



**ALLIED WORLD NATIONAL ASSURANCE COMPANY**

199 Water Street, 24<sup>th</sup> Floor, New York, NY 10038 • Tel (646) 794-0500 • Fax (646) 794-0611

FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

Policy No: 0308-5229

New/Renewal of: New

IN RETURN FOR PAYMENT OF THE MINIMUM AND ADVANCE PREMIUM STATED IN ITEM 7. (a) BELOW, IN RELIANCE UPON THE STATEMENTS IN THE DECLARATIONS BELOW, AND SUBJECT TO THE LIMITS OF INSURANCE, EXCLUSIONS, CONDITIONS AND OTHER TERMS OF THIS **POLICY**; THE **COMPANY** AGREES WITH THE NAMED **INSURED** DESIGNATED IN ITEM 1. (a) BELOW TO PROVIDE THE INSURANCE AS STATED IN THIS **POLICY**.

DECLARATIONS

- ITEM 1: (a) **NAMED INSURED:** City of Austin  
(b) **ADDRESS:** 505 Barton Springs Road Suite 600  
Austin, TX 78767
- ITEM 2. **POLICY PERIOD:** From: July 15, 2013 To: July 15, 2018  
[12:01 A.M. standard time at the address stated in Item 1. (b) above]
- ITEM 3. **RETROACTIVE DATE:** N/A
- ITEM 4: **LIMITS OF THIS INSURANCE:**
  - (a) US\$25,000,000 Each Occurrence Limit
  - (b) US\$25,000,000 Products-Completed Operations Aggregate Limit
  - (c) US\$25,000,000 Other Aggregate Limit (where applicable)
- ITEM 5: **LIMITS OF UNDERLYING EXCESS INSURANCE:**
  - US\$2,000,000 Each Occurrence Limit
  - US\$4,000,000 Products-Completed Operations Aggregate Limit
  - US\$4,000,000 Other Aggregate Limit (where applicable)
- ITEM 6: **FOLLOWED POLICY:**
  - Company: Liberty Insurance Corporation
  - Policy Number: TB7-661-066489-013
  - Coverage: General Liability
  - Policy Period: From: July 15, 2013 To: July 15, 2018
  - Limits of Liability:
    - US\$2,000,000 Each Occurrence Limit
    - US\$4,000,000 Products-Completed Operations Aggregate Limit
    - US\$4,000,000 Other Aggregate Limit (where applicable)
- ITEM 7: (a) **MINIMUM AND ADVANCE PREMIUM:** US [REDACTED]  
(b) **MINIMUM EARNED PREMIUM:** US [REDACTED]

ITEM 8. NOTICES TO THE **COMPANY**:

- (a) All notices of occurrence, claim, suit, or proceeding: ALLIED WORLD ASSURANCE COMPANY (U.S.) INC.  
ATTN: CLAIMS DEPARTMENT  
199 WATER STREET, 29<sup>TH</sup> FLOOR  
NEW YORK, NY 10038  
  
FACSIMILE: 646-794-0811  
E-MAIL: [AWACUS.GeneralCasualtyClaims@awac.com](mailto:AWACUS.GeneralCasualtyClaims@awac.com)
- (b) All other notices: ALLIED WORLD ASSURANCE COMPANY (U.S.) INC.  
ATTN: GENERAL CASUALTY  
199 WATER STREET, 24<sup>TH</sup> FLOOR  
NEW YORK, NY 10038  
  
FACSIMILE: 646-794-0611

- ITEM 9: (a) Representative of **Insured**: Marsh USA Inc  
(b) Address: 1166 Avenue of the Americas  
New York, NY 10036

**Date of Issuance:** February 10, 2014

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



President



Asst. Secretary



**AUTHORIZED REPRESENTATIVE**

**Named Insured: City of Austin**

Effective Date: July 15, 2013

12:01 A.M., Standard Time

**SCHEDULE OF FORMS AND ENDORSEMENT**

The following forms and endorsements are made a part of this policy:

<b><u>Endorsement Number</u></b>	<b><u>Form # / Edition</u></b>	<b><u>Title</u></b>
	GL 00140 00 (12/11)	Declarations
1	Schedule of UL	Schedule of Underlying Insurance
2	GL 00286 42 (02/07)	Texas Amendatory Endorsement
3	00136 (11/05)	U.S. Treasury Departments Office Of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders
4	00175 (11/05)	Employment Discrimination And Employment-Related Practices Exclusion
5	00205 (11/05)	Lead Exclusion
6	00208 (11/05)	Limitation Of Coverage To Designated Wrap-Up Projects
7	00209 (11/05)	Products-Completed Operations Extension Period - Commercial Construction
8	00223 (11/05)	Exterior Insulation And Finish Systems Exclusion
9	00240 (11/05)	Exclusion For Coverage Of Designated Operations
10	00241 (11/05)	Asbestos Exclusion
11	GL 00112 00 (06/08)	Non-Accumulation of Limits of Insurance
12	CoAROCIPManuA	Claims Reporting Amendment
13	GL 00316 00 (12/12)	Strategic Response Coverage Extension
14	GL 00318 00 (05/09)	Defense Amendatory Endorsement
15	GL 00338 00 (07/10)	Premium Endorsement
16	GL 00366 00 (09/11)	Follow Form Aggregate Limitation Endorsement
17	CoAROCIPManuB	Policy Aggregate Limit (Other Aggregate)
	GL 00127 00 (09/07)	Policy Form

## TEXAS DISCLOSURE FORM

Allied World National Assurance Company acknowledges that the terms, conditions, and coverages provided in this policy have been negotiated in good faith with you, the insured. The **insured** has agreed to accept such terms, conditions, and coverages.

The following additional exclusions and/or limitations, which may have not been in the **insured's** previous policy, are included in this policy:

Type of Coverage Limited or Excluded:

Endorsement Number	Form Number	Title
1	Schedule of UL	Schedule of Underlying Insurance
2	GL 00286 42 (02/07)	Texas Amendatory Endorsement
3	00136 (11/05)	U.S. Treasury Departments Office Of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders
4	00175 (11/05)	Employment Discrimination And Employment-Related Practices Exclusion
5	00205 (11/05)	Lead Exclusion
6	00208 (11/05)	Limitation Of Coverage To Designated Wrap-Up Projects
7	00209 (11/05)	Products-Completed Operations Extension Period - Commercial Construction
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9	00240 (11/05)	Exclusion For Coverage Of Designated Operations
10	00241 (11/05)	Asbestos Exclusion
11	GL 00112 00 (06/08)	Non-Accumulation of Limits of Insurance
12	CoAROCIPManuA	Claims Reporting Amendment
13	GL 00316 00 (12/12)	Strategic Response Coverage Extension
14	GL 00318 00 (05/09)	Defense Amendatory Endorsement
15	GL 00338 00 (07/10)	Premium Endorsement
16	GL 00366 00 (09/11)	Follow Form Aggregate Limitation Endorsement
17	CoAROCIPManuB	Policy Aggregate Limit (Other Aggregate)

Other insurance companies may or may not have these exclusions and/or limitations in their current policy.



\_\_\_\_\_  
Signature of Insurer or Authorized Representative

\_\_\_\_\_  
President, U.S. Property & Casualty

\_\_\_\_\_  
Title

\_\_\_\_\_  
February 10, 2014

\_\_\_\_\_  
Date

**IMPORTANT NOTICE**

To obtain information or make a complaint:

You may contact Karen Colonna, Deputy General Counsel, U.S. Compliance at (646) 794-0576.

