



Enclosed is your Administrators' Employment Excess Liability policy and Renewal Certificate brokered by California Casualty Management Company. Coverage of \$1,000,000 per occurrence is provided through the Association of California School Administrators.

It is your responsibility to notify the company of possible claims so that they can provide assistance in protecting your interests.

Note: California Government Code 825 "Duty of public entity to pay judgement, compromise or settlement" requires all employees to report claims to their employers. This policy does not provide coverage for the portion of covered losses that must be covered by the public entities according to law.



FAQs about ACSA's Employment Excess Liability insurance:

Q. Who is insured by the policy?

A. All members of ACSA or ACCCA are covered while they are employed by a public school district, community college district, State College or State University.

Q. What kinds of claims are covered by this policy?

A. Claims or lawsuits arising out of your employment activities with a public school district, community college district, or State College or State University.

Q. What other insurance protection does this policy provide?

A. In addition to the excess liability coverage (Coverage A), the policy also provides up to \$2,500 coverage to reimburse you for attorney's fees incurred in the successful defense of a criminal charge arising from your employment (Coverage B.) It also will reimburse you for up to \$1,000 paid for a bail bond required in connection with a criminal charge arising from your employment (Coverage C).

Q. I'm retired. Does this policy protect me?

A. The policy covers retired ACSA or ACCCA members, as well as associate members who are on leaves of absence, for claims which are first made during the policy period based on alleged acts or omissions while the member was an active employee of a public school district, community college district, State College or State University.

Q. What insurer provides the coverage?

A. Princeton Excess & Surplus Lines Insurance Company (PESLIC), a subsidiary of the Munich Re America Group.

Q. What is the A. M. Best rating for this insurer?

A. As of 7/20/09, PESLIC had an A+ (Superior) rating from A. M. Best Co.

Q. Is this insurer licensed in the State of California?

A. No. PESLIC is domiciled and licensed in the State of New Jersey. It conducts business in California on a "non-admitted" basis. Please review the "California Notice" included as a part of the policy for additional information regarding non-admitted insurers.

Q. What is California Casualty's involvement with this policy?

A. California Casualty Management Co. is the retail insurance broker for this policy and worked closely

with ACSA and PESLIC to design insurance protection to specifically respond to ACSA members' insurance needs.

Q. What should I do if I am sued or a claim is made against me?

A. Immediately report the suit or claim to your school district. California Government Code 825 requires all public employees to report claims to their employer. Your employer is required to provide you with defense (an attorney) as well as to pay any settlement or judgment against you. This policy is excess of all indemnification and insurance which is available to you through your employer.

If you believe that you may have a claim under this policy, report it as soon as possible to:

George Bowen (650) 572-4604 or Roxanne Dean (800) 964-3903 Ext. 5923 California Casualty Management Co. P.O. Box M San Mateo, CA 94402 CA Producer License #0041343

The following is a condensed version of your policy, applicable endorsements, and renewal certificate and is not a legally binding contract.



RENEWAL CERTIFICATE ADMINISTRATORS' EMPLOYMENT EXCESS LIABILITY POLICY

Policy No. 95-A3-PX-0000001-04 Renewal of Number: 95-A3-PX-0000001-03 Policy Issue Date: 08/02/10 Producer No.: B00788

Originating and Licensed Surplus Lines Producer's Name And Mailing Address: Brown & Riding Insurance Services, Inc. 777 South Figueroa Street, Suite 2550 Los Angeles, CA 90007

ITEM 1. NAMED ENTITY(IES): Association of California School Administrators Association of California Community College Administrators

MAILING ADDRESS: 1029 J Street, Suite 500 Sacramento, CA 95814

ITEM 2. RENEWAL PERIOD: EFFECTIVE DATE: September 1, 2010 EXPIRATION DATE: September 1, 2011 At 12:01 A.M. Standard Time at the address of the Named Entity(ies) shown in Item 1.

ITEM 3. TERMS: In return for the premium designated below, it is understood and agreed that Policy Number 95-A3-PX-0000001-00 is renewed for the period September 1, 2010 to September 1, 2011.

This renewal policy, 95-A3-PX-0000001-04, as evidenced by this certificate is issued with all the coverages; full limits of liability and terms and conditions of the expiring policy.

ITEM 4. ANNUAL PREMIUM Authorization: In Witness Whereof, the Company

issuing this certificate has caused this certificate to be signed by its authorized officers, but this certificate shall not be valid unless also signed by a duly authorized representative of the Company.

