/Inside
GA-LEL-0004 2/16	Governmental Alternative Solutions Law Enforcement Profession Liability Occurrence Inside/Inside
SA-SAM- 0009 6/22	Educational Alternative Solutions Sexual Abuse and / or Molestation Liability Claims Made Inside/Inside
SA-GL-0002 2/16	Scholastic Alternative Solutions General Liability Coverage Form Occurrence Inside/Inside
GA-EBL-0004	Employee Benefits Endorsement – Occurrence Inside / Inside
GA-AL-0002 2/16	Governmental Alternative Solutions Auto Liability Occurrence Inside / Inside
GA-APD-2101 9/18	Governmental Alternative Solutions Auto Physical Damage Retained Limit Coverage Form
GA-GL-2515 2/16	Blanket Additional Insured
GA-ML-2710 2/16	Cyber Liability Exclusion
GA-CD-0001 2/16	Governmental Alternative Solutions Common Policy Conditions
Dec-0010 02/16	Declarations
GA-ML-2707	Two or More Coverage Forms
GA-ML-2709 8/16	Pathogenic or Poisonous Biological or Chemical Materials
GA-ML-2714 6/20	Exclusion – Contagions, Pathogens, Virus, Bacteria or Microorganisms
GA-ML-2718 7/22	PFAS Exclusion
SS – LA (9/09)	Service of Suit – Louisiana

## QUOTATION TERMS AND CONDITIONS

1. This quotation is non-admitted. Producer is responsible for all taxes, filings and fees.
2. This proposal is presented on a portfolio coverage platform. Any disassembling of coverage parts could result in a higher premium and changes to terms.
<p>3. Exclusions: Please refer to the Coverage forms.</p> <p>a. Exclusions include, but are not limited to:</p> <ul style="list-style-type: none"> <li>i. Aircraft; Airport, exception for airport facilities.</li> <li>ii. Asbestos</li> <li>iii. Dumps</li> <li>iv. Cyber Liability</li> <li>v. Eminent Domain or Inverse Condemnation</li> <li>vi. Employer's Liability</li> <li>vii. Fungus or Bacteria</li> <li>viii. Lead</li> <li>ix. Nuclear Hazard</li> <li>x. Pathogenic or Poisonous Biological or Chemical Materials</li> <li>xi. Contagions, Pathogens, Virus, Bacteria, or Microorganisms</li> <li>xii. Pollution – See exceptions above</li> <li>xiii. Punitive damages</li> <li>xiv. Silica</li> <li>xv. War</li> <li>xvi. WC</li> </ul>
4. Notice of Cancellation: 90 days before effective date of cancellation for any reason other than nonpayment.
5. If more than one coverage part applies to the same occurrence or claim, the highest applicable limit under all the coverage forms and that form's corresponding retained limit will apply.
6. Terrorism: This proposal includes coverage for TRA (Terrorism Reform Act) legislation. The insured has the option to reject this terrorism coverage. If the insured rejects coverage, they must complete and sign the terrorism exclusion form. If the insured does not return the form upon binding of coverage, the terrorism premium will automatically be included.

## SUBJECTIVITIES

1. Confirm criminal and National Abuse Registry background checks on volunteers and vendors coming into contact with minors on a regular basis.
2. APD risk control, security, EAP, maintenance, record-keeping, etc.
3.

## CLAIMS ADMINISTRATION

LoCA – Louisiana Claims Administration
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## POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*: The term “act of terrorism” means any act that is certified by the Secretary of the Treasury—in consultation with the Secretary of Homeland Security, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS’ LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

IN ACCORDANCE WITH THE ACT, YOU MUST CHOOSE TO SELECT OR REJECT COVERAGE FOR “CERTIFIED ACTS OF TERRORISM” BELOW:

<input type="checkbox"/>	I hereby elect to purchase certified terrorism coverage for a premium of \$ 586
<input type="checkbox"/>	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism

\_\_\_\_\_  
Policyholder/Applicant’s Signature

\_\_\_\_\_  
Named Insured/Firm

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Policy Number, if available

\_\_\_\_\_  
Date

HIC-TRIA-1 01/21

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# STATE OF LOUISIANA

This form may not be altered or modified.

## UNINSURED/UNDERINSURED MOTORIST BODILY INJURY COVERAGE FORM

**Uninsured/Underinsured Motorists Bodily Injury Coverage**, referred to as "UMBI" in this form, is insurance that pays persons insured by your policy who are injured in an accident caused by an owner or operator of an uninsured or underinsured motor vehicle. Depending on the coverage purchased, UMBI Coverage can provide compensation for both economic and non-economic losses.

**Economic losses** are those that can be measured in specific monetary terms including but not limited to medical costs, funeral expenses, lost wages, and out of pocket expenses.

**Non-economic losses** are losses other than economic losses and include but are not limited to pain, suffering, inconvenience, mental anguish and other non-economic damages otherwise recoverable under the laws of this state.

**By law, your policy will include UMBI Coverage at the same limits as your Bodily Injury Liability Coverage unless you request otherwise.** If you wish to reject UMBI Coverage, select lower limits of UMBI Coverage, or select Economic-Only UMBI Coverage, you must complete this form and return it to your insurance agent or insurance company. (Economic-Only UMBI Coverage may not be available from your insurance company. In this case, your company will have marked options 2 and 3 below as "Not Available" or "NA".)

### UNINSURED/UNDERINSURED MOTORIST BODILY INJURY COVERAGE

You may select one of the following UMBI Coverage options (initial only one option):

1. \_\_\_\_\_ **I select UMBI Coverage** which provides compensation for economic and non-economic losses **with limits lower**  
Initials than the Bodily Injury Liability Coverage limits indicated on the policy:  
\$ \_\_\_\_\_ each person | **OR** \$ \_\_\_\_\_ each accident/occurrence  
\$ \_\_\_\_\_ each accident/occurrence
2. \_\_\_\_\_ **I select Economic-Only UMBI Coverage**, which provides compensation for economic losses **with the same limits**  
Initials as the Bodily Injury Liability Coverage indicated on the policy.
3. \_\_\_\_\_ **I select Economic-Only UMBI Coverage**, which provides compensation for economic losses **with limits lower**  
Initials than the Bodily Injury Liability Coverage limits indicated on the policy:  
\$ \_\_\_\_\_ each person | **OR** \$ \_\_\_\_\_ each accident/occurrence  
\$ \_\_\_\_\_ each accident/occurrence
4. \_\_\_\_\_ **I do not want UMBI Coverage.** I understand that **I will not be compensated through UMBI coverage** for losses  
Initials arising from an accident caused by an uninsured/underinsured motorist.

### SIGNATURE

The choice indicated and initialed on this form will apply to all persons and/or entities insured under this policy. This choice shall apply to the motor vehicles described in this policy and to any replacement vehicles, to all renewals of this policy, and to all reinstatement, substitute or amended policies until a written request is made for a change to the Bodily Injury Liability Limits, the UMBI limits or UMBI Coverage.