You may call Allied World National Assurance Company's toll-free telephone number for information or to make a complaint at:

**1-800-339-8093**

You may also write to Allied World National Assurance Company at:

Allied World National Assurance Company  
199 Water Street, 29<sup>th</sup> Floor  
New York, New York 10038  
Attn: Karen Colonna

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at

**1-800-252-3439**

You may write the Texas Department of Insurance  
P.O. Box 149104  
Austin, TX 78714-9104  
FAX # (512) 475-1771  
Web: <http://www.tdi.state.tx.us>  
E-mail: [ConsumerProtection@tdi.state.tx.us](mailto:ConsumerProtection@tdi.state.tx.us)

**PREMIUM OR CLAIM DISPUTES:** Should you have a dispute concerning your premium or about a claim you should contact the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

**ATTACH THIS NOTICE TO YOUR POLICY:** This notice is for information only and does not become a part or condition of the attached document.

**AVISO IMPORTANTE**

Para obtener informacion o para someter una queja:

Puede comunicarse con su Karen Colonna, Deputy General Counsel, U.S. Compliance al (646) 794-0576.

Usted puede llamar al numero de telefono gratis de Allied World National Assurance Company's para informacion o para someter una queja al:

**1-800-339-8093**

Usted tambien puede escribir a Allied World National Assurance Company:

Allied World National Assurance Company  
199 Water Street, 29<sup>th</sup> Floor  
New York, New York 10038  
Attn: Karen Colonna

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al

**1-800-252-3439**

Puede escribir al Departamento de Seguros de Texas  
P.O. Box 149104  
Austin, TX 78714-9104  
FAX # (512) 475-1771  
Web: <http://www.tdi.state.tx.us>  
E-mail: [ConsumerProtection@tdi.state.tx.us](mailto:ConsumerProtection@tdi.state.tx.us)

**DISPUTAS SOBRE PRIMAS O RECLAMOS:** Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el la compania primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI)

**UNA ESTE AVISO A SU POLIZA:** Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

**Endorsement No.: 1**

This Endorsement, effective: July 15, 2013  
(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)  
forms a part of Policy No.: 0308-5229  
Issued to: City of Austin  
By: Allied World National Assurance Company

**SCHEDULE OF UNDERLYING INSURANCE**

Type of Coverage	Insurer Policy Number Policy Period	Limits of Insurance
General Liability **General Aggregate - Reinstates Annually  ***Products Completed Operations Aggregate - Reinstates Annually	Liberty Insurance Corporation TB7-661-066489-013 July 15, 2013 - July 15, 2018	US\$2,000,000 Each Occurrence US\$4,000,000 Other Aggregate ** US\$4,000,000 Products-Completed Operations Aggregate ***
Defense costs: <input type="checkbox"/> Erode <input checked="" type="checkbox"/> Do Not Erode The Limits of Insurance listed in the policy above.		
Employer Liability	Liberty Insurance Corporation WA7-66D-066489-023 July 15, 2013 - July 15, 2018	US\$1,000,000 Bodily Injury By Disease - Each Employee US\$1,000,000 Bodily Injury By Disease - Policy Aggregate US\$1,000,000 Bodily Injury Each Accident
Defense costs: <input type="checkbox"/> Erode <input checked="" type="checkbox"/> Do Not Erode The Limits of Insurance listed in the policy above.		

All other terms and conditions of this **policy** remain unchanged.

**Allied World National Assurance Company**

By:



**Louis Iglesias**

**Title: President, U.S. Property & Casualty**

**Date of Issuance: February 10, 2014**

**Endorsement No.: 2**

This Endorsement, effective: July 15, 2013

(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)

forms a part of Policy No.: 0308-5229

Issued to: City of Austin

By: Allied World National Assurance Company

**TEXAS AMENDATORY ENDORSEMENT**

A. It is agreed that Paragraph B. Cancellation of SECTION V – CONDITIONS is deleted in its entirety and replaced by the following:

B. Cancellation

1. The first Named **Insured** designated in item 1. (a) of the Declarations may cancel this **policy** by mailing or delivering to the **company**, at the address stated in Item 8. (b) of the Declarations, advance written notice stating when such cancellation is to take effect.
2. The **company** may cancel this **policy** by delivering to the first Named **Insured**, or by mailing to the first Named **Insured** (by registered, certified, or other first class mail), at the address stated in Item 1. (b) of the Declarations, written notice, not less than thirty (30) days [or ten (10) days in the event any premium is not paid when due], in advance of the cancellation date. Proof of mailing of such notice to the first Named **Insured** at the address stated in Item 1. (b) of the Declarations will be sufficient proof of notice. The **company** may not cancel this **policy** solely on the fact that the **insured** is an elected official.
3. If this **policy** has been in effect for more than sixty (60) days or is a renewal **policy**, the **company** may only cancel this **policy** for the following reasons:
  - a) Fraud in obtaining coverage;
  - b) Failure to pay premiums when due;
  - c) An increase in hazard within the control of the **insured** that would produce a rate increase;
  - d) Loss of the **company's** reinsurance covering all or part of the risk covered by the **policy**; or
  - e) The **company** is placed in supervision, conservatorship, or receivership and the cancellation is approved or directed by the supervisor, conservator, or receiver.
4. The Policy Period of this **policy** will end on the date and hour specified in the cancellation notice.
5. If the **insured** cancels this **policy**, the **company** will be due the greater of either:
  - a) The sum of:
    - i. The earned amount of the Minimum And Advance Premium stated in Item 7. (a) of the Declarations; plus
    - ii. 10% of the unearned amount of the Minimum And Advance Premium stated in Item 7. (a) of the Declarations; or

b) The Minimum Earned Premium, if any, stated in Item 7. (b) of the Declarations.

After deduction of the amount due the **company** as determined above, the remaining amount of any unearned premium previously paid to the **company** will be returned to the first Named **Insured**.

6. If this **policy** is cancelled by the **company**, then the **company** shall return the pro rata portion of any unearned premium, previously paid to the **company**, to the first Named **Insured**.
7. Payment or tender of any unearned premium by the **company** will not be a condition precedent to the effectiveness of cancellation, but the **company** shall make such payment as soon as practicable. The **company's** check or its representative's check, mailed or delivered to the first Named **Insured**, will be sufficient tender of any refund due any **insured**.
8. Any of these provisions that conflict with a law that controls the cancellation of this **policy** is changed by this paragraph to comply with that law.

B. It is agreed that Paragraph J. Premium of Section V – CONDITIONS is deleted in its entirety and replaced with the following:

J. Premium

1. At the beginning of the Policy Period, stated in Item 2. of the Declarations, of this **policy**, the first Named **Insured** must pay the **company** the Minimum And Advance Premium stated in Item 7. (a) of the Declarations for this **policy**.
2. The Minimum And Advance Premium is subject to adjustment if:
  - a) The premium of the Followed Policy is adjusted; or
  - b) An Endorsement describing such adjustment is attached to this **policy**.
3. In no event, however, will the adjusted premium be less than the greater of:
  - a) The Minimum And Advance Premium for this **policy** stated in Item 7. (a) of the Declarations; or
  - b) The Minimum Earned Premium, if any, stated in Item 7. (b) of the Declarations.

C. It is agreed that the following is added to SECTION V – CONDITIONS

Nonrenewal

The **company** may nonrenew this **policy**, by delivering to the first Named **Insured**, or by mailing to the first Named **Insured** (by registered, certified, or other first class mail), at the address stated in Item 1. (b) of the Declarations, written notice of nonrenewal at least sixty (60) days before the end of the Policy Period. The mailing of such notice shall be sufficient notice of nonrenewal and delivery of such notice shall be equivalent to mailing. If notice of nonrenewal is delivered or mailed later than the sixtieth (60<sup>th</sup>) day before the date this **policy** expires, this **policy's** coverage will remain in effect until the sixty-first (61<sup>st</sup>) day after the date on which the notice is mailed or delivered.

