

AFB Staffing Services Professional Liability
and
Commercial General Liability Insurance

This Insurance Policy (referred to as “Insurance” or “Policy”) includes two separate coverage parts - Coverage Part One, Staffing Services Professional Liability Insurance, (referred to as the “SSPL Coverage Part”), and Coverage Part Two, Commercial General Liability Insurance, (referred to as the “CGL Coverage Part”).

Each coverage part contains separate insuring agreements, exclusions, definitions, conditions, and limits of liability applicable only to that coverage part. The Policy includes a General Conditions section containing conditions applicable to both coverage parts, and a combined annual aggregate limit applicable to all claims made and reported under both coverage parts in the Policy.

Throughout this Policy “Underwriters” refers to those Underwriters at Lloyd’s, London who severally subscribed to this Insurance.

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

COVERAGE PART ONE

STAFFING SERVICES PROFESSIONAL LIABILITY INSURANCE

This Coverage is Provided on a Claims Made and Reported Basis.

*The word **Insured** under this SSPL 2002 Coverage Part means any person or organization qualifying as such under SSPL Coverage Part, Section III – The Insured and the Insured Organization.*

Other words and phrases that appear in bold have special meaning. Refer to SSPL Coverage Part, Section VI – Definitions for definitions applicable to this SSPL Coverage Part.

Please review the coverage afforded under this Insurance carefully and discuss the coverage hereunder with your insurance agent or broker.

The Underwriters agree with the Named Insured(s), set forth at Item 1. of the Declarations made a part hereof, in consideration of the payment of the premium and reliance upon the statements in the application which is made a part of this Insurance Policy (hereinafter referred to as the "Policy" or "Insurance") and subject to the Limit of Liability, exclusions, conditions and other terms of this Insurance:

I. INSURING AGREEMENT

To pay on behalf of the **Insured Damages** and **Claim Expenses** which the **Insured** shall become legally obligated to pay because of any **Claim** or **Claims**, including **Claim(s)** for **Personal Injury** as hereafter defined, first made against any **Insured** and reported to the Underwriters during the **Period of Insurance** or **Extended Reporting Period** (if applicable), arising out of any negligent act, error or omission of the **Insured** in rendering or failing to render **Professional Services** or by any person for whose **Professional Services** the **Insured Organization** is legally responsible, except as excluded or limited by the terms, conditions and exclusions of this Policy.

II. 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 in 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. When Underwriters defend a **Claim**, they will pay **Claims Expenses** incurred with their prior written consent. The Limit of Liability available to pay **Damages** shall be reduced and may be completely exhausted by payment of **Claims Expenses**. **Damages** and **Claims Expenses** shall be applied against the Deductible.
- C. 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.

- D. 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**, Underwriters' liability for any **Damages** and **Claims Expenses** shall not exceed the amount for which the **Claim** could have been settled, less the remaining 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**.
- E. 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 the Underwriters' liability has been exhausted by payment of **Damages** 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**.

III. THE INSURED AND THE INSURED ORGANIZATION

As used throughout this Policy, whether expressed in singular or plural, "**Insured**" shall mean:

- A. The Named Insured and any **Subsidiaries** of the Named Insured (together the "**Insured Organization**");
- B. A director, officer or employee of the **Insured Organization**, but only while acting in that capacity solely on behalf of the **Insured Organization**;
- C. A principal if the Named Insured is a sole proprietorship, or a partner if the Named Insured is a partnership, but only while acting in that capacity solely on behalf of the Named Insured;
- D. Any person who previously qualified as an **Insured** under B or C above prior to the termination of the required relationship with the **Insured Organization**, but only while acting in that capacity solely on behalf of the **Insured Organization**; and
- E. 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.

IV. TERRITORY

This Insurance applies to negligent acts, errors or omissions which take place anywhere in the world provided the **Claim** is first made against the **Insured** within the United States of America, its territories or possessions, or Canada during the **Period of Insurance** or **Extended Reporting Period** purchased in accordance with General Conditions Section I.

V. EXCLUSIONS

The coverage under this Insurance does not apply to **Damages** or **Claims Expenses** incurred with respect to any **Claim**:

- A. Arising out of or resulting from any criminal, dishonest, fraudulent or malicious act, error or omission committed by any **Insured** with actual, criminal, dishonest, fraudulent or malicious purpose or intent; however, the insurance afforded by this Policy shall apply to **Claims Expenses** incurred in defending any such **Claim** alleging the forgoing 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 conduct at which time the Named Insured shall reimburse Underwriters for all **Claims Expenses** incurred defending the **Claim** and Underwriters shall have no further liability for **Claims Expenses**;
- B. By or on behalf of one or more **Insureds** under this Insurance against any other **Insured** or **Insureds** under this Insurance;
- C. For or arising out of **Bodily Injury** or **Property Damage**;
- D. Arising out of or resulting from the insolvency or bankruptcy of any **Insured** or of any other entity including but not limited to the failure, inability, or unwillingness to pay **Claims**, losses, or benefits due to the insolvency, liquidation or bankruptcy of any such individual or entity;
- E. Made by any business enterprise in which any **Insured** has an ownership interest, or 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 **Insured Organization**;
- F. Arising out of or resulting from any act, error or omission committed prior to the inception date of this Insurance:
 - 1. if any **Insured** on or before the inception date knew or could have reasonably foreseen that such act, error or omission might be expected to be the basis of a **Claim**; or
 - 2. in respect of which any **Insured** has given notice of a circumstance which might lead to a **Claim** to the insurer of any other policy in force prior to the inception date of this Policy;
- G. For or arising out of any liability or obligation of the **Insured** under any contract or agreement, either oral or written, except and only to the extent the **Insured** would have been liable in the absence of such contract or agreement;