\_\_\_\_\_  
Signature of Named Insured or Legal Representative

<Optional Information for Policy Identification Purposes  
Only>

\_\_\_\_\_  
Print Name

<Individual Company Name; Group Name and/or Logo>

\_\_\_\_\_  
Date

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

## **PFAS CONTACT EXCLUSION**

This endorsement modifies insurance provided under the following:

<input type="checkbox"/>	SCHOLASTIC ALTERNATIVE SOLUTIONS LEGAL LIABILITY CLAIMS-MADE COVERAGE FORM
<input type="checkbox"/>	SCHOLASTIC ALTERNATIVE SOLUTIONS LEGAL LIABILITY OCCURRENCE COVERAGE FORM
<input type="checkbox"/>	SCHOLASTIC ALTERNATIVE SOLUTIONS EMPLOYMENT PRACTICES LIABILITY CLAIMS-MADE COVERAGE FORM
<input type="checkbox"/>	SCHOLASTIC ALTERNATIVE SOLUTIONS EMPLOYMENT PRACTICES LIABILITY OCCURRENCE COVERAGE FORM
<input type="checkbox"/>	SCHOLASTIC ALTERNATIVE SOLUTIONS GENERAL LIABILITY COVERAGE FORM
<input type="checkbox"/>	GOVERNMENTAL ALTERNATIVE SOLUTIONS EMPLOYMENT PRACTICES LIABILITY CLAIMS-MADE COVERAGE FORM
<input type="checkbox"/>	GOVERNMENTAL ALTERNATIVE SOLUTIONS EMPLOYMENT PRACTICES LIABILITY OCCURRENCE COVERAGE FORM
<input type="checkbox"/>	GOVERNMENTAL ALTERNATIVE SOLUTIONS LAW ENFORCEMENT LIABILITY OCCURRENCE COVERAGE FORM
<input type="checkbox"/>	GOVERNMENTAL ALTERNATIVE SOLUTIONS LAW ENFORCEMENT LIABILITY CLAIMS-MADE COVERAGE FORM
<input type="checkbox"/>	GOVERNMENTAL ALTERNATIVE SOLUTIONS COMMERCIAL AUTO LIABILITY COVERAGE FORM
<input type="checkbox"/>	GOVERNMENTAL ALTERNATIVE SOLUTIONS GENERAL LIABILITY COVERAGE FORM
<input type="checkbox"/>	GOVERNMENTAL ALTERNATIVE SOLUTIONS PUBLIC OFFICIALS LIABILITY CLAIMS-MADE COVERAGE FORM
<input type="checkbox"/>	GOVERNMENTAL ALTERNATIVE SOLUTIONS PUBLIC OFFICIALS LIABILITY OCCURRENCE COVERAGE FORM

The following exclusion is added:

This insurance does not apply to any liability, loss, damage, cost, expense, fine, or penalty arising out of, resulting from, caused or contributed by, or in any way related to PFAS, including, but not limited to:

**A. The actual, alleged, threatened, or suspected:**

1. Inhalation of, ingestion of, contact with, exposure to, existence of, or presence of PFAS;
2. Design, manufacture, storage, processing, packaging, handling, testing, distribution, sale or disposal of PFAS;
3. Discharge, dispersal, seepage, migration, release, flaking, leakage, leaching, friability, release or escape of PFAS;
4. Providing or failing to provide warnings or instructions with respect to PFAS;
5. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of PFAS; or
6. Violation of any national, state, or local law or regulation related to PFAS; or

- B.** Any action taken or failure to take action to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, assess or remediate PFAS or the effects of PFAS.

This exclusion applies regardless of whether the goods or products, materials, compounds, or substances that are defined as PFAS below are a solid, liquid or gas (including but not limited to dust, smoke, vapor, soot or fumes).

For purposes of this exclusion the following definition is added:

1. PFAS means: (a) perfluoroalkyl or polyfluoroalkyl substances; or (b) any goods or products, materials, compounds, or substances that consist of or contain any amount of perfluoroalkyl or polyfluoroalkyl substances.
2. The substances, goods or products, materials or compounds described in paragraph 1 include but are not limited to: perfluoroalkyl acids; perfluoroalkane sulfonamides; perfluoroalkyl ether carboxylic acids; fluorotelomer substances; perfluoroalkane sulfonamido substances; fluorinated polymers; and perfluorinated chemicals.
3. PFAS includes any substances, goods or products materials or compounds that, by whatever name known:
  - a) have a similar chemical formulary, formation, function, or structure of those items listed in paragraph 2. above;
  - b) is a derivative of or intended replacement of those items listed in paragraph 2. above;
  - c) is an associated homologue, isomer, salts, ester, alcohol, acid or precursor chemical, or is a related degradation or by-product, of those items listed in paragraph 2. above;
  - d) Contains at least one fully fluorinated methyl or methylene carbon atom (without any H/Cl/Br/I atom attached to it); or
  - e) had been referred to by chemical structure, name or CAS Number, as a known or suspected PFAS, perfluoroalkyl or polyfluoroalkyl chemical or substance in any foreign or United States federal, state or local statute, law, regulation, rule or written proposed rule, or governmental bulleting (including but not limited to publications of the United States Environmental Protection Agency) that had been published as of the effective date of this insurance.

All other terms and conditions remain unchanged.

# EDUCATIONAL ALTERNATIVE SOLUTIONS SEXUAL ABUSE AND/OR MOLESTATION LIABILITY CLAIMS MADE COVERAGE FORM

## LOSS ADJUSTMENT EXPENSES INCLUDED WITHIN THE RETENTION AND WITHIN THE LIMIT OF INSURANCE

THE COVERAGE PROVIDED UNDER THIS COVERAGE FORM IS CLAIMS-MADE. COVERAGE IS LIMITED GENERALLY TO LIABILITY FOR CLAIMS FIRST MADE AGAINST YOU WHILE THE COVERAGE IS IN FORCE. LOSS ADJUSTMENT EXPENSES ARE PART OF, NOT IN ADDITION TO, THE RETAINED LIMIT AND LIMITS OF INSURANCE. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS POLICY COVERAGES WITH YOUR INSURANCE AGENT OR BROKER.

Various provisions in this Coverage Form restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words “you” and “your” refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words “we,” “us” and “our” refer to the insurance company shown in the Declarations providing this insurance.

Within this Coverage Form, the word “insured” includes any person or organization qualifying as such under **SECTION III— WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meanings. Refer to **SECTION VI – DEFINITIONS** and other provisions of this policy for such meanings.