The **company** may not nonrenew this **policy** solely on the fact that the **insured** is an elected official.



All other terms and conditions of this **policy** remain unchanged.

**Allied World National Assurance Company**

**By:**

A handwritten signature in black ink, appearing to read "L. Iglesias", is written above a horizontal line.

**Louis Iglesias**

**Title: President, U.S. Property & Casualty**

**Date of Issuance: February 10, 2014**

**Endorsement No.: 3**

This Endorsement, effective: July 15, 2013  
(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)  
forms a part of Policy No.: 0308-5229  
Issued to: City of Austin  
By: Allied World National Assurance Company

**U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN  
ASSETS CONTROL ("OFAC")  
ADVISORY NOTICE TO POLICYHOLDERS**

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of this **policy**.

This Notice provides information concerning the possible impact on this **policy's** coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that the Named **Insured** or any other **insured**, or any person or entity claiming the benefits of this **policy** has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this **policy** will be considered a blocked or frozen contract and all provisions of this **policy** are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments or premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

**Allied World National Assurance Company**

By:



\_\_\_\_\_  
**Louis Iglesias**

Title: **President, U.S. Property & Casualty**

Date of Issuance: February 10, 2014

**Endorsement No.: 4**

This Endorsement, effective: July 15, 2013  
(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)  
forms a part of Policy No.: 0308-5229  
Issued to: City of Austin  
By: Allied World National Assurance Company

**EMPLOYMENT DISCRIMINATION AND EMPLOYMENT-RELATED PRACTICES EXCLUSION**

It is agreed that this **policy** does not provide coverage for any liability, **loss**, cost or expense based upon; resulting directly, or indirectly, from; arising in whole, or in part, out of, or in any way involving, any:

- A. Refusal to employ any person;
- B. Termination of any person's employment; or
- C. Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at any person; or
- D. Injury to the spouse, child, parent, brother or sister of any person at whom any of the employment-related practices described in paragraphs A., B., or C. above is directed.

This exclusion applies:

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

All other terms and conditions of this **policy** remain unchanged.

**Allied World National Assurance Company**

By:



\_\_\_\_\_  
**Louis Iglesias**

Title: **President, U.S. Property & Casualty**

Date of Issuance: **February 10, 2014**



**Endorsement No.: 6**

This Endorsement, effective: July 15, 2013  
(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)  
forms a part of Policy No.: 0308-5229  
Issued to: City of Austin  
By: Allied World National Assurance Company

**LIMITATION OF COVERAGE TO DESIGNATED WRAP-UP PROJECT(S)**

It is agreed that this **policy** provides coverage only for ongoing operations or operations included within the products-completed operations hazard (as such hazard is defined in the Followed Policy) within the scope of the project(s) listed in the Schedule below that the **insured** began and completed between July 15, 2013 and July 15, 2018; but only if such operations are performed:

- A. At the location(s) listed in the Schedule below; and
- B. By a contractor that has been enrolled in this consolidated (wrap-up) insurance program.

**SCHEDULE:**

Name Of Project:	Location Of Project:
TBD	TBD

All other terms and conditions of this **policy** remain unchanged.

**Allied World National Assurance Company**

**By:**



\_\_\_\_\_  
**Louis Iglesias**

**Title: President, U.S. Property & Casualty**

**Date of Issuance: February 10, 2014**

**Endorsement No.: 7**

This Endorsement, effective: July 15, 2013  
(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)  
forms a part of Policy No.: 0308-5229  
Issued to: City of Austin  
By: Allied World National Assurance Company

**PRODUCTS-COMPLETED OPERATIONS EXTENSION PERIOD  
COMMERCIAL CONSTRUCTION**

A. It is agreed that if:

- 1. This **policy** has not been cancelled; and
- 2. All premium due the **company** (including any additional premium due the **company** as a result of premium adjustment or premium audit) has been paid promptly when due by the first Named **Insured**;

Then any injury or damage arising out of the products-completed operations hazard (as such hazard is defined in the Followed Policy) which occurs during the **Products-Completed Operations Extension Period** will be deemed to have occurred during the Policy Period of this **policy**.

B. The Products-Completed Operations Aggregate Limit stated in Item 4. (b) of the Declarations will apply to the Policy Period and the **Products-Completed Operations Extension Period**. The Products-Completed Operations Aggregate Limit stated in Item 4. (b) of the Declarations will not be reinstated at the end of the Policy Period; nor will there be a separate aggregate limit of insurance applicable to any coverage afforded by this Endorsement.

C. **Products-Completed Operations Extension Period** means the period:

- 1. From the earliest of the following times:
  - a) The end of the Policy Period stated in Item 2. of the Declarations; or
  - b) The time at which the **insured's** work is completed. The **insured's** work be deemed completed if it

satisfies the definition of completed work set forth in the products-completed operations hazard (as such hazard is defined in the Followed Policy);

2. To the earliest of the following times:

- a) When the applicable statute of repose or statute of limitation expires as stated in the statutes or the decisional law of the jurisdiction in which the **insured's** work is completed; or
- b) 10 (Ten) years from the earliest applicable time specified in 1. a) or 1. b) above.

All other terms and conditions of this **policy** remain unchanged.

Allied **World National Assurance Company**

By:



**Louis Iglesias**

**Title: President, U.S. Property & Casualty**

**Date of Issuance: February 10, 2014**

**Endorsement No.: 8**

This Endorsement, effective: July 15, 2013  
(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)  
forms a part of Policy No.: 0308-5229  
Issued to: City of Austin  
By: Allied World National Assurance Company

**EXTERIOR INSULATION AND FINISH SYSTEMS EXCLUSION**

It is agreed that this **policy** does not provide coverage for any liability, **loss**, cost or expense resulting directly, or indirectly, from or arising in whole, or in part, out of:

- A. The design, manufacture, construction, fabrication, preparation, installation, application, maintenance or repair, including remodeling, service, correction, or replacement of an **exterior insulation and finish system** or any part or component thereof, or any substantially similar system, or any part or component of such similar system, including the application, or use, of paints, conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system; or
- B. Any **insured's** product or work with respect to any exterior component, fixture or feature of any structure if an **exterior insulation and finish system**, or any substantially similar system, is used on the part of that structure containing that component, fixture or feature.

**Exterior insulation and finish system** means any non-load-bearing exterior cladding or finish system, and all component parts therein, used on any part of any structure, and typically consisting of:

- 1. A rigid, or semi-rigid, insulation board made of expanded polystyrene or polyisocyanurate foam, or both, and other materials;
- 2. The adhesive or mechanical fasteners, or both, used to attach the insulation board to the substrate;
- 3. A reinforced or unreinforced base coat;
- 4. A finish coat providing surface texture to which color may be added; and
- 5. Any flashing, caulking or sealant used with the system for any purpose.

All other terms and conditions of this **policy** remain unchanged.

**Allied World National Assurance Company**

By:



**Louis Iglesias**

Title: **President, U.S. Property & Casualty**

Date of Issuance: February 10, 2014

**Endorsement No.: 9**

This Endorsement, effective: July 15, 2013  
(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)  
forms a part of Policy No.: 0308-5229  
Issued to: City of Austin  
By: Allied World National Assurance Company

**EXCLUSION OF COVERAGE FOR DESIGNATED OPERATIONS**

It is agreed that this **policy** does not provide coverage for any liability, **loss**, cost or expense based upon, resulting directly, or indirectly, from, arising in whole, or in part, out of or in any way involving the operations designated below, regardless of whether such operations are conducted by the **insured** or on the **insured's** behalf or whether the operations are conducted for any **insured** or for others.

