

UNITED SPECIALTY INSURANCE COMPANY

1900 L Don Dodson Drive
Bedford, TX 76021
800-482-2726

In consideration of the payment of premium when due, it is agreed and understood that, solely with respect to the Insured(s) set forth in Item #1 of this Declarations, the EDUCATORS PROFESSIONAL LIABILITY POLICY on Form 4382 PL applies as specified. It is further agreed and understood the coverage is applicable to Members shown in the Master Membership List of Insured Members maintained by the Association.

TIE IN-DUES BASIC MEMBER DECLARATIONS PAGE

EDUCATORS PROFESSIONAL LIABILITY POLICY

Policy Number: GL0936141

Renewal of: NEW

ITEM 1. NAMED INSURED

Each **Member** shown in the Master Membership List of **Insured Members** maintained by the **Association**.

ITEM 2. POLICY PERIOD

The policy period indicated in the Master Membership List of **Insured Members** that is associated with each individual **Insured Member**.

ITEM 3. ASSOCIATION: AAE

A voting member of the Trust for Insuring Educators and participant in the Trust's Educators Professional Liability Programs.

Producer's Name & Address: Richard F. Jones, Jr., Agent / Broker
c/o **FORREST T. JONES & COMPANY, INC.**
P.O. Box 418131
Kansas City, MO 64141-8131
Phone: (800) 821-7303

ITEM 4. LIMITS OF LIABILITY

A. Educators Professional Liability Acts or Omissions Limit of Liability:

\$ 2,000,000 per **Insured** for each **Educators Professional Liability Act or Omission**

\$ 2,000,000 Aggregate per **Insured** for all **Educators Professional Liability Acts or Omissions**

B. Educators Employment Liability Acts or Omissions Limit of Liability:

\$ **2,000,000** per **Insured** for each **Educators Employment Liability Act or Omission**

\$ **2,000,000** Aggregate per **Insured** for all **Educators Employment Liability Acts or Omissions**

(see Item 4. F. for sublimit regarding **Claims** we elect to defend)

C. Bail Bond Coverage Limit:

\$ **1,000** Per Bail Bond, Per **Policy Period**

E. Sexual Misconduct Defense Coverage Limit:

\$ **50,000** Per **Claim**, Per **Policy Period**

\$ **100,000** Aggregate, Per **Policy Period**

D. Corporal Punishment Defense Coverage Limit:

\$ **10,000** Per **Claim**, Per **Policy Period**

F. Educators Employment Liability Act or Omission Defense Limit:

\$ **5,000** Per **Insured** for each **Educators Employment Liability Act or Omission**

\$ **5,000** Aggregate, per **Policy Period**

The following forms and endorsements are made a part of and attached to this policy at inception:

See attached

PROFESSIONAL LIABILITY POLICY

UNITED SPECIALTY INSURANCE COMPANY

**1900 L Don Dodson Drive
Bedford, TX 76021**

In Witness Whereof, the company has caused this policy to be executed and attested, but this policy shall not be valid unless signed by a duly authorized representative of the company.



Secretary



President

TRUST FOR INSURING EDUCATORS EDUCATORS PROFESSIONAL LIABILITY POLICY

This is an excess Policy. Please read all provisions and contact your agent if you have questions.

This policy specifies that we have a duty to defend Claims of Educators Professional Liability Acts or Omissions, but do not have a duty to defend Claims of Educators Employment Liability Acts or Omissions.

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

Throughout this policy the words **you** and **your** refer to the named **Insured** listed in Item 1. of the Declarations, and any other person or organization qualifying as an **Insured** under this policy. The words **we**, **us** and **our** refer to the stock insurance company shown on the Declarations Page.

The word **Insured** means any person qualifying as such under Section VI. WHO IS AN INSURED.

Other words and phrases that appear in bold are defined in Section III. DEFINITIONS of this policy, in the context of other terms and conditions of the policy, and any endorsements attached to the policy.

In consideration of the payment of the premium when due, and:

- a. In reliance upon the statements made in the Application; and
- b. Subject to the Limits of Liability, Deductibles, Exclusions, Definitions, Conditions and all other terms of this policy, including those modified, replaced or added by endorsements we issue forming a part of this policy;

We agree with you as follows:

I. COVERAGE

- A. Subject to the Limits of Liability set forth in Items 4.A. and 4. B. of the **Member** Declarations, we will pay to others, on your behalf, all sums that you shall become legally obligated to pay as damages caused by an **Educators Professional Liability Act or Omission** or an **Educators Employment Liability Act or Omission** committed by you. This policy applies to **Educators Professional Liability Acts or Omissions** or **Educators Employment Liability Acts or Omissions** only if:
 1. The **Educators Professional Liability Act or Omission** or **Educators Employment Liability Act or Omission** was committed by you during the **Policy Period**;
 2. Prior to the inception date of this policy, no **Insured** knew or should have known that an **Educators Professional Liability Act or Omission** or **Educators Employment Liability Act or Omission** had occurred or had a reasonable basis to foresee that a **Claim** could be made against an **Insured**; and
 3. The **Insured** has no other policy or policies that provide insurance for such **Claim**.
- B. We shall have the right and duty to defend any **Suit** against the **Insured** seeking damages even if the **Suit** is groundless, false or fraudulent, but only if such **Suit** qualifies for **Educators Professional Liability Acts or Omissions** coverage under the terms of Section I. COVERAGE A.1. above, and under all other terms and conditions of this policy. Our obligations with regard to the defense of such **Suit** shall be limited to the Supplemental Payments set forth in Section II. SUPPLEMENTAL PAYMENTS A. and C. below.

- C. We shall have the right, but not the duty, to defend any **Claim** brought against the **Insured** if such **Claim** qualifies for **Educators Employment Liability Acts or Omissions** coverage under the terms of Section I. COVERAGE A.2. above, and under all other terms and conditions of this policy. Our obligations with regard to the defense of such **Claims** shall be limited to the Supplemental Payments set forth in Section II. SUPPLEMENTAL PAYMENTS B. and C. below.
- D. We may at our discretion make such investigation and settlement of any **Claim or Suit** as we deem expedient, but we shall not be obligated to pay any **Claim** or judgment from any **Suit** or to defend:
1. Any arbitration proceeding wherein we are not entitled to exercise the **Insured's** rights in the choice of arbitrators or in the conduct of such proceedings; or
 2. Any **Claim** after the applicable limit of liability has been exhausted by payment of judgment or settlement.