## SECTION I — COVERAGES

### A. INSURING AGREEMENT

We will indemnify the insured for those sums in excess of the “retained limit” that the insured becomes legally obligated to pay as “loss” resulting from a “sexual abuse and/or molestation wrongful act” to which this insurance applies. However, we will have no duty to indemnify the insured against any “suit” seeking “loss” because of an incident of “sexual abuse and/or molestation wrongful act” to which this insurance does not apply. We may, at our discretion, investigate any incident that may result from a “sexual abuse and/or molestation wrongful act”. Our obligation under this insuring agreement only applies if:

1. The “sexual abuse and/or molestation wrongful act” did not commence before the earlier of the “policy period” or the Retroactive Date, if any, shown in the Declarations, or after the end of the “policy period”; and
2. The “sexual abuse and/or molestation wrongful act” takes place within the “coverage territory”; and
3. The “claim” because of “sexual abuse and/or molestation wrongful act” is first made against the insured during the “policy period”, or if provided, in accordance with the Extended Reporting Period; and in accordance with paragraph 4. below; and
4. Prior to the “policy period”, or if purchased, the Extended Reporting Period, no insured knew or had reason to know that the “sexual abuse and/or molestation wrongful act” had commenced. If any insured knew or had reason to know, prior to the “policy period” that a “sexual abuse and/or molestation wrongful act” had commenced, then any continuation, change or resumption of such “sexual abuse and/or molestation wrongful act” will be deemed to have been known prior to the “policy period”, or if purchased, prior to the Extended Reporting Period.

A "sexual abuse and/or molestation wrongful act" will be deemed to have been known to have commenced at the earliest time when any Insured:

- a. Reports all, or any part, of the "sexual abuse and/or molestation wrongful act" to us or to any other insurer;
- b. Receives written or verbal demand or "claim" for "loss" because of a "sexual abuse and/or molestation wrongful act"; or
- c. Becomes aware by any other means that a "sexual abuse and/or molestation wrongful act" has commenced.

The entire "sexual abuse and/or molestation wrongful act" will be deemed to have been committed on the date of the first act, error or omission.

All "claims" arising out of a "sexual abuse and/or molestation wrongful act" will be deemed to have been made at the time the first of such "claims" is made, regardless of the number of "claims" subsequently made. All "claims" based on or arising out of a "sexual abuse and/or molestation wrongful act" by one person, or more than one person acting in concert, will be considered as arising out of one "sexual abuse and/or molestation wrongful act", and will be considered first made when the first of such "claims" is made, regardless of the:

1. Number of persons sexually abused and/or molested;
2. Number of locations where the sexual abuse and/or molestation occurred;
3. Number of acts of sexual abuse and/or molestation prior to or after the first claims is made; or
4. Period of time over which the sexual abuse and/or molestation took place, whether the sexual abuse and/or molestation is before, during or after the policy period. However, only "sexual abuse and/or molestation wrongful acts" that take place after the Retroactive Date, if any, shown in the Declarations and before the end of the "policy period" is covered.
5. In addition, following discovery of any sexual abuse occurring during a policy period insured by us, the insured shall report such discovery to us no more than one hundred-twenty (120) consecutive days after the discovery. Any failure to comply with this provision for any reason will result in the exclusion of coverage for any associated claim for sexual abuse, regardless of whether we have been prejudiced by such failure. The insured hereby agrees and acknowledges that we shall automatically be deemed to have been prejudiced by the insured's failure to report such discovery within the one hundred-twenty (120)-day time period.

The amount we will pay for "loss" and "loss adjustment expense" in excess of the "retained limit" is as described in **SECTION V – LIMITS OF INSURANCE**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided in the policy.

## **B. DEFENSE**

We have no duty to defend any "claim" or "suit", but we will have the right and the insured will give us the opportunity to associate in the defense of any "claim" or "suit" against the insured seeking "loss" because of a "sexual abuse and/or molestation wrongful act" which, in our sole opinion, may create indemnification obligations for us under this Coverage Form. In addition:

1. The insured, or the Named Insured on the insured's behalf, has the duty to defend any "claim" or "suit" seeking damages to which this insurance applies and shall be responsible for any "loss adjustment expense" within the "retained limit".
2. When the insured's legal obligation to pay "loss" to which this insurance applies has been determined, and this amount is greater than the "retained limit", then and only then will the insured be entitled to indemnity under this Coverage Form. The insured will request

indemnification as soon as practicable after it has paid or will pay the “retained limit”. We will not pay any “loss adjustment expense” above what we would otherwise have paid had the “loss” been settled for any reasonable amount within the “retained limit”.

We will then indemnify the insured for the amount of such “loss” in excess of the “retained limit” subject to **SECTION V – LIMITS OF INSURANCE**.

3. The insured must obtain our prior written consent before offering or agreeing to pay an amount which exceeds the “retained limit” in order to settle any “claim” or “suit” seeking damages to which this insurance applies, either in whole or in part.
4. We will also have the right, but not the duty, to assume control in the defense of any “claim” or “suit” which, in our sole opinion, may create indemnification obligations for us under this Coverage Form.

This assumption of control will include, but not be limited to:

- a. The investigation of any occurrence, offense, “claim” or “suit”;
- b. The selection or retention of defense counsel;
- c. The appeal of any judgment; or
- d. The settlement of any “claim” or “suit”.

In the event we exercise our rights specified in this paragraph, the Limits of Insurance and the insured’s responsibility to pay the “retained limit” and handling of the “loss adjustment expense” will remain unchanged as stated in the Coverage Form or as amended by Endorsement.

5. If we recommend to the insured a settlement of any “claim” or “suit”, the amount of which exceeds the “retained limit”, the insured will in good faith attempt to settle the “claim” or “suit” with the claimant or claimant’s legal representative, at or below the recommended settlement amount.

## **SECTION II — EXCLUSIONS**

This insurance does not apply to:

### **1. Adverse Profit Or Remuneration**

“Loss” based upon or attributable to any insured gaining profit, advantage or remuneration to which the insured is not legally entitled.

### **2. Advertising, Broadcasting, Telecasting**

“Loss” arising from a publication or utterance made in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of any insured.

### **3. Assault Or Battery**

“Loss” arising out of assault and battery, unless resulting from a “sexual abused and/or molestation wrongful act”.

### **4. Auto, Watercraft, Aircraft**

Any “sexual abuse and/or molestation wrongful act” arising out of the ownership, licensure, permit, maintenance, use or entrustment to others of any aircraft, “auto” or watercraft owned or operated by, or rented or loaned to any insured. Use includes operation and “loading or unloading”.

This exclusion applies even if the “loss” or “claim” against any insured alleges negligence in the supervision, hiring, employment, training or monitoring of others by that insured, if the “sexual abuse and/or molestation wrongful act” involved the ownership, maintenance, licensure, permit, use or entrustment to others of any aircraft, “auto” or watercraft that is owned or operated by, or rented or loaned to any insured.

**5. Bodily Injury, Property Damage, Personal And Advertising Injury Or Employee Benefits injury**

Any "loss" or damage arising from "bodily injury", "property damage", "personal and advertising injury" or "employee benefits injury", unless resulting from a "sexual abuse and/or molestation wrongful act".

**6. Contractual Liability**

Any obligation assumed by an insured under a contract or agreement, unless the insured would have been legally liable in the absence of such contract or agreement

**7. Electronic Data**

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

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**8. Electronic Vandalism**

Any "loss", injury, damage, cost or expense caused directly or indirectly by Electronic Vandalism. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. As used in this exclusion, Electronic Vandalism means:

- a. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems.
- b. Unauthorized computer code or programming that:
  - (1) Deletes, distorts, corrupts or manipulates computer programs, content, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which it is introduced;
  - (2) Replicates itself, impairing the performance of computers or computer systems or networks; or
  - (3) Gains remote control access to data and programming within computers or computer systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.