The Princeton Excess and Surplus Lines Insurance Company Hereinafter Referred To As The Company

Signatures of Secretary (Roi Wilcox), President (Craig R. Smitty), and Authorized Representative (Roxanne Dean) dated 08/02/10.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, AS EVIDENCED BY THIS CERTIFICATE, INSURANCE IS PROVIDED TO THE ABOVE NAMED INSURED BY THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY.

ENDORSEMENT NO. 5

GENERAL ENDORSEMENT

It is understood and agreed that Paragraph III. Limits of Liability is deleted in its entirety and replaced with the following:

III. LIMITS OF LIABILITY

The Limits of Liability for Coverage A and Coverage B stated in item 4 of the Declarations are the limits of the Company's liability to each Insured Person for all Loss arising out of any one Claim or Related Claims. However, in no event shall the Company's liability for all Claims made under Coverage A during the Policy Period exceed the Annual Aggregate Limit shown in Item 4 of the Declarations, regardless of the number of Claims or the number of Insured Persons which may be involved.

The Limits of Liability for Coverage C stated in Item 4 of the Declarations are the limits of the Company's liability to each **Insured Person** for all Bail Bonds arising out of any one **Claim** or **Related Claims**.

In the event any **Loss** is payable under this Policy and under California Casualty Insurance Company policy #78-B1-00 effective July 1, 1986 and renewals thereof including Policy #2011591123, then such **Loss** shall be subject to a combined aggregate Limit of Liability under both policies which shall not exceed the highest limit available under either such policy.

All other terms and conditions remain unchanged.

COUNTERSIGNED BY BROWN & RIDING  
CA SURPLUS LINE LIC. # SL0592033

**THIS IS A CLAIMS MADE POLICY WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY. ADMINISTRATORS' EMPLOYMENT EXCESS LIABILITY POLICY DECLARATIONS**

Policy No: 95-A3-PX-0000001-00  
Renewal of Number: NEW  
Policy Issue Date: 12/06/06  
Producer No.: B00788

Originating and Licensed Surplus Lines Producer's Name And Mailing Address:  
Brown & Riding Insurance Services, Inc.  
777 South Figueroa Street, Suite 2550  
Los Angeles, CA 90007

**ITEM 1. NAMED ENTITY(IES):** Association of California School Administrators

MAILING ADDRESS: 1029 J Street, Suite 500  
Sacramento, CA 95814

**ITEM 2. POLICY NUMBER:** 95-A3-PX-0000001-00

**ITEM 3. POLICY PERIOD: EFFECTIVE DATE:**  
September 1, 2006

**EXPIRATION DATE:** September 1, 2007  
At 12:01 A.M. Standard Time at the address of the Named Entity(ies) show in item 1.

**ITEM 4. LIMITS OF LIABILITY:**

COVERAGE A:  
ADMINISTRATOR'S EXCESS LIABILITY  
\$1,000,000.00 each Claim including  
Defense Expenses

\$2,000,000.00 annual aggregate for  
all Claims including Defense Expenses

COVERAGE B:  
REIMBURSEMENT OF ATTORNEY'S FEES  
\$2,500 each Claim or Related Claims

COVERAGE C:  
BAIL BOND \$1,000.00 each bond

**ITEM 5. ANNUAL PREMIUM**

**ITEM 6. EXTENDED REPORTING PERIOD:**

- (a) 12 Months for Additional Premium of 150% of Annual Premium, or
- (b) 24 Months for Additional Premium of 275% of Annual Premium, or
- (c) 36 Months for Additional Premium of 375% of Annual Premium, or
- (d) 48 Months for Additional Premium of 450% of Annual Premium

**ITEM 7. ALL CLAIM NOTICES MUST BE ADDRESSED TO:**

The Princeton Excess and Surplus Lines  
Insurance Company  
555 College Road East  
Princeton, NJ 08543

**ITEM 8. POLICY FORM & ENDORSEMENT(S) ATTACHED AT ISSUANCE** See Schedule of Forms & Endorsements

Authorization: In Witness Whereof, the Company issuing this policy has caused this policy to be signed by its authorized officers, but this policy shall not be valid unless also signed by a duly authorized representative of the Company

The Princeton Excess and Surplus Lines  
Insurance Company Hereinafter Referred To As  
The Underwriter

*Roi Wilcox* Secretary  
*Albert J. Beer* President

12/06/06  
Date  
*George Davis* Authorized Representative

12/21/06  
Date: Licensed Producer Signature, if required by law  
California Casualty Management Company