The amounts we will pay for damages are limited as described in Section VII. LIMIT OF LIABILITY.

- E. We shall not be obligated:
1. With respect to **Educators Professional Liability Acts or Omissions**, to pay damages under Section I. COVERAGE A.1. or to pay for or continue the defense of any **Claim** we defend under Section I. COVERAGE B.;
 2. With respect to **Educators Employment Liability Acts or Omissions**, to pay damages under Section I. COVERAGE A.2. or to pay for or continue the defense of any **Claim** we elect to defend under Section I. COVERAGE C.

after the respective applicable limit(s) of our liability for the foregoing has been exhausted by such payment, or after deposit of the applicable limit of our liability with or subject to control of a court of competent jurisdiction.

No obligation to pay supplemental payments or any other liability to pay sums or perform acts or services is covered unless explicitly provided for under Section II. SUPPLEMENTAL PAYMENTS.

- F. This policy applies to **Educators Professional Liability Acts or Omissions** and **Educators Employment Liability Acts or Omissions** which take place within the United States of America, its territories or possessions, Puerto Rico or Canada.

II. SUPPLEMENTAL PAYMENTS

- A. In addition to the applicable Limit of Liability, we will pay in defense of **Claims** we defend under the terms of Section I. COVERAGE B., **Educators Professional Liability Acts or Omissions**:
1. All **Defense Expenses** incurred by us, all costs taxed against you in any **Claim** defended by us, and all interest on the entire amount of any judgment which accrues after entry of the judgment and before we have paid or tendered or deposited in court that part of the judgment which does not exceed the Limit of Liability thereon;
 2. Premiums on appeal bonds required in any **Suit** defended by us, premiums on bonds to release attachments in any such **Suit** for an amount not in excess of the applicable Limit of Liability of this policy, but we shall have no obligation to apply for or furnish any such bonds; and
 3. Reasonable expenses incurred by you at our request in assisting us in the investigation and defense of any **Claim**, including actual loss of earnings not to exceed \$50 per day.
- B. In addition to the applicable Limit of Liability, for **Claims** we elect to defend under the terms of Section I. COVERAGE C., **Educators Employment Liability Acts or Omissions**, we will reimburse you for 90% of the reasonable and necessary attorney's fees that you are legally obligated to pay, subject to a maximum payment by us of the Coverage Limit as stated in Item 4.F. of the **Member** Declarations and further subject to the payment by you of the first \$100 of such fees, where those fees were incurred in the defense of any **Claim** we elected to defend under the terms of Section I. COVERAGE C. of this policy.

- C. In addition to the applicable Limit of Liability, we will pay in defense of **Claims** we defend under the terms of Section I. COVERAGE B., **Educators Professional Liability Acts or Omissions** and Section I. COVERAGE C., **Educators Employment Liability Acts or Omissions**:
1. Reasonable legal expenses incurred by you at our request for preliminary hearings or formal school board hearings subject to all the provisions of this policy, not to exceed \$50. If, however, such preliminary hearings result in a formal **Suit** against you, legal expenses will be paid subject to the other terms, conditions and exclusions of this policy;
 2. The premium for a bail bond required of you because of your arrest during the **Policy Period** or any applicable **Discovery Period** when the arrest was because of any **Educators Professional Liability Act or Omission** or **Educators Employment Liability Act or Omission** caused by the performance of your professional educational duties, not to exceed the Coverage Limit per Bail Bond as stated in Item 4.C. of the **Member** Declarations, but we shall have no obligation to apply for or furnish such bond.

III. DEFINITIONS

When used in reference to this policy, including any attachment forming a part of the policy:

- A. **Aircraft** includes but is not limited to heavier-than-air flying vehicles, helicopters, gliders, missiles or spacecraft.
- B. **Association** shall mean each separate entity, which is a voting member of the Trust for Insuring Educators and which participates in the Trust's Educators Professional Liability Programs.
- C. **Claim** shall mean:
1. In the context of **Educators Professional Liability Acts or Omissions** or **Educators Employment Liability Acts or Omissions**, the institution of a legal action against an **Insured** or the demand for money or services based on one or more such covered acts or omissions;
 2. In the context of criminal proceedings, the institution of a criminal action against an **Insured** covered in Section II. SUPPLEMENTAL PAYMENTS C.2., and Corporal Punishment or Sexual Misconduct endorsement(s), if any, attached to this policy by us.
- D. **Defense Expenses** shall mean payments allocated to a specific **Claim** for investigation or defense, including:
1. Fees and salaries of attorneys and paralegals we retain to defend a **Claim**, including attorneys and paralegals who are our employees;
 2. Fees of attorneys you retain to defend you for covered **Claims** pursuant to any applicable endorsement;
 3. The cost of bonds to release attachments in any **Claims** we are defending, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds;
 4. Costs taxed against you in the **Claim**; or
 5. Any other litigation expenses.

Defense Expenses do not include salaries and expenses of our employees (other than those described in 1. above), and does not include fees and expenses of independent adjusters we hire.

Defense Expenses are not damages.

- E. **Educators Professional Liability Acts or Omissions** shall mean liability arising out of:
1. Activities in the course of your professional educational duties as a teacher, counselor, administrator or member of an instructional or pupil services staff, when you are an **Employee** of a private or public, local, regional, state or federal school system, agency or organization, except any school system, agency or organization in which you hold an ownership interest;
 2. Acts or omissions in the course of the professional educational duties, set forth in Section III. DEFINITIONS E.1. above, of you or any other person under your direct supervision for whose acts you are legally liable, subject to the terms, conditions and exclusions of this policy;

3. Acts or omissions as a member of the professional staff of a national, state or regional educational association and committed in the practice of your professional activities; or
4. Acts or omissions as a part-time independent consultant, when the additional premium has been paid in advance, but only if the consulting work is incidental to your normal educational responsibilities, and only if we have been notified in writing in advance of the activities.

Educators Professional Liability Acts or Omissions can involve a single, sudden event or the continuous or repeated exposure to conditions. If the latter, the exposure shall be regarded as a single **Educators Professional Liability Act or Omission** and shall be deemed to have taken place as of the first exposure to such condition.

Educators Professional Liability Acts or Omissions specifically excludes coverage under **Educators Employment Liability Acts or Omissions**.

F. **Educators Employment Liability Acts or Omissions** shall mean liability arising out of performance of your professional educational duties as a teacher, counselor, administrator, or member of an instructional or pupil services staff involving the status of other **Employees** in any of the following:

1. Dismissal of a permanent **Employee** at any time;
2. Dismissal of a probationary **Employee** during the school year;
3. Tenure;
4. Salary;
5. Leave of absence;
6. Assignment or reassignment;
7. Resignation;
8. Professional rights, duties and responsibilities; and/or
9. The issuance, suspension, cancellation or revocation of any credentials, life diploma or certification document issued by a State Board of Education or Commission on Credentials or similar body.

Educators Employment Liability Acts or Omissions can involve a single, sudden event or the continuous or repeated exposure to conditions. If the latter, the exposure shall be regarded as a single **Educators Employment Liability Act or Omission** and shall be deemed to have taken place as of the first exposure to such condition.

Educators Employment Liability Acts or Omissions specifically excludes coverage under **Educators Professional Liability Acts or Omissions**.

G. **Employee** shall mean a person employed in an instructional or pupil services organization for wages or salary. But, **Employee** does not include any independent contractor or any **Employee** of any independent contractor.

H. **Member** shall mean each person who is a member in good standing of the **Association**, as provided in the Master Membership List of **Insured Members**, and is a teacher, counselor, administrator or member of an instructional or pupil services staff, when they are an **Employee** of a private or public, local, regional, state or federal school system, agency or organization.

A **Member** can also be a student who, while preparing for employment, performs educational duties described in Section III. DEFINITIONS E.1. under the supervision of a licensed educator.

Member shall not include owners of private schools.

I. **Policy Period** shall mean:

1. With respect to the Trust for Insuring Educators and the **Association**, **Policy Period** shall mean the Policy Period provided in Item 2. of the Master Declarations.

2. With respect to an **Insured Member**, **Policy Period** shall mean the period beginning with the membership inception date shown in the Master Membership List of **Insured Members** as applicable to each individual **Member** and ending with the earlier of:
 - a. The date of cancellation of this policy; or
 - b. The expiration date shown in the Master Membership List of **Insured Members** as applicable to each individual **Member**.
3. With respect to an **Insured Member** who has upgraded coverage, **Policy Period** shall mean the period beginning with the inception date shown in the Upgrade **Member** Declarations and ending with the earlier of:
 - a. The date of cancellation of this policy; or
 - b. The expiration date shown in the Upgrade **Member** Declarations.

J. **Property Damage** shall mean:

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 purposes of this insurance, electronic data is 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.

- K. **Suit** includes, but is not limited to, civil legal actions and arbitration proceedings to which you are required to submit or to which you have submitted with our consent.

IV. EXCLUSIONS

This policy does not apply to **Claims** for or arising out of or in any way related to:

- A. Activities not conducted in the scope of the professional educational activities for which you are employed and as set forth in Section III. DEFINITIONS E. and F.;
- B. Liability assumed by you under any contract or arising out of a contract, whether such contract is express or implied, in law or in fact;
- C. Liability of you as an independent consultant, school board member, public or private business and/or industrial employee, or the owner of or stockholder of any public or private business, except as described in Section III. DEFINITIONS E.4.
- D. Any of your activities as an **Employee** of a private school system, agency or organization in which you hold an ownership interest;
- E. Any obligation for which any entity may be held liable under any Workers Compensation, unemployment compensation, or disability benefits laws, or any similar law;
- F. Any injury, sickness, disease, death or destruction due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
- G. The rendering of or instruction in any dental, mental health, psychological, medical or surgical services or the omission thereof, except by a registered nurse, licensed physical therapist or school psychologist in the normal course of your duties as an **Employee** of a school system;
- H. Fines, penalties, punitive or exemplary damages;
- I. **Property Damage** to or destruction of property owned, occupied, used by, rented to, or in your care, custody or control;

- J. Any injury or damage caused intentionally by or at your direction.
- K. Liability arising out of the ownership, maintenance, operation, use, loading or unloading of automobiles, buses, all other motor vehicles, draft or saddle animals, vehicles for use therewith, watercraft or **Aircraft** owned, operated or hired by you or your employer; or to liability arising out of the employment of or supervision of **Employees** in connection with the preceding. This exclusion is not applicable to your **Educators Professional Liability Acts or Omissions** when you are acting as:
1. A vocational education instructor where the **Educators Professional Liability Act or Omission** arises in the course of your instruction;
 2. A driver training instructor where the **Educators Professional Liability Act or Omission** arises in the course of your instruction while riding as a passenger in the driver training vehicle; or
 3. One who is supervising students entering or exiting a school bus.

The coverage provided herein shall not apply to that portion of a **Claim** for which you have valid and collectible insurance of any kind;

- L. Any actual or alleged sexual misconduct, regardless of whether such conduct is alleged to be intentional or negligent, and regardless of whether such conduct is alleged to be committed by you or by any other person for whose acts you are alleged to be legally liable;
- M. Any dishonest, fraudulent or malicious act or omission by you or of any person for whose acts you are legally liable, but only if a judgment or other final adjudication establishes affirmative dishonest, fraudulent or malicious intent on your part material to the cause of action so adjudicated;
- N. Any criminal charges arising out of alleged criminal conduct by you or of any person for whose acts you are legally liable, except as provided in:
1. Section II. SUPPLEMENTAL PAYMENTS C.2.; or
 2. Corporal Punishment or Sexual Misconduct endorsements, if any, attached by us to this policy.
- O. Your activities as a fiduciary under the Employee Retirement Income Security Act of 1974 and any amendments thereto or any regulations or orders issued pursuant thereto;
- P. Any injury or damage arising out of a **Pollution Hazard**. In addition, we have no obligation under this insurance:
1. To investigate, settle or defend any **Claim** against any **Insured** alleging actual or threatened injury or damage of any nature or kind to persons or property which arises out of or would not have occurred but for the **Pollution Hazard**; or
 2. To pay any judgments, settlements, damages, costs or expenses that may be awarded or incurred by reason of any such **Claim** or any such injury or damage, or in complying with any action authorized by law and relating to such injury or damage.

As used in this exclusion, **Pollution Hazard** shall mean an actual exposure or threat of exposure to the corrosive, toxic or other harmful properties of any solid, liquid, gaseous or thermal pollutants, contaminants, irritants or toxic substances, including smoke, vapors, soot, fumes, acids or alkalis, and waste materials consisting of any of the foregoing.

- Q. The design, manufacture, sale, handling, distribution or use of goods or products sold for consideration to others; or out of the performance of services for persons or organizations other than your employer, except as provided in Section III. DEFINITIONS E.4.
- R. Liability for defense or indemnification of **Claims** against you for any damages or injuries associated with or arising out of Human Immunodeficiency Virus (HIV) or Acquired Immune Deficiency Syndrome (AIDS).
- S. **Claims** seeking non-pecuniary relief.
- T. The sale or furnishing of any food or beverage, whether in a cafeteria or otherwise.

- U. 1. Injury or damage arising out of or related to the presence of, suspected presence of, or exposure to:
- a. Fungi, including but not limited to mold, mildew, and yeast;
 - b. Bacteria;
 - c. Viruses; or
 - d. Dust, spores, odors, particulates or byproducts, including but not limited to mycotoxins and endotoxins, resulting from any of the organisms listed in a., b., or c. above;
- from any source whatsoever.
2. Any loss, cost or expense arising out of the testing for, monitoring of, cleaning up of, removal of, containment of, treatment of, detoxification of, neutralization of, remediation of, disposal of, or any other response to or assessment of, the effects of any of the items in 1. a., b., c. or d. above, from any source whatsoever.
- V. Any damages, judgments, settlements, loss, costs or expenses that:
1. May be awarded or incurred by reason of any **Claim** alleging actual or threatened injury or damage of any nature or kind to persons or property which arises out of or would not have occurred in whole or in part but for the **Lead Hazard**; or
 2. Arise out of any request, demand or order to:
 - a. Identify, abate, test for, sample, monitor, clean up, remove, cover, contain, treat, detoxify, decontaminate, neutralize or mitigate or in any way respond to or assess the effects of the **Lead Hazard**; or
 - b. Repair, replace or improve any property as a result of such effects;
 3. Arise out of any **Claim** or any **Suit** for damages because of:
 - a. Identification of, abatement of, testing for, sampling, monitoring, cleaning up, removing, covering, containing, treating, detoxifying, decontaminating, neutralizing or mitigating or in any way responding to or assessing the effects of the **Lead Hazard**; or
 - b. Repairing, replacing or improving any property as a result of such effects.

As used in this exclusion, **Lead Hazard** means an exposure or threat of exposure to the actual or alleged properties of lead and includes the mere presence or suspected presence of lead in any form or combination.

- W. Any damages, judgments, settlements, loss, costs or expenses that:
1. May be awarded or incurred by reason of any **Claim** alleging actual or threatened injury or damage of any nature or kind to persons or property which would not have occurred in whole or in part but for the **Asbestos Hazard**;
 2. Arise out of any request, demand or order to test for, monitor, clean up, remove, encapsulate, contain, treat, detoxify or neutralize or in any way respond to or assess the effects of an **Asbestos Hazard**; or
 3. Arise out of any **Claim** for damages because of testing for, monitoring, cleaning up, removing, encapsulating, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of an **Asbestos Hazard**.

As used in this exclusion, **Asbestos Hazard** means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

V. CONDITIONS

A. **Insured's Duty in the Event of Educators Professional Liability Acts or Omissions, Educators Employment Liability Acts or Omissions, Claim or Suit**

1. In the event of **Educators Professional Liability Acts or Omissions, Educators Employment Liability Acts or Omissions** or a **Claim** or circumstances which could reasonably give rise to a **Claim**, written notice containing particulars sufficient to identify any **Insured** and all reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and available witnesses, shall be given by or for you to our designee as follows:

Richard F. Jones, Jr., Agent/Broker
 c/o Forrest T. Jones & Company, Inc.
 ATTN: Professional Liability Claim Department
 P.O. Box 418131
 Kansas City, MO 64141
 (800) 821-7303 Extension 123

2. If a **Claim** or **Suit** is brought against you, you shall immediately forward to us or our administrator every demand, notice, summons, or other process received by you or your representative.
3. You shall cooperate with us and upon our request shall assist in making settlements, in the conduct of **Suits** or **Claims** and in enforcing any right of contribution or indemnity against any person or organization who may be liable to you because of any injury or damage with respect to which protection is afforded under this policy. You shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. You shall not, except at your own cost, voluntarily make any payment, assume any obligation, or incur any expense or admit liability; any such action without our prior written consent shall void coverage for such **Claim**.

B. Action Against Us

No action shall lie against us unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, or until the amount of your obligation to pay shall have been finally determined either by judgment against you after actual trial or by written agreement of you, the claimant and us, or until we have been given a period of thirty (30) days after notice thereof in which to discharge our obligations hereunder.

C. Cancellation Clause

You may cancel this policy by surrender thereof to us or any of our authorized agents, or by mailing to us written notice stating when thereafter the cancellation shall be effective.

This policy may also be canceled by or on our behalf, at our absolute discretion, by delivering to you or by mailing to you by certified mail or other first class mail, at your address as shown in this policy, written notice stating when, not less than sixty (60) days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this policy shall terminate at the date and hour specified in such notice.