With respect to any activity that comes within the terms of the War and Military Action Exclusion and involves Electronic Vandalism, the War and Military Action Exclusion supersedes this Electronic Vandalism Exclusion. With respect to any activity that comes within the terms of the Terrorism Exclusion and involves Electronic Vandalism, the Terrorism Exclusion supersedes this Electronic Vandalism Exclusion.

**9. Eminent Domain or Inverse Condemnation**

Any "claim", "loss", injury or damage resulting arising out of or resulting from deprivation, destruction or controlling of property by any means, method or proceeding that involves or is any way related to the principles of eminent domain, inverse condemnation, adverse possession, right of prescription, dedication by the adverse use, lack of due process or by whatever name used or however characterized; or the resulting diminution of property value.

This exclusion applies whether or not any "claim" is made directly against any insured or by virtue of any agreement into by or on behalf of any insured.

**10. Employee Compensation**

Any "claim", award or settlement of back salary or wages or other "employee" compensation.

## **11. Employer's Liability**

Any "claim" or "loss" arising out of employer's liability.

## **12. Employment Practices Wrongful Act**

Any "loss", injury or damage arising out of an "employment practices wrongful act", or for any coverage that is provided by or would reasonably be expected to be provided under an Employment Practices or Employment-Related Practices Liability policy. An "employment practices wrongful act", includes any "loss", offense, injury or damages to any:

- a.** Person, or any class of person, arising out of any:
  - (1)** Employment-related practices, policies, procedures, acts, errors or omissions, including but not limited to, coercion, demotion, evaluation, reassignment, discipline, libel, slander, defamation, harassment, humiliation, or "discrimination" involving or directed at any person or class of person;
  - (2)** Verbal, physical, mental or emotional abuse, offense, injury or "loss" resulting from or arising out of employment practices, policies, procedures, acts, errors or omissions involving, connected with, or in any way related to interviews, hiring, supervision, probation, termination, or any other act or determination of employment or non-employment of any person or class of person;
  - (3)** False arrest, false imprisonment, libel, slander, defamation, harassment, humiliation, "discrimination", invasion of privacy, wrongful eviction, malicious prosecution, abuse of process, or arising out of any aspect of "law enforcement activities" affecting employment or non-employment of any person or class of person;
  - (4)** Verbal, physical, mental or emotional abuse, offense, injury, damage or "loss" resulting from or arising out of such employment-related practices, policies, acts, errors or omissions including but not limited to those described in paragraphs **(1)** through **(4)** above;
  - (5)** Failure to adopt or comply with adequate workplace or employment policies or procedures;
  - (6)** Failure or refusal to grant tenure;
  - (7)** Failure or refusal to employ, train, or promote a person;
  - (8)** Denial of training, deprivation of career opportunity, or breach of employment contract;
  - (9)** Evaluation, assignment, reassignment or discipline of any person or class of person;
  - (10)** Dismissal, discharge or termination of employment or membership, whether actual or constructive, of any person or class of person;
  - (11)** Retaliatory action against any person for the exercise of, or not exercising, any legally protected right, or for engaging in any legally protected activity, including but not limited to, actions of:
    - (a)** Performing or declining to perform an unethical or illegal act;
    - (b)** Filing a complaint or bringing "suit";
    - (c)** Testifying against an insured at a legal proceeding;
    - (d)** Notifying a proper authority of any aspect of your operation that is illegal;
  - (12)** Violation of the Family Medical Leave Act (FMLA), or similar state or local law;
    - (a)** Violation of any Federal, state or local law (common law or statutory) concerning employment or any "employment practices wrongful act" described in paragraphs **(1)** through **(12)** above; or if insurance is prohibited by law;



- (b) Spouse, child, parent, brother or sister of that person as a consequence of “bodily injury” to that person at whom any “employment practices wrongful act” described in paragraphs (1) through (12) above is directed;
- (c) Person or any class of person arising out of any “discrimination” or harassment directly or indirectly related to the past employment, employment or prospective employment by any insured.

This “employment practices wrongful act” exclusion applies:

- (i) Whether the injury-causing event described in Paragraphs a. (1) through (12) above occurs before employment or after employment of that person or class of person;
- (ii) Whether the insured may be liable as an employer or in any other capacity; and
- (iii) To any obligation to share “loss” with or repay someone else who must pay “loss”, injury or damages because of the injury.

### **13. Fiduciary**

Any “loss” based upon or arising out of any activity for which the insured is acting in a fiduciary capacity.

### **14. Fraudulent Or Dishonest Acts**

Any “loss” brought about by, arising out of or attributable to fraudulent or dishonest acts or omissions of the insured or bad faith on the part of the insured.

However, the insured will be protected under the terms of this policy as to any “claim” upon which “suit” may be brought against them by reason of any alleged fraudulent or dishonest act of any insured, unless a judgment or other final adjudication thereof adverse to such insured will establish that acts of active or deliberate fraud or dishonesty committed by such insured was material to the cause of action so adjudicated.

### **15. Handling Of “Loss”, “Sexual Abuse And/or Molestation Wrongful Act”, “Claim” Or “Suit” Within The “Retained Limit”**

Any “loss”, injury, damages or “sexual abuse and/or molestation wrongful act” arising out of the handling of “claims” or “suits” within the “retained limit”, including the investigation, defense or settlement of “claims” or “suits”.

### **16. Judicial Penalties**

Any “loss”, cost, civil fine, penalty or expense arising from any complaint or enforcement action by any federal, state or local governmental regulatory agency or judicial entity.

### **17. Labor Disputes**

“Loss” arising out of or associated with a lockout, strike, picket line, replacement or other similar actions in connection with labor disputes or labor negotiations.

### **18. Legal Services**

Anyone providing legal services other than an attorney employed full time by the Named Insured.

### **19. Maintain Insurance**

Any “loss” for, based upon, attributable to, arising out of, resulting from, in consequence of, or in any way involving, directly or indirectly, any failure or omission of the insured to effect or maintain insurance of any kind.

### **20. Medical Services**

Any “loss” or injury arising out of the rendering or failure to render any health or medical service by anyone who is not an insured under this policy.

**21. Named Insured**

Any "claim" brought by the Named Insured or on its behalf.

**22. Non-Monetary**

Any "claim", demand, or action seeking relief or redress solely in any form other than monetary "loss", or for any fees, costs or expenses which an insured may become obligated to pay as a result of any adverse judgment for declaratory relief or injunctive relief.

This exclusion does not apply to "loss adjustment expense" where non-monetary relief is sought for an alleged "sexual abuse and/or molestation wrongful act" that would otherwise be covered under this policy.

**23. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

With respect to any activity that comes within the terms of the War and Military Action Exclusion and involves nuclear reaction or radiation, or radioactive contamination, the War and Military Action Exclusion supersedes this Nuclear Hazard Exclusion.