COUNTERSIGNED BY BROWN & RIDING  
CA SURPLUS LINE LIC. # SL0592033

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, INSURANCE IS PROVIDED TO THE ABOVE NAMED INSURED BY THE PRINCETON EXCESS AND SURPLUS LINES INSURANCE COMPANY. THESE DECLARATIONS, TOGETHER WITH THE ATTACHED FORMS AND ENDORSEMENTS, AND ANY FORMS AND ENDORSEMENTS WE MAY LATER ATTACH TO REFLECT CHANGES, MAKE UP AND COMPLETE THE ABOVE NUMBERED POLICY.**

Schedule of Forms and Endorsements  
**ADMINISTRATORS' EMPLOYMENT EXCESS LIABILITY POLICY**

Effective date of this schedule: 09/01/06  
Issue date: 12/06/06  
Attached to and forming part of  
Policy No: 95-A3-PX-0000001-00

Issued To: **Association of California School Administrators** The following is a schedule of Forms and Endorsements issued with the policy at inception:

Form ID Number: Form Name:  
DECLARATIONS  
ADMINISTRATORS EMPLOYMENT  
EXCESS LIABILITY POLICY  
ENDORSEMENT NO. 1 TERRORIST  
ACTIVITY EXCLUSION CTERR 01

ENDORSEMENT NO. 2  
SERVICE OF PROCESS ENDORSEMENT

ENDORSEMENT NO. 3 WAR EXCLUSION



**THIS IS A CLAIMS MADE POLICY WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY.**

**CALIFORNIA GOVERNMENT CODE 825 "Duty of public entity to pay judgment, compromise or settlement" requires all employees to report claims to their employers. This Policy does not provide coverage for the portion of covered losses that must be covered by the public entity according to law.**

**ADMINISTRATORS' EMPLOYMENT EXCESS LIABILITY POLICY**

Princeton Excess and Surplus Lines Insurance Company (the "Company") and the Named Entity(ies) agree as follows, subject to all of the terms, condi-

tions, and limitations of and any endorsements to this Policy.

**I. INSURING AGREEMENT**

**COVERAGE A - ADMINISTRATOR'S EXCESS LIABILITY**

The Company will pay on behalf of the **Insured Person Loss** from a **Claim** or **Related Claims** first made and reported during the **Policy Period** or, if applicable, the Extended Reporting Period, for **Wrongful Acts**.

**COVERAGE B - REIMBURSEMENT OF ATTORNEY'S FEES**

The Company will reimburse the **Insured Person** for attorney's fees and reasonable and necessary costs, excluding loss of income and wages, incurred in the defense the **Insured Person** in any criminal action or proceeding arising out of what otherwise would be within the course of the **Insured Person's Professional Services**. However, said reimbursement shall only be made if the Insured Person is exonerated by a court of law from all charges or all charges are withdrawn or dismissed.

When the **Insured Person** is one of two or more defendants represented by the same attorney, payment by the Company shall be limited to the **Insured Person's** proportionate share of the total fees and costs paid.

**COVERAGE C - BAIL BOND**

The Company will reimburse the **Insured Person** for the premium paid for Bail Bonds required of the Insured Person for each bond arising out of a **Wrongful Act**; however, the Company shall have no obligation to apply for or to furnish such Bail Bond.

## II. DEFINITIONS

(A) **“Claim”** means:

(1) any civil proceeding in a court of law or equity, including any mediation or other alternative dispute resolution ordered by or sponsored by such court; or  
(2) any criminal proceeding in a court of law; or

(3) any administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigation order, or similar document; however,

(4) Claim does not include any action seeking solely declaratory, injunctive or similar non-monetary relief.

(B) **“Defense Expenses”** means reasonable legal fees and expenses incurred in the defense or appeal of a Claim, including but not limited to:

(1) premiums on bonds to release attachments for an amount not in excess of the applicable Limit of Liability of this Policy and all premiums on appeal bonds required in any such **Claim**, provided however that the Company shall not have any obligation to apply for or furnish any such bonds;

(2) expenses incurred by the Company on behalf of the **Insured Person**, all costs taxed against the **Insured Person** in any such **Claim**, and interest on the Company’s share of any judgment therein which accrues after entry of the judgment and before the Company has paid, tendered, or deposited in court that part of the judgment which is covered under this Policy and which does not exceed the limit of the Company’s liability thereon;

(3) All reasonable expenses, other than loss of wages or earnings incurred by the **Insured Person** at the Company’s request.

(C) **“Educational Unit”** means a school district or other educational agency, community college, state college, state university, University of California, or Department of Education Special Schools

which has as its primary purpose the instruction of students, including the California Department of Education (CDE) or Commission on Teacher Credentialing (CTE.)