- H. For or arising out of actual or alleged:
 - 1. misappropriation of trade secret or infringement of any patent; or
 - 2. plagiarism, misappropriation of likeness, breach of confidence, or misappropriation or infringement of any other intellectual property right, including trademark and copyright; provided, this exclusion 2. shall not apply to any **Claim** arising directly out of rendering or failing to render **Professional Services**.
- I. For or arising out of the any actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced And Corrupt Organizations Act or RICO), as amended, or any regulation promulgated thereunder or any similar federal, state or local law similar to the foregoing, whether such law is statutory, regulatory or common law;
- J. Arising out of or resulting from any employer-employee relations, policies, practices, acts, or omissions, any actual or alleged refusal to employ any person, or misconduct with respect to employees;
- K. For or arising out of or resulting from actual or alleged discrimination of any kind including but not limited to age, color, race, sex, creed, national origin, marital status, sexual preference, disability or pregnancy;
- L. Arising out of or resulting from acts of the **Insured** related to any pension, healthcare, welfare, profit sharing, mutual or investment plans, funds or trusts; or any violation of any provision of the Employee Retirement Income Security Act of 1974, or any amendment to the Act or any violation of any regulation, ruling or order issued pursuant to the Act;
- M. For or arising out of any the failure to buy or maintain any form of insurance, suretyship or bond;
- N. For or arising out of any failure to pay any bond, interest on any bond, any debt, financial guarantee or debenture;
- O. For or arising out of any actual or alleged commingling of or inability or failure to pay, collect, or safeguard funds;
- P. For or arising out of any loss sustained or alleged to have been sustained through the fluctuation in the market value of any security or property, including real property;
- Q. For or arising out of the actual or alleged violation of the Securities Act of 1933, the Securities Exchange Act of 1934, any state blue sky or securities law, any similar state or federal law, or any amendment to the above laws or any violation of any order, ruling or regulation issued pursuant to the above laws;
- R. For or arising out of any actual or alleged antitrust violation, restraint of trade, unfair competition, false, deceptive or unfair trade practices, violation of consumer protection laws or false or deceptive advertising;
- S. For or arising out of any breach of warranty, guarantee, or service level agreement, or for or arising out of any delay of delivery, failure to deliver, or non-acceptance of products or services;

- T. For or arising out of the actual or alleged inaccurate, inadequate, or incomplete description of the price of goods, products or services; or as a result of your cost guarantees, cost representations, contract price, or estimates of probable costs or cost estimates being exceeded;
- U. Directly or indirectly 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;
- V. Directly or indirectly arising out of or resulting from the presence or actual, alleged, or threatened discharge, seepage, dispersal, migration, release, escape, generation, transportation, storage, or disposal of pollutants at any time, including any request, demand or order that the **Insured** or others test for, monitor, clean up, remove, assess, or respond to the effects of pollutants. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to odors, acids, alkalis, chemicals and waste, and any of the following except when resulting from a Hostile Fire smoke, vapor, soot and fumes. Waste includes materials to be recycled, reconditioned or reclaimed. Hostile Fire means a fire or explosion which is uncontrollable or breaks out from where it was intended to be;
- V. Arising out of any proceeding or action for regulatory or statutory enforcement brought by or on behalf of any governmental authority, quasi-governmental authority or other regulatory authority or agency;
- X. Directly or indirectly arising out of or resulting from or in consequence of, or in any way involving asbestos, or any materials containing asbestos in whatever form or quantity;
- Y. Either in whole or in part, directly or indirectly, for, based upon, relating to, or arising out of:
 - 1. a. The actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind; or
 - b. 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;
 - 2. 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.

Underwriters will have no duty or obligation to defend any **Insured** with respect to any **Claim** or governmental or regulatory order, requirement, directive, mandate or decree which, either in whole or in part, directly or indirectly, is for, based upon, relates to, or arises out of the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind.

- Z. Directly or indirectly arising out of the actual or threatened sexual abuse or molestation by any **Insured** of any person.
- AA. Excluded by General Condition XIII, "War and Terrorism Exclusion";

If a Retroactive Date is applicable to this coverage, it will appear at Item 6. of the Declarations and the following exclusion shall apply:

- BB. Or circumstance that might lead to a claim arising out of any act, error or omission which took place, or is alleged to have taken place, prior to the Retroactive Date as set forth in Item 6. of the Declarations.

VI. DEFINITIONS

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

- A. "**Bodily Injury**" means any form of physical injury, sickness, disease, mental anguish, emotional distress or the death of any person.
- B. "**Claim**" means a demand received by any **Insured** for money or services, including the service of suit or institution of arbitration proceedings.

Multiple **Claims** arising from or related to the same act, error or omission or any continuing acts, errors or omissions shall be considered a single **Claim** for the purposes of this Policy, irrespective of the number of Claimants or **Insureds** involved in such **Claim**. All such **Claims** shall be deemed to have been made at the time of the first such **Claim**.

- C. "**Claims Expenses**" means:
 - 1. reasonable and necessary fees charged by an attorney designated by the Underwriters; and
 - 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, or circumstance which might lead to a **Claim**, if incurred by the Underwriters, or by the **Insured** with the written consent of the Underwriters;
 - 3. **Claims Expenses** does not include any salary, overhead or other charges by the **Insured** for any time spent in cooperating in the defense and investigation of any **Claim** or circumstance that might lead to a **Claim** notified under this Insurance.

D. “**Damages**” means a monetary judgment, award or settlement.

The term **Damages** shall not include:

1. future royalties or future profits, restitution, disgorgement of profits by an **Insured**, or the costs of complying 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. punitive or exemplary damages, any damages which are a multiple of compensatory damages, or fines, sanctions or penalties; or
4. any amounts for which the **Insured** is not liable, or for which there is no legal recourse against the **Insured**.

E. “**Extended Reporting Period**” means the period of time after the end of the **Period of Insurance** for reporting **Claims** as provided in General Conditions Section I of this Policy.

F. “**Period of Insurance**” 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 **Extended Reporting Period**.

G. “**Property Damage**” means injury to or destruction of any tangible property, including the loss of use thereof.

H. “**Personal Injury**” means

1. false arrest, detention or imprisonment, wrongful entry or eviction or other invasion of the right of private occupancy, or malicious prosecution; and
2. libel or slander or other defamatory or disparaging material, or a publication or an utterance in violation of an individual's right of privacy.

I. “**Professional Services**” means the selection, recruitment, placement or outplacement of any candidate for temporary or permanent placement with a client of the **Insured Organization** pursuant to a current written contract.

The term **Professional Services** does not include the selection, recruitment, placement or outplacement of any candidate for temporary or permanent placement with a client of the **Insured Organization** as an accountant, attorney, architect, engineer, investment advisor, or whose services are directly related to the provision of medical care, including but not limited to any physician, pharmacist, nutritionist, chiropractor, dentist, dental assistant, hygienist, nurse or home health aide.

J. “**Subsidiary**” means any corporate entity while more than 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 directly or indirectly, if such entity:

1. was so owned on the inception date of this Policy;

2. becomes so owned after the inception date of this Policy provided the revenues of the entity do not exceed 10% of the Named Insured's Annual Revenues as set forth in their most recent application for insurance; or
3. becomes so owned after the inception date of this Policy provided that if the revenues of the entity exceed 10% of the Named Insured's Annual Revenues as set forth in their most recent application for insurance, the provisions of SSPL Coverage Part Condition E, Mergers and Acquisitions, must be fulfilled.