If this policy shall be canceled by you, we shall return 90% of the unearned premium. If this policy shall be canceled by or on behalf of us, we shall retain the pro rata portion of the premium. Payment or tender of any unearned premium by us shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

If we elect not to renew this policy, we shall provide you with no less than sixty (60) days advance notice thereof. If the period of limitation relating to the giving of notice is prohibited or voided by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

D. Excess Insurance

This is a manuscript contract and is personal to the individual **Insured** named herein. This policy was written and priced to reflect the intent of all parties that this policy is in excess of any and all other defense and indemnification arrangements and/or insurance policies, whether primary, excess, umbrella, or

contingent and whether collectible or not, to which you or any **Insured** is entitled or should have been entitled, by contract or operation of law, to coverage or to payment of defense and/or indemnification. Further, it is the intent of the parties that the coverage afforded herein does not apply if you have other valid and collectible insurance of any kind whatsoever, whether primary or excess, or if you are entitled to defense or indemnification from any other source whatsoever, including such sources as state statutory entitlements or provisions, with regard to such **Claim**, except in respect of any excess beyond the amount which would have been payable under such other policy or policies or defense or indemnification arrangement had this policy not been in effect. You shall cooperate with us to determine the existence, availability and coverage of any such other insurance or defense or indemnification arrangement.

This policy is specifically excess over coverage provided by school district or school board errors and omissions or general liability policies purchased by your employer or former employer. It is specifically excess over coverage provided by any School Leaders Errors and Omissions Policy issued by any carrier and purchased by your employer or former employer, and it is specifically excess over any policy of insurance issued by any insurance carrier for the benefit of members of the National Education Association to you.

E. Subrogation

In the event of any payment under this policy, we shall be subrogated to all your rights of recovery against any person or organization and you shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. You shall do nothing to prejudice such rights.

F. Assignment

Assignment of interest under this policy shall not bind us unless our consent is first endorsed hereon.

G. Sovereign Immunity

This insurance does not cover any **Educators Professional Liability Act or Omission, Educators Employment Liability Act or Omission, Claim, or Suit** which is barred by the doctrine of sovereign immunity or governmental immunity, by whatever name the doctrine is referred to in a particular jurisdiction.

This policy is neither intended to act as a waiver, nor is it to be construed as a waiver of any defense or limitation of damages available to the **Insured** by statute or common law.

For any **Educators Professional Liability Act or Omission, Educators Employment Liability Act or Omission, Claim, or Suit** within the scope of any exception to the doctrine of sovereign immunity or governmental immunity, the coverage provided by this policy shall be amended to conform to the maximum per Incident and per Incident Aggregate Limits of Liability as set forth in the applicable statute, but not in excess of the Limit of Liability originally set forth herein.

This section does not change the terms of the policy when the doctrine of sovereign immunity or governmental immunity does not apply to the circumstances of a **Claim**.

VI. WHO IS AN INSURED

The individual, whose name is entered in Item 1. of the **Member** Declarations, is an **Insured** under this policy. The **Association** is not an **Insured**, as defined herein, and is not covered under this policy. Any owner of a private school is not an **Insured**, as defined herein, and shall have no coverage under this policy.

VII. LIMIT OF LIABILITY

A. With respect to coverage provided under Section I. COVERAGE A.1., **Educators Professional Liability Acts or Omissions** and Section I. COVERAGE A.2., **Educators Employment Liability Acts or Omissions**, limits of liability are provided as follows:

1. The Limit of Liability stated in Items 4.A. and 4.B. of the **Member** Declarations applicable to Per **Insured** for each **Educators Professional Liability Act or Omission** and Per **Insured** for each **Educators Employment Liability Act or Omission** is the most we will pay for damages to others with respect to any one **Insured** arising out of any one **Educators Professional Liability Act or Omission** or **Educators Employment Liability Act or Omission**.

2. Subject to the Per **Insured** for each **Educators Professional Liability Act or Omission** and Per **Insured** for each **Educators Employment Liability Act or Omission** Limits of Liability, the most we will pay to others with respect to all **Claims** arising out of any one **Educators Professional Liability Act or Omission** or **Educators Employment Liability Act or Omission** is the amount stated in Item 4.A. and 4.B. of the **Member** Declarations as applicable to Aggregate per **Insured** for all **Educators Professional Liability Acts or Omissions**, and Aggregate per **Insured** for all **Educators Employment Liability Acts or Omissions** Limits of Liability for all **Claims**. The fact there might be multiple **Claims** against an **Insured** as a result of an **Educators Professional Liability Act or Omission** and/or an **Educators Employment Liability Act or Omission** will not operate to increase our Limit of Liability.

Regardless of the number of policies an **Insured** might have from us, our maximum Limit of Liability shall be the highest limit of any one policy and/or endorsement applicable to the specific **Claim**.

- B. **Claims** made by more than one person or organization shall not increase our Limit of Liability. All **Claims** made against an **Insured** arising out of an **Educators Professional Liability Act or Omission**, an **Educators Employment Liability Act or Omission** or a series of continuous, repeated or related acts or omissions shall be treated as a single **Claim** and only one Deductible amount and the Limit of Liability as set forth in Items 4.A. and 4.B. of the **Member** Declarations shall apply. The bringing of one **Suit** or proceeding by one or more claimants shall always be treated as a single **Claim**, regardless of whether such **Suit** or proceeding alleges a single **Educators Professional Liability Act or Omission** or a single **Educators Employment Liability Act or Omission** or a series of related or unrelated acts, errors or omissions.
- C. We shall only be liable for those amounts payable under this policy, which are in excess of any applicable deductible. Any applicable deductible shall apply separately to each **Claim** and shall be borne by the **Insured** and remain uninsured. The Deductible shall not reduce or increase the Limits of Liability.

Each **Insured** under the policy is jointly and severally liable for the payment of any applicable Deductible. Upon our written demand, the Deductible shall be paid within thirty (30) days. We shall have the right, but not the obligation, to advance sums on your behalf within the Deductible. If you fail, after demand, to reimburse us for any sum advanced by us within the Deductible, we may bring suit to recover such amounts and shall also be entitled to recover interest from the date of demand, and attorneys' fees and costs incurred in bringing such suit.

VIII. NUCLEAR ENERGY LIABILITY EXCLUSION (BROAD FORM)

1. This policy does not apply:
- a. To any injury or damage:
- (1) With respect to which an **Insured** under the policy is also an **Insured** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an **Insured** under any such policy but for its termination upon exhaustion of its Limit of Liability; or
 - (2) Resulting from the **Hazardous Properties of Nuclear Material** and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the **Insured** is, or had this policy 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 any injury or damage resulting from the **Hazardous Properties of Nuclear Material** if:
- (1) The **Nuclear Material** (a) is at any **Nuclear Facility** owned by, or operated by or on behalf of, an **Insured** or (b) 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 **Insured**; or

(3) The injury or damage arises out of the furnishing by an **Insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **Nuclear Facility**.