Unless a **location** is specified below, this exclusion applies regardless of where such operations are conducted by the **insured** or on the **insured's** behalf. If a specific **location** is designated below, this exclusion applies only to the described operations conducted at that **location**.

As used in this exclusion, **location** means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

Excluded Operations	<b>Location</b> Of Excluded Operations
Demolition, Wrecking Balls and Explosives only	Anywhere

All other terms and conditions of this **policy** remain unchanged.

**Allied World National Assurance Company**

By:



\_\_\_\_\_  
**Louis Iglesias**

Title: President, U.S. Property & Casualty

Date of Issuance: February 10, 2014



**Endorsement No.: 10**

This Endorsement, effective: July 15, 2013  
(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)  
forms a part of Policy No.: 0308-5229  
Issued to: City of Austin  
By: Allied World National Assurance Company

**ASBESTOS EXCLUSION**

It is agreed that this **policy** does not provide coverage for:

- A. Any liability, **loss**, cost or expense based upon, resulting directly, or indirectly, from, arising in whole, or in part, out of or in any way involving the mining, manufacture, distribution, sale, installation, removal, utilization, ingestion, inhalation or existence of, or exposure to, asbestos in any form or any products or materials containing asbestos; or
- B. Any **loss**, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, asbestos in any form or any products or materials containing asbestos, by any **insured** or by any other person or organization.

All other terms and conditions of this **policy** remain unchanged.

**Allied World National Assurance Company**

By:



\_\_\_\_\_  
**Louis Iglesias**

Title: President, U.S. Property & Casualty

Date of Issuance: February 10, 2014



**Endorsement No.: 12**

This endorsement, effective: July 15, 2013

(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)

forms a part of Policy No.: 0308-5229

Issued to: City of Austin

By: Allied World National Assurance Company

**CLAIMS REPORTING AMENDMENT  
(AMENDMENT OF CONDITION F. DUTIES IN THE EVENT OF  
OCCURRENCE, CLAIM OR SUIT)**

It is agreed that this **policy** is amended as follows:

SECTION V – CONDITIONS, Paragraph F. Duties In The Event Of Occurrence, Claim Or Suit is amended to include the following additional provisions:

The **insured** must provide the **company** with immediate written notice of any claim, either paid or reserved, for twenty-five percent (25%) or more of the applicable limits of **underlying excess insurance**.

The **insured** must also give the **company** immediate written notice of any injury of the following types:

- a. a fatality;
- b. severe burns;
- c. traumatic brain injury;
- d. dismemberment or amputation;
- e. paralysis;
- f. loss or impairment of eyesight or hearing; or
- g. severe scarring.
- h. a sexual assault or battery, including, but not limited to, rape, molestation or sexual abuse.

All other terms and conditions of this **policy** remain unchanged.

**Allied World National Assurance Company**

By:



**Louis Iglesias**

Title: **President, U.S. Property & Casualty**

Date of Issuance: **February 10, 2014**

**Endorsement No.: 13**

This endorsement, effective: July 15, 2013

(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)

forms a part of Policy No.: 0308-5229

Issued to: City of Austin

By: Allied World National Assurance Company

**STRATEGIC RESPONSE COVERAGE EXTENSION**

I. It is agreed that SECTION I – INSURING AGREEMENT is amended by adding the following:

**INSURING AGREEMENT – STRATEGIC RESPONSE**

- A. The **company** shall pay, on behalf of the **insured**, **strategic response costs** arising from a **strategic management event** first commenced during the Policy Period, up to the amount of the **strategic response costs** Limit of Liability set forth in this Endorsement.
- B. The **company** shall pay **strategic management loss** directly to third parties at the request of and on behalf of the **insured** arising from a **strategic management event** first commenced during the Policy Period, up to the amount of the **strategic management loss** Limit of Liability set forth in this Endorsement.
- C. A **strategic management event** will be deemed to first commence at the time during the Policy Period when an **executive** first becomes aware of a **triggering event** that gives rise to a **strategic management event** and will end when the **company** determines that any one of the necessary elements listed in the definition of a **strategic management event** no longer exists or when the **strategic management loss** Limit of Liability has been exhausted.
- D. There will be no **underlying limits** applicable to **strategic response costs** or **strategic management loss**.
- E. Any payment by the **company** of **strategic response costs** or **strategic management loss** pursuant to the terms of this Endorsement will not (1) constitute a determination of any of our rights or obligations under any other part of this **policy**; (2) create any duty to defend any claim or suit under any other part of this **policy**; or (3) create a waiver of any right or defense the **company** has with respect to the coverage provided by any part of this **policy**, including those set forth in Condition F. of this **policy**.

II. It is agreed that ITEM 4. LIMITS OF THIS INSURANCE of the Declarations is amended by adding the following:

- (d) US\$300,000     **Strategic Response Costs** Limit of Liability
- (e) US\$75,000     **Strategic Management Loss** Limit of Liability

III. It is agreed that SECTION IV – LIMITS OF INSURANCE is amended by adding the following:

LIMITS OF INSURANCE – STRATEGIC RESPONSE

- A. The **strategic response costs** Limit of Liability stated in Item 4.(d) of the Declarations is the most the **company** will pay for all **strategic response costs** under this **policy** regardless of the number of **strategic management events** first commenced during the Policy Period.
- B. The **strategic management loss** Limit of Liability stated in Item 4.(e) of the Declarations is the most the **company** will pay for all **strategic management loss** under this **policy** regardless of the number of **strategic management events** first commenced during the Policy Period.
- C. The **strategic response costs** Limit of Liability and the **strategic management loss** Limit of Liability are in addition to, and are not part of, the Aggregate Limit of Insurance shown in Item 4. of the Declarations.

IV. It is agreed that SECTION V – CONDITIONS, Paragraph F. is amended by adding the following:

CONDITIONS – STRATEGIC RESPONSE

You must report any **strategic management event** to the **company** as soon as practicable, but no later than thirty (30) days after an **Executive** first becomes aware of a **triggering event** that gives rise to a **strategic management event** to be eligible for the payment of **strategic response costs** and **strategic management loss**.

Notice of a **strategic management event** may be given by calling 1-877-300-AWAC. If notice is given by telephone, written notice will be given as soon as practicable thereafter. Written notice should include:

1. how, when and where the **strategic management event** is taking or took place;
2. the names and addresses of any injured persons and any witnesses; and
3. the nature and location of any injury or damage arising out of the **strategic management event**.

Written notice should be mailed or delivered to:

Allied World Assurance Company (U.S.) Inc.  
199 Water Street, 24<sup>th</sup> Floor  
New York, NY 10038  
Attention: General Casualty Claims Supervisor

V. It is agreed that SECTION VI – DEFINITIONS is amended by adding the following:

DEFINITIONS – STRATEGIC RESPONSE

A. **Executive** means the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President, General Counsel or general partner (if the Named **Insured** is a partnership) or sole proprietor (if the Named **Insured** is a proprietorship) of the Named **Insured**. **Executive** also means any other person holding a title designated by you, approved by the **company** and shown by endorsement to this **policy**.

B. **Strategic management event** means a **triggering event** that in the absence of **strategic management services** and in the good faith opinion of an **Executive** of the Named **Insured** has or may result in:

1. damages covered by this **policy** that are in excess of the total applicable limits of **underlying limits**; and
2. significant adverse regional or national media coverage.

**Strategic management event** will include man-made disasters such as explosions, major crashes, multiple deaths, burns, dismemberment, traumatic brain injury, permanent paralysis, or contamination of food, drink or pharmaceuticals, provided that the damages arising out of any of the aforementioned are reasonably likely to be covered under this **policy**.

C. **Strategic management firm** means:

1. any firm that is listed in Schedule A – Strategic Management Firms, attached to and forming part of this **policy**; or
2. any firm for which the **company**, in its sole discretion, has provided prior written approval to the Named **Insured**,

which is hired by you to perform **strategic management services** in connection with a **strategic management event**.

D. **Strategic management loss** means the following amounts incurred during a **strategic management event**:

1. amounts for the reasonable and necessary fees and expenses incurred by a **strategic management firm** in the performance of **strategic management services** for the Named **Insured**, solely arising from a covered **strategic management event**; and
2. amounts for reasonable and necessary printing, advertising, mailing of materials, or travel by directors, officers, employees or agents of the Named **Insured** or a **strategic management firm** incurred at the direction of a **strategic management firm**, solely arising from a covered **strategic management event**.

- E. **Strategic management services** means those services performed by a **strategic management firm** in advising the Named **Insured** on minimizing potential harm to the Named **Insured** from a covered **strategic management event** by maintaining and restoring public confidence in the Named **Insured**.
- F. **Strategic response costs** means the following reasonable and necessary expenses incurred during a **strategic management event** directly caused by a **strategic management event**, provided that such expenses have been pre-approved by the **company** and may be associated with damages that are reasonably likely to be covered by this **policy**:
1. medical expenses;
  2. funeral expenses;
  3. psychological counseling;
  4. travel expenses;
  5. temporary living expenses;
  6. expenses to secure the scene of a **strategic management event**; and
  7. any other expenses pre-approved by the **company**.

**Strategic response costs** does not include defense costs or **strategic management loss**.

All other terms and conditions of this **policy** remain unchanged.

**Allied World National Assurance Company**

By:



Louis Iglesias

Title: President, U.S. Property & Casualty

Date of Issuance: February 10, 2014

Schedule A

Strategic Management Firms\*

Communications / Public Relations Firms

FIRM/ADDRESS	CONTACT INFORMATION
<b>The Abernathy MacGregor Group, Inc.</b>	

New York Office:  
501 Madison Avenue  
New York, NY 10022  
[www.abmac.com](http://www.abmac.com)

Jim MacGregor  
Vice Chairman  
Office: (212) 371-5999  
Cell: (646) 236-3271  
Home: (212) 343-0818  
Office Fax: (212) 752-0723  
Home Fax: (646) 613-7033  
Email: [jtm@abmac.com](mailto:jtm@abmac.com)

Rhonda Barnat  
Managing Director  
Office: (212) 371-5999  
Cell: (917) 912-6378  
Home: (646) 478-8740  
Office Fax: (212) 752-0723  
Email: [rb@abmac.com](mailto:rb@abmac.com)

Mike Pascale  
Managing Director  
Office: (212) 371-5999  
Cell: (917) 860-2048  
Home: (914) 472-0810  
Office Fax: (212) 752-0723  
Home Fax: (914) 472-0559  
Email: [mmp@abmac.com](mailto:mmp@abmac.com)

Los Angeles Office:  
707 Wilshire Boulevard  
Suite 3950  
Los Angeles, CA 90017

Ian Campbell  
Managing Director  
Office: (213) 630-6550  
Cell: (213) 422-7958  
Home: (818) 957-5650  
Office Fax: (213) 489-3443  
Home Fax: (818) 541-0954  
Email: [idc@abmac.com](mailto:idc@abmac.com)



FIRM/ADDRESS	CONTACT INFORMATION
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<b>Singer Associates, Inc.</b>	
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140 Second Street  
Sixth Floor  
San Francisco, CA 94105  
[www.singer-associates.com](http://www.singer-associates.com)

Sam Singer  
President  
Office: (415) 227-9700 x 101  
Cell: (415) 336-4949  
Home: (510) 644-3636  
Email: [singer@singersf.com](mailto:singer@singersf.com)

Adam Alberti  
Executive Vice President  
Office: (415) 227-9700 x 105  
Cell: (415) 225-2443  
Home: (650) 620-9120  
Email: [adam@singersf.com](mailto:adam@singersf.com)

Courtney Lodato  
Vice President  
Office: (415) 227-9700 x 109  
Cell: (415) 378-4382  
Home: (650) 931-4694  
Email: [courtney@singersf.com](mailto:courtney@singersf.com)

Jason Barnett  
Vice President  
Office: (415) 227-9700 x 106  
Cell: (415) 999-0917  
Home: (415) 644-0800  
Email: [barnett@singersf.com](mailto:barnett@singersf.com)

Charles Goodyear  
Senior Account Supervisor  
Office: (415) 227-9700 x 111  
Cell: (415) 637-8671  
Home: (415) 409-6909  
Email: [charlie@singersf.com](mailto:charlie@singersf.com)

<b>Zeno Group</b>	
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Washington, D.C. Office:  
3222 N Street, NW  
Suite 500  
Washington, DC 20007

Phil Armstrong  
Chief Operating Officer  
Main: (202) 965-7801  
Cell: (202) 669-9926  
Home: 202) 333-0589  
Fax: (202) 298-5611  
Email: [phil.armstrong@zenogroup.com](mailto:phil.armstrong@zenogroup.com)

New York City Office:  
200 Park Avenue South  
Suite 1603  
New York, NY 10003

Main: (212) 299-8955

**Investigative and Security Firm**

FIRM/ADDRESS	CONTACT INFORMATION
<b>Kroll</b>	

1166 Avenue of the Americas  
New York, NY 10036  
[www.kroll.com](http://www.kroll.com)

Timothy V. Horner  
Managing Director  
Office: (212) 833-3366  
Cell: (646) 739-9428  
Fax: (212) 948-4222  
Email: [thorner@kroll.com](mailto:thorner@kroll.com)

\* The **company** does not endorse the firms listed nor warrant the services they provide.

**Endorsement No.: 14**

This endorsement, effective: July 15, 2013

(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)

forms a part of Policy No.: 0308-5229

Issued to: City of Austin

By: Allied World National Assurance Company

**DEFENSE AMENDATORY ENDORSEMENT**

It is agreed that Paragraph A. of SECTION II – DEFENSE AND SUPPLEMENTARY PAYMENTS of the **policy** is deleted in its entirety and replaced with the following:

- A. The **company** shall have the right and duty to defend any claim or suit brought or proceeding instituted against any **insured** that is likely to involve this **policy** upon exhaustion of the applicable **underlying limits**. The **company** will not investigate, settle or defend any claim, suit or proceeding after it has exhausted the applicable Limit Of Insurance of this **policy** as stated in Item 4. of the Declarations. When the **company** assumes the defense of any claim, suit or proceeding against the **insured** that is likely to involve this **policy**, the **company** will investigate or settle the claim, suit or proceeding as they deem expedient.

All other terms and conditions of this policy remain unchanged.

**Allied World National Assurance Company**

By:



\_\_\_\_\_  
**Louis Iglesias**

Title: President, U.S. Property & Casualty

Date of Issuance: February 10, 2014

**Endorsement No.: 15**

This endorsement, effective: July 15, 2013

(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)

forms a part of Policy No.: 0308-5229

Issued to: City of Austin

By: Allied World National Assurance Company

**PREMIUM ENDORSEMENT**

It is agreed that this policy is amended as follows:

SECTION V – CONDITIONS, J. Premium is amended to include the following additional provision:

The Minimum and Advance Premium stated in Item 7.(a) of the Declarations of this **policy** will be deemed to be 100% earned after the first twelve (12) months of the policy term.

All other terms and conditions of this **policy** remain unchanged.