VII. SSPL CONDITIONS

The following conditions apply to this SSPL Coverage Part

A. Limit of Liability

1. The "Annual Aggregate" stated in Item 3(b) of the Declarations is Underwriters' combined total Limit of Liability for all **Damages and Claims Expenses** arising out of all **Claims** or circumstances which might lead to a **Claim** which are covered under the terms and conditions of this SSPL Coverage Part, 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.
2. The Limit of Liability stated in Item 3(a) of the Declarations for "Each **Claim**" is the limit of Underwriters' Liability for all **Damages and Claims Expenses** arising out of each **Claim**.
3. The "Combined Annual Aggregate Limit" stated in Item 3. of the Declarations is the combined total limit of Underwriters' Liability for all payments under Items 3.(b) and 3.(d) of the Declarations.
4. The Limit of Liability for the **Extended Reporting Period** shall be part of and not in addition to the Limit of Liability of the Underwriters for the **Period of Insurance**.

B. Deductible

1. The "Each **Claim** deductible" stated in Item 4.(a) of the Declarations applies separately to each and every **Claim**.
2. The Deductible shall be satisfied by payments by the First Named Insured of **Damages and Claims Expenses** resulting from **Claims** first made and reported to the Underwriters during the **Period of Insurance** and the **Extended Reporting Period** as a condition precedent to the payment by the Underwriters of any amounts hereunder, and the Underwriters shall be liable only for the amounts in excess of such Deductible subject to Underwriters' total liability not exceeding the limits stated in Items 3(a) and 3(b) of the Declarations.
3. The First Named Insured shall make direct payments within the deductible to appropriate other parties designated by the Underwriters.

C. **Innocent Insured**

1. Whenever coverage under this Insurance would be excluded, suspended or lost:
 - (a) because of SSPL Coverage Part Exclusion V.A relating to criminal, dishonest, fraudulent or malicious 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; or
 - (b) because of non-compliance of SSPL Coverage Part Condition D.1 or 2 relating to the giving of notice of **Claim** to the Underwriters with respect to which any other **Insured** shall be in default solely because of the failure to give such notice or concealment of such failure by one or more **Insureds** responsible for the loss or damage otherwise insured hereunder;

then 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:

- (a) one or more of the acts, errors or omissions described in SSPL Coverage Part Exclusion V.A; or
- (b) such failure to give notice, provided that the **Insured** entitled to the benefit of this provision under SSPL Coverage Part Condition D.1 or 2 shall comply with such condition promptly after obtaining knowledge of the failure of any other **Insured** to comply therewith, and that the reporting of any such **Claim** must be made during the **Policy Period** or the **Extended Reporting Period**, if applicable.

This provision is inapplicable to any **Claim** or circumstance that could reasonably be the basis of a **Claim** against the **Insured Organization** arising from acts, errors or omissions known to any present or former principal, partner, director or officer of the **Insured Organization**.

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

D. **Notice of Claim, or Circumstance that Might Lead to a Claim**

1. If any **Claim** is made against the **Insured**, the **Insured** shall immediately forward to Underwriters through persons named in Item 7. of the Declarations every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative.

2. If during the **Period of Insurance** the **Insured** first becomes aware of any circumstance that could reasonably be the basis for a **Claim** it must give written notice to Underwriters through persons named in Item 7. of the Declarations as soon as practicable during the **Period of Insurance** of:
 - (a) the specific details of the act, error or omission that could reasonably be the basis for a **Claim**;
 - (b) the injury or damage which may result or has resulted from the circumstance; and
 - (c) the facts by which the **Insured** first became aware of the act, error or omission.

Any subsequent **Claim** arising out of such circumstance made against the **Insured** who is the 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 Underwriters.

3. The Underwriters will not consider any report made by an **Insured** or on the **Insured's** behalf for the purpose of loss prevention, risk management or quality management to be a report of a **Claim** or a circumstance that could reasonably be the basis for a **Claim**. Nor will the Underwriters consider a list of circumstances reported upon cancellation, nonrenewal or other termination of coverage as satisfying this Policy's circumstance reporting requirement unless the information described in Clause VII.D.2. (a) through (c) above, is provided along with the date an **Insured** first became aware of the circumstance that could reasonably be the basis for a **Claim** and a description of the type of demand for **Damages** the **Insured** expects to receive.
4. A **Claim** shall be considered to be reported to the Underwriters when notice is first given to Underwriters through persons named in Item 7. of the Declarations of the **Claim** or of an act, error, or omission, which could reasonably be expected to give rise to a **Claim** if provided in compliance with Section 2 above.
5. In the event of non-renewal of this Insurance by the Underwriters, the **Insured** shall have thirty (30) days from the expiration date of the **Period of Insurance** to notify Underwriters of **Claims** made against the **Insured** during the **Period of Insurance** which arise out of acts, errors, or omissions committed prior to the termination date of the **Period of Insurance** and otherwise covered by this Insurance.
6. If any **Insured** shall make any **Claim** under this Policy knowing such **Claim** to be false or fraudulent, as regards amount or otherwise, this Policy shall become null and void and all coverage hereunder shall be forfeited.

E. Mergers and Acquisitions

1. During the **Period of Insurance**, if the Named Insured or any **Subsidiary**:
 - (a) purchases assets or acquires liabilities from another entity in an amount greater than ten percent (10%) of the Named Insured's assets as listed in its most recent financial statement; or

- (b) acquires another entity whose annual revenues are more than ten percent (10%) of the Named Insured's total annual revenues as set forth in the most recent Application for insurance;

then no **Insured** shall have coverage under this Policy for any **Claim** that arises out of any act, error or omission, whether committed either before or after such merger, purchase or acquisition:

- i) at the premises of the acquired entity;
- ii) by the acquired entity or any person employed by the acquired entity;
- iii) involving or relating to the assets or liabilities of the acquired entity;
or
- iv) involving or relating to the purchased assets or liabilities,

unless the Named Insured gives the Underwriters written notice prior to the purchase or acquisition, obtains the written consent of Underwriters to extend coverage to such additional entities, assets or exposures, and agrees to pay any additional premium required by Underwriters.

- 2. If during the **Period of Insurance** the Named Insured consolidates or merges with or is acquired by another entity, then all coverage under this Policy shall terminate at the date of the consolidation, merger or acquisition unless Underwriters have issued an endorsement extending coverage under this Policy, and the Named Insured has agreed to any additional premium and terms of coverage required by Underwriters.
- 3. All notices and premiums payments made under this section shall be directed to Underwriters through the entity named in Item 8. of the Declarations.

COVERAGE PART TWO

COMMERCIAL GENERAL LIABILITY INSURANCE

This Coverage is Provided on a Claims Made and Reported Basis.