2. As used in this exclusion:

Hazardous Properties include radioactive, toxic or explosive properties.

Nuclear Material shall mean **Source Material**, **Special Nuclear Material** or **By-Product Material**.

Source Material, **Special Nuclear Material**, and or **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 (a) containing **By-Product Material** other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **Source Material** content, and (b) resulting from the operation by any person or organization of any **Nuclear Facility** included under the first two paragraphs of the definition of **Nuclear Facility**.

Nuclear Facility shall mean:

- (a) Any **Nuclear Reactor**;
- (b) 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**;
- (c) 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 **Insured** 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;
- (d) 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 shall mean any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

Injury or damage includes all forms of radioactive contamination of property.

Policy Number:**Effective Date:****Endt. Number:****Named Insured & Address:**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IN-DUES BASIC POLICY ENDORSEMENT

This endorsement modifies the insurance provided under the following:

EDUCATORS PROFESSIONAL LIABILITY POLICY – 4382 PL

Item 1. Under Section V. CONDITIONS, C. Cancellation is amended as follows:

In the Cancellation Condition of the policy, or any endorsement attached thereto that amends the policy Cancellation Condition, wherever the word “you” appears, it is replaced with “the **Association**”. The **Association** retains all rights of the **Insured** relative to policy cancellation or nonrenewal, including the mailing or delivering of cancellation or nonrenewal notice to us, and receiving cancellation or nonrenewal notice from us.

It is understood and agreed that the **Association** shall be responsible for notifying all **Insureds** of its decision to cancel the policy, and the effective date of cancellation or nonrenewal as initiated by either the **Association** or by us.

Item 2. Under Section V. CONDITIONS, the following Conditions are added:

H. Duties of the **Association**

1. Dues

Member dues shall be collected by the **Association**.

2. Premium

The premium for this policy shall be payable by the **Association**, and shall be fully earned at the inception date of the policy.

3. Maintenance of the Master Membership List of **Insured Members**

The **Association** shall maintain the Master Membership List of **Insured Members**. The **Association** shall notify us of each **Member's** effective date of membership in the **Association**, as requested by the General Agent with our agreement.

4. Cancellation

The **Association** is responsible for sending cancellation or nonrenewal notices where applicable.

I. Inspection and Audit

The premium shown in the Master Declarations is provisional, and is based on the number of **Insured Members** at inception, and will be recalculated by us every twelve months thereafter. The **Association** agrees to maintain the Master Membership List of **Insured Members** and the policy will be subject to audit in a manner determined by the General Agent with our agreement. We shall be permitted to inspect and audit the records of the **Association** during the **Policy Period** and any extensions thereof, and within three years after the final expiration of this policy, as far as the records relate to the subject matter of this insurance.

Item 3. Section VI. WHO IS AN INSURED is deleted and replaced by the following:

Subject to Section V. CONDITIONS H.3., above, each **Member** in good standing of the **Association** is an **Insured** on the first day of the month following receipt and acceptance by the **Association** of the **Member's** completed enrollment form and appropriate membership dues.

The **Association** is not an insured and is not covered under this policy.

All other terms, conditions, definitions and exclusions remain the same.

Policy Number:**Effective Date:****Endt. Number:****Named Insured & Address:**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CORPORAL PUNISHMENT DEFENSE COVERAGE

This endorsement modifies the insurance provided under the following:

EDUCATORS PROFESSIONAL LIABILITY POLICY – 4382 PL

For the purposes of this endorsement only, this policy is amended as follows:

Item 1. Section IV. EXCLUSIONS J. is deleted and replaced by the following:

This policy does not apply to **Claims** for or arising out of or in any way related to:

J. Any injury or damage caused intentionally by or at your direction.

EXCEPTION

The foregoing exclusion does not apply to Supplemental Payments in Item 2. below, incurred by the **Insured** in defense of a **Claim** for **Bodily Injury**, emotional distress, psychological injury or destruction caused by corporal punishment of any pupil, that takes place during the **Policy Period**, administered by or at your direction in the course of your professional educational duties, if the act is not prohibited by law.

For the purposes of this endorsement, **Bodily Injury** is defined as follows:

Bodily Injury shall mean bodily injury, sickness, disease sustained by a person, including mental anguish or death resulting from any of these at any time.

Item 2. Section II. SUPPLEMENTAL PAYMENTS is amended by adding the following:

D. We will reimburse you for 90% of the reasonable and necessary attorney's fees that you are legally obligated to pay, subject to a maximum payment by us of the Corporal Punishment Defense Coverage Limit as stated in Item 4.D. of the **Member** Declarations and further subject to the payment by you of the first \$100 of such fee, where those fees are incurred in the defense of any criminal complaint filed as a result of the Exception above, provided, however, that reimbursement under this paragraph is available only if:

- a. You are found not guilty of all criminal charges arising out of the act of corporal punishment;
- b. You plead not guilty to any charge or reduced or substituted charge. A plea of no contest will not qualify you for reimbursement under this section; or
- c. Criminal charges arising out of the act of corporal punishment are dismissed with prejudice.

Item 3. In no event are damages covered, whether or not you are found guilty of any charge or reduced or substituted charge.

All other terms, conditions, definitions and exclusions remain the same.

Policy Number:**Effective Date:****Endt. Number:****Named Insured & Address:**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SEXUAL MISCONDUCT - DEFENSE COVERAGE

This endorsement modifies the insurance provided under the following:

EDUCATORS PROFESSIONAL LIABILITY POLICY – 4382 PL

For the purposes of this endorsement only, this policy is amended as follows:

Under Section **IV. EXCLUSIONS**, Exclusion L. is deleted and replaced by the following:

This policy does not apply to **Claims** for or arising out of or in any way related to:

- L. Any actual or alleged sexual misconduct, regardless of whether such conduct is alleged to be intentional or negligent, and regardless of whether such conduct is alleged to be committed by you or by any other person for whose acts you are alleged to be legally liable.

Exception:

If the incident alleged to constitute an act of sexual misconduct takes place during the **Policy Period**, and is caused by an **Educators Professional Liability Act or Omission** or **Educators Employment Liability Act or Omission**, then we will reimburse you for reasonable and necessary attorneys fees incurred in the defense of an action or proceeding alleging intentional or negligent sexual misconduct but without obligation to furnish such attorney, as follows:

1. We will reimburse you for 90% of the reasonable and necessary attorney's fees that you are legally obligated to pay, subject to a maximum payment by us of the Sexual Misconduct Defense Coverage Limit per **Claim**, per **Policy Period** and Aggregate as stated in Item 4.E. of the **Member** Declarations and further subject to the payment by you of the first \$100 of such fee, where those fees are incurred in the defense of any sexual misconduct complaint filed as a result of the Exception above, provided, however, that reimbursement under this paragraph is available only if:
 - a. You are found not guilty of all criminal charges arising out of the act of sexual misconduct;
 - b. You plead not guilty to any charge or reduced or substituted charge. A plea of no contest will not qualify you for reimbursement under this section; or
 - c. Criminal charges arising out of the act of sexual misconduct are dismissed with prejudice.
2. In no event are damages covered, whether or not you are found guilty of any charge or reduced or substituted charge.

All other terms, conditions, definitions and exclusions remain the same.

Policy Number:**Effective Date:****Endt. Number:****Named Insured & Address:**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

JOB PROTECTION BENEFITS ENDORSEMENT

This endorsement modifies the insurance provided under the following:

EDUCATORS PROFESSIONAL LIABILITY POLICY – 4382 PL

For purposes of this endorsement only, this policy is amended as follows:

Item 1. The following is added to Section I. COVERAGE:G. We will reimburse you for **Defense Expenses** incurred in job protection proceedings.

This coverage applies to proceedings that commence:

1. During the **Policy Period**, and
2. Provided that:
 - a. Prior to the inception date of this policy you neither knew nor should have known of an activity which could result in a proceeding against you; and
 - b. You have no other policy or policies that provide insurance for such **Claim**.

The amount of **Defense Expenses** for which we will reimburse you is limited as described in Item 4. of this endorsement.**Item 2.** The following Definition is added to Section III. DEFINITIONS, C. **Claim**:

3. In the context of job protection proceedings, the institution of an action by your employer involving a threatened job action that could lead to your termination, demotion, involuntary transfer, suspension or other disciplinary action.

Item 3. The following Condition is added Section V. CONDITIONS:

Loss Payable

With respect to coverage provided by this endorsement, payment shall be made to the **Insured** or the **Insured's** attorney.**Item 4.** The following is added to Section VII. LIMIT OF LIABILITY:

D. With respect to coverage provided by this endorsement, Limits of Liability are as follows:

1. Up to \$1,000 for consultation with an attorney of your choice in the event you are faced with a threatened job action;
2. Up to \$1,500 for an attorney's services resulting from a request for a formal hearing in the event of a threatened job action against you; and
3. Up to \$8,000 for an attorney's services if you file a **Suit** following a formal hearing that results in your termination, demotion, involuntary transfer, suspension or other disciplinary action, provided, however, that final judgment is rendered in your favor or that the parties agree to a settlement resulting in a dismissal of the **Suit**. Alternatively, we will reimburse a maximum of \$750 for attorney's fees regardless of the final outcome of that **Suit**. The first \$100 of such legal fees shall be paid by you before reimbursement by us.

All other terms, conditions, definitions and exclusions remain the same.

Policy Number:

Effective Date:

Endt. Number:

Named Insured & Address:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NON-PECUNIARY RELIEF ENDORSEMENT

This endorsement modifies the insurance provided under the following:

EDUCATORS PROFESSIONAL LIABILITY POLICY – 4382 PL

Under Section IV. EXCLUSIONS, Exclusion S. is deleted and replaced by the following:

- S. **Claims** seeking non-pecuniary relief. However, we will reimburse you for 90% of the reasonable and necessary attorney's fees that you are legally obligated to pay, subject to a maximum payment by us of \$35,000, and further subject to payment by you of the first \$100 of such fee, where those fees were incurred in the defense of any **Claim** for non-pecuniary relief caused by an **Educators Professional Liability Act or Omission** or an **Educators Employment Liability Act or Omission** committed by you during the **Policy Period**.

All other terms, conditions, definitions and exclusions remain the same.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE REDEFINED TO INCLUDE LEASED EMPLOYEE

This endorsement modifies the insurance provided under the following:

EDUCATORS PROFESSIONAL LIABILITY POLICY – 4557 PL (ELIPG)
EDUCATORS PROFESSIONAL LIABILITY POLICY – 4382 PL (TIE)

For the purposes of this endorsement only, this policy is amended as follows:

Under **Section III. DEFINITIONS**, Definition **G. Employee** is replaced with the following:

G. Employee shall mean a person employed in an instructional or pupil services organization for wages or salary. But, **Employee** does not include any independent contractor, independent consultant, or any employee of any independent contractor or any employee of any independent consultant except as follows:

With respect to **Educators Professional Liability Acts or Omissions** and **Educators Employment Liability Acts or Omissions** the definition of **Employee** may be extended to include a **Member** who is hired as a leased employee by an instructional or pupil services organization to provide services as a substitute member of an instructional or pupil services staff if all of the following conditions are met:

1. The instructional or pupil services organization provides written evidence of errors and omissions coverage by its indemnification agreement or assumption of liability or through an insurance policy for you as a leased employee and, if requested, you provide us with this evidence;
2. The errors and omissions coverage provided for you as a leased employee is equal to that provided to educators employed by the instructional or pupil services organization in the same capacity as you;
3. The activities performed by you as a leased employee are directed by the instructional or pupil services organization and the **Educators Professional Liability Acts or Omissions** coverage is limited to activities as defined in the policy; and
4. You have not entered into any written agreement in which you assume liability arising from services you provide as a leased employee to the instructional or pupil services organization.