(D) **“Employee”** means any person who shall receive salary or wages in exchange for performing educational and/or administrative employment activities on behalf of a school board, board of trustees, or other similar governing body of an **Educational Unit**.

(E) **“Insured Person”** means a member of the **Named Entity(ies)** who is employed by a school board, board of trustees, or other similar governing body of an **Educational Unit**.

(F) **“Loss”** means monetary damages, judgments, awards, or settlements and **Defense Expenses** which an **Insured Person** is legally obligated to pay as a result of a **Claim**. **Loss** shall not include sanctions, fines, taxes, penalties imposed by law, any multiplied damage award, punitive or exemplary damages, or other matters which may be deemed uninsurable under law nor any fine, money, levy or other form of payment required as restitution for the commission of a crime by the **Insured Person**.

(G) **“Motor Vehicle”** means

(1) Any motorized device designed for transport of persons or property on or off public roads, including but not limited to automobiles, trucks, motorcycles, motorized bicycles, dune buggies, snowmobiles, scooters, and golf carts;

(2) Any trailer or other device being towed by or carried on a **motor vehicle**;

(3) Any device which travels on fixed rails or crawler treads; however,

(4) A wheelchair is not considered a motor vehicle.

(H) **“Named Entity(ies)”** means the organization or organizations listed in Item 1 of the Declarations.

(I) **“Policy Period”** means the period shown in Item 3 of the Declarations.

(4) **“Professional Services”** means

(1) activities of the **Insured Person** performed pursuant to the express or implied terms of his or her employment by an **Educational Unit**; and

(2) activities of the **Insured Person** performed at the express request or with the express approval of his or her supervisor provided that, at the time of such request or approval, the supervisor was performing **Professional Services**; however,

(3) **Professional Services** does not include the rendering of or failure to render, teach, instruct, or supervise medical, surgical, psychiatric, psychological, dental, nursing, or similar therapeutic or diagnostic service, except first-aid rendered by an **Insured Person** in an emergency capacity; and

(4) **Professional Services** does not include rendering or failure to render, teach, instruct, or supervise legal services, accounting services, or architectural or engineering services.

(K) **“Related Claims”** means all **Claims** for **Wrongful Acts** based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the same or related facts, circumstances, situations, transactions, or events.

(L) **“Wrongful Act”** means

(1) any actual or alleged act, error, omission, misstatement, misleading statement, or breach of duty committed or alleged to have been committed by the **Insured Person** in rendering or in failing to render **Professional Services**;

(2) any matter asserted against an **Insured Person** solely by reason of his or her status as an **Employee** of an **Educational Unit**.

## III. LIMITS OF LIABILITY

The Limits of Liability for each Coverage stated in Item 4 of the Declarations are the limits of the Company’s liability to each **Insured Person** for all damages arising out of any one **Claim** or **Related Claims**. However, in no event shall the Company’s liability for all **Claims** made during the **Policy Period** exceed the Annual Aggregate Limit shown in Item 4 of the Declarations, regardless of the number of **Claims** or the number of **Insured Persons** which may be involved

## IV. TERRITORY

This Policy applies to **Wrongful Acts** anywhere in the world, provided that **Claim** is first made and suit on the merits is brought against the **Insured Person** within the United States of America, its territories or possessions.

## V. EXCLUSIONS

Coverage A does not apply to any **Claim** or **Related Claims**

(A) for liability assumed by an **Insured Person** under any contract or agreement except for liability which would exist even in the absence of such contract or agreement;

(B) made against an **Insured Person** by or on behalf of another **Employee** of an **Educational Unit** when the claim or suit arises solely out of employment context, pertains to the terms or conditions or employment, and would not have arisen against the **Insured Person** but for the position of the parties within the employment relationship;

(C) for injury or damage which is or was expected or intended by the **Insured Person**, even if the injury or damage is of a different kind, quality, or degree than initially expected or intended or is sustained by a different person, entity, or property than initially expected or intended However, this Exclusion does not apply to injury or damage re-

sulting from the use of reasonable force to protect persons or property or the use of physical restraint while reasonably attempting to gain control or possession of a firearm or other weapon from a student or other person;

(D) involving damages sustained by any person or organization arising out of the publication or utterance of a libel or slander or of other defamatory or disparaging material or a publication or utterance in violation of an individual’s right of privacy, if made in a newspaper of general circulation or in the course of or related to advertising, broadcasting or telecasting activities;

(E) arising out of the ownership, operation, use, loading or unloading of any **Motor Vehicle**, watercraft, or aircraft, however, this exclusion does not apply to supervising students entering or exiting a school bus;

(F) made against the **Insured Person** acