

CATLIN
ERRORS & OMISSIONS INSURANCE

Item 7. Notice of Claim to:

Mendes & Mount,
750 Seventh Avenue, New York,
NY 10019-6829
Attn: Dennis R. Mullins

Item 8. Professional Services:

Item 9. Notice of Election:

Item 10. Service of Suit nominee:

Mendes & Mount,
750 Seventh Avenue, New York,
NY 10019-6829

Item 11. Choice of Law:

Item 12. Attachments:

Application dated:
Declaration dated:
Short Rate Cancellation Table
NMA1477 Radioactive Contamination Exclusion
NMA2918 War and Terrorism Exclusion Endorsement
NMA1168 Small AP/RP clause
LSW1022A Texas Complaints Notice
LSW1023 Texas Surplus Lines Clause
Cancellation Due To Premium Payment Default

Delete as applicable

ERRORS & OMISSIONS INSURANCE

NOTICE: This is a Claims made form. Except to such extent as may otherwise be provided herein, the coverage afforded under this insurance is limited to liability for only those Claims that are first made against the Insured and reported to the Underwriters while the insurance is in force. 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. 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, designated in Item 1 of the Declarations made a part hereof, in consideration of the payment of the premium and in reliance upon the statements in the application which is made a part of this insurance (hereinafter referred to as the "contract" or "insurance") and subject to the Limit of Liability, exclusions, conditions and other terms of this insurance:

I. INSURING AGREEMENTS

A. Coverage

To pay on behalf of the Insured Damages and Claims Expenses which the Insured shall become legally obligated to pay because of any Claim or Claims first made against any Insured and reported to the Underwriters during the Period of Insurance or Extended Reporting Period, resulting from any act, error or omission of the Insured in rendering or failing to render Professional Services as described in Item 8 of the Declarations, for others on behalf of the Named Insured designated in Item 1 of the Declarations except as excluded or limited by the terms, conditions and exclusions of this insurance.

B. Defense and Settlement (Included in the Limit of Liability)

1. The Underwriters shall have the right and duty to defend, subject to the Limit of Liability, any Claim against the Insured seeking payment under the terms of this insurance, even if any of the allegations of the Claim are groundless, false or fraudulent.
2. It is agreed that 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.
3. 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.
4. If the Insured shall refuse to consent to any settlement or compromise recommended by the Underwriters and acceptable to the claimant and elects to contest the Claim, the Underwriters' liability for any Damages and Claims Expenses shall not exceed the amount for which the Claim could have been settled, less the remaining 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.
5. 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.

II. PERSONS INSURED

Each of the following is an Insured under this insurance to the extent set forth below:

- (a) if the Named Insured designated in Item I of the Declarations is an individual, the person so designated but only with respect to the Professional Services described in Item 8 of the Declarations;
- (b) if the Named Insured designated in Item I of the Declarations is a firm or association, the firm or association so designated and any partners, directors, officers or any other employee but solely with respect to the Professional Services, described in Item 8 of the Declarations, on behalf of the Named Insured designated in Item I of the Declarations;
- (c) any person who previously qualified as an Insured under (b) above prior to the termination of the required relationship with the Named Insured, but solely with respect to the Professional Services, described in Item 8 of the Declarations, on behalf of the Named Insured designated in Item I of the Declarations.
- (d) 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.

III. TERRITORY

This insurance applies to 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 if purchased in accordance with Clause IX.

IV. EXCLUSIONS

The coverage under this insurance does not apply to Damages or Claims Expenses incurred with respect:

- (a) to any Claim arising out of any criminal, dishonest, fraudulent or malicious act, error or omission of any Insured, committed with actual, criminal, dishonest, fraudulent or malicious purpose or intent. However, notwithstanding the foregoing, the insurance afforded by this insurance shall apply to Claims Expenses incurred in defending any such Claim or circumstance which might lead to a Claim, but shall not apply to any Damages which the Insured might become legally obligated to pay;
- (b) to any Claim by one Insured under this insurance against another Insured under this insurance;
- (c) to any Claim arising out of personal injury, including but not limited to bodily injury, mental anguish or sickness, disease or death of any person, or to injury to or destruction of any tangible property, including the loss of use thereof;
- (d) to any Claim arising out of 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) to any Claim arising out of any Insured's activities as a trustee, partner, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than of the Named Insured;

- (f) to any Claim made by or against or in connection with any business enterprise (including the ownership, maintenance or care of any property in connection therewith), not named in the Declarations, which is owned by any Insured or in which any Insured is a trustee, partner, officer, director or employee;
- (g) to any Claim arising out of any acts, errors or omissions that took place prior to the effective date of this insurance, if any Insured on the effective date knew or could have reasonably foreseen that such acts, errors or omissions might be expected to be the basis of a Claim;
- (h) to any Claim arising out of or relating to any liability assumed by any Insured under any contract or agreement, whether written or oral, including but not limited to any express warranties or guarantees or estimates of cost, unless such liability would have attached to the Insured in the absence of such agreement;
- (i) to any Claim arising out of the Employee Retirement Income Security Act of 1974 and its amendments or any regulation or order issued pursuant thereto;
- (j) to any punitive or exemplary damages, any damages which are a multiple of compensatory damages, fines, sanctions or penalties, or the return of or reimbursement for fees, costs or expenses charged by any Insured;
- (k) to any Claim or circumstance which might lead to a Claim in respect of which any Insured has given notice to the insurer of any other insurance in force prior to the effective date of this insurance;
- (l) to any Claim arising out of libel or slander or other defamatory or disparaging material, or a publication or an utterance in violation of an individual's right of privacy;
- (m) to any Claim arising out of plagiarism, infringement of copyright or trademark or patent;
- (n) to any employment practice claims, including any actual or alleged refusal to employ, wrongful hiring, termination of employment or employment practice, improper evaluation or promotion, humiliation, harassment, misconduct or discrimination of any kind by any Insured, based on factors including, but not limited to, race, color, creed, national origin, physical or other disability, marital status, age, gender or sexual orientation. This includes creation of a work environment that is intimidating, hostile or offensive;
- (o) to any Claim arising from the failure to buy or maintain any form of insurance, suretyship or bond;
- (p) to any Claim directly or indirectly arising out of:
 - (i) the actual, alleged or threatened discharge, dispersal, release or escape or failure to detect the presence of "pollutants," including but not limited to solid, liquid, gaseous or thermal irritants or contaminants, including asbestos, smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste (waste includes materials to be recycled, reconditioned or reclaimed);
 - (ii) any governmental or regulatory directive or request that the Insured or anyone acting under its direction or control test for, monitor, clean up, remove, contain, treat, detoxify or neutralize said "pollutants";
- (q) to any claim arising out of failure to pay any bond, interest on any bond or any debt, financial guarantee or debenture;
- (r) to any claim arising out of any actual or alleged commingling of or inability or failure to pay, collect or safeguard funds;
- (s) to any claim arising out of or based upon a loss alleged to have been sustained through fluctuation in the market value of any security or property including real property;
- (t) to any Claim based upon or arising out of, directly or indirectly, in whole or in part, any investment or tax opinion, advice or analysis or the performance or failure to perform any

Professional Services in relation to any offering, syndication, partnership, tax shelter, tax haven, or tax avoidance arrangement, organization or device.

- (u) to any Claim arising out of or related to, directly or indirectly, any act, error or omission involving any security or any activities or transactions subject or claimed to be subject to the Securities Act of 1933, The Securities Exchange Act of 1934, The Public Utility Holding Company Act of 1935, The Trust Indenture Act of 1939, The Investment Company Act of 1940 or the Investment Advisors Act of 1940 or any purchase, sale or offering of any security to or from the public which is subject to any State Blue Sky or Securities Law.
- (v) to, or any liability whatsoever arising directly or indirectly 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;
- (w) to, or any liability whatsoever arising directly or indirectly out of or resulting from or in consequence of, or in any way involving:
 - (i) the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind; or
 - (ii) 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; or
 - (iii) 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.

If a retroactive date is applicable to this coverage it will appear at Item 6 of the Declarations and the following exclusion shall apply:

- (x) to any Claim 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.

V. CONDITIONS

Definitions: Wherever used in this insurance:

- A. "Claims Expenses" means:
 - (1) reasonable and necessary fees charged by an attorney(s) designated by the Underwriters; and
 - (2) all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a Claim, suit or proceeding arising in connection therewith, if incurred by the Underwriters, or by the Insured with the 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 which might lead to a Claim notified under this insurance.
- B. "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 hereunder.
- C. "Extended Reporting Period", if applicable, means the 12-month period of time after the end of the Period of Insurance for reporting Claims, arising out of acts, errors or omissions which take place prior to the end of the Period of Insurance and otherwise covered by this insurance.
- D. "Claim" means a demand received by any Insured for money or services including the service of suit or institution of arbitration proceedings against the Insured.
- E. "Damages" means a monetary judgment, award or settlement.

VI. LIMIT OF LIABILITY

- A. The Limit of Liability stated in the Declarations as "each claim" is the limit of the Underwriters' liability for all Damages and Claims Expenses arising out of the same, related or continuing Professional Services without regard to the number of Insureds, Claims or claimants.
- B. The Limit of Liability stated in the Declarations as "annual aggregate" is the total limit of the Underwriters' 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 insurance.
- C. 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.

VII. DEDUCTIBLE

The deductible amount stated in Item 4 of the Declarations shall be satisfied by payments by the Insured of Damages and Claims Expenses resulting from all 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 the Underwriters' total liability not exceeding the limit stated in Item 3 of the Declarations. The Insured shall make direct payments within the deductible to appropriate other parties designated by the Underwriters.

VIII. INNOCENT INSURED

- A. Whenever coverage under this insurance would be excluded, suspended or lost:
- (1) because of any exclusion relating to criminal, dishonest, fraudulent or malicious acts, errors or omissions by any Insured, and with respect to which any other Insured did not personally participate or personally acquiesce in or remain passive after having personal knowledge thereof, or
 - (2) because of non-compliance with any condition relating to the giving of notice 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

the Underwriters agree that such insurance as would otherwise be afforded hereunder 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 any such exclusion; or (b) such failure to give notice, provided that if the condition be one with which such Insured can comply, after receiving knowledge thereof, the Insured entitled to the benefit of Clause VIII shall comply with such condition promptly after obtaining knowledge of the failure of any other Insured to comply therewith.

- B. With respect to this provision, the Underwriters' obligation to pay in such event shall be in excess of the deductible and in excess of the full extent of any assets of any Insured to whom the exclusion applies. In no event shall the Underwriters' obligation to pay exceed the Limit of Liability stated in Item 3 of the Declarations.

IX. EXTENDED REPORTING ENDORSEMENT

- A. In the event of cancellation or non-renewal of this insurance by the Underwriters, the Named Insured designated in Item 1 of the Declarations shall have the right, upon payment in full and not proportionally or otherwise in part of 125% of the premium set forth in Item 5 of the Declarations, to have issued an endorsement providing a 12-month Extended Reporting Period for Claims first made against any Insured and reported to the Underwriters during the Extended Reporting Period, subject to the conditions set forth in the definition of Extended Reporting Period herein. In order for the Named Insured to invoke the Extended Reporting Period option, the payment of the additional premium for the Extended Reporting Period must be paid to the Underwriters within 30 days after non-renewal or cancellation.
- B. 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.
- C. The quotation by the Underwriters of a different premium or deductible or Limit of Liability or changes in contract 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 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.
- E. All notices and premium payments with respect to the Extended Reporting option shall be directed to the Underwriters through the entity named in Item 9 of the Declarations.

- F. At the commencement of the Extended Reporting Period the entire premium shall be deemed earned, and in the event that the Named Insured terminates the Extended Reporting Period for any reason prior to its natural expiration, the Underwriters will not be liable to return any premium paid for the Extended Reporting Period.

X. OTHER INSURANCE

This insurance shall apply in excess of any other valid and collectible insurance available to any Insured, unless such other insurance is written only as specific excess insurance over the Limit of Liability of this insurance.

XI. NOTICE OF CLAIM, OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

- A. If any Claim is made against the Insured, the Insured shall immediately forward to the Underwriters through persons named in Item 7 of the Declarations every demand, notice, summons or other process received by it or its representative.
- B. If during the Period of Insurance the Insured first becomes aware of an act or omission that could reasonably be the basis for a Claim it must give written notice to the Underwriters through persons named in Item 7 of the Declarations during the Period of Insurance of:
- (1) the specific act, error or omission; and
 - (2) the injury or damage which may result or has resulted from the act, error or omission; and
 - (3) the circumstance by which the Insured first became aware of the act, error or omission.

any subsequent Claim made against the Insured which is the subject of the written notice shall be deemed to have been made at the time written notice was first given to the Underwriters.

- C. A Claim shall be considered to be reported to the Underwriters when notice is first given to the 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.
- D. All Claims arising out of the same, continuing or related Professional Services shall be considered a single Claim and deemed to have been made at the time the first of the related Claims is reported to the Underwriters and shall be subject to one Limit of Liability.
- E. 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 the Underwriters of Claims made against the Insured during the Period of Insurance which arise out of any act, error or omission occurring prior to the termination date of the Period of Insurance and otherwise covered by this insurance.
- F. If any Insured shall make any Claim under this insurance knowing such claim to be false or fraudulent, as regards amount or otherwise, this insurance shall become null and void, and all coverage hereunder shall be forfeited.

XII. ASSISTANCE AND COOPERATION OF THE INSURED

The Insured shall cooperate with the Underwriters in all investigations, including investigations regarding the application and coverage under this insurance and, upon the Underwriters' request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization other than an employee of any Insured who may be liable to the Insured because of acts, errors or omissions with respect to which insurance is afforded under this insurance; and the Insured shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The Insured shall not, except at his own cost, admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgment or award or otherwise dispose of any Claim without the consent of the Underwriters.

XIII. ACTION AGAINST COMPANY

No action shall lie against the Underwriters unless, as a condition precedent thereto, there shall have been full compliance with all terms of this insurance, nor 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.

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 insurance to the extent of the insurance afforded by this insurance. 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. Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Underwriters of their obligations hereunder.

XIV. SUBROGATION

In the event of any payment under this insurance, the Underwriters shall be subrogated to all the Insured's rights of recovery therefor 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 after the payment of Damages by the Underwriters to prejudice such rights.

XV. CHANGES

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this insurance or estop 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 the Underwriters.

XVI. MERGERS AND ACQUISITIONS

The Named Insured shall be required to give written notice to the Underwriters prior to the completion of a merger or acquisition by or of the Named Insured, and the Underwriters expressly reserve the right to demand a premium adjustment if this insurance is to remain in force subsequent to any merger or acquisition.

XVII. 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 insurance.

XVIII. CANCELLATION

- A. This insurance may be cancelled by the Named Insured by surrender thereof to the Underwriters or by mailing to the Underwriters written notice stating when thereafter the cancellation shall be effective. This insurance may be cancelled by the Underwriters by mailing to the Named Insured at the address shown in the Declarations written notice stating when not less than sixty 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 Named Insured at the address shown in the Declarations stating when not less than ten 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 Named Insured cancels this insurance, earned premium shall be computed in accordance with the attached short rate table and procedure. If the Underwriters cancel this insurance, earned premium shall be computed pro rata. 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.

XIX. 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.

XX. ENTIRE CONTRACT

By acceptance of this contract the Insured agrees that the statements in the Declarations and application are its agreements and representations, that this insurance is issued in reliance upon the truth of such representations and that this insurance embodies all agreements existing between the Insured and the Underwriters relating to this insurance.

XXI. WAR AND CIVIL WAR EXCLUSION CLAUSE

Notwithstanding anything to the contrary contained herein this insurance does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

XXII NUCLEAR INCIDENT EXCLUSION CLAUSE - LIABILITY - DIRECT

The insurance provided hereunder does not apply:

- A To injury, sickness, disease, death or destruction
 - (1) with respect to which an Assured under this insurance is also an Assured under a nuclear energy liability insurance issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada or would be an Assured under any such insurance but for its termination upon exhaustion of its limits of liability; or

- (2) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the Assured is, or had this insurance not been issued would be, entitled to indemnity from the United States of America, or any agency thereof under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B To injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if
- (1) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an Assured or (2) has been discharged or dispersed therefrom;
- (2) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an Assured, or
- (3) the injury, sickness, disease, death or destruction arises out of the furnishing by an Assured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to injury to or destruction of property at such nuclear facility.
- C As used in this clause: "**hazardous properties**" include radioactive, toxic or explosive properties; "**nuclear material**" means source material, special nuclear material or by-product material; "**source material**", "**special nuclear material**" and "**by-product material**" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof; "**spent fuel**" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor; "**waste**" means any waste material (1) containing by-product material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (1) or (2) thereof; "**nuclear facility**" means
- (1) any nuclear reactor;
- (2) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste;
- (3) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the Assured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
- (4) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste;

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations; "**nuclear reactor**" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material. With respect to injury to or destruction of property, the word "**injury**" or "**destruction**" includes all forms of radioactive contamination of property.

It is understood and agreed that, except as specifically provided in the foregoing to the contrary, this clause is subject to the terms, exclusions, conditions and limitations of the insurance to which it is attached.

XXIII.SERVICE OF SUIT

- (1) It is agreed that in the event of the failure of the Underwriters to pay any amount claimed to be due under this insurance, the Underwriters, at the request of the Named Assured, will submit to the jurisdiction of a court of competent jurisdiction within the United States. This clause does not constitute and should not be understood to constitute an agreement by Underwriters that an action is properly maintained in a specific forum, nor may it be construed as a waiver of the Underwriters' rights to commence an action in a court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted the laws of the United States or of any State of the United States, all of which rights the Underwriters expressly reserve. It is further agreed that service of process in such suit may be made upon persons named in Item 10 of the Declarations and that in any suit instituted against any one of them upon this insurance, the Underwriters will abide by the final decision of such court or of any Appellate Court in the event of an appeal.
- (2) The persons named in Item 10 of the Declarations are authorized and directed to accept service of process on behalf of the Underwriters in any such suit and/or upon the request of the Named Assured to give written undertaking to the Named Assured that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted. Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Named Assured or any beneficiary hereunder arising out of this insurance, and hereby designate the persons named in Item 10 of the Declarations as the persons to whom the said officer is authorized to mail such process or a true copy thereof.

XXIV. CHOICE OF LAW CLAUSE

In consideration of the premium charged for this insurance, it is hereby understood and agreed by both the Insured and the Underwriters that any dispute concerning the interpretation of this insurance shall be governed by the laws of the state designated in item 11 of the declarations.

XXV. SEVERAL LIABILITY NOTICE LSWI001

The subscribing insurers' obligations under policies to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

SHORT RATE CANCELLATION TABLE

In the event of cancellation by the Insured the Earned Premium shall be computed as follows:

A. For insurances written for one year:

Days Insurance in Force	Per cent. of One Year Premium	Days Insurance in Force	Per cent. of One Year Premium	Days Insurance in Force	Per cent. of One Year Premium
1 - 54	25	147 - 149	51	256 - 260	77
55 - 58	26	150 - 153	52	261 - 264	78
59 - 62	27	154 - 156	53	265 - 269	79
63 - 65	28	157 - 160	54	270 - 273	80
66 - 69	29	161 - 164	55	274 - 278	81
70 - 73	30	165 - 167	56	279 - 282	82
74 - 76	31	168 - 171	57	283 - 287	83
77 - 80	32	172 - 175	58	288 - 291	84
81 - 83	33	176 - 178	59	292 - 296	85
84 - 87	34	179 - 182	60	297 - 301	86
88 - 91	35	183 - 187	61	302 - 305	87
92 - 94	36	188 - 191	62	306 - 310	88
95 - 98	37	192 - 196	63	311 - 314	89
99 - 102	38	197 - 200	64	315 - 319	90
103 - 105	39	201 - 205	65	320 - 323	91
106 - 109	40	206 - 209	66	324 - 328	92
110 - 113	41	210 - 214	67	329 - 332	93
114 - 116	42	215 - 218	68	333 - 337	94
117 - 120	43	219 - 223	69	338 - 342	95
121 - 124	44	224 - 228	70	343 - 346	96
125 - 127	45	229 - 232	71	347 - 351	97
128 - 131	46	233 - 237	72	352 - 355	98
132 - 135	47	238 - 241	73	356 - 360	99
136 - 138	48	242 - 246	74	361 - 365	100
139 - 142	49	247 - 250	75		
143 - 146	50	251 - 255	76		

B. For Insurances written for more or less than one year:

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

Furthermore and notwithstanding the foregoing, Underwriters shall retain the total premium for this Insurance, such total premium to be deemed earned upon inception of the certificate, if any claim or any circumstance that could reasonably be the basis for a claim is reported to Underwriters under this Insurance on or before such date of cancellation.

RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE-LIABILITY-DIRECT (U.S.A.)

For attachment (in addition to the appropriate Nuclear Incident Exclusion Clause-Liability-Direct) to liability insurances affording worldwide coverage.

In relation to liability arising outside the U.S.A., its Territories or Possessions, Puerto Rico or the Canal Zone, this certificate does not cover any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

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WAR AND TERRORISM EXCLUSION ENDORSEMENT

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

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

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any 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 1 and/or 2 above.

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

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

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SMALL ADDITIONAL OR RETURN PREMIUMS CLAUSE

For attachment to insurances in or covering insureds in the following states:

Alaska
Illinois
Kentucky
Oregon
Utah
Washington
California

NOTWITHSTANDING anything to the contrary contained herein and in consideration of the premium for which this Insurance is written, it is understood and agreed that whenever an additional or return premium of \$2 or less becomes due from or to the Assured on account of the adjustment of a deposit premium, or of an alteration in coverage or rate during the term or for any other reason, the collection of such premium from the Assured will be waived or the return of such premium to the Assured will not be made, as the case may be.

N.M.A. 1168

TEXAS COMPLAINTS NOTICE IMPORTANT NOTICE

- I. To obtain information or make a complaint:
 - (a) You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:
1-800-252-3439
 - (b) You may write to the Texas Department of Insurance:
P.O. Box 149104, Austin, TX 78714-9104, Fax: (512) 475-1771
Web: <http://www.tdi.state.tx.us> E-mail: ConsumerProtection@tdi.state.tx.us
2. PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact the agent first. If the dispute is not resolved, you may contact the Texas Department of Insurance.
3. ATTACH THIS NOTICE TO YOUR INSURANCE:

This notice is for information only and does not become a part or condition of the attached document.

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TEXAS SURPLUS LINES CLAUSE

THIS Insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as a surplus lines coverage pursuant to the Texas Insurance Statutes. The State Board of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and this insurer is not a member of the Property and Casualty Insurance Guaranty Association created under Article 21.28-C, Insurance Code. Article 1.14.2, Insurance Code, requires payment of 4.85 percent tax on gross premium.

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CANCELLATION DUE TO PREMIUM PAYMENT DEFAULT

It is warranted that the premium due to the Underwriters under this certificate is paid within the number of days after inception stated in item 5 of the declarations. Non-receipt by the Correspondent of the premium by midnight [local standard time at the mailing address shown in item 1 of the declarations] on the premium due date shall render this insurance certificate void with effect from inception.

ALL OTHER TERMS, EXCLUSIONS AND CONDITIONS REMAIN UNCHANGED