All other terms, conditions, definitions and exclusions remain the same.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF TERRORISM

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY POLICY ERRORS AND OMISSIONS COVERAGE PART

A. The following definitions are added and apply under this endorsement wherever the term **terrorism**, or the phrase **any injury or damage**, and for the purposes of this endorsement, are shown in boldface:

1. **Terrorism** means activities against persons, organizations or property of any nature:
 - a. That involve the following or preparation for the following:
 - (1) Use or threat of force or violence; or
 - (2) Commission or threat of a dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - b. When one or both of the following applies:
 - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
2. **Any injury or damage** means any injury or damage covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to **bodily injury, damages, employment liability acts or omissions, employment practices, offense, professional liability acts or omissions, property damage, personal injury and/or advertising injury**, and **wrongful acts** as may be defined in any applicable Coverage Part or Policy.

B. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for **any injury or damage** caused directly or indirectly by **terrorism**, including action in hindering or defending against an actual or expected incident of **terrorism**. **Any injury or damage** is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. But this exclusion applies only when one or more of the following are attributed to such act:

1. The **terrorism** is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material was released, and it appears that one purpose of the **terrorism** was to release such material; or
3. The **terrorism** is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the **terrorism** was to release such materials; or

5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the **terrorism** and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of **terrorism** which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs **B.5.** or **B.6.** are exceeded.

With respect to this exclusion, Paragraphs **B.5.** and **B.6.** describe the thresholds used to measure the magnitude of an incident of **terrorism** and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of **terrorism**, there is no coverage under the Coverage Part or Policy.

In the event of any incident of **terrorism** that is not subject to this Exclusion, coverage does not apply to **any injury or damage** that is otherwise excluded under this Coverage Part or Policy.

C. The following state exceptions apply:

ALASKA:

Under Paragraph **B.** above, the first paragraph is replaced with the following:

We will not pay for **any injury or damage** caused by **terrorism**, including action in hindering or defending against an actual or expected incident of **terrorism**. But this exclusion applies only when one or more of the following are attributed to such act:

WASHINGTON:

Under Paragraph **B.** above, the first paragraph is replaced with the following:

We will not pay for **any injury or damage** caused directly or indirectly by **terrorism**, including action in hindering or defending against an actual or expected incident of **terrorism**. But this exclusion applies only when one or more of the following are attributed to such act:

Policy Number:**Effective Date:****Endt. Number:****Insured & Address:**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT

This endorsement modifies the insurance provided under the following:

EDUCATORS PROFESSIONAL LIABILITY POLICY

The following is added to the **CONDITIONS** Section of the policy:

Service of Suit Clause

The following Service of Suit Clause is not to become effective unless or until you have notified us in each specific **Claim** of the intention to sue.

In the event of our failure to pay any amount claimed to be due under your policy, we, at your request, agree to submit to the jurisdiction of a court of competent jurisdiction within the United States and will comply with all requirements necessary to give such Court jurisdiction, and all matters arising hereunder shall be determined in accordance with the law and practice of such court. However, we specifically reserve the right to remove any **Suit** brought under this policy to a Federal Court of the United States.

Service of process in such **Suit** may be made upon the highest one in authority bearing the title Commissioner, Director, or Superintendent of Insurance of the State or Commonwealth in the state in which this insurance was procured, and in any **Suit** instituted against us upon this contract, we will abide by the final decision of such court or any appellate court in the event of an appeal.

The one in authority bearing the title Commissioner, Director, or Superintendent of Insurance of the State or Commonwealth wherein you reside is hereby authorized and directed to accept service of process on our behalf in any such **Suit**, and/or upon your request, to give a written undertaking to you that they will enter a general appearance on our behalf in the event such a **Suit** is instituted.

We hereby appoint the following as duly authorized agent, to which a copy of the service of process should be forwarded by the Commissioner for delivery to us:

Meadowbrook Claims Services
11880 College Blvd., Suite 500
Overland Park, KS 66210-2035

All other terms, conditions, definitions and exclusions remain the same.

United Specialty Insurance Company

Policy Holder Privacy Statement

As a policyholder of United Specialty Insurance Company, you may remember that you purchased your United Specialty Insurance Company policy from an insurance agent. Please understand that the agent from whom you purchased your United Specialty Insurance Company policy is not affiliated with United Specialty Insurance Company, but rather is a separate legal entity. In the process of purchasing your United Specialty Insurance Company policy, you may have provided your insurance agent with various information, including nonpublic personal information about yourself. You did not provide any such information directly to United Specialty Insurance Company, but on occasion we may receive such information from your insurance agent. This statement is intended to explain and disclose United Specialty Insurance Company's policies and practices regarding the collection, disclosure and protection of such information.

United Specialty Insurance Company will provide customers like yourself with a copy of our privacy policy at the beginning of our relationship and annually thereafter, unless and until our relationship ends. As our products and services continue to evolve, it may be necessary to review and revise our privacy policies, in which case we will provide you with an updated privacy notice.

I. Financial Information Collected.

During the ordinary course of our business, United Specialty Insurance Company may – as explained above – collect information about you from the following sources:

- Information the insurance agent receives from you on applications or other forms;
- Information about your transactions (including claims) with us, our affiliates and others; and
- Information we receive from other agents, brokers, administrators, insurance support agencies, legal counsel, consumer reporting agencies and government reporting agencies.

II. Financial Information Disclosed.

We do not disclose any information about our customers or former customers to anyone, except as permitted by law to service your business.

III. Parties To Whom Information is Disclosed.

We do not disclose any information about our customers or former customers to anyone, except as permitted by law to service your business.

IV. Confidentiality and Security of Information.

We restrict access to information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards to guard your information.

V. Access to and Correction of Your Information.

You may write to us if you have any questions about the information that we may have in our records about you. We will respond within 30 business days from the date such request is received to your inquiry. If you wish, you may review this information in person or receive a copy at a reasonable charge. You can notify us in writing if you believe any information should be corrected, amended, or deleted and we will review your request. We will either make the requested change or explain why we did not do so. If we do not make the requested change, you may submit a short written statement identifying the disputed information, which will be included in all future disclosures of your information.

We value your business. This statement is for your information. No response is necessary.