**Allied World National Assurance Company**

By:



Louis Iglesias

Title: President, U.S. Property & Casualty

Date of Issuance: February 10, 2014



**Endorsement No.: 17**

This endorsement, effective: July 15, 2013  
(at 12:01 A.M. prevailing time at the address stated in Item 1. (b) of the Declarations)  
forms a part of Policy No.: 0308-5229  
Issued to: City of Austin  
By: Allied World National Assurance Company

**POLICY AGGREGATE LIMIT  
(OTHER AGGREGATE)**

It is agreed that this **policy** is amended as follows:

The DECLARATIONS, ITEM 4. LIMITS OF INSURANCE is amended to include the following additional limit:

**\$50,000,000 Policy Aggregate Limit**

SECTION IV – LIMITS OF INSURANCE is amended to include the following additional provision:

The Policy Aggregate Limit stated in Item 4. of the Declarations is the most the **company** will pay for all **loss** under this **policy** for the sum of damages under the Other Aggregate Limits, which includes all Other Aggregate Limits provided separately to each project or location.

All other terms and conditions of this **policy** remain unchanged.

**Allied World National Assurance Company**

By:



Louis Iglesias

Title: President, U.S. Property & Casualty

Date of Issuance: February 10, 2014

**POLICYHOLDER DISCLOSURE STATEMENT  
UNDER THE  
TERRORISM RISK INSURANCE ACT**

The **insured** is hereby notified that under the federal Terrorism Risk Insurance Act, as amended, (the "Act"), the **insured** has a right to purchase insurance coverage for **losses** arising out of an Act of Terrorism, which is defined in the Act as an act certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, (i) to be an act of terrorism, (ii) to be a violent act or an act that is dangerous to (A) human life; (B) property; or (C) infrastructure, (iii) to have resulted in damage within the United States, or outside of the United States in case of an air carrier or vessel or the premises of a U.S. mission and (iv) to have been 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. The **insured** should read the Act for a complete description of its coverage. The Secretary's decision to certify or not to certify an event as an Act of Terrorism covered by the Act is final and not subject to review.

Coverage provided by this **policy** for **losses** caused by an Act of Terrorism may be partially reimbursed by the United States Government under a formula established by federal law. Under this formula, the United States Government will generally pay 85% of terrorism **losses** exceeding a statutorily established deductible that must be met by the **company**, and which deductible is based on a percentage of the **company's** direct earned premiums for the year preceding the Act of Terrorism.

Be advised that there is a \$100 billion cap on all losses resulting from Acts of Terrorism. If aggregate insured losses attributable to Acts of Terrorism exceed \$100 billion in a Program Year (January 1 through December 31), the United States Government shall not make any payment for any portion of the amount of such loss that exceeds \$100 billion. If aggregate insured losses attributable to Acts of Terrorism exceed \$100 billion in a Program Year and the **company** has met its deductible under the Act, the **company** shall not be liable for payment of any portion of the **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.

Coverage for "insured losses" as defined in the Act is subject to the coverage terms, conditions, amounts and limits in this **policy** applicable to **losses** arising from events other than Acts of Terrorism.

The **insured** should know that under federal law, the **insured** is not required to purchase coverage for losses caused by Acts of Terrorism.

Please indicate the selection of the Insured below.

\_\_\_\_\_ The **insured** hereby elects to purchase coverage in accordance with the Act for a premium of \$5,000.

\_\_\_\_\_ The **insured** hereby rejects coverage and accepts reinstatement of the exclusion in accordance with the Act.

\_\_\_\_\_  
Signature of **Insured** City of Austin

\_\_\_\_\_  
Print/Title 0308-5229

\_\_\_\_\_  
Date

## ALLIED WORLD NATIONAL ASSURANCE COMPANY

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### FOLLOWING FORM EXCESS LIABILITY INSURANCE POLICY

Words and phrases that appear in **bold** print have special meanings that are defined under Section VI – Definitions of this **policy**. If the Followed Policy listed in Item 6. of the Declarations has defined a word or phrase, this **policy** will follow that definition unless this **policy** expressly defines such word or phrase, in which case the meaning given to such word or phrase in this **policy** will apply. Please read the entire **policy** and the Followed Policy listed in Item 6. of the Declarations carefully.

#### SECTION I - INSURING AGREEMENT

- A. Subject to all the warranties, terms, conditions, exclusions and limitations applicable to this **policy**, the **company** shall pay, on behalf of the **insured**, that part of **loss**, to which this **policy** applies, which exceeds the applicable **underlying limits**. This **policy** does not provide coverage for any part of **loss** within **underlying limits**, or any related cost or expenses.
- B. This **policy** only applies if the **triggering event** that must happen during the policy period of the Followed Policy happens during the Policy Period, as stated in Item 2. of the Declarations, of this **policy**.
- C. This **policy** does not provide coverage for any:
1. Injury or damage that occurs;
  2. Accident that occurs;
  3. Offense that was committed; or
  4. Act, error or omission that occurs;

Before the Retroactive Date, if any, stated in Item 3. of the Declarations of this **policy**.

- D. This **policy** will follow the warranties, terms, conditions, exclusions and limitations that are contained in the Followed Policy listed in Item 6. of the Declarations unless a warranty, term, condition, exclusion or limitation contained in this **policy**:

1. Differs from a warranty, term, condition, exclusion or limitation of the Followed Policy; or
  2. Is not contained in the Followed Policy; In which case, such warranty, term, condition, exclusion or limitation of this **policy** will apply, to the extent that it provides less coverage than the Followed Policy.
- E. Regardless of any other warranties, terms, conditions, exclusions or limitations of this **policy**, if any policy of **underlying excess insurance** does not cover **loss** for reasons other than exhaustion of its applicable limit of liability by payment of claims, then this **policy** will not cover such **loss**.
- F. The **company** has no obligation under this **policy** with respect to any claim, suit or proceeding settled without its prior written consent.
- G. If the **company** is prevented by law from paying on behalf of the **insured** for coverage provided under this **policy**, then the **company** will indemnify the **insured**.
- H. Other than as provided under Section II - Defense And Supplementary Payments of this **policy**, the **company** will have no other obligation or liability to pay sums or perform acts or services under this **policy**.

#### SECTION II - DEFENSE AND SUPPLEMENTARY PAYMENTS

Subject to all the warranties, terms, conditions, exclusions and limitations applicable to this **policy**:

- A. The **company** shall have the right, but not the duty, to assume charge of the investigation, settlement or defense of any claim made, suit brought, or proceeding instituted against any **insured** upon exhaustion of the applicable **underlying limits**. If the **company** has exercised such



right, it will not investigate, settle or defend any claim, suit or proceeding after it has exhausted the applicable Limit Of Insurance of this **policy** as stated in Item 4. of the Declarations. If the **company** does not exercise such right, or if the applicable **underlying limits** are not exhausted, the **company** will have the right, and will be given the opportunity, to associate effectively with the **insured** or any underlying insurer, or both, in the investigation, settlement or defense of any claim, suit or proceeding that is likely to involve this **policy**. In such event, the **insured**, the underlying insurer, and the **company** shall cooperate in the investigation, settlement or defense of such claim, suit or proceeding.

- B. The **company** will only pay the following defense and supplementary expenses:
1. Interest that accrues on a judgment after entry of the judgment and before the **company** has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit Of Insurance of this **policy**;
  2. Reasonable attorney fees and other reasonable investigation, loss-adjustment or litigation expenses incurred directly by the **company** or by the **insured**, with the **company's** consent;
  3. The cost of bonds required to:
    - i. Appeal judgments (in connection with the initiation and continuation of any appeal agreed to by the **company**); or
    - ii. Release attachments;  
But only for bond amounts within the applicable Limit Of Insurance of this **policy**; and
  4. Pre-judgment interest on that part of a judgment within the applicable Limit Of Insurance of this **policy**; however, if the **company** makes an offer to pay the applicable Limit Of Insurance prior to judgment, it will not pay any pre-judgment interest that accrues after its offer.
- C. When defense or supplementary payments do not reduce any of the **underlying limits** provided by **underlying excess insurance**, then any such expense payment made

under this **policy** will not reduce the Limits Of Insurance provided by this **policy**.

