

CITY CLERK
ORIGINAL

C-10684
07/01/2015



**CITY OF GLENDALE
EXCESS LIABILITY POLICY
2015-2016 INSURANCE SUMMARY**

INSURANCE COMPANY:

1. Technology Insurance Co. (ANML)*
2. Starr Indemnity & Liability Insurance Co.
3. Arch Insurance Company

A.M. BEST GUIDE RATING:*
(Pulled as of December 16, 2014)

1. A(Excellent);
Financial Size Category XIII (\$1.25 Billion to \$1.5 Billion)
As of May 29, 2015
2. A(Excellent);
Financial Size Category X (\$1.5 Billion to \$2 Billion)
As of October 20, 2015
3. A(Excellent);
Financial Size Category XV (\$2 Billion or greater)
As of March 20, 2014

STANDARD & POOR'S RATING:*
(Pulled as of December 16, 2014)

1. Not Rated
2. Not Rated
3. A+, Stable

ARIZONA STATUS:

1. Admitted
2. Admitted
3. Admitted

COVERAGE TERM:

July 1, 2015 to July 1, 2016

POLICY NUMBER:

1. TPP1014257 04
2. SISCPEA00000226
3. UXP0058726-00

COVERAGE LOCATION:

5850 W. Glendale Ave. B56
Glendale, AZ 85301

COVERAGE:

Special Excess Liability on an Occurrence Basis including Bodily Injury, Property Damage Liability, Errors and Omissions Liability, Employment Practices Liability, Employee Benefit Liability, Wrongful Act or Employee Benefits Wrongful Act; Products and Completed Operations Hazard

LIMITS:

Layer 1:	\$10,000,000	“Completed Operations Hazard” Aggregate
	\$10,000,000	“Any One Occurrence for “Bodily Injury”, “Property Damage”, “Public Officials Errors And Omissions”, “Employment Practices Liability”, or “Personal Injury” or any combination Thereof
Layer 2:	\$15,000,000	Each Occurrence
	N/A	Other Aggregate(s), where applicable
	\$15,000,000	Completed Operations Aggregate
Layer 3:	\$25,000,000	Each Occurrence
	\$25,000,000	Aggregate Limit (where applicable)



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**ENDORSEMENTS AND EXCLUSIONS
(Including but not limited to):**

Layer 1:

- Schedule Of Insureds And SIR(s)
- Cap On Losses From Certified Acts Of Terrorism
- Blanket Additional Insured Endorsement
- Blanket Waiver Of Subrogation Endorsement
- Defense Of Employment Practices Liability Claims Endorsement
- War Exclusion
- Dam Extension Endorsement
- Transit Extension Endorsement

Layer 2:

- Schedule of Underlying Insurance
- Arizona Changes – Cancellation and Nonrenewal
- Policy Changes
- Auto Coverage – Exclusion of Terrorism
- Earlier Notice of Cancellation Provided by US
- Starr Excess Casualty Program Claim Reporting Guidelines

Layer 3:

- Claim Handling Procedures
- US Treasury Department’s Office of Foreign Assets Control (“OFAC”)
- Excess/Umbrella Policy Underlying Insurance Notice
- Exclusion- Access or Disclosure of Confidential Information and Data-related Liability
- Lead Hazard Exclusion
- Silica Exclusion
- Fungi and Bacteria Hazard Exclusion
- Amendment of Limits of Insurance (Public Entities)
- Pollution Follow Form Endorsement
- Cancellation- Amendment of Notice (90 days)
- Exclusion of Terrorism other than a Certified Act of Terrorism
- Terrorism Coverage Disclosure Notice

RETAINED LIMIT:

\$1,000,000 “Any One Occurrence for “Bodily Injury”, “Property Damage”, “Public Officials Errors And Omissions”, “Employment Practices Liability”, or “Personal Injury” or any combination Thereof

PREMIUM:

Layer 1:	\$412,196	Annual Premium
	\$16,487	Wholesale Broker Fee
Layer 2:	\$129,234	Annual Premium
Layer 3:	<u>\$99,000</u>	Annual Premium
	\$665,917	Total Premium with TRIA All Layers

MINIMUM EARNED PREMIUM:

25% of the policy premium



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CLAIMS REPORTING:

Layer 1:

Name: AmTrust Group
Address: 135 S. LaSalle St., Suite 1925
Chicago, IL 60603
Phone: 312.781.0401

Layer 2:

York Risk Services Group, Inc.
Attn: OSC
PO Box 183188
Columbus, OH 43218-3188
Email: 4869excessclaims@yorkrsg.com
Fax: (866) 695-3651

Layer 3:

Arch Insurance Company
E&S Casualty Claims
1299 Farnam Street, Suite 500
Omaha, NE 68102
PO Box 542033
Omaha, NE 68154
Phone: 877-688-ARCH (2724)
Fax: 866 -266-3630
E-Mail: Claims@ArchInsurance.com

DATE PREPARED:

August 11, 2015

BROKER:

Alliant Insurance Services, Inc.
1301 Dove Street, Suite 200
Newport Beach, CA 92660

Chris Tobin
Senior Vice President

Pamela Dominguez
Assistant Vice President

Patricia Guisler
Account Manager

This Summary of insurance is provided as a matter of convenience and information only. All information included in this Summary, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This summary does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this summary is also expressly conditioned on there being no material change in the risk between the date of this summary and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or



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replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this summary whether or not this offer has already been accepted.

This summary is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this summary of insurance

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

NY Regulation 194 Disclosure

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Read Your Policy Carefully

This policy is a legal contract between you and us. The information on this page is not the insurance contract and only the actual policy provisions will control. The policy sets forth in detail the rights and obligations of both you and us. **It is therefore important that you read your policy carefully.**

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of the policy.

This policy is signed by the President and Secretary of the insurance company and, if required by State law, this policy shall not be valid unless countersigned on the Declaration page by its authorized representative.



Secretary



President

POLICY NUMBER: **TPP1014257 04**

RENEWAL OF: **TPP1014257 03**

**ITEM 1.
PARTICIPATING
NAMED
INSURED**

Address
(Street, City,
State)

City of Glendale

5850 West Glendale Avenue
Suite B-56
Glendale, AZ 85301

**Technology Insurance Company
59 Maiden Lane, 6th Floor
New York, NY 10038
P. 866.272.6267
F. 877.669.9140**

**SPECIAL EXCESS LIABILITY POLICY DECLARATIONS FOR PARTICIPANTS OF THE
ALLIANT NATIONAL MUNICIPAL LIABILITY PROGRAM (ANML)**

In return for the payment of the premium, we agree to provide the insurance as stated in this Policy.

**ITEM 2. POLICY
PERIOD**

FROM: July 1, 2015

TO: July 1, 2016

AT 12:01 AM

STANDARD LOCAL TIME AT THE ADDRESS OF THE "PARTICIPATING NAMED
INSURED" SHOWN ABOVE.

ITEM 3. LIMITS OF INSURANCE

The Limits of Insurance, subject to all the terms and conditions of the Policy are:

A. Limits of Insurance

1. Aggregate Limits

Limits of Liability

\$10,000,000

"Completed Operations Hazard" Aggregate

2. Per Occurrence

\$10,000,000

"Any One Occurrence for "Bodily Injury", "Property Damage",
"Public Officials Errors And Omissions", "Employment
Practices Liability", or "Personal Injury" or any combination
Thereof

B. Retained Limit

\$1,000,000

"Any One Occurrence for "Bodily Injury", "Property Damage",
"Public Officials Errors And Omissions", "Employment
Practices Liability", or "Personal Injury" or any combination
Thereof

ITEM 4. ENDORSEMENTS APPLICABLE TO THIS POLICY ON THE ORIGINAL DATE OF ISSUE:

<u>TITLE</u>	<u>NUMBER</u>
Signature Page	CPPSIGDEC 1009
Declarations Page	ANML Dec
Schedule of Named Insureds	XSDEC SCHED I 0411
Special Excess Liability Policy For (ANML)	XS990025 0713
War Exclusion	XS990030 0411
Blanket Additional Insured	XS990031 0411
Blanket Waiver of Subrogation	XS990032 0411
Defense of EPLI Claims Endorsement	XS990034 0411
Dam Extension	XS990033 0411
Transit Extension	XS990035 0411
Cap on Losses from Certified Acts of Terrorism	XS990023 0411

ITEM 5. PREMIUM, MINIMUM PREMIUM, MINIMUM EARNED PREMIUM

<u>POLICY PREMIUM</u>	<u>MINIMUM PREMIUM</u>	<u>MINIMUM EARNED PREMIUM</u>
\$412,196	\$412,196	\$103,049

**ITEM 6. A. NOTICE OF CLAIM OR SUIT
REPORTING LOCATION:**

Name: AmTrust Group
Address: 135 S. LaSalle St, Suite 1925 Chicago, IL 60603
Phone: 312.781.0401

**B. RETAINED LIMIT CLAIM SERVICING
ORGANIZATION:**

Name: City of Glendale (Self-Administered)
Address: 5850 West Glendale Avenue Suite B-56 Glendale, AZ 85301
Phone:

This Policy Declarations and any endorsement(s) or attached Schedule (if applicable), in conjunction with the Policy form issued for the Alliant National Municipal Liability Program (ANML) complete the above numbered policy.

This Policy is not valid unless countersigned by a duly authorized agent of the Company.

Date of Issue: _____

Countersigned By: _____

SPECIAL EXCESS LIABILITY POLICY FOR THE ALLIANT NATIONAL MUNICIPAL LIABILITY (ANML) PROGRAM

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 word **you** refers to the **Named Insured** shown in the Declarations. The word **Company** refers to the insurer specified in the Declarations.

The word **insured** means any person or organization qualifying as such under **SECTION V—WHO IS AN INSURED**. Other words and phrases that appear in **bold face type** have special meaning. Refer to **SECTION VII—DEFINITIONS**.

In consideration of the payment of the premium, if paid, in reliance upon all statements and representations made in the application, including information furnished in connection therewith and the information shown in the Declarations made a part hereof and subject to all of the terms of this policy, the **Company** agrees with the **Named Insured** as follows:

SECTION I - COVERAGE AGREEMENT

The **Company** will pay on behalf of the **insured** for **ultimate net loss** to which this policy applies in excess of the **retained limit** because of:

- Coverage A. **BODILY INJURY and PROPERTY DAMAGE**
to which this policy applies, caused by an **occurrence**;
- Coverage B. **PERSONAL INJURY**
to which this policy applies, caused by an offense;
- Coverage C. **PUBLIC OFFICIALS ERRORS AND OMISSIONS LIABILITY**
to which this policy applies; or,
- Coverage D. **EMPLOYMENT PRACTICES LIABILITY**
to which this policy applies.

SECTION II - DEFENSE AND SETTLEMENT COSTS

After the amount of the **retained limit** has been exhausted by payment of judgments, settlements or **defense costs** or any combination thereof, the **Company** will reimburse the **insured** for **excess defense costs**. The **Company's** liability for **excess defense costs** is subject to, and not in addition to, the **Company's** limit of liability.

The **Company** shall have the right, but not the duty, to associate itself, at its own cost, with the **insured** in the control, investigation, defense or appeal of any claim or **suit** which, in the opinion of the **Company**, is or may be covered by the policy. The **insured** shall fully cooperate in all matters pertaining to such claim or **suit**.

No claim or **suit** shall be settled for an amount in excess of the **retained limit** without the prior written consent of the **Company**, but such consent shall not be unreasonably withheld.

SPECIAL EXCESS LIABILITY POLICY FOR THE ALLIANT NATIONAL MUNICIPAL LIABILITY (ANML) PROGRAM

SECTION III. RETAINED LIMIT-THE COMPANY'S LIMIT OF LIABILITY

Regardless of the number of (1) **insureds** under this policy, (2) persons or organizations who sustain injury or **damage**, (3) claims made, or (4) **suits** brought on account of **bodily injury, property damage, personal injury, public officials errors and omissions liability, or employment practices liability**, the **Company's** liability is limited as follows:

- A. With respect to **bodily injury, property damage, personal injury, public officials errors and omissions liability, and employment practices liability**, or any combination thereof, the **Company's** liability shall be only for the **ultimate net loss** in excess of the **retained limit** as specified in the Declarations as the result of any one **occurrence, offense, or wrongful act**, and then for an amount not exceeding the **Company's** limit of liability specified in the Declarations as the result of any one **occurrence, offense, or wrongful act**.
- B. For the purpose of determining the limit of the **Company's** liability, as respects Coverages A and B, all **damages** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence** under Coverage A or one offense under Coverage B. For the purpose of determining the limit of the **Company's** liability, as respects Coverages C and D, all **damages** arising out of a single act, error or omission or a series of related acts, errors or omissions shall be treated as arising from a single **wrongful act**. There is no limit on the number of **occurrences, offenses, or wrongful acts** during the policy period for which claims may be made.
- C. **Bodily injury, property damage, personal injury, public officials errors and omissions liability or employment practices liability** taking place over more than one policy period shall be deemed to have taken place during the first policy period and only that limit shall apply.
- D. In the event that a **joint powers authority** is a **Named Insured** under this policy, a separate **retained limit** and a separate limit shall apply to each member of the **joint powers authority** that is a **municipality**.
- E. The Limits of Insurance of this policy apply separately to each consecutive annual period, and to any remaining period of less than twelve (12) months, starting with the beginning of the policy period shown on the Declarations unless the policy period is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.
- F. The Completed Operations Hazard Aggregate Limit of Liability shown in the Declarations is the most that the **Company** will pay under Coverage A because of **bodily injury or property damage** included in the **completed operations hazard**.

SECTION IV. POLICY PERIOD, TERRITORY

This policy applies to **bodily injury, property damage, personal injury, public officials errors and omissions liability, or employment practices liability** which occur anywhere in the world during the policy period, provided claim is made and **suit** is brought against the **insured** in the United States of America (including its territories or possessions) or Canada.

**SPECIAL EXCESS LIABILITY POLICY FOR THE
ALLIANT NATIONAL MUNICIPAL LIABILITY (ANML)
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SECTION V. WHO IS AN INSURED, COVERED PERSONS OR ENTITIES

The following are insureds under this policy:

- A. The **Named Insured**;
- B. Those individuals, including volunteers, who were or are now elected or appointed officials of the **Named Insured**, whether or not compensated, including members of the **Named Insured's** governing body or any other committees, boards, commissions or special districts of the **Named Insured**, while acting in course and scope of employment for or on behalf of the **Named Insured**;
- C. All special districts **governed directly** by the **Named Insured's** governing board and other districts or agencies but only if such special district or other district or agency is listed on the declarations page of the policy;
- D. Past or present employees or volunteers of the **Named Insured** or another entity that is an **insured**, whether or not compensated, while acting under the direct supervision or control for or on behalf of the **Named Insured** or any other entity that is an **insured**;
- E. Independent contractors and/or persons working on retainer while acting under the direct supervision or control for or on behalf of the **Named Insured** or other covered entity;
- F. Any legally authorized **joint powers authority** representing any **Named Insured**. The following are also **insureds**, with respects to such **joint powers authority**:
 - (a) The interest of **municipal** agencies participating as member agencies in the **joint powers authority** and any and all districts, authorities, committees, trustees, boards, commissions, or similar entity subject to the direction or control of such agencies or for which the board members act as governing body. A member agency includes any department or constituent agency of the member agency; and
 - (b) Any individual who was previously or is presently elected or appointed as an official of a member agency in the **joint powers authority**, but only with respect to their duties as an official of the member agency, including acting on boards at the direction of the agency; or
 - (c) Any volunteer of the member agency only while performing duties related to the conduct of the member agencies or any employee of the member agencies within the scope of his or her employment or while performing duties related to the conduct of the member agencies.
- G. Any person designated in Paragraphs A through F:
 - a) While acting within the scope of his/her duties with respect to the use of an **auto** not owned by the **Named Insured**, while being used in the business of the **Named Insured**, and then only excess over any other insurance specifically insuring such **auto**.
 - b) While using any owned **auto** or **hired auto** and any person legally responsible for the use of the **auto** with the permission of the **Named Insured**. With respect to **hired auto**, this insurance will be excess over any other insurance specifically insuring such **hired auto**.

The coverage extended by this paragraph F shall not apply to:

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1. Any person operating an **auto** while working in a business that sells, services, repairs, delivers, test, parks, or stores **autos** unless they are employees of the **Named Insured** acting for it or on its behalf; or
2. The owner or lessor of any **hired auto**, other than the **insured**, or any agent or employee of such owner or lessor. This exception does not apply if the owner or lessor is an **insured** designated in paragraphs A through E, above.

SECTION VI. EXCLUSIONS

As respects **ultimate net loss**, this policy does not apply, in whole or in part to:

A. AIRCRAFT

To **bodily injury** and **property damage** arising out of the ownership, maintenance, loading or unloading, use or operation of any:

1. **Aircraft**;
2. Airfields;
3. Runways;
4. Hangars; or
5. Buildings or other properties in connection with aviation activities.

This exclusion shall not apply, however, (1) to liability arising out of the ownership, operation, rental, or loan of vehicles licensed for highway use while being operated away from the premises of any airfield owned or operated by the **insured**; or (2) to **non-owned aircraft** operated by or on behalf of the **insured**; or (3) to those areas open to the public for the purpose of entering, leaving, or using the airport facilities (including parking lots and garages).

B. ASBESTOS

To any liability for past, present, or future claims or **suits** arising in whole or in part, either directly or indirectly, out of the mining, manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of, or exposure to, asbestos or products containing asbestos, whether the asbestos is or was at any time airborne as a fiber or particle, contained in a product, carried on clothing, inhaled, transmitted in any fashion, or found in any form whatsoever.

C. BIDS

To liability of any **insured** arising out of estimates of probable costs or cost estimates being exceeded or for faulty preparation of bid specifications or plans or failure to award contracts in accordance with statute or ordinance which under law must be submitted for bids.

D. BODILY INJURY

To **bodily injury** to any employee of any **insured** arising out of and in the course of his or her employment by such **insured** or to any fellow employee of any **insured** arising out of and in the course of the fellow employee's employment; provided, however, that this exclusion does not apply to **employment practices liability** or liability assumed by the **insured** under any written contract.

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E. CONTRACTUAL LIABILITY

As respects liability assumed by the **insured** under any contract:

1. To any claim or **suit** for breach of contract;
2. To liability assumed by an **insured** in a contract that is entered into subsequent to the commencement of **bodily injury, property damage, offense, or wrongful act.**
3. To any claim, judgment or agreement from any arbitration proceeding wherein the **Company** is not entitled to exercise with the **insured**, the **insured's** rights in the choice of arbitrators, and in the conduct of such proceedings;
4. To any obligation for the rendering or failure to render professional services for the **insured**, if the indemnitee of the **insured** is an architect, engineer or surveyor, arising out of:
 - a) The preparation or approval of contracts, maps, plans, drawings, opinions, reports, tests, surveys, change orders, designs or specifications; or
 - b) The giving or the failure to give directions or instructions by the indemnitee, the indemnitee's agents or employees, provided such giving or failure to give directions or instructions is the primary cause of **bodily injury or property damage**; or

F. UNDER COVERAGE A

To **personal injury, public officials error and omissions liability, and employment practices liability.**

Nothing contained in this exclusion shall limit the **insured's** coverage, if applicable, under Coverages B, C, or D of this policy.

G. UNDER COVERAGE B

To **bodily injury, property damage, public officials error and omissions liability, and employment practices liability.**

Nothing contained in this exclusion shall limit the **insured's** coverage, if applicable, under Coverages A, C, or D of this policy.

H. UNDER COVERAGE C

1. To **Bodily injury, property damage, personal injury, or employment practices liability;**
2. Injury to, destruction or disappearance of any tangible property (including money) or the loss of use thereof; or
3. Failure to perform, or breach of, a contractual obligation.

Nothing contained in this exclusion shall limit the **insured's** coverage, if applicable, under Coverages A, B, and D of this policy.

I. UNDER COVERAGE D

To **property damage, personal injury and public officials' errors and omissions** as defined in the policy.

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Nothing contained in this exclusion shall limit the **insured's** coverage, if applicable, under Coverages A, B, or C of this policy.

J. DAMS

To liability arising out of the rupture, bursting, overtopping, accidental discharge or partial or complete failure of any **dam(s)** owned by, leased or rented to, or otherwise in the control of the **insured**.

K. EMINENT DOMAIN AND INVERSE CONDEMNATION

To liability, directly or indirectly, arising out of or in connection with the principles of eminent domain, condemnation proceedings or inverse condemnation, by whatever name called, whether grounded in federal or state law, regardless of whether such claims are made directly against the **insured** or by virtue of any agreement entered into by or on behalf of the **insured**.

This exclusion shall not apply to any inverse condemnation where any **suits** or claims for inverse condemnation are a result of negligence on the part of an **insured**;

L. ERISA

1. To liability imposed upon an **insured** (or which is imputed to an **insured**) under the Employment Retirement Income Security Act of 1974 including subsequent amendments or any similar federal state or local law or regulation including but not limited to benefits payable under any **employee benefit plan** (whether the plan is voluntarily established by the **insured** or mandated by statute);

2. The **insured's** activities in any fiduciary capacity listed above.

M. EXCLUDED ENTITIES AND OPERATIONS

To liability arising out of or in connection with the operation of any hospitals, clinics, or established health care facilities owned or operated by the **insured** including, but not limited to the following:

The rendering of or failure to render the following medical professional services:

1. Medical, surgical, dental, x-ray, or nursing, service or treatment, to any person, including the furnishing of food or beverages in connection therewith;
2. Service or treatment related to physical or mental health or of a professional nature;
3. Furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances if the injury occurs after the **insured** has relinquished possession thereof to others;
4. Any cosmetic or tonsorial service or treatment.

This exclusion shall not apply, however, to any liability arising out of:

1. Ambulance operations;
2. Occupational physical examinations and services of nurses, paramedics, emergency medical technicians, speech therapists, speech pathologists, nutritionists, psychologists, audiologists, or physical therapists, if those operations, examinations or services are provided by the **insured's** employees within the scope of their employment by the **insured** and are not provided in any hospital or established health care facility;

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3. Employment practices liability;

4. First aid to any person;
5. Any nursing services clinic that does not perform invasive surgery of any kind; or
6. Operations performed by coroners.

N. FAILURE TO SUPPLY

To **bodily injury** or **property damage** arising out of the failure to supply or provide an adequate supply of gas, steam, water or electricity. This exclusion does not apply if:

1. Such failure arises out of an **occurrence**; and
2. The combined capacity of the **insured's** installed production facilities and contractual supply arrangements is equal to or greater than one hundred and ten percent (110%) of the electricity, steam and/or gas demand or one hundred percent (100%) of the water demand, whichever demand is applicable to the **insured's** electric, gas, steam, or water system.

O. NON-COMPENSATORY AMOUNTS AND/OR DAMAGES, including but not limited to:

Fines, taxes imposed by law, penalties, sanctions, punitive or exemplary **damages**, the multiplied portion of any award, injunctive relief or costs to comply with injunctive relief, restitution, equitable relief or declaratory relief, writs of mandate or any other form of relief other than the payment of **damages**.

P. NUCLEAR

1. To any liability arising out of the hazardous properties of **nuclear material**; or
2. To any liability for any **ultimate net loss**, cost or expense arising out of nuclear reaction, nuclear radiation or radioactive contamination or to any related act or condition.

Q. POLLUTION

1. To **ultimate net loss** arising out of the actual or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** anywhere in the world;
2. To **ultimate net loss** arising out of any governmental direction or request that the **Company**, the **insured** or any other person or organization test for, monitor, clean-up, remove, contain, treat, detoxify, neutralize or assess the effects of **pollutants**; or
3. To **ultimate net loss**, including but not limited to costs of investigation or attorneys' fees, incurred by a governmental unit or any other person or organization to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize **pollutants**.

As used in this exclusion, **pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste material. Waste material includes materials which are intended to be or have been recycled, reconditioned or reclaimed.

However, this exclusion does not apply to liability arising out of:

- a. Water, whether recycled, reconditioned or reclaimed;

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- b. Any discharge, dispersal, seepage, migration, release or escape directly or indirectly caused by fire, explosion, lightning, windstorm, vandalism or malicious mischief, riot and civil commotion, flood, collision, or upset of a motor vehicle, railroad vehicle, mobile equipment, automatic sprinkler leakage or **aircraft**;
- c. Police use of mace, oleoresin capsicum (o.c.), pepper gas or tear gas;
- d. Weed abatement or spraying;
- e. The **completed operations hazard**; or
- f. Any discharge, dispersal, seepage, migration, release or escape of **pollutants** that meets all of the following conditions:
 - 1) It was accidental and neither expected nor intended by the **insured**. This condition would not serve to deny coverage for a specific incident where such discharge, dispersal, seepage, migration, release or escape of **pollutants** was a result of an attempt by the **insured** to mitigate or avoid a situation where substantial third party **bodily injury, property damage** or **personal injury** could occur;
 - 2) It was demonstrated as having commenced on a specific date during the term of this policy;
 - 3) Its commencement became known to the **insured** within seven calendar days and was further reported to the person responsible for risk management at the **Named Insured** within a reasonable time frame;
 - 4) Its commencement was reported in writing to the **Company** within forty calendar days of becoming known to the person responsible for risk management at the **Named Insured**; and
 - 5) Reasonable effort was expended by the **insured** to terminate the situation as soon as conditions permitted;

However, nothing contained in this provision 3, shall operate to provide any coverage with respect to:

- a. Any site or location principally used by the **insured** or by others on the **insured's** behalf, for the handling, storage, disposal, dumping, processing or treatment of waste material;
- b. Any fines or penalties;
- c. Any cleanup costs ordered by the Superfund Program, or any federal, state or local governmental authority. However, this specific exclusion c) shall not serve to deny coverage for third party clean up costs otherwise covered by this policy simply because of the involvement of a governmental authority;
- d. Acid rain;

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e. Clean up, removal, containment, treatment, detoxification or neutralization of **pollutants** situated on premises the **insured** owns, rents or occupies at the time of the actual discharge, dispersal, seepage, migration, release or escape of said pollutants; or

f. Water pollution caused by oil or its derivatives.

R. PRIOR KNOWLEDGE

To liability if the **Named Insured's** risk manager or its Claims Servicing Organization:

1. knew that the **bodily injury** or **property damage** had occurred or the offense or **wrongful act** had been committed, in whole or in part, prior to the policy period; and
2. first reported all, or any part, of the **occurrence**, offense, or **wrongful act** to the Company under another policy or to any other insurer under a previous policy.

Any continuation, change or resumption of such **bodily injury, property damage, offense, or wrongful act** during or after the policy period will be deemed to have occurred or been committed at the time when first reported.

S. PROFIT, REMUNERATION OR ADVANTAGE

To liability of an **insured** arising, in whole or in part, out of any **insured** obtaining remuneration or financial gain to which the **insured** was not legally entitled except that any act for which an **insured** is responsible shall not be imputed to any other **insured** for purposes of this exclusion.

T. PROPERTY DAMAGE

To injury to or destruction of (1) property owned by an **insured**, or (2) **aircraft** in the care, custody or control of any **insured**, including **aircraft** of which the **insured** is exercising physical control.

U. SECURITIES

To liability arising out of or by reason of:

1. The purchase, or sale, or offer of sale, or solicitation of any security, debt, bank deposit or financial interest or instrument;
2. Any representation made at any time in relation to the price or value of any security, debt, bank deposit or financial interest or instrument; or
3. Any depreciation or decline in price or value of any security, debt, bank deposit or financial interest or instrument.

It is further agreed that the **Company** has no obligations to defend or pay for the defense of any claim or **suit** that may allege any of the foregoing.

V. SUBSIDENCE

To **property damage** arising out of **subsidence** for any reason whatsoever.

W. TRANSIT

To liability for **bodily injury** or **property damage** arising out of any transit authority, transit system or public transportation system owned or operated by any **insured**. This exclusion shall not apply to transit or public transportation systems operating over non-fixed routes such as dial-a-ride, senior

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citizen transportation, or handicapped persons transportation, or to contingent liability where such services are contracted.

X. TAXES, FEES, ASSESSMENTS

To the refund of taxes, fees or assessments.

Y. UNINSURED/UNDERINSURED MOTORISTS

Any claim by or against an **insured** for uninsured/underinsured motorist, no fault, or personal injury protection coverage.

Z. WILLFUL VIOLATION

To liability arising out of the willful violation of a penal statute, code, or ordinance committed by or with the knowledge or consent of any **insured** except that any act for which an **insured** is responsible shall not be imputed to any other **insured** for purposes of this exclusion.

AA. WORKERS' COMPENSATION

To any obligation for which any **insured** or any carrier as its insurer may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law.

SECTION VII - DEFINITIONS

A. **Administration** means:

1. Providing information to employees, including their dependents and beneficiaries, with respect to eligibility for or scope of **employee benefit programs**;
2. Handling of records in connection with employee benefit programs; or
3. Effecting, continuing or terminating any employee's participation in any benefit included in the **employee benefit program**.

However, **administration** does not include handling payroll deductions.

B. **Aircraft** means a vehicle designed for the transport of persons or property principally in the air.

C. **Auto** means:

1. A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or
2. Any other land vehicle that is subject to a compulsory or financial responsibility laws in the state where it is licensed or principally garaged.

D. **Bodily injury** means bodily harm, sickness, disability or disease sustained by a person, including death resulting from any of these at any time. **Bodily injury** includes mental injury, mental anguish, humiliation, shock or death if resulting directly from **bodily injury**. **Bodily injury** shall include care, loss of services, loss of consortium, or death resulting at any time from the **bodily injury**.

E. **Completed operations hazard** includes **bodily injury** and **property damage** arising out of operations,

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but only if the **bodily injury** or **property damage** occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the **insured**. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

1. When all operations to be performed by or on behalf of the **insured** under the contract have been completed;
2. When all operations to be performed by or on behalf of the **insured** at the site of the operations have been completed; or
3. When the portion of the work out of which the **bodily injury** or **property damage** arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed.

The **completed operations hazard** does not include liability arising out of:

1. Operations in connection with the transportation of property unless the liability arises out of a condition in or on a vehicle created by the loading or unloading thereof;
2. The existence of tools, uninstalled equipment or abandoned or unused materials.

G. **Dam** means any artificial barrier together with appurtenant works which:

1. Is twenty-five feet or more in height from the foot of a natural bed of stream or watercourse; or
2. Has water impounding capacity of fifty acre feet or more.

Except, any such barrier which is not in excess of twenty-five (25) feet in height regardless of storage capacity, or which has a storage capacity not in excess of fifteen (15) acre feet regardless of height, shall not be considered a **dam**; and, no structure specifically exempted from jurisdiction by the applicable state agency overseeing **dams** shall be considered a **dam**, unless such structure is under the jurisdiction of any agency of the federal government.

H. **Damages** mean monetary compensation resulting from: (a) **bodily injury** or **property damage**, (b) **personal injury**, (c) **public officials' errors and omissions liability**, or (d) **employment practices liability**.

I. **Defense costs** means reasonable fees charged by an attorney, including expenses of a claims servicing organization the **insured** has engaged, and all other reasonable fees, costs, including third-party attorney's fees and costs as authorized by law or under contract, and expenses attributable to the investigation, defense, administration or appeal of a claim or **suit** within the scope of coverage afforded by this policy. **Defense costs** shall not include any allocated claims expenses, salaries or overhead incurred by attorneys who are employees of the **insured**.

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J. **Employee Benefit Program** means a program providing some or all of the following benefits to employees, whether provided through a cafeteria, pre-tax plan, or otherwise:

1. **Group life insurance, group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts;** provided that no one other than an employee may subscribe to such benefits and such benefits are made generally available to those employees who satisfy the plan's eligibility requirements;
2. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plan equally available to all full time employees, provided that no one other than an employee may subscribe to such benefits and such benefits are made generally available to all employees who are eligible under the plan for such benefits;
3. Unemployment insurance, social security benefits, workers compensation and disability benefits; or
4. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies.

K. **Employment practice liability** means any claim or suit by a past, present, or prospective employee of the **insured** (and the spouse, child, parent, brother or sister of that person as a consequence of **employment practices liability** at whom any of the **employment practices liability** is directed) arising out of the following **wrongful acts**: wrongful dismissal, discharge, or termination, either actual or constructive, of employment; employment related misrepresentation; **retaliation**; wrongful failure or refusal to employ or promote; wrongful deprivation of career opportunity or reassignment; wrongful discipline; failure to grant tenure or negligent employee evaluation; sexual or workplace harassment or humiliation of any kind, including, but not limited to, the alleged operation of a harassing workplace environment; negligence resulting in **damages** to a person that is a **whistle-blower**; unlawful discrimination, whether direct, indirect, intentional or unintentional; failure to provide adequate employee policies and procedures; or any act, error, or omission in the **administration** of the **insured's Employee Benefit Program**. **Employment practices liability** shall include actions brought under state, local, or federal law, whether common or statutory, and shall include, but not be limited to allegations of violations of the following federal laws, as amended, including regulations promulgated thereunder:

1. Americans With Disabilities Act of 1992 (ADA);
2. Civil Rights Act of 1991;
3. Age Discrimination In Employment Act of 1967 (ADEA), including the Older Workers Benefit Protection Act of 1990;
4. Title VII of the Civil Rights Law of 1964, as amended (1983), including the Pregnancy Discrimination Act of 1978;
5. Civil Rights Act of 1866, Section 1981; and
6. Fifth and Fourteenth Amendments of the U.S. Constitution.

L. **Excess defense costs** means **defense costs** incurred by the **insured** with the written consent of the **Company** after the **retained limit** has been exhausted by payment of judgments, settlements and **defense costs**.

M. **Governed directly** means the special district is governed by the **Named Insured's** governing board.

N. **Hired auto** means an **auto** used under contract on behalf of or loaned to the **Named Insured**, provided such **auto** is not owned by or registered in the name of the **Named Insured** or any of its employees or

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servants.

- O. **Insured** means any person or organization qualifying as an **insured** under **SECTION V: WHO IS INSURED, COVERED PERSONS OR ENTITIES** section of this policy. The coverage afforded applies separately to each **insured** against whom claim is made or **suit** is brought, except with respect to the limits of the **Company's** liability.
- P. **Joint Powers Authority** includes an interlocal agency or similar authority within a jurisdiction and means two or more public agencies joined together by a joint agreement to exercise jointly power common to the contracting parties, including, but not limited to the power to create risk pooling and joint purchase of private insurance.
- Q. **Municipality** means a legally incorporated or duly authorized association of inhabitants of a limited area limited to the following: city, town, county, village, township, parish, borough, hamlet, burgh, or state, and the special districts authorities and bureaus directly related to such entities.
- R. **Non-owned aircraft** means any **aircraft** other than:
1. **Aircraft** owned in whole or in part by or registered in the name of the **insured**;
 2. **Aircraft** having a seating capacity in excess of forty-five passenger seats; or
 3. **Aircraft** which are the subject of a lease or service agreement with the **insured** for a period in excess of thirty days.
- S. **Nuclear material** means source material, special nuclear material, or byproduct material. Source material, special nuclear material, and byproduct material have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- T. **Occurrence** means an accident, including injurious exposure to conditions, which results, during the policy period, in **bodily injury** or **property damage**, neither expected nor intended from the standpoint of the **insured** unless the **bodily injury** or **property damage** results from the use of reasonable force to protect persons or property. All **damages** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.
- U. **Personal injury** means injury, including consequential **bodily injury** or **property damage**, arising out of one or more of the following offenses:
1. False arrest, detention or imprisonment or malicious prosecution;
 2. Publication or utterance of libel or slander, including disparaging statements concerning the condition, value, quality or use of real or personal property, or publication or utterance in violation of rights of privacy;
 3. Wrongful entry or eviction, or other invasion of the right of private occupancy;
 4. Assault and battery, not committed by, at the direction of or with the consent of the **insured**, unless committed or directed for the purpose of protecting persons or property from injury or death; or

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5. Discrimination on any basis, including but not limited to: race, religion, nationality, national origin, color, creed, sex, sexual orientation, age, nature of employment, or disability.
- V. **Property damage** means
1. Physical injury to, or destruction of, tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom; or
 2. Loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an **occurrence** during the policy period.
- W. **Public officials errors and omissions liability** means any claim or suit against an **insured**, whether individually or collectively, arising out of any **wrongful act**, including misfeasance, malfeasance or nonfeasance, or solely by reason of being or having been **insureds**.
- X. **Retained limit** means the Retained Limit amount shown in the Declarations page. This amount applies to each and every **occurrence**, offense, and **wrongful act** whether or not you maintain any applicable insurance.
- Y. **Retaliation** means any act of any **insured** relating to or alleged to be in response to any of the following activities:
1. The disclosure or threat of disclosure by the **insured's** employee to a superior or to any governmental agency of any act by the **insured** which is alleged to be a violation of any federal, state, local, or foreign law, common or statutory, or any rule or regulation promulgated thereunder;
 2. The actual or attempted exercise by the **insured's** employee of any right that such employee has under law;
 3. The filing of any claim or **suit** under the federal false claims act of any other federal, state, local, or foreign **whistle-blower** law; or
 4. Strikes of the **insured's** employees.
- Z. **Subsidence** means settling, sinking, slipping, falling away, caving in, shifting, eroding, rising, tilting, or any other movement of land or earth.
- AA. **Suit** means a civil or administrative proceeding, including arbitration and other alternative dispute resolution procedures, in which **damages**, because of **bodily injury, property damage, personal injury, public officials' errors and omissions liability, or employment practices liability** to which this coverage applies, are alleged.
- BB. **Ultimate net loss** means the total sum which the **insured** becomes legally obligated to pay as damages by reason of judgments or by reason of settlements made, covered hereunder, with the written consent of the **insured** and the **Company**, plus **defense costs**.
- CC. **Whistle-blower** means an employee, who discloses or threatens to disclose to a superior or any governmental agency, or who gives testimony, mainly relating to any action by the **insured**, which may be a violation of public policy as reflected in legislation administrative rules, regulations or decisions, judicial decisions, or professional codes of ethics.

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DD. **Wrongful act** means any actual or alleged act, error or omission arising out of the conduct or performance of the **insured** in the performance of his or her duties for or on behalf of the **Named Insured**. All **damages** arising out of a single act, error or omission or a series of related acts, errors or omissions shall be treated as arising from a single **wrongful act**.

SECTION VIII - CONDITIONS

A. ACTION AGAINST THE COMPANY

No action shall lie against the **Company** with respect to any one **occurrence**, offense, or **wrongful act** unless, as a condition precedent thereto, the **insured** shall have fully complied with all the terms of this policy, nor until the amount of the **insured's** obligation to pay an amount of **ultimate net loss** in excess of the **retained limit** shall have been finally determined either by judgment against the **insured** after actual trial, arbitration award, or by written agreement of the **insured**, the claimant and the **Company**. Any person or organization or the legal representative thereof who has secured such judgment or written agreement, shall thereafter be entitled to recover under this policy the extent of the coverage afforded by this policy. Nothing contained in this policy shall give any person or organization any right to join the **Company** as a co-defendant in any action against the **insured** to determine the **insured's** liability.

Bankruptcy or insolvency of the **insured** shall not relieve the **Company** of any of its obligations hereunder.

B. APPEALS

When a **suit** has proceeded to trial court judgment and neither the **insured** nor the **Company** has invoked the provisions of Condition I.4. (a) or (b) below and the **insured** elects not to appeal a judgment in excess of the **retained limit**, the **Company** may elect to do so at its own expense, but in no event shall the liability of the **Company** for **ultimate net loss** exceed the applicable amount specified in the limits of liability section of the Declarations inclusive of all **excess defense costs** necessary and incident to such appeal.

C. ASSIGNMENT

Assignment of interest under this policy shall not bind the **Company** until its consent is endorsed hereon; if, however, the **insured** shall die, such coverage as is afforded by this policy shall apply (a) to the **insured's** legal representative, as the **insured**, but only while acting within the scope of his/her duties as such, and (b) with respect to the property of the **insured**, to the person having proper temporary custody thereof, as the **insured**, but only until the appointment and qualification of the legal representative.

D. BANKRUPTCY OR INSOLVENCY

This insurance will not drop down or replace the **retained limit** in the event of bankruptcy or insolvency of any **insured**, or assume an obligation associated with the **retained limit**. This insurance will apply as if the **retained limit** were in full effect.

E. CANCELLATION AND NON-RENEWAL

1. If this policy has been in effect for more than 60 days, the **Company** may not cancel the policy except for nonpayment of premium. If the **Company** cancels the policy because the **Named Insured** has failed to pay a premium when due, the **Company** may cancel this policy by mailing

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written notice of cancellation to the **Named Insured** at the address shown on the Declarations stating when, not less than 20 days thereafter, such cancellation shall be effective.

If this policy has been in effect for less than 60 days and is not a renewal, the **Company** may cancel the policy by mailing or delivering to the **Named Insured** written notice of cancellation at least 90 days before the effective date of cancellation if there has been:

- (a) A material misstatement or misrepresentation; or
- (b) Failure to comply with underwriting requirements established by the **Company**.

If the **Company** cancels the policy, the final premium will be calculated pro rata based on the time the policy was in force.

2. The **Named Insured** may cancel the policy at any time by sending written notice to the **Company** stating when thereafter the cancellation shall be effective.

F. CAPTIONS

The captions or headings used in this policy are for the purpose of reference only and shall not otherwise affect the meaning of this policy.

G. CHANGES

Notice to any broker or knowledge possessed by or any broker or by any other person shall not effect a waiver or change in any part of this policy or stop the **Company** from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

H. CLAIMS SERVICING ORGANIZATION

1. You shall designate the Retained Limit Claims Servicing Organization shown on the Policy Declarations to perform the following services for claims or **suits** seeking **damages** against an **insured** to which this policy may apply, regardless of the application of any **retained limit**.

- (a) Defense and investigation of all claims or **suits**;
 - (b) Maintain accurate records of all details incident to claims payments; and
 - (c) Furnish monthly claims records to **you**.
2. Within forty-five (45) days after the end of the policy term, you must give the **Company** a listing of all existing claims or **suits** within the **retained limit** amounts. Quarterly thereafter, **you** are required to provide the **Company** with an updated listing of the status of all claims or **suits**, both paid and reserve, until all claims or **suits** for the reporting period are closed or settled. However, the failure of a Claims Servicing Organization to meet the time frame outlined in this paragraph shall not relieve the **Company** of any obligations hereunder.
 3. In the event of cancellation, expiration or revision of the servicing contract between **you** and the Retained Limits Claims Servicing Organization, you shall notify us within ten (10) days of the effective date of such cancellation, expiration or revision.

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4. You must notify the **Company** immediately of any change in the Retained Limit Claims Servicing Organization and we reserve the right to approve any new Claim Administrator. **You** (or your Retained Limit Claims Servicing Organization) must provide us with loss runs on a quarterly basis.

I. INSPECTION

The **Company** shall be permitted, but not obligated to, inspect the **insured's** property and operations at any time. Neither the **Company's** right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the **insured** or others, to determine or warrant that such property or operations are safe. The **Company** may examine the **insured's** books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this coverage.

J. INSURED'S DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, WRONGFUL ACT, CLAIM OR SUIT

1. In the event of an **occurrence**, offense, or a **wrongful act** reasonably likely to involve the **Company** or with respect to which the amount incurred has reached 50 percent or more of the **retained limit**, written notice containing particulars sufficient to identify the **insured** and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the **insured** to the **Company** as soon as practicable, after the **Named Insured** or any person authorized by the **Named Insured** to give or receive notice of a claim or **suit**, has knowledge of the **occurrence**, offense, or **wrongful act**.
2. If claim is made or **suit** is brought against the **insured** which appears reasonably likely to involve the **Company**, the **insured** shall forward to the **Company** every demand, notice, summons or other process received by him/her or his/her representative, immediately or within a reasonable amount of time after the **Named Insured** or any person authorized by the **Named Insured** to give notice of a claim or **suit** has knowledge of the claim or **suit**.

The **insured** must also give the **Company** written notice as soon as practicable for any **occurrence**, offense, **wrongful act**, claim or **suit** which the **insured** becomes aware of that includes injury of the following types:

1. Paralysis, paraplegia, or quadriplegia;
 2. Loss of eyes or limbs;
 3. Spinal cord or brain injury;
 4. Sensory organ or nerve injury or neurological deficit;
 5. Serious burns;
 6. Substantial disability or disfigurement;
 7. Death;
 8. Amputation or loss of use of a major extremity;
 9. Any disability where it appears reasonably likely that there will be disability that lasts for more than one year;
 10. Rape, sexual abuse offense/molestation of any individual; or
 11. Any class action.
3. The **insured** shall cooperate with the **Company** and upon its request, assist in making settlements, in the conduct of **suits** and in enforcing any right to contribution, subrogation or indemnity against

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any person or organization who may be liable to the **insured** because of liability with respect to which coverage is afforded under this policy, and the **insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The **insured** shall not, except at its own costs, voluntarily make any payment, assume any obligation or incur any expense with respect to any claim or **suit** to which this insurance applies; however, in the event that the amount of **ultimate net loss** becomes certain either through trial court judgment, arbitration award, or agreement among the **insured**, the claimant and the **Company**, then the **insured** may pay the amount of **ultimate net loss** to the claimant to effect settlement and, upon submission of due proof thereof, the **Company**, subject to its limit of liability, shall indemnify the **insured** for that part of such payment which is in excess of the **retained limit**, or shall, upon request of the **insured**, timely make such payment to the claimant on behalf of the **insured**.

4. The **Company**, at its option, shall have the right at its own expense to investigate any claim or **suit** and/or negotiate the settlement thereof, as it deems expedient, but the **Company** shall not commit the **insured** to any settlement without the **insured's** consent. Should the claimant or plaintiff, as the case might be, tender a bona-fide, good faith, settlement demand which when added to the incurred **defense costs** is in excess of the **retained limit**, the payment of which would result in the full and final disposition of said claim or **suit**, then if such settlement demand is acceptable to either (a) the **insured**, or (b) the **Company** (but not both), then with regard to that settlement demand:
 - (a) If such settlement demand is not acceptable to the **Company** and the **insured** tenders to the **Company** an amount equal to the **retained limit** less incurred **defense costs**, if any, the **Company** shall then pay on behalf of the **insured** all sums which the **insured** shall be legally obligated to pay as **damages**, including without limitation, the **retained limit**, plus future investigation, adjustment, appraisal, appeal, post judgment interest and **defense costs**. However, in no event shall the **Company's** agreement to pay on behalf of the **insured** exceed the limit of liability as stated in the Declarations in addition to such investigation, adjustment, appraisal, appeal, post-judgment interest and **defense costs**. Should the full and final disposition of the claim, including judgments, settlements, investigation, adjustment, appraisal, appeal, post-judgment interest and **defense costs** be less than the amount tendered by the **insured**, the unused portion of the tendered amount shall be returned to the **insured** by the **Company**.
 - (b) If such settlement demand is not acceptable to the **insured** and the **Company** tenders to the **insured** an amount equal to the difference between the **retained limit**, less incurred **defense costs**, and said settlement demand, or the applicable amount specified in the limits of liability section of the Declarations, whichever is less, then the **Company's** agreement to pay on behalf of the **insured** for the **ultimate net loss** hereunder shall be discharged and terminated and the **Company** shall have no further obligations with respect thereto.

