



TORUS NATIONAL INSURANCE COMPANY

FOLLOW FORM EXCESS LIABILITY INSURANCE POLICY

In consideration of the premium paid and in reliance on all statements made and information furnished by the **Insureds** in the Application and the underwriting of this Policy, and subject to the terms, conditions and limitations of this Policy, Torus National Insurance, Inc. (the "Insurer") agrees as follows:

I. INSURING CLAUSE

Subject to the terms, conditions, representations and limitations of this Policy, the Insurer shall provide to the **Insureds** insurance coverage for Claims first made during the **Policy Period** or, if applicable, the **Extended Reporting Period**. Liability for any covered Loss resulting from covered Claims shall attach to the Insurer only after (i) the insurers of the **Underlying Policy(s)**, the **Insureds**, and/or any other party shall have paid in legal currency Loss covered under the respective **Underlying Policy(s)** equal to the full amount of the **Underlying Limit**, and (ii) the **Insureds** shall have paid the self-insured retention, deductible or co-insurance, if any, applicable under the **Underlying Policy(s)**. The Insurer shall then be liable to pay only covered Loss in excess of such **Underlying Limit** up to its **Limit of Liability** stated in Item 3 of the Declarations. The **Limit of Liability** stated in Item 3 of the Declarations is the maximum aggregate liability of the Insurer with respect to all Claims first made in the **Policy Period** and, if applicable, the **Extended Reporting Period** stated in Section F of this Policy and against all **Insureds**, irrespective of the time of payment by the Insurer.

II. TERMS AND CONDITIONS

A. FOLLOWING FORM

This Policy, except as stated herein, is subject to all the terms, conditions, representations, limitations and restrictions contained in the **Followed Policy** as of the inception date of this Policy. This Policy, except as stated herein, is also subject to all the representations, limitations and restrictions contained in the **Underlying Policy(s)** as of the effective date of the **Policy Period**. If, and to the extent that, subsequent to the inception date of this Policy, coverage is further limited or restricted in the **Followed Policy** and/or in any other **Underlying Policy(s)** coverage under this Policy is also so further limited or restricted. In no event shall this Policy grant broader coverage than would be provided by any **Underlying Policy**. In the event of any conflict between any term, condition, or limitation of this Policy and any **Underlying Policy**, the terms, conditions and limitations of this Policy shall control.

B. UNDERLYING POLICIES

1. Notwithstanding any of the terms of this Policy which might be construed otherwise, this Policy shall drop down to the extent the **Underlying Limit** is paid as described above, and shall not drop down for any other reason including, but not limited to, uncollectability (in whole or in part) of any **Underlying Policy(s)**. The risk of uncollectability of the **Underlying Policy(s)** (in whole or in part) whether because of financial impairment or insolvency of an underlying insurer or for any other reason, is expressly retained by the **Insureds** and is not in any way or under any circumstances insured or assumed by the Insurer.



2. If any **Underlying Policy(s)** contains a specific grant of coverage that is subject to a sublimit of liability, then coverage under this Policy shall not apply to any Claim that is otherwise subject to such grant of coverage. However, any Loss that is paid under such **Underlying Policy(s)** and that is subject to such sublimit of liability shall erode and may, if applicable, exhaust the **Underlying Limit** for purposes of this Policy.
3. If any **Underlying Policy(s)** is canceled or terminated during the **Policy Period** or, if applicable, the **Extended Reporting Period**, the Insurer shall not be liable under this Policy to a greater extent than it would have been had such **Underlying Policy(s)** been maintained. To the extent any term, condition, representation, limitation or restriction of any of the **Underlying Policy(s)** is changed during the **Policy Period** and/or, if applicable, the **Extended Reporting Period**, this Policy shall automatically become subject to any such change that limits or restricts coverage. This Policy shall become subject to any such change that expands or broadens coverage only if and to the extent the Insurer agrees to such change in writing.

C. NOTICE

All notices under this Policy shall be in writing and properly addressed to the appropriate party. Notice to the **Insureds** shall be given to the **Named Insured** at the **Named Insured's** address as shown in Item 1 of the Declarations. Notice to the Insurer shall be given at the address shown in the Declarations, provided that any notice to the Insurer of a Claim or potential Claim shall be addressed to the attention of the Insurer's Claims Department and all other notices to the Insurer shall be addressed to the attention of the Insurer's Underwriting Department.

Any notice to the insurer of an **Underlying Policy(s)** shall not constitute notice to the Insurer unless also given to the Insurer as provided above.

D. CLAIMS' PROVISIONS

1. The Insurer may, at its sole discretion, fully and effectively associate with the **Insureds** in the investigation, defense or settlement of any Claim or potential Claim reported to the Insurer under this Policy even if the **Underlying Limit** has not been exhausted.
2. No action by any other insurer shall bind the Insurer under this Policy. The Insurer shall not be liable under this Policy for any settlement, stipulated judgment or defense cost to which the Insurer has not provided prior written consent, which consent shall not be unreasonably withheld.

E. COMPLIANCE WITH APPLICABLE TRADE SANCTION LAWS

This insurance does not apply to the extent that any trade or economic sanction or other law or regulation prohibits the Insurer from providing insurance.

F. EXTENDED REPORTING PERIOD

Upon payment of the additional premium described below, the **Insureds** shall have the right, under the same circumstances provided for under the **Followed Policy**, to extend the coverage granted by this Policy to Claims first made subsequent to and during the twelve (12) month period immediately following the end of the **Policy Period**. However, this coverage shall only apply to a Claim, or that part of a Claim, that arises out of an act, error or omission that was first committed



or attempted, or first allegedly committed or attempted, prior to the end of the **Policy Period** and that would otherwise be covered under this Policy.

The additional premium to extend coverage in the manner described above, and for the length referenced above (the **Extended Reporting Period**), shall be the same percentage of this Policy's annual premium as the percentage stated in the **Followed Policy** for calculating the **Extended Reporting Period** premium there under. However, the right to elect **Extended Reporting Period** coverage shall lapse unless written notice of such election, together with payment of the additional premium due, is given to the Insurer within thirty (30) days following the end of the **Policy Period**. The entire premium for the **Extended Reporting Period** shall be deemed fully earned and non-refundable upon payment.

However, and notwithstanding the foregoing, the **Extended Reporting Period** shall neither be available nor valid unless the **Insured** has elected and secured **Extended Reporting Period** coverage in all unexhausted **Underlying Policies**. Further, and notwithstanding the foregoing, under no circumstances shall the length of the **Extended Reporting Period** under this Policy be greater than the length of the **Extended Reporting Period** of any unexhausted **Underlying Policy**.

The **Limit of Liability** for the **Extended Reporting Period**, if exercised, shall be part of and not in addition to the **Limit of Liability** set forth in Item 3 of the Declarations. The purchase of the **Extended Reporting Period** shall not increase or reinstate the aggregate **Limit of Liability**, which shall be the maximum liability of the Insurer for the **Policy Period** and the **Extended Reporting Period**, combined.

G. RECOVERIES

Any amount recovered by or on behalf of the **Insureds** after payment under this Policy, less the cost of obtaining the recovery, which includes, but is not limited to any and all attorney fees, shall be distributed in the following order: (i) first to the **Insureds** and the insurer of any policy specifically excess of this Policy until they are reimbursed for covered Loss that they paid excess of this Policy; (ii) then to the Insurer until the Insurer is reimbursed for all payments made under this Policy; and (iii) then to the **Insureds** and the insurer of any **Underlying Policy** until they are reimbursed for covered Loss that they paid.

H. DEFINITIONS

Terms defined in the **Followed Policy** are used in this Policy with the meaning assigned to them in the **Followed Policy**, unless otherwise stated herein.

1. **Followed Policy, Underlying Policy(s) and Limit of Liability** have the meanings attributed to them in the Declarations.
2. **Insured(s)** means all natural persons and entities insured by the **Followed Policy**.
3. **Named Insured** means the entity named in Item 1 of the Declarations.
4. **Policy Period** means the period of time specified in Item 2 of the Declarations, subject to prior termination in accordance with the **Followed Policy**.
5. **Underlying Limit** means an amount equal to the aggregate of all limits of liability, as set forth in Item 6 of the Declarations, for all **Underlying Policies**, plus the retention, deductible, or co-



- insurance, if any, applicable under the **Underlying Policy(s)**.
6. **Underlying Policy(s)** means the policies listed in Item 6 of the Declarations or a Side-A Difference in Conditions ("DIC") insurance policy that covers a loss because the issuing company of a policy listed in Item 6 on the Declarations does not pay for such loss for the reasons identified in the insuring agreement of the applicable Side-A DIC insurance policy.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President and Secretary, but the same shall not be binding upon the Company unless countersigned by a duly authorized representative of the Insurer.

Handwritten signature of Naren Anand in black ink.

President

Handwritten signature of the Secretary in black ink.

Secretary