### SECTION III - WHO IS AN INSURED

The following persons and organizations qualify as **insureds**:

- A. The Named **Insured** designated in Item 1. (a) of the Declarations;
- B. Any person or organization (other than a person or organization included in C. below) qualifying as an insured in every policy of **underlying excess insurance** and every applicable policy of **underlying primary insurance**; and
- C. Any person or organization to whom any person or organization included in paragraph A. or B. above is obligated by virtue of a written contract or written agreement (other than a contract or policy of insurance) to provide insurance such as is afforded by this **policy**, but:
  1. Only if such person or organization qualifies as an insured in every policy of **underlying excess insurance** and every applicable policy of **underlying primary insurance**; and
  2. Only to the extent of such obligation and no further.

### SECTION IV - LIMITS OF INSURANCE

- A. The Limits Of Insurance of this **policy** stated in Item 4. of the Declarations and the rules below determine the most the **company** will pay for **loss**, regardless of the number of:
  1. **Insureds**;
  2. Claims made, suits brought, or proceedings instituted;
  3. Persons or organizations making claims, bringing suits, or instituting proceedings;
  4. Vehicles involved; or
  5. Coverages provided under this **policy**.
- B. The Limits Of Insurance of this **policy** will apply only in excess of the **underlying limits**.
- C. The Each Occurrence Limit stated in Item 4. (a) of the Declarations is the most the

**company** will pay for **loss** arising out of any one occurrence. Any amount paid for **loss** will reduce the amount of the applicable aggregate Limit Of Insurance of this **policy** available for any other payment. If the applicable aggregate Limit Of Insurance of this **policy** has been reduced to an amount that is less than the Each Occurrence Limit stated in Item 4. (a) of the Declarations, the remaining amount of such aggregate Limit Of Insurance is the most that will be available for any other payment.

D. Subject to the Each Occurrence Limit stated in Item 4. (a) of the Declarations, the Products-Completed Operations Aggregate Limit stated in Item 4. (b) of the Declarations is the most the **company** will pay for **loss** under the products-completed operations hazard, as that hazard is defined in the Followed Policy.

E. Subject to the Each Occurrence Limit stated in Item 4. (a) of the Declarations, the Other Aggregate Limit stated in Item 4. (c) of the Declarations is the most the **company** will pay for **loss** under this **policy**, except **loss**:

1. Included in the products-completed operations hazard, as that hazard is defined in the Followed Policy; or
2. Otherwise covered by the Followed Policy, but to which no aggregate limit in the Followed Policy applies, but only if all other **underlying excess insurance** also does not apply an aggregate limit to such **loss**.

F. Subject to paragraphs C., D., and E. above, if the **underlying limits** have been reduced by payment of **loss** to which this **policy** would also apply (but for the existence of such **underlying limits**), then this **policy** will drop down to become immediately excess of the reduced **underlying limits**, but only if all **underlying excess insurance** applies to such **loss** and also drops down.

G. **Underlying limits** will not be reduced by:

1. The insolvency of, or unwillingness to pay by, any insurer;
2. The uncollectibility of any self-insured retention, deductible or other alternative risk-financing mechanism;

3. Any **insured's** failure to pay any allocation, deductible, participation, retention, or other self-insurance;
4. The existence of a sub-limit of liability in any **underlying excess insurance**;
5. Cancellation, expiration or rescission of any **underlying primary insurance** or **underlying excess insurance**;
6. Defense or supplementary expense payments, unless the Schedule Of Underlying Insurance of this **policy** specifies that the applicable limits of **underlying excess insurance** are reduced by such payments; or
7. Any **underlying excess insurance** containing a warranty, term, condition, exclusion or limitation different from the Followed Policy or this **policy**.

H. If after issuance, the Policy Period of this **policy**, stated in Item 2. of the Declarations, is extended, then the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance of this **policy**.

#### SECTION V - CONDITIONS

A. Appeals

The **company** may, at its option, initiate or continue an appeal of a judgment against any **insured** if the judgment is for more than the **underlying limits**. If the **company** initiates or continues an appeal, it will pay its costs of the appeal subject to Section II – Defense And Supplementary Payments. In no event will the amount the **company** pays for **loss** exceed the Limits Of Insurance of this **policy**.

B. Cancellation

1. The first Named **Insured** designated in item 1. (a) of the Declarations may cancel this **policy** by mailing or delivering to the **company**, at the address stated in Item 8. (b) of the Declarations, advance written notice stating when such cancellation is to take effect.

2. The **company** may cancel this **policy** by delivering to the first Named **Insured**, or by mailing to the first Named **Insured** (by registered, certified, or other first class mail), at the address stated in Item

1. (b) of the Declarations, written notice, not less than thirty (30) days [or ten (10) days in the event any premium is not paid when due], in advance of the cancellation date. Proof of mailing of such notice to the first Named **Insured** at the address stated in Item 1. (b) of the Declarations will be sufficient proof of notice.
3. The Policy Period of this **policy** will end on the date and hour specified in the cancellation notice.
4. If the **insured** cancels this **policy**, the **company** will be due the greater of either:
  - a) The sum of:
    - i. The earned amount of the Minimum And Advance Premium stated in Item 7. (a) of the Declarations; plus
    - ii. 10% of the unearned amount of the Minimum And Advance Premium stated in Item 7. (a) of the Declarations; or
  - b) The Minimum Earned Premium, if any, stated in Item 7. (b) of the Declarations.

After deduction of the amount due the **company** as determined above, the remaining amount of any unearned premium previously paid to the **company** will be returned to the first Named **Insured**.

5. If this **policy** is cancelled by the **company**, then the **company** shall return the pro rata portion of any unearned premium, previously paid to the **company**, to the first Named **Insured**.
6. Payment or tender of any unearned premium by the **company** will not be a condition precedent to the effectiveness of cancellation, but the **company** shall make such payment as soon as practicable. The **company's** check or its representative's check, mailed or delivered to the first Named **Insured**, will be sufficient tender of any refund due any **insured**.

7. Any of these provisions that conflict with a law that controls the cancellation of this **policy** is changed by this paragraph to comply with that law.

C. Changes

Notice to any agent or knowledge possessed by any agent or any other person will not effect a waiver or change in any part of this **policy**. This **policy** can be changed only by a written Endorsement that becomes part of this **policy**. The Endorsement must be signed by one of the **company's** authorized representatives.

D. Changes In Followed Policy

If during the Policy Period of this **policy**, the warranties, terms, conditions, exclusions or limitations of the Followed Policy are changed in any manner from those in effect on the inception date of this **policy**, the **insured** shall, as a condition precedent to its rights under this **policy**, give to the **company** at the address stated in Item 8. (b) of the Declarations written notice of the full particulars of such changes as soon as practicable.

This **policy** will follow such changes upon the effective date of the changes in the Followed Policy, but only if:

1. The **company** agrees to follow such changes by written Endorsement that becomes a part of this **policy**;
2. The **insured** agrees to any amendment of the warranties, terms, conditions, exclusions or limitations of this **policy** required by the **company** relating to such changes; and
3. The **insured** pays when due any additional premium required by the **company** relating to such changes.