**24. Perpetrator**

Any "loss" or "loss adjustment expense" for any insured who is alleged to have personally participated in committing any "sexual abuse and/or molestation wrongful act" or for any insured who is alleged to have remained passive after having personal knowledge, or under circumstances in which the insured should have known, of any "sexual abuse and/or molestation wrongful act".

**25. Pollution**

Any "loss", cost, injury or expense resulting in whole or in part from any of the following:

- a. Actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
- b. Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
- c. "Suit" by or on behalf of a government authority for "loss" or damages because of or related to testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to, or assessing the effects of, any "pollutant".

**26. Professional Services**

"Loss" arising out of providing, or failing to provide, "professional services" including medical, legal, architectural, accounting, engineering, to any person or organization.

**27. Prior Acts**

- a. Any "sexual abuse and/or molestation wrongful act" of which any insured who is an elected or appointed official, principal, partner, officer, director, trustee, employed or retained counsel, or "employee" with personnel or risk management responsibility was aware, through actual knowledge, of the facts or circumstances of such "sexual abuse and/or molestation wrongful act" prior to the Effective Date shown in the Declarations;
- b. Any "loss" or "claim" based upon or arising out of:
  - (1) A "sexual abuse and/or molestation wrongful act" which was known to an insured prior to the Effective Date of this policy and for which a "claim" was reasonably foreseeable; or

- (2) Any “loss” for which an insured has reported, or should have reported, a “sexual abuse and/or molestation wrongful act” soliciting coverage under any policy of insurance prior to the Effective Date of this policy.

## **28. Prior Or Pending Notice Or Legal Action**

Any injury or “loss” based upon, arising out of, attributable to, or in any way directly or indirectly related to any:

- a. Prior or pending legal action or litigation, administrative or regulatory proceeding, “claim”, demand, arbitration, decree or judgment against any insured before the Effective Date of this policy, including any administrative or regulatory proceeding:
  - (1) Resulting from or in consequence of such pending or prior litigation, administrative or regulatory proceeding;
  - (2) Derived in whole or in part from the facts and/or matters averred or alleged in any such pending or prior litigation, administrative or regulatory proceeding; or
  - (3) Derived from the same or essentially the same fact, actual or alleged;
- b. Fact, circumstance, event, situation, or “sexual abuse and/or molestation wrongful act” that was the subject of any notice under any similar policy of insurance issued to the insured.

## **29. Violation Of Laws**

Any “loss” based on the conduct of the insured or at the insured’s direction that is committed with wanton, willful, reckless or intentional disregard of any law(s) that is or are the foundation for the “claim”, or with criminal or malicious purpose or intent.

### ***Exception to Exclusion:***

This exclusion will not apply to the strict vicarious liability of any insured for the wanton, willful, reckless or intentional disregard of another of any law(s) that is or are the foundation for the “claim”.

## **30. War and Military Action**

Any “sexual abuse and/or molestation wrongful act”, or any “loss”, injury or damages, however caused, arising directly or indirectly out of:

- a. Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack:
  - (1) By any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces;
  - (2) By military, naval or air forces; or
  - (3) By an agent of any such government, power, authority or forces.
- b. Invasion, insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence.

Any discharge, release, explosion or use of any chemical or biological agent, or any weapon or device of war employing nuclear fission or fusion, will be conclusively presumed to be such a hostile or warlike action by such a government, power, authority or forces.

With respect to any action that comes within the terms of this War and Military Action Exclusion and:

  - (1) Involves nuclear reaction or radiation, or radioactive contamination, this War and Military Action Exclusion supersedes the Nuclear Hazard Exclusion.
  - (2) Involves a discharge, dispersal, seepage, migration, release, escape or application of any pathogenic or poisonous biological or chemical materials, this War and Military

Action Exclusion supersedes the Pathogenic or Poisonous Biological or Chemical Materials Exclusion.

(3) Involves Electronic Vandalism as defined in the Electronic Vandalism Exclusion, this War and Military Action Exclusion supersedes the Electronic Vandalism Exclusion.

(4) Comes within the terms of the Terrorism Exclusion, this War and Military Action Exclusion supersedes the Terrorism Exclusion.

### **31. Workers Compensation And Similar Laws**

"Loss" arising out of any obligation under any workers' compensation, disability benefits, social security or unemployment compensation law, or any similar law.

### **32. Fail to Report or Prevent**

To any Insured or other person(s) who committed, participated in, or directed, any act described in Paragraph 24.a. or 24.b. of the definition of sexual abuse.

For any sexual abuse when any administrator, official, trustee, director, officer, or board member of the Insured, or any person that the Insured made responsible in an official capacity to prevent or report sexual abuse:

- a. Failed to follow any written policy, rule, protocol, or regulation that governs the Insured in preventing either the initial sexual abuse or a recurrence of the sexual abuse; or
- b. Failed to report such sexual abuse when under a legal duty to do so.

### **33. Sexual Abuse Continues, Resumes, or Changes**

For any sexual abuse where the first act of sexual abuse committed by the same perpetrator or two or more perpetrators acting in concert occurred prior to the policy period of this policy, even if the sexual abuse by such perpetrator or perpetrators continues, resumes or changes during this or subsequent policy period(s).

### **34. Sexual Abuse Against Present or Former Employee**

For any sexual abuse committed against any present or former employee of, or an applicant for employment with, any Insured.

### **35. Failure to Report within 120 Days**

For any sexual abuse occurring during a policy period insured by us which the Insured failed to report to us within one hundred-twenty (120) consecutive days following discovery of such sexual abuse, regardless of whether we have Hudson Excess Insurance Company has been prejudiced by such failure. The Insured agrees and acknowledges that Hudson Excess Insurance Company shall automatically be deemed to have been prejudiced by the Insured's failure to report such discovery within the one hundred-twenty (120)-day time period.

### **36. Sexual Abuse after Discovery**

For any sexual abuse committed by a perpetrator or two or more perpetrators acting in concert after the discovery of any sexual abuse committed by such perpetrator or perpetrators.

### **37. Sexual Abuse under Guise of Medical Professional**

For any sexual abuse arising out of or otherwise allegedly occurring under the guise of the rendering of or failure to render medical or paramedical services to persons by any

medical professional or other healthcare provider, including any emergency medical technician, paramedic or first aid attendant.

### SECTION III - WHO IS AN INSURED

**A. Insured:** Except as excluded in the Coverage Form or by endorsement, each of the following is an insured, but only with respect to their duties and while acting within the course and scope of authority allocated by their position as such:

1. **You:** Any Named Insured.
2. **Board of Education, Board of Governors, Superintendents, Principals and Administrators:** All persons who were, are now, or will be elected during the “policy period” or appointed or employed members of the Board of Education, Board of Governors, Trustees, Directors, Superintendents, Assistant Superintendents, Administrators, Assistant Administrators, Principals, Vice Principals, or any equivalent administrative position of a Named Insured.
3. **Schools:** Schools under the jurisdiction of a Named Insured.
4. **School Board and Commission Members:** Members of school commissions, boards or other units operated by and under the jurisdiction of a Named Insured.