Throughout this Coverage Part Two (the “CGL Coverage Part”) the words “you” and “your” refer to the Named Insured or Named Insureds shown in Item 1. of Declarations as such.

*The word **Insured** under this CGL Coverage Part means any person or organization qualifying as such under CGL Coverage Part, Section IV– Who Is An Insured.*

Other words and phrases that appear in bold have special meaning. Refer to CGL Coverage Part, Section V – Definitions for definitions applicable to the CGL Coverage Part.

Please review the coverage afforded under this Insurance Policy carefully and discuss the coverage hereunder with your insurance agent or broker.

I. i) INSURING AGREEMENT: BODILY INJURY AND PROPERTY DAMAGE LIABILITY COVERAGE

A. Underwriters will pay those sums that the **Insured** becomes legally obligated to pay as damages because of **Bodily Injury** or **Property Damage** to which this insurance applies. Underwriters will have the right and duty to defend the **Insured** against any **Suit** seeking those damages. However, Underwriters will have no duty to defend the **Insured** against any **Suit** seeking damages for **Bodily Injury** or **Property Damage** to which this insurance does not apply. Underwriters may, at their discretion, investigate any **Occurrence** and settle any claim or **Suit** that may result. But:

1. The amount Underwriters will pay for damages is limited as described in CGL Coverage Part, Condition VI.A, Limit Of Liability; and
2. Underwriters’ right and duty to defend ends when the applicable Limit of Liability has been exhausted in the payment of judgments or settlements under this insuring agreement or in the payment of sums explicitly provided for under Section III of this CGL Coverage Part, “Defense and Supplementary Payments”.

No other obligation or liability to pay sums or perform acts or services is covered by this CGL Coverage Part.

- B. This insurance applies to **Bodily Injury** and **Property Damage** only if:
1. The **Bodily Injury** or **Property Damage** is caused by an **Occurrence** that takes place in the **Coverage Territory**;
 2. The **Bodily Injury** or **Property Damage** did not occur before the Retroactive Date shown in the Declarations or after the end of the **Period of Insurance**; and

3. A **Claim** for damages because of the **Bodily Injury** or **Property Damage** is first made against any **Insured** within the United States of America, its territories or possessions, or Canada, in accordance with Paragraph C below, and reported to Underwriters during the **Period of Insurance** or any **Extended Reporting Period** (if applicable).
- C. A **Claim** by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:
1. When notice of such **Claim** is received by any **Insured** or by Underwriters, whichever comes first; or
 2. When Underwriters contribute to a settlement in accordance with Paragraph I.A. above.

All **Claims** for damages because of **Bodily Injury** to the same person, including damages claimed by any person or organization for care, loss of services, or death resulting at any time from the **Bodily Injury**, will be deemed to have been made at the time the first of those **Claims** is made against any **Insured**.

All **Claims** for damages because of **Property Damage** causing loss to the same person or organization will be deemed to have been made at the time the first of those **Claims** is made against any **Insured**.

ii) **INSURING AGREEMENT: MEDICAL PAYMENTS COVERAGE**

- A. Underwriters will pay medical expenses as described below for **Bodily Injury** caused by an accident:
1. On premises the Named Insured owns or rents; or
 2. On ways next to premises the Named Insured owns or rents; or
 3. Because of the Named Insured's operations;
- provided that:
- (i) The accident takes place in the **Coverage Territory** and during the **Period of Insurance** and is reported to Underwriters during the **Period of Insurance**; and
 - (ii) The expenses are incurred and reported to Underwriters within one year of the date of the accident; and
 - (iii) The injured person submits to examination, at Underwriters expense, by physicians of Underwriters choice as often as Underwriters reasonably require.
- B. Underwriters will make these payments regardless of fault. These payments will not exceed US\$ 5,000 in the aggregate for all accidents, such amount being part of, and not in addition to, the Limits of Liability stated in Items 3.(c) and (d) of the Declarations. Underwriters will pay reasonable expenses for:
1. First aid administered at the time of an accident;

2. Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
3. Necessary ambulance, hospital, professional nursing and funeral services.

II. EXCLUSIONS

The Insurance under this CGL Coverage Part does not apply to:

A. Expected Or Intended Injury

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

B. Contractual Liability

Bodily Injury or **Property Damage** for which the **Insured** is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

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

C. Liquor Liability

Bodily Injury or **Property Damage** for which any **Insured** may be held liable by reason of:

1. Causing or contributing to the intoxication of any person;
2. Furnishing alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
3. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

D. **Workers' Compensation And Similar Laws**

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

E. **Employers Liability**

Bodily Injury to:

1. An **Employee** of the **Insured** arising out of and in the course of
 - (a) Employment by the **Insured**; or
 - (b) Performing duties related to the conduct of the **Insured's** business; or
2. The spouse, child, parent, brother, or sister of that **Employee** as a consequence of Paragraph 1 above.

This exclusion applies:

1. Whether the **Insured** may be liable as an employer or in any other capacity; and
2. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the **Insured** under an **Insured Contract**.

F. **Pollution**

This Insurance does not apply to:

1. **Bodily Injury** or **Property Damage** which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time.
2. Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **Pollutants**; or
 - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **Pollutants**.

G. **Aircraft, Auto Or Watercraft**

Bodily Injury or **Property Damage** arising out of the ownership, maintenance, use or entrustment to others of any aircraft, **Auto** or watercraft owned 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 any **Insured** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Insured**, if the **Occurrence** which caused the **Bodily Injury** or **Property Damage** involved the ownership, maintenance, use or entrustment to others of any aircraft, **Auto** or watercraft that is owned or operated by or rented or loaned to any **Insured**. This exclusion does not apply to:

1. A watercraft while ashore on premises you own or rent;
2. A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
3. Parking an **Auto** on, or on the ways next to, premises you own or rent, provided the **Auto** is not owned by or rented or loaned to you or any **Insured**;
4. Liability assumed under any **Insured Contract** for the ownership, maintenance or use of aircraft or watercraft; or
5. **Bodily Injury** or **Property Damage** arising out of the operation of any of the equipment listed in Paragraph 6.(b) or (c) of the definition of **Mobile Equipment**.

H. **Mobile Equipment**

Bodily Injury or **Property Damage** arising out of:

1. The transportation of **Mobile Equipment** by an **Auto** owned or operated by or rented or loaned to 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.

I. **War and Terrorism**

War and terrorism as set forth in General Condition XIII, "War and Terrorism Exclusion".

J. **Damage to Property**

Property Damage to:

1. Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property.

2. Premises you sell, give away or abandon, if the **Property Damage** arises out of any part of those premises;
3. Property loaned to you;
4. Personal property in the care, custody or control of the **Insured**;
5. That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the **Property Damage** arises out of those operations; or
6. That particular part of any property that must be restored, repaired or replaced because **Your Work** was incorrectly performed on it.

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

Paragraphs (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 in the **Products-Completed Operations Hazard.**”

K. **Damage To Your Product**

Property Damage to **Your Product** arising out of it or any part of it.

L. **Damage to Your Work**

Property Damage to **Your Work** arising out of it or any part of it and included in the **Products-Completed Operations Hazard**.

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

M. **Damage To Impaired Property Or Property Not Physically Injured**

Property Damage to **Impaired Property** or property that has not been physically injured, arising out of:

1. A defect, deficiency, inadequacy or dangerous condition in **Your Product** or **Your Work**; or
2. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **Your Product** or **Your Work** after it has been put to its intended use.

N. **Recall of Products, Work or Impaired Property**

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

1. **Your Product;**
2. **Your Work;** or
3. **Impaired Property;**

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

O. **Employment-Related Practices**

Bodily Injury arising out of any:

1. Refusal to employ;
2. Termination of employment;
3. Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or other employment-related practices, policies, acts or omissions; or
4. Consequential **Bodily Injury** as a result of 1 through 3 above.

This exclusion applies

1. Whether the **Insured** may be liable as an employer or in any other capacity; and
2. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

P. **Asbestos**

Bodily Injury or **Property Damage** arising out of, resulting from, caused or contributed by asbestos or exposure to asbestos; or the costs of abatement, mitigation, removal or disposal of asbestos.

This exclusion also includes:

1. Any supervision, instructions, recommendations, warning or advice given or which should have been given in connection with the above; and
2. Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

Q. **Electromagnetic Radiation**

Bodily Injury or **Property Damage** directly or indirectly 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.

R. **Mold**

Bodily Injury or **Property Damage** arising out of, resulting from, or related to the actual, potential, or alleged presence of mold, mildew or fungi of any kind whatsoever.

S. **Professional Liability**

Bodily Injury or **Property Damage** arising out of the performance of or failure to perform Professional Services, including but not limited to those Professional Services defined in Clause VI. I. of the SPPL Coverage Part, by:

1. The **Insured**, or
2. Any person or organization:
 - (a) For whose acts errors or omissions the **Insured** is legally responsible; or
 - (b) From whom the **Insured** assumed liability by reason of a contract or agreement.

T. **Punitive Damages**

Punitive or exemplary damages, any damages which are a multiple of compensatory damages, or fines, sanctions or penalties.

U. **Reasonably Foreseeable Claims**

Bodily Injury or **Property Damage** first occurring prior to the inception date of this Insurance, if any **Insured** on or before the inception date knew or reasonably could have foreseen that the **Bodily Injury** or **Property Damage** might be expected to be the basis for a **Claim**, or in respect of which any **Insured** has given notice of a circumstance which might lead to a **Claim** to the insurer of any other policy in force prior to the inception date of this Policy.

V. **Regulatory Proceedings**

Bodily Injury or **Property Damage** arising out of any proceeding or action for regulatory or statutory enforcement brought by or on behalf of any governmental authority, quasi-governmental authority or other regulatory authority or agency;

W. **Sexual Abuse**

Bodily Injury or **Property Damage** directly or indirectly arising out of the actual or threatened sexual abuse or molestation by any **Insured** of any person.

X. The Insurance under the Medical Payments Coverage of this CGL Coverage Part does not apply to expenses for **Bodily Injury** excluded under any of the forgoing exclusions, and in addition, does not apply to expenses for **Bodily Injury**:

1. **Any Insured**

To any **Insured**.

2. **Hired Persons / Tenants**

To a person hired to do work for or on behalf of any **Insured** or a tenant of any **Insured**.

3.. **Injured Persons**

To a person injured on that part of premises the Named Insured owns or rents that the person normally occupies.

4.. **Workers' Compensation And Similar Laws**

To a person, whether or not an "employee" of any **Insured**, if benefits for the **Bodily Injury** are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

5. **Athletics**

To a person injured while taking part in athletics.

6. **Products Completed Operations Hazard**

Included within the **Products Completed Operations Hazard**.

Exclusions C. through N. do not apply to damage by fire to premises while rented to the **Insured** or temporarily occupied by the **Insured** with permission of the owner. However, coverage as provided under the above is limited to an amount of US\$ 50,000 each **Occurrence**, such amount being part of, and not in addition to, the Limits of Liability stated in Items 3.(c) and (d) of the Declarations.

III. DEFENSE AND SUPPLEMENTARY PAYMENTS

Underwriters will pay, with respect to any **Claim** Underwriters investigate or settle or any **Suit** against an **Insured** Underwriters defend under **the Bodily Injury and Property Damage Liability Coverage** of this CGL Coverage Part:

A. All expenses Underwriters incur.

B. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability

Coverage applies. Underwriters have no obligation under this Policy to furnish these bonds.

- C. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. Underwriters have no obligation under this Policy to furnish these bonds.
- D. All reasonable expenses incurred by the **Insured** at Underwriters' request to assist Underwriters in the investigation or defense of the **Claim** or **Suit**, including actual loss of earnings up to \$250 a day because of time off from work.
- E. All costs taxed against the **Insured** in the **Suit**.
- F. Prejudgment interest awarded against the **Insured** on that part of the judgment Underwriters pay. If Underwriters make an offer to pay the applicable limit of insurance, Underwriters will not pay any prejudgment Interest based on that period of time after the offer.
- G. All interest on the full amount of any judgment that accrues after entry of the judgment and before Underwriters have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Liability.

These payments (exclusive of expenses for Underwriters employees) are payable only in excess of the deductible and will reduce and may completely exhaust the Limit of Liability.

IV. WHO IS AN INSURED

- A. If you are:
 - 1. An individual, you and your spouse are **Insureds**, but only with respect to the conduct of a business of which you are the sole owner.
 - 2. A partnership or joint venture, you are an **Insured**. Your members, your partners, and their spouses are also **Insureds**, but only with respect to the conduct of your business.
 - 3. A limited liability company, you are an **Insured**. Your members are also **Insureds**, but only with respect to the conduct of your business. Your managers are **Insureds**, but only with respect to their duties as your managers.
 - 4. An organization other than a partnership, joint venture or limited liability company, you are an **Insured**. Your **Executive Officers** and directors are **Insureds**, but only with respect to their duties as your officers or directors. Your stockholders are also **Insureds**, but only with respect to their liability as stockholders.

- B. Each of the following is also an **Insured**:
1. Your **Employees**, other than either your **Executive Officers** (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these **Employees** is an **Insured** for:
 - (a) **Bodily Injury**:
 - (i) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-**Employee** while that co-**Employee** is either in the course of his or her employment or while performing duties related to the conduct of your business;
 - (ii) To the spouse, child, parent, brother or sister of that co-**Employee** as a consequence of Paragraph (a) (i) above;
 - (iii) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (a) (i) or (ii) above; or
 - (iv) Arising out of his or her providing or failing to provide professional health care services.
 - (b) **Property Damage** to property:
 - (i) Owned, occupied or used by,
 - (ii) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your **Employees**, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
 2. Any person (other than your **Employee**) or any organization while acting as your real estate manager.
 3. Any person or organization having proper temporary custody of your property if you die, but only:
 - (a) With respect to liability arising out of the maintenance or use of that property, and
 - (b) Until your legal representative has been appointed.
 4. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this CGL Coverage Part.

C. With respect to **Mobile Equipment** registered in your name under any motor vehicle registration law, any person is an **Insured** while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an **Insured**, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an **Insured** with respect to:

1. **Bodily Injury** to a co-**Employee** of the person driving the equipment; or
2. **Property Damage** to property owned by, rented to in the charge of or occupied by you or the employer of any person who is an **Insured** under this provision.

D. Subject to subsections 1 and 2 of this paragraph D, any organization you newly acquire or form during the Period of Insurance, other than a partnership, joint venture or limited liability company, over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

1. If the annual revenues of the acquired or formed organization are greater than 10% of the annual revenues of the Named Insured acquiring or forming the organization as set forth in its most recent financial statement, then such organization shall not have coverage under this CGL Coverage Part unless the Named Insured gives the Underwriters written notice prior to the acquisition or formation, obtains the written consent of Underwriters to extend coverage to such additional organizations and agrees to pay any additional premium required by Underwriters; and
2. This CGL Coverage Part does not apply to **Bodily Injury** or **Property Damage** that occurred before you acquired or formed the organization.

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.

E. If during the **Period of Insurance**, you consolidate or merge with or are acquired by another entity, then all coverage under this Policy shall terminate at the date of the consolidation, merger or acquisition unless Underwriters have issued an endorsement extending coverage under this Policy, and the First Named Insured has agreed to any additional premium and terms of coverage required by Underwriters.

F. All notices and premiums payments made under this section shall be directed to Underwriters through the entity named in Item 8. of the Declarations.

V. DEFINITIONS

Whenever used in this CGL Coverage Part, the following definitions will apply:

A. “**Insured Contract**” means;

1. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an **Insured Contract**;
2. A sidetrack agreement;
3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. An obligation, as required by ordinance, to indemnify a municipality except in connection with work for a municipality;
5. An elevator maintenance agreement;
6. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under, which you assume the tort liability of another party to pay for **Bodily Injury** or **Property Damage** to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph 6 does not include that part of any contract or agreement:

- (a) 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;
- (b) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (i) Preparing, approving, or failing to prepare or approve, maps, shop drawing, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (ii) 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 (b) above and supervisory, inspection, architectural or engineering activities.

- B. “**Auto**” means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But, auto does not include **Mobile Equipment**.
- C. “**Bodily Injury**” means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- D. “**Claim**” means a demand for damages.
- E. “**Coverage Territory**” means:
1. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 2. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in 1 above; or
 3. All parts of the world if the injury or damage arises out of:
 - (a) Goods or products made or sold by you in the territory described in 1 above; or
 - (b) The activities of a person whose home is in the territory described in 1 above, but is away for a short time on your business
- provided the **Insured’s** responsibility to pay damages is determined in a **Suit** on the merits, in the territory described in 1 above or in a settlement we agree to.
- F. “**Employee**” includes a **Leased Worker**, **Employee** does not include a **Temporary Worker**.
- G. “**Executive Officer**” means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- H. “**Extended Reporting Period**” means the period of time after the end of the **Period of Insurance** for reporting **Claims** as provided in General Condition I.
- I. “**Impaired Property**” means tangible property, other than **Your Product** or **Your Work**, that cannot be used or is less useful because:
1. It incorporates **Your Product** or **Your Work** that is known or thought to be defective, deficient, inadequate or dangerous; or
 2. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by:
1. The repair, replacement, adjustment or removal of **Your Product** or **Your Work**; or
 2. Your fulfilling the terms of the contract or agreement.

J. “**Leased Worker**” means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. **Leased Worker** does not include a **Temporary Worker**.

K. “**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;

but **Loading or Unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or **Auto**.

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

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (a) Power cranes, shovels, loaders, diggers or drills; or
 - (b) Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in 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**:

Equipment designed primarily for:

- (i) Snow removal;
 - (ii) Road maintenance, but not construction or resurfacing; or
 - (iii) Street cleaning;
- (b) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (c) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- M. **“Occurrence”** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- N. **“Period of Insurance”** 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 **Extended Reporting Period**.
- O. **“Pollutants”** mean any solid, liquid, gaseous or thermal irritant or contaminant, including acids, alkalis, chemicals and waste, and any of the following except when resulting from a Hostile Fire smoke, vapor, soot and fumes. Waste includes materials to be recycled, reconditioned or reclaimed. Hostile Fire means a fire or explosion which is uncontrollable or breaks out from where it was intended to be.
- P. **“Products Completed Operations Hazard”**:
- 1. Includes all **Bodily Injury** and **Property Damage** occurring away from premises you own or rent and arising out of **Your Product** or **Your Work** except:
 - (a) Products that are still in your possession; or
 - (b) Work that has not yet been completed or abandoned. However, **Your Work** will be deemed completed at the earliest of the following times:
 - (i) When all of the work called for in your contract has been completed.
 - (ii) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (iii) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

2. Does not include **Bodily Injury** or **Property Damage** arising out of:
 - (a) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the **Loading or Unloading** of that vehicle by any **Insured**;
 - (b) The existence of tools, uninstalled equipment or abandoned or unused materials. or
 - (c) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that the products-completed operations are subject to a General Aggregate Limit.

Q. “**Property Damage**” means:

1. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
2. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the **Occurrence** that caused it.

For the purposes of this Insurance, electronic data is not tangible property.

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

R. “**Suit**” means a civil proceeding in which damages because of **Bodily Injury**, or **Property Damage** to which this Insurance applies are alleged. **Suit** includes:

1. An arbitration proceeding in which such damages are claimed and to which the **Insured** must submit or does submit with Underwriters’ consent; or
2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the **Insured** submits with Underwriters’ consent.

S. “**Temporary Worker**” means a person who is furnished to you to substitute for a permanent **Employee** on leave or to meet seasonal or short-term workload conditions.

T. “**Your Product**”;

1. Means:
 - (a) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (i) You;
 - (ii) Others trading under your name; or

- (iii) A person or organization whose business or assets you have acquired; and
 - (b) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- 2. Includes:
 - (a) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **Your Product**; and
 - (b) The providing of or failure to provide warnings or instructions.
- 3. Does not include vending machines or other property rented to or located for the use of others but not sold

U. **“Your Work”**:

- 1. Means:
 - (a) Work or operations performed by you or on your behalf; and
 - (b) Materials, parts or equipment furnished in connection with such work or operations.
- 2. Includes:
 - (a) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of **Your Work**; and
 - (b) The providing of or failure to provide warnings or instructions.

VI. CGL CONDITIONS

A. **Limit of Liability**

- 1. The Limit of Liability stated in Item 3.(d) of the Declarations “Annual Aggregate Limit” is the most Underwriters will pay for the sum of all payments including damages, medical expenses and Defense and Supplementary Payments under this CGL Coverage Part regardless of the number of:
 - (a) **Insureds**;
 - (b) **Claims** made or **Suits** brought; or
 - (c) Persons or organizations making **Claims** or bringing **Suits**.
- 2. Subject to 1 above, the “Each **Occurrence**” Limit stated in Item 3.(c) of the Declarations is the most Underwriters will pay for damages and Defense and Supplementary Payments under this Coverage Part because of all **Bodily Injury** and **Property Damage** arising out of any one **Occurrence**. . All medical expenses payments made by Underwriters under CGL Part Insuring Agreement ii) resulting from an **Occurrence** shall apply to and reduce the “Each **Occurrence**” Limit of Liability.

3. The “Combined Annual Aggregate Limit” stated in Item 3. of the Declarations is the combined total limit of Underwriters’ Liability for all payments under Items 3.(b) and 3.(d) of the Declarations.

B. Deductible

1. Underwriters’ obligation under this CGL Coverage Part to pay damages to make Defense and Supplementary Payments on behalf of any **Insured** applies only to such amounts in excess of the deductible amount stated in Item 4.(b) of the Declarations, “CGL Coverage Part Each **Occurrence** Deductible.” The deductible applies to all damages sustained by any one person because of:

- (a) **Bodily Injury;**
- (b) **Property Damage;** or
- (c) **Bodily Injury and Property Damage** combined

as a result of any one **Occurrence**, and includes Defense and Supplementary Payments incurred in any resulting **Claim**

If damages are claimed for care, loss of services or death resulting at any time from **Bodily Injury**, a separate deductible amount will be applied to each person making a claim for such damages.

With respect to **Property Damage**, person includes an organization.

The deductible also applies to any medical expense payments made under Insuring Agreement ii) of this CGL Coverage Part (Medical Payments Coverage). Underwriters obligation to make such payments applies only to amounts in excess of the amount stated in Item 4.(b) of the Declarations as a result of the **Occurrence** to which the medical expenses relate, subject to the US\$5,000.00 sub-limit of liability set forth in CGL Coverage Part Insuring Agreement ii).

2. The deductible shall be satisfied by payments by the First Named Insured as a condition precedent to payment by the Underwriters of any amounts under the terms of this CGL Coverage Part. The **Insured’s** duties in the event of an **Occurrence, Claim or Suit** apply irrespective of the application of the deductible amount.
3. The First Named Insured shall make direct payments within the deductible to appropriate other parties designated by the Underwriters.

C. Duties in the Event of an Occurrence, Claim or Suit

1. You must see to it that Underwriters are notified as soon as practical, through persons named in Item 7. of the Declarations, of an **Occurrence** that may result in a **Claim**. To the extent possible, notice should include:
 - (a) How, when and where the **Occurrence** took place;
 - (b) The names and addresses of any injured persons and witnesses; and

- (c) The nature and location of any injury or damage arising out of the **Occurrence**.
2. If any **Claim** is made or a **Suit** is brought against any **Insured**, you must immediately:
- (a) Record the specifics of the **Claim** or **Suit** and the date received; and
 - (b) Forward to Underwriters through persons named in Item 7. of the Declarations every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative.

You must see to it that Underwriters, through the persons named in Item 7 of the Declarations receive written notification of the **Claim** or **Suit** as soon as practicable.

3. The Underwriters will not consider any report made by an **Insured** or on the **Insured's** behalf for the purpose of loss prevention, risk management or quality management to be a report of a **Claim** or an **Occurrence** that may result in a **Claim**. Nor will the Underwriters consider a list of **Occurrences** reported upon cancellation, nonrenewal or other termination of coverage as satisfying this Policy's **Occurrence** reporting requirement unless the information described in Clause VI.C.1. (a) through (c) above, is provided along with a description of the type of demand the **Insured** expects to receive.
3. If any **Insured** shall makes any **Claim** under this Policy knowing such **Claim** to be false or fraudulent, as regards amount or otherwise, this Policy shall become null and void and all coverage hereunder shall be forfeited.
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GENERAL CONDITIONS

APPLICABLE TO BOTH COVERAGE PARTS

I. EXTENDED REPORTING ENDORSEMENT

A. In the event of cancellation or non-renewal of this Insurance by the Underwriters, the First Named Insured designated in Item 1. of the Declarations shall have the right, upon payment of the applicable premium set forth below in full and not proportionally or otherwise, to have issued an endorsement providing an **Extended Reporting Period** for **Claims** first made against any **Insured** and reported to the Underwriters during the **Extended Reporting Period**, and arising out of:

1. in the case of a claim covered by the SSPL Coverage Part, any negligent act, error or omission committed on or after the Retroactive Date and before the end of the **Period of Insurance**; or
2. in the case of a claim covered by the CGL Coverage Part, any **Bodily Injury** or **Property Damage** caused by an **Occurrence** that did not occur before the Retroactive Date or after the end of the **Period of Insurance**.

In order for the First Named Insured to invoke the **Extended Reporting Period** option, the payment of the additional premium for the **Extended Reporting Period** must be paid to Underwriters within 30 days of the non-renewal or cancellation.