E. Compliance

The **company** has no duty to provide coverage under this **policy** unless the Named **Insured** and any other involved **insured** have fully complied with all the warranties, terms and conditions of this **policy**.

F. Duties In The Event Of Occurrence, Claim Or Suit

1. The **insured** shall, as a condition precedent to the obligations of the **company** under this **policy**, give written notice as soon as practicable to the **company** at the address stated in Item 8. (a) of the Declarations of any occurrence, claim, suit or proceeding that involves or is likely to involve **underlying excess insurance**. Notice to an underlying insurer shall not constitute notice to the **company**.
2. Without limiting the requirements of paragraph 1. above, the Named **Insured** shall separately and as soon as practicable give written notice to the **company** when a payment is made or reserve established for any occurrence, claim, suit or proceeding that has brought the total of all payments and reserves by the **insured** or any underlying insurers to a level of twenty-five (25%) or more of any of the **underlying limits**.
3. In the event the **underlying limits** are exhausted, no **insured** will, except at that **insured's** own cost, make any payment, assume any obligation, or incur any expense without the **company's** consent.
4. If applicable **underlying excess insurance** imposes any duties, responsibilities, or obligations on any **insured** in the event of "injury," "damage," "offense," "accident," "disease," "act, error or omission," or such similar event, then the duties specified in this condition will also apply in the event of "injury," "damage," "offense," "accident," "disease," "act, error or omission," or such similar event.

With respect to the duties specified in this condition, the word or phrase "injury," "damage," "offense," "accident," "disease," "act, error or omission," or such similar event will have the same meaning that it has with respect to such applicable **underlying excess insurance**.

**G. First Named Insured**

The person or organization first named in Item 1. (a) of the Declarations is responsible

for payment of all premiums due under this **policy**. The first Named **Insured** will act on behalf of all other **insureds** for the giving and receiving of any notice of cancellation or nonrenewal and the receiving of any return premiums that become payable under this **policy**.

**H. Maintenance Of Underlying Insurance And Underlying Limits**

The **company** has issued this **policy** in reliance upon representations made by the Named **Insured** about **underlying excess insurance**, **underlying primary insurance**, and the **underlying limits**. The Named **Insured** must see to it that:

1. **Underlying excess insurance** and **underlying primary insurance** are and remain valid and in full force and effect;
2. **Underlying excess insurance** and **underlying primary insurance** will not be cancelled, non-renewed, or rescinded without replacement of coverage to which the **company** agrees in writing;
3. The warranties, terms, conditions, exclusions and limitations of **underlying excess insurance** and **underlying primary insurance** will not materially change unless the **company** agrees in writing otherwise;
4. The warranties, terms, conditions, exclusions and limitations of renewals or replacements of **underlying excess insurance** will be materially the same as the prior coverage, unless the **company** agrees in writing otherwise;
5. The **underlying limits** are and remain available, regardless of any bankruptcy, insolvency or other financial impairment of any insurer or any other person or organization;
6. The **underlying limits** will not be reduced, except for the reduction by payment of **loss** to which this **policy** also would apply but for the existence of such **underlying limits**.

Failure to comply with this condition will not invalidate this **policy**, but in the case of any

such failure, the **company's** obligation or liability will not exceed that which would have applied absent any failure to comply with this condition.

The Named **Insured** must notify the **company** as soon as possible if any **underlying excess insurance** or **underlying primary insurance** is no longer valid or no longer in full force and effect.

I. Other Insurance

This **policy** will apply in excess of all **other insurance**.

J. Premium

1. At the beginning of the Policy Period, stated in Item 2. of the Declarations, of this **policy**, the first Named **Insured** must pay the **company** the Minimum And Advance Premium stated in Item 7. (a) of the Declarations for this **policy**.

2. The Minimum Earned Premium, if any, stated in Item 7. (b) will be deemed to be 100% earned from the inception date of the Policy Period of this **policy**.

3. The Minimum And Advance Premium is subject to adjustment if:

- a) The premium of the Followed Policy is adjusted; or
- b) An Endorsement describing such adjustment is attached to this **policy**.

4. In no event, however, will the adjusted premium be less than the greater of:

- a) The Minimum And Advance Premium for this **policy** stated in Item 7. (a) of the Declarations; or
- b) The Minimum Earned Premium, if any, stated in Item 7. (b) of the Declarations.

K. Representations

The **company** has issued this **policy** based, and in reliance, upon representations made by the **insured** and by the **insured's** representatives to the **company**. Unintentional failure of an employee of the **insured** to disclose a hazard or other material information will not violate this condition, unless an officer (whether or not an employee) of any **insured** or an officer's

designee knows about such hazard or other material information.

SECTION VI – DEFINITIONS

**Company** means the company shown in the Declarations that is providing this **policy**.

**Insured** means a person or an organization qualifying as an insured in Section III – Who Is An Insured of this **policy**.

**Loss** means damages that the **insured** becomes legally obligated to pay because of injury or damage, after making proper deductions for all recoveries and salvage. If defense or supplementary payments reduce any of the **underlying limits** provided by **underlying excess insurance**, then any defense or supplementary payments made under Section II - Defense And Supplementary Payments of this **policy** will be included within the meaning of **loss** and will reduce the Limits Of Insurance of this **policy**.

**Other insurance** means valid and collectible insurance providing coverage for **loss** that is covered in whole or in part by this **policy** (or that would be covered in whole or in part by this **policy**, but for the existence of the **underlying limits**). However, **other insurance** does not include **underlying excess insurance**, **underlying primary insurance**, or any policy of insurance specifically purchased to be excess of this **policy** affording coverage that this **policy** also affords.

**Policy** means the various sections of this contract as well as the Declarations and any Endorsements and Schedules made a part of this contract by reference.

**Triggering event** means:

- 1. With respect to any coverage provided by the Followed Policy on an occurrence basis, when:
  - a) The injury or damage occurs; or
  - b) The offense is committed;As determined by the provisions of such coverage under the Followed Policy;
- 2. With respect to any coverage provided by the Followed Policy on a claims-made basis, when the claim is first made as determined by the provisions of such coverage under the Followed Policy.

**Underlying excess insurance** means the insurance described in the Schedule Of Underlying Insurance of this **policy** as well as the next applicable renewal or replacement, or any applicable antecedent, of the described insurance.

**Underlying primary insurance** means any insurance (including the next applicable renewal or replacement, or any applicable antecedent, thereof) that underlies the **underlying excess insurance**. **Underlying primary insurance** does not include insurance that is described in the Schedule Of Underlying Insurance of this **policy**.

**Underlying limits** mean the sum of:

1. The remaining amount of **underlying excess insurance**, including the remaining amount of any allocation, deductible, participation, retention, or other self-insurance that is included within the limits of **underlying excess insurance**;
2. The remaining amount of any applicable **underlying primary insurance**, including the remaining amount of any allocation, deductible, participation, retention, or other self-insurance that is included within the

limits of any applicable **underlying primary insurance**;

3. Any reinstatement of limits or supplemental or other limits available under the insurance described in items 1. and 2. above;
4. Any amounts that any **insured** must pay because **underlying excess insurance** or **underlying primary insurance**, as represented by the **insured**, is not available for any reason other than reduction or exhaustion of such insurance as specified under paragraph F. of Section III – Limits Of Insurance;
5. Any applicable **other insurance**;
6. The remaining amount of any applicable self-insured retention, deductible or other alternative risk-financing mechanism, which immediately underlies the **underlying excess insurance** and which is not included within the limits of **underlying excess insurance** or **underlying primary insurance**; and
7. The remaining amount of any applicable self-insured retention, deductible or other alternative risk-financing mechanism, which underlies the **underlying primary insurance** and which is not included within the limits of **underlying primary insurance**