K. NAMED INSURED

The **Named Insured** named in the Declarations is authorized to act on behalf of all **insureds** with respect to the giving and receiving of notice of cancellation and receiving any return premium that may become payable under this policy. The **Named Insured** named in the Declarations is responsible for the payment of all premiums but the other **insured's** jointly and severally agree to make such premium payments in full if the **Named Insured** fails to pay the amount due within thirty days after the **Company** gives a written demand for payment to the **Named Insured**.

L. OTHER COVERAGE

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If other valid and collectible insurance or group coverage applies to a claim or **suit** that is also covered by this policy, this policy will apply excess of the other insurance, whether this other insurance is primary, excess, contingent, or issued on any other basis. This provision, however, will not apply if the other insurance is specifically written to be excess of this policy.

The **Company** acknowledges that the **insured** from time to time may purchase underlying insurance with limits of liability less than, equal to, or greater than the amount of the **retained limit** for certain operations, events or hazards for which this policy affords excess coverage.

It is agreed that this policy (subject to its declarations, schedule, terms, conditions, exclusions, and endorsements that complete this policy) shall provide insurance in excess of such underlying insurance subject to the following condition:

If the limits of liability of the underlying policy are less than the **retained limit**, the **insured** shall bear the risk of the difference; however, if such limits are greater than the **retained limit**, this policy is in excess of the greater limit.

M. SEVERABILITY OF INTERESTS

The term **insured** is used severally and not collectively, but the inclusion herein of more than one **insured** shall not operate to increase the limits of the **Company's** liability.

N. SUBROGATION

The **Company** shall be subrogated to the extent of any payment hereunder to all the **insured's** rights of recovery therefore; and the **insured** shall do nothing after loss to prejudice such rights and shall do everything necessary to secure such rights. Any amount so recovered shall be apportioned as follows:

Any person or entity (including the **insured**) having paid an amount in excess of the **retained limit** plus the limit of liability hereunder shall be reimbursed first to the extent of actual payment. The **Company** shall be reimbursed next to the extent of its actual payment hereunder. If any balance then remains unpaid, it shall be applied to reimburse the **insured**. The expenses of all such recovery proceedings shall be apportioned in the ratio of respective recoveries. If there is no recovery in proceedings conducted solely by the **Company**, it shall bear the expenses thereof.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR EXCLUSION

The following exclusion is added to **SECTION VI. EXCLUSIONS**:

AB. WAR

Any liability arising out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**SPECIFIED ADDITIONAL INSURED ENDORSEMENT
PRIMARY/NON-CONTRIBUTORY**

This endorsement modifies insurance provided under the following:

**SPECIAL EXCESS LIABILITY POLICY FOR THE ALLIANT NATIONAL MUNICIPAL
LIABILITY (ANML) PROGRAM**

Schedule of Additional Insureds		
Additional Insured	Specified Contract	Contract Date
Where required by written contract		

The insurance policy to which this endorsement applies provides the **Company** the right, but not a duty, to defend the **Named Insured** in a claim or suit. In addition, this policy provides insurance in excess of a **retained limit**. The additional insured(s) listed above will be subject to the same policy terms, conditions and limitations provided to the **Named Insured**.

1. The following is added to **SECTION V. WHO IS AN INSURED, COVERED PERSONS OR ENTITIES**:

Any person(s), entity(ies), or organization(s) listed in the Schedule of this endorsement to whom the **Named Insured** is obligated by virtue of a written contract to provide insurance solely with respect to **bodily injury and property damage** is an additional insured.

2. The Limits of Insurance afforded under this endorsement to such scheduled person(s), entity(ies), or organizations(s) will be limited to the limits of insurance required within the terms of the written contract or the limits of insurance of this policy, whichever is less. We will not be obligated for limits of insurance shown in the written contract that are greater than the limits of insurance of this policy.

However, Paragraphs 1 and 2 above do not apply to a person(s), entity(ies) or organization(s) unless the **Named Insured** had a specific written contract from that person entity(ies) or organization(s) that:

- a. They be an additional insured on this policy; and
 - b. The **Named Insured** received such request prior to the date that the **Named Insured's** operations for that person(s), entity(ies) or organization(s) commenced.
3. The following is added to **Section VIII – CONDITIONS**:

If any primary insurance is held by the person(s), entity(ies), or organization(s) named in the Schedule of this endorsement, this insurance is primary to that other insurance, but will apply in excess of the **Named Insured's retained limit** specified in the Declarations. We shall not seek

contribution from the other insurance held by the person(s), entity(ies), or organization(s) named above for amounts payable under this insurance.

This condition applies only with respect to liability for **bodily injury** and **property damage** arising solely out of the negligent acts of the **Named Insured**.

However, Paragraph 3 above does not apply to a person(s), entity(ies) or organization(s) unless the **Named Insured** had a specific written contract from that person entity(ies) or organization(s) that:

- a. They be an additional insured on this policy; and
- b. The **Named Insured** received such request prior to the date that the **Named Insured's** operations for that person(s), entity(ies) or organization(s) commenced.
- c. This insurance be primary.

WAIVER OF SUBROGATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

SPECIAL EXCESS LIABILITY POLICY FOR THE ALLIANT NATIONAL MUNICIPAL LIABILITY (ANML) PROGRAM

Schedule		
Name of Person or Organization	Specified Contract	Contract Date
Where required by written contract		

Paragraph N. **SUBROGATION** of **SECTION VIII – CONDITIONS** is amended by the addition of the following:

The **Company** waives any right of recovery the **Company** may have against the person or organization shown in the Schedule above because of payments the **Company** makes for **bodily injury** or **property damage** arising out of the **Named Insured's** operations done under a contract with that person or organization. This waiver applies only to the person or organization shown in the Schedule above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEFENSE OF EMPLOYMENT PRACTICES LIABILITY CLAIMS ENDORSEMENT

SECTION II – DEFENSE AND SETTLEMENT COSTS is amended by the addition of the following:

If allegations of an **occurrence**, offense, or **wrongful act** solely as respect to **employment practices liability** are not subsequently proven after a trial by a final judgment or other adjudication adverse to a **Named Insured** or if there is a dismissal of the claim or **suit** before a trial, the **Company** will reimburse the **Named Insured** up to fifty percent (50%) of reasonable **defense costs** the **Named Insured** incurs, subject to a maximum of \$250,000. However, reimbursement of such **defense costs** will not be made by the **Company** to the **Named Insured** if there is any kind of settlement with a third party.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DAM EXTENSION ENDORSEMENT

SECTION VI. EXCLUSIONS is amended as follows:

Exclusion J. DAMS is deleted in its entirety

Exclusion V. SUBSIDENCE is replaced by the following:

To **property damage** arising out of **subsidence** for any reason whatsoever.

However, this exclusion does not apply to **subsidence** arising out of the rupture, bursting, overtopping, flooding, cracking, seepage, under-seepage, accidental discharge or partial or complete structural failure of a **dam**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TRANSIT EXTENSION ENDORSEMENT

SECTION VI. EXCLUSIONS is amended as follows:

Exclusion W. TRANSIT is deleted in its entirety

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

Special Excess Liability Policy for the Alliant National Municipal Liability (ANML) Program

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.