However, no member of a school commission, board, administrative department or other unit that is an autonomous entity, or that is wholly subject to independent or outside oversight, control or direction; or whose liability is not the result of the oversight, control or direction of the a Named Insured, is an insured under this policy.

5. **Employees and Volunteers:** Your current and former “employees” and all persons who perform “volunteer worker” service.
6. **Student and Substitute Teachers:** Student teachers and substitute teachers, but only while acting within the scope and authority of their duties for and as authorized by a Named Insured, for duties that are otherwise covered by this policy.
7. **Estates, Heirs, Legal Representatives or Assigns:** The estates, heirs, legal representatives or assigns of deceased persons who were insureds at the time of a covered “educators legal wrongful act”.
8. **Your Legal Representatives or Assigns:** The legal representatives or assigns of the insureds, but only in the event of their incompetency, insolvency or bankruptcy, during the “policy period”, and only to the extent that such insureds would have otherwise been afforded coverage by this policy.
9. **Affiliated and Supporting Organizations:** Such organizations affiliated with and supporting the Named Insureds, such as Parent Teacher Organizations, Booster Clubs, Student Body Organizations, including the members of these clubs or organizations, while under the authorization and jurisdiction of such Named Insured’s governing board.
10. **Students in Practicum:** Any student while participating in activities required to complete any nurse training and similar allied health courses, but only while completing course work you required.
11. **Safety Patrol:** Students and their respective parents or legal guardians who serve as members of a Named Insured’s Safety Patrol, by whatever name used, but only to the extent such student, parent or legal guardian is held liable for “bodily injury”, “property damage” or “personal and advertising injury” caused by your Safety Patrol Operations.
12. **Mutual Aid:** All persons, entities, or organizations providing service to you under any mutual aid or similar agreement.

**13. Real Estate Manager:** Any person, entity, or any organization while acting as your real estate manager.

**B. Newly Acquired Organizations:** Any organization you newly acquire or form, other than a partnership, joint venture, limited liability company or for-profit corporation, and over which you maintain ownership or a majority interest, will qualify as an insured if there is no other similar insurance available to that organization. However:

1. Coverage under this provision is afforded only until the one-hundred twentieth (120th) day after you acquire or form the organization or the end of the "policy period", whichever is earlier; and
2. Coverage does not apply to any "educators legal wrongful act" that commenced before you acquired or formed the organization; and
3. No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations; and
4. We reserve the right within the one-hundred twenty (120) day coverage period outlined in paragraph 1.a. above, to endorse this policy to exclude coverage for the new organization; however, should we exercise this right, we will provide a thirty (30) day notice of such new organization being excluded.

**C. NOT INSURED:** None of the following are insureds under this policy:

1. Any person, entity, or organization with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.
2. Any person, entity or organization, including you, with respect to the operation of boards, commissions or other units, the members of which are not afforded coverage under paragraphs **A.2. and 4.** above.
3. Any independent contractor, person or entity who is on retainer, is a consultant or is under contract for services, for any insured, except an independent contractor who is performing services as a teacher or administrator if such independent contractor has a written contract with the Named Insured and with any schools under the jurisdiction of such Named Insured, but only for acts under the direction, and within the scope and authority granted by that Named Insured in the performance of educational activities for that insured.

## SECTION IV — COVERAGE EXTENSION

The following Coverage Extension applies to the insurance provided by this Coverage Form and is additional insurance to the policy unless otherwise stated. This Coverage is not included within, nor affected by, the "retained limit". Payment under this Extension will not:

1. Reduce or increase the "retained limit" shown in the Declarations for Sexual Abuse/Molestation Coverage; or
2. Increase or decrease the applicable Limits of Insurance provided under this Coverage Form:

### Individual and Image Counseling

- a. We will reimburse you for expenses incurred for individual counseling required to restore an insured "employee's" confidence and their public image following an acquittal of an alleged "sexual abuse and/or molestation wrongful act", as named in a formal allegation to which a "suit" or other legal proceeding has been brought against that "employee". For this coverage to apply, there must have been a legal process or "suit" wherein the insured "employee" was individually or collectively named in a written allegation, and such allegation resulted in that insured "employee" being accused of criminal conduct.
- b. The following reimbursement expenses will not be provided unless and until the insured "employee" is found to be not guilty of any criminal conduct, and can provide documented

proof of an acquittal of all charges brought against them in the "suit" or other legal proceeding. We will reimburse you for the following costs related to the insured "employee":

- (1) The reasonable documented costs charged by an individual professional counselor or professional counseling organization; and
  - (2) The reasonable documented costs charged by a recruiter, or those costs expended on direct advertising for replacement of that "employee's" position for the insured; and
  - (3) Such costs that are directly related to restoring the insured's reputation and public confidence through image counseling and can be documented as such.
- c. These costs will not be reimbursed if the above services are provided by any other "employee" or any other insured under this policy.
  - d. The most we will reimburse you for the sum of all costs provided under this Coverage Extension is twenty-five thousand dollars (\$25,000) in any one "policy period", regardless of the number of "claims", "suits", legal proceedings, "employees" or insureds to which this coverage applies.

## **SECTION V — LIMITS OF INSURANCE**

The Limits of Insurance of this policy apply in excess of the "retained limit". The following paragraphs further describe how the Limits of Insurance and "retained limit" apply:

### **A. RETAINED LIMIT**

1. The "retained limit" will be applied to each "sexual abuse and/or molestation wrongful act" for which coverage is afforded by this policy. The "retained limit" will be reduced by any "loss adjustment expense" incurred by the insured.
2. In the event that any part of a "claim" or "suit" is not covered by this policy, the "retained limit" will be applied to the part of the "claim" or "suit" that is covered by this policy, and coverage will only be provided for the part of the "claim" or "suit" for which coverage applies. No credit against the "retained limit" shall be provided for an insured's investigation, defense or settlement of any "claim" or "suit" that is not covered by this policy. The "retained limit" will not include any amounts for "loss" or "loss adjustment expense" for any "sexual abuse and/or molestation wrongful act" that occurs prior to, or subsequent to, the "policy period".
3. You agree not to insure or otherwise reinsure your "retained limit" without our knowledge and written permission.
4. This policy will not drop down to assume or satisfy your obligations under the "retained limit".
5. You agree that in the event of judgment or settlement in excess of the "retained limit," all outstanding amounts within the "retained limit" will be due and payable to us upon demand. Such payment must be made before we have paid, tendered or deposited in court, any part of said judgment or settlement. Failure of you to comply with this provision will not invalidate the policy, but in the event of such failure, we will be liable only to the extent that we would otherwise have been liable had you complied with this provision.

### **B. LIMITS OF INSURANCE**

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay in excess of the insured's "retained limit", regardless of the number of:
  - a. Insureds;
  - b. "Claims" made or "suits" brought;
  - c. Persons, organizations or governmental agencies making "claims" or bringing "suits";
  - d. "Sexual abuse and/or molestation wrongful acts".

2. Subject to the Limits of Insurance shown in the Declarations, we will pay for “loss” covered under this policy only after the “retained limit” has been exhausted because of judgments, settlements and “loss adjustment expense” of “claims” or “suits”. The “retained limit” shown in the Declarations applies:
  - a. Only to “loss” for “sexual abuse and/or molestation wrongful acts” covered under this policy; and
  - b. Separately to each “sexual abuse and/or molestation wrongful act”; and
  - c. To “loss adjustment expense” associated with “claims” or “suits”.
3. The Aggregate Limit is the most we will pay in excess of the “retained limit” for the sum of all “loss” and “loss adjustment expense” because of “claims made” during the policy period to which this insurance applies. In no event will our total Limit of Insurance be increased for any Extended Reporting Period.
4. The Each Sexual Abuse/Molestation Wrongful Act Limit is the most we will pay in excess of the “retained limit” for the sum of all “loss” and “loss adjustment expense” because of one “sexual abuse and/or molestation wrongful acts”.
5. In determining the Limit of Insurance that applies, all acts, errors or omissions committed by one or more insureds that are substantially the same or are in any way directly or indirectly related, either logically, causally or temporally, will be deemed to constitute one “sexual abuse and/or molestation wrongful act”, regardless of the number of “claims” or claimants. The entire “sexual abuse and/or molestation wrongful act” will be deemed to have been committed on the date of the first act, error or omission.
6. Incurred “loss adjustment expense” will reduce the Limits of Insurance provided by this insurance.

The limits of this policy apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the “policy period” shown in the Declarations, unless the “policy period” is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the preceding period for purposes of determining the limits of insurance.

## **SECTION VI— DEFINITIONS**

1. “Advertisement” means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
  - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an “advertisement”.
2. “Auto” means:
  - a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment;
  - b. 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.However, “auto” does not include “mobile equipment”.
3. “Bodily injury” means physical injury to the body, sickness, disease, disability, shock, mental anguish, emotional distress, mental injury and humiliation, including death, resulting from any of these at any time.



4. "Cafeteria plan" means a plan authorized by applicable law to allow "employees" to elect to pay for certain benefits with pre-tax dollars.
5. "Claim" means a written notice from any party that it is their intention to hold the insured responsible for "loss" resulting from a "sexual abuse and/or molestation wrongful act" covered by this policy.
6. "Coverage territory" means:
  - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, provided the injury, "loss" or damage does not occur in the course of travel or transportation to or from any place not included in **a.** above; or
  - c. All parts of the world if the injury or damage arises out of:
    - (1) The injury or "loss" arises out of an "sexual abuse and/or molestation wrongful act" of an insured beyond the territory described in **a.** above, while they are conducting or are engaged in the Named Insured's operations; and
    - (2) The Insured's responsibility to pay "loss" is determined in a "suit" on the merits, in the territory described in **a.** above, or in a settlement to which we agree.
7. Discovery of any sexual abuse means the earliest date on which any of the Insured's administrators, officials, trustees, directors, officers, board members, or any person designated by the Insured to be responsible in an official capacity to prevent, investigate, or report sexual abuse, has first taken receipt, or first knows or in the exercise of reasonable care should have known, of any of the following:
  - a. Any lawsuit alleging sexual abuse;
  - b. Any demand for money or services related to sexual abuse;
  - c. Any criminal investigation or prosecution related to sexual abuse;
  - d. Any allegation by an alleged victim, by a parent or guardian of the alleged victim, or by any other person, of sexual abuse, whether the allegation is or is not accompanied by a demand for money or services;
  - e. Any other investigation commenced into allegations of sexual abuse; or
  - f. Any admission by an alleged perpetrator to committing, participating in, or directing, any act of sexual abuse.
8. "Discrimination" means the unlawful treatment, including any violation of civil rights, with respect to a person's race, color, national origin, gender, marital status, age, sexual orientation or preference, physical or mental condition, or any other protected class or characteristic established by any Federal, state or local statutes, ordinances, rules or regulations.
9. "Employee" includes a "leased worker" or a "temporary worker". Employee does not include a "volunteer worker" or a "service contractor".
10. "Employee benefits injury" means injury that arises out of any act, error or omission in the administration of any insured's "employee benefits program".
11. "Employee benefits program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
  - a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
  - b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;

- c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
  - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies;
  - e. Any benefits not otherwise identified within this definition that are offered by the insured that are deemed by us to be part of the benefits package on the basis of those benefits being within the insured's control and administered by the insured; and
  - f. Any other similar benefits program made available in connection with employment in an insured's business or operations.
- 11.** "Law enforcement activities" means any activities, functions or operations by or on behalf of any law enforcement agency or any agent thereof; and/or any activity, function or operation inherent to or in connection with the administration and/or enforcement of the law and the protection of persons or property. Such activities or operations include the ownership, maintenance or use of any premises in connection with such functions, activities or operations; and the development, implementation and enforcement of any and all practices, policies and procedures governing any aspect of law enforcement
- 12.** "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your operations. "Leased worker" does not include a "temporary worker" or an "employee" of a "service contractor".
- 13.** "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto;"
  - b. While it is in or on an aircraft, watercraft or "auto"; or
  - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- However, "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
- 14.** "Loss" means any compensatory monetary amount which an insured is legally obligated to pay for a "claim" made against an insured for a "sexual abuse and/or molestation wrongful act" covered by this policy, including but not limited to, damages, judgments, settlements and awards.
- "Loss" does not mean fines or penalties, or any matters which may be deemed uninsurable under the law pursuant to which this policy will be construed.
- "Loss" does not mean "loss adjustment expense".
- 15.** "Loss adjustment expense" means all costs and expenses allocated to a specific "claim" or "suit" incurred in the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific "claim" or "suit", including court costs and costs of supersedeas and appeal bonds, and including:
- a. Pre-judgment interest, unless included as part of the award or judgment;
  - b. Post-judgment interest; and
  - c. Legal expenses and costs incurred in connection with coverage questions and legal actions connected thereto.

“Loss adjustment expense” does not include unallocated loss adjustment expense. Unallocated loss adjustment expense includes, but is not limited to, salaries and expenses of our employees, including staff attorneys, our office and other overhead expenses.

**16. “Mobile equipment” means any of the following types of land vehicles, including any attached machinery or equipment:**

- a.** Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  - b.** Vehicles maintained for use solely on or next to premises you own or rent. However, any land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus that is attached) owned or leased by you shall be deemed an “auto” and not “mobile equipment” if the only reason for considering it “mobile equipment” is that it is maintained for use exclusively on streets or highways owned by you;
  - c.** Vehicles that travel on crawler treads;
  - d.** Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
    - (1)** Power cranes, shovels, loaders, diggers or drills; or
    - (2)** Road construction or resurfacing equipment such as graders, scrapers or rollers;
  - e.** Vehicles not described in paragraphs **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - (1)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
    - (2)** Cherry pickers and similar devices used to raise or lower workers.
  - f.** Vehicles not described in paragraphs **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.
  - g.** 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;
    - (2)** Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
    - (3)** Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- However, “mobile equipment” does not include any 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”.