<u>Premium</u>	<u>Extended Reporting Period</u>
Nil Additional Premium	36 months

- B. The Limit of Liability for the **Extended Reporting Period** shall be part of, and not in addition to, the Limit of Liability for the **Period of Insurance**.
- C. The quotation by Underwriters of a different premium or deductible or Limit of Liability or changes in Policy language for the purpose of renewal shall not constitute a refusal to renew by the Underwriters.
- D. The right to the **Extended Reporting Period** shall not be available to the First Named Insured where cancellation or non-renewal by the Underwriters is due to non-payment of premium or failure of an **Insured** to pay such amounts in excess of the applicable Limit of Liability or within the amount of the applicable Deductible. Nor will the right to the **Extended Reporting Period** be available to the First Named Insured if this Policy is rescinded or cancelled for fraud, misrepresentation, concealment or breach of warranty or failure to comply with the terms and conditions of this Policy.
- E. All notices and premium payments with respect to the **Extended Reporting Period** option shall be directed to Underwriters through the entity named in Item 8. of the Declarations.
- F. At the commencement of the **Extended Reporting Period** the entire premium shall be deemed earned, and in the event the Named Insured terminates the **Extended Reporting Period** for any reason prior to its natural expiration, Underwriters will not be liable to return any premium paid for the **Extended Reporting Period**.

II. ASSISTANCE AND COOPERATION OF THE INSURED

- A. 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.
- B. 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, or **Bodily Injury** or **Property Damage** 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.
- C. The **Insured** shall not admit liability, voluntarily make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgment or award or dispose of any **Claim** without the consent of Underwriters.
- D. Expenses incurred by the **Insured** in assisting and cooperating with Underwriters, as described above, do not constitute **Claims Expenses** or Defense or Supplementary Payments under the Policy.
- E. Failure to co-operate with the Underwriters in the defence of any **Claim** is a breach of this Policy and will result in a loss of coverage.

III. OTHER INSURANCE

This Insurance shall apply in excess of any other valid and collectible insurance available to any **Insured**, 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.

IV. ACTION AGAINST UNDERWRITERS

- A. No action shall lie against the Underwriters or their representatives unless, as a condition precedent thereto: (1) there shall have been full compliance with all terms of this Insurance; and (2) until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment or award against the **Insured** after actual trial or arbitration or by written agreement of the **Insured**, the Claimant and the Underwriters.
- B. Any person or organization or the legal representative thereof who has secured such judgment, award or written agreement shall thereafter be entitled to make a **Claim** under this Policy to the extent of the Insurance afforded by this Policy. No person or organization shall have any right under this Insurance to join the Underwriters as a party to an action or other proceeding against the **Insured** to determine the **Insured's** liability, nor shall the Underwriters be impleaded by the **Insured** or his legal representative.
- C. Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the Underwriters of their obligations hereunder.

V. 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. Any recoveries shall be applied first to subrogation expenses, second to any payments made by Underwriters under the terms of this Policy, and third to the deductible. Any additional amounts recovered shall be paid to the First Named Insured.

VI. ENTIRE AGREEMENT

By acceptance of the Policy, all **Insureds** agree that this Policy embodies all agreements 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 affect a waiver or a change in any part of this Insurance or stop the Underwriters from asserting any right under the terms of this Insurance; nor shall the terms of this Insurance be waived or changed, except by endorsement issued to form a part of this Insurance, signed by Underwriters.

VII. ASSIGNMENT

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

VIII. CANCELLATION

- A. This Policy of Insurance may be cancelled by the First Named Insured by surrender thereof to Underwriters or by mailing to Underwriters through the entity named in Item 8. of the Declarations written notice stating when thereafter the cancellation shall be effective. The Underwriters may cancel this Insurance by mailing to the First Named Insured at the address shown in the Declarations written notice stating when not less than 60 days thereafter such cancellation shall be effective. However, if the Underwriters cancel this Insurance because the **Insured** has failed to pay a premium when due, this Insurance may be cancelled by the Underwriters by mailing a written notice of cancellation to the First Named Insured at the address shown in the Declarations stating when not less than 10 days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Period of Insurance**. Delivery (where permitted by law) of such written notice either by the Named Insured or by the Underwriters shall be equivalent to mailing.
- B. If the First Named Insured cancels this Insurance, the earned premium shall be computed in accordance with the attached short rate table and procedure.
- C. If the Underwriters cancel this Insurance prior to any **Claim** being reported under this Policy, earned premium shall be computed pro rata.
- D. The premium shall be deemed fully earned if any **Claim** under this Policy is reported to Underwriters on or before the date of cancellation.

- E. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

IX. 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.

X. TITLES OF PARAGRAPHS

The titles of paragraphs sections, provisions or endorsements of or to this Policy are intended solely for convenience and reference, and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the Policy.

XI. WARRANTY BY THE INSURED

- A. By acceptance of this Policy, the **Insured** agrees that the statements contained in the Application, any Application for insurance of which this Policy is a renewal, and any supplemental materials submitted therewith are its agreements and representations, that they shall be deemed material to the risk assumed by Underwriters, and that this Policy is issued in reliance upon the truth thereof.

The misrepresentation or non-disclosure of any matter by the **Insured** or its agent in the Application, any Application for insurance of which this Policy is a renewal, or any supplemental materials submitted therewith will render the Policy null and void and relieve the Underwriters from all liability under the Policy.

The Application and any Application for insurance of which this Policy is a renewal, and any supplemental materials submitted therewith are deemed incorporated into and made a part of this Policy.

- B. By acceptance of this Policy, all **Insureds** warrant that during the **Period of Insurance** they will not purchase any professional liability and/or commercial general liability insurance excess of the Limit of Liability stated in the Declarations unless Underwriters hereon have agreed that such excess professional liability and/or commercial general liability insurance may be purchased. Underwriters expressly have the right to amend any of the terms and conditions of this Policy as a condition of agreeing that such professional liability and/or commercial general liability insurance may be purchased.

XII. NAMED INSURED AS AGENT

The First Named Insured specified in Item 1. of the Declarations shall be considered the agent of all **Insureds**, and shall act on behalf of all **Insureds** with respect to the giving of or receipt of all notices pertaining to this Policy, the acceptance of any endorsements to this Policy, and the First Named Insured shall be responsible for the payment of all premiums and deductibles.

XIII. WAR AND TERRORISM EXCLUSION

Notwithstanding any provision to the contrary within this Insurance or any endorsement thereto, it is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- A. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- B. any act of terrorism.

For the purpose of this endorsement, an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to A or B above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this Insurance, the burden of proving the contrary shall be upon the **Insured**.

In the event any portion of this Section XIII is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

XX. CHOICE OF LAW CLAUSE

It is agreed by both the **Insured** and Underwriters that any dispute concerning the interpretation of this Insurance shall be governed by the laws of the state where the First Named Insured is headquartered as stated in Item 1. of the Declarations.

XIV. SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount Claimed to be due under this Insurance, the 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 the Underwriters' representative, designated in Item 9. 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 9. 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 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 Policy, and hereby designate the Underwriters' representative, designated in Item 9 of the Declarations, as the person to whom the said officer is authorized to mail such process or a true copy thereof.