**17. “Personal and advertising injury” means injury, including consequential “bodily injury”, arising out of one or more of the following offenses:**

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement";
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement"; or
- h. False or improper service of process.

With respect to "personal and advertising injury", "loss" means monetary sums and excludes all forms of injunctive relief and declaratory judgments.

- 18. "Policy period" means the period beginning with the Effective Date shown in the Declarations and ending with the earlier of:
  - a. The date of cancellation of this policy; or
  - b. The expiration date shown in the Declarations.
- 19. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, lead, asbestos, acids, alkalis, chemicals, electromagnetic radiation and waste. Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed, and liquid or solid material carried off with water in sewers or drains.
- 20. "Professional services" means any act or service arising out of a vocation, calling, occupation or employment involving specialized training, knowledge, labor or skill, which requires special licensing by an agency, organization or entity authorized to award such licenses.
- 21. "Property damage" means:
  - a. Physical injury to tangible property including all resulting loss of use of that property;
  - b. Loss of use of personal property that is not physically injured; or
  - c. Disappearance of tangible property, including money.
- 22. "Retained limit" refers to the amount stated in the Declarations. You must retain this amount as self-insurance as stated in the Declarations. The "retained limit" with respect to a self-insured retention will include "loss adjustment expense".
- 23. "Service contractor" means a person or organization that contracts to provide identified services to or for the benefit of any insured, using workers:
  - a. Who are "employees" of that person or organization; and
  - b. Whose work activities are generally under the control and direction of that person or organization.
- 24. "Sexual abuse and/or molestation wrongful act" means:
  - a. The actual or threatened sexual abuse or molestation by any person. This includes any "claim" resulting from negligent employment, investigation, supervision or retention of any person; or
  - b. The negligent reporting of or failure to report suspected, actual or threatened sexual abuse or molestation to the proper person or authority;

- c. Any other situation or circumstance that directly or indirectly constitutes actual, threatened or alleged sexual abuse or molestation, however caused.

Sexual abuse includes, but is not limited to, sexual assault, "sexual molestation", sexual exploitation or sexual injury. It does not include sexual harassment.

"Sexual molestation" means physical sexual abuse of any person, including but not limited to, any nonconsensual sexual physical involvement or physical sexual contact.

Sexual abuse means actual or alleged:

- a. Sexual abuse, sexual molestation, sexual misconduct, or sexual exploitation, of any one or more persons; or
- b. Any other unwelcome or offensive conduct of a sexual nature, whether physical, verbal or written (including conduct using visual images or through electronic means) directed against any one or more persons, including any conduct that causes, grooms, or is intended to cause or groom any one or more persons to engage in any act of a sexual nature or is done to arouse or satisfy a sexual desire of anyone; or

- c. Negligent:

- (1) Employment;
- (2) Investigation;
- (3) Supervision;
- (4) Reporting to proper authorities, or failure to so report; or
- (5) Retention;

of a person or persons for whom any Insured is or ever was legally responsible and whose conduct is described in Paragraph 25.a. or 25.b. above of this definition.

- d. Breach of any legal obligation or duty owed to any one or more persons arising out of any conduct described in Paragraph 25.a. or 25.b. above of this definition.

- 25. "Suit" means a civil proceeding in which "loss" is claimed because of a "sexual abuse and/or molestation wrongful act" to which this policy applies. "Suit" includes:

- a. An arbitration proceeding in which "loss" is claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which "loss" is claimed and to which the insured submits with our consent.

"Suit" does not mean an administrative hearing or proceeding.

- 26. "Temporary worker" means a person who is furnished to you by another person or organization, other than a labor leasing firm, to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

- 27. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you. "Volunteer worker" includes but is not limited to your volunteer firefighters, volunteer nurses, and other volunteer persons while acting specifically on your behalf or within the scope of their service or volunteer work for you, for activities that are otherwise covered under this policy.

## **SECTION VII— EXTENDED REPORTING PERIODS - BASIC AND OPTIONAL SUPPLEMENTAL**

1. Extended Reporting Period as described below, will be provided if this Coverage Form is canceled or non-renewed by us, unless we cancel for nonpayment of premium, or if we renew or replace coverage with insurance that:
  - a. Has a Retroactive Date later than the date shown in the Declarations; or
  - b. Provides Sexual Abuse and/or Molestation Liability coverage on other than a claims-made basis.
2. A Basic Extended Reporting Period is automatically provided without additional charge. This period begins at the end of the "policy period" and lasts for sixty (60) days. It does not extend the "policy period" or change the scope of coverage provided. It applies only to "claims" to which the following applies:
  - a. The "claim" is first made during the Extended Reporting Period;
  - b. The "sexual abuse and/or molestation wrongful act" commences before the end of the "policy period"; and
  - c. The "sexual abuse and/or molestation wrongful act" did not commence before the "policy period", or before the Retroactive Date, if any, shown in the Declarations for this Coverage Form.

The Basic Extended Reporting Period does not apply to "claims" covered under any subsequent policy.

3. Coverage for an optional Supplemental Extended Reporting Period must be added by endorsement and an additional premium charge must be paid within fifteen (15) days from the beginning of the start of the Supplemental Extended Reporting Period. Such period starts sixty (60) days after the end of the "policy period".
4. You will have a one-time option to elect the period of time for which the Supplemental Extended Reporting Period will apply, which in no event will exceed thirty-six (36) months. The available one-time options are listed below:
  - a. Twelve (12) month option;
  - b. Twenty-four (24) month option; or
  - c. Thirty-six (36) month option.
5. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
  - a. The exposures insured;
  - b. Previous types and amounts of insurance;
  - c. Limit of Insurance available under this policy for future payment of damages; and
  - d. Other related factors.

The additional premium will not exceed two hundred percent (200%) of the annual premium for this policy.

Once in effect, the Supplemental Extended Reporting Period may not be canceled and the applicable additional premium is fully earned.

6. This right to purchase the Supplemental Extended Reporting Period will terminate unless written notice is given to us no later than sixty (60) days after the effective date of cancellation or nonrenewal of this Coverage Form. Payment in full of the Supplemental Extended Reporting Period additional premium, plus any outstanding premiums or recoveries owed to us, will be made concurrently with such written notice for such Supplemental Extended Reporting Period to become effective.

7. The Extended Reporting Periods do not extend the “policy period” or change the scope of coverage provided. Subject to the terms, Limits of Insurance, “retained limit”, exclusions and conditions of this policy, this Sexual Abuse And/Or Molestation Liability Retained Limit Coverage Form is extended to apply to “claims” first made against the insured during the Basic Extended Reporting Period, or if purchased, the Supplemental Extended Reporting Period, but only to “claim”) due to “sexual abuse and/or molestation wrongful acts” committed prior to the end of the “policy period”, but not before the Retroactive Date, if any.
8. The Extended Reporting Periods do not reinstate or increase this Coverage Form’s Limits of Insurance. “Claims” which are first received and recorded during the Basic Extended Reporting Period or the Supplemental Extended Reporting Period, if in effect, will be deemed to have been made on the last day of the “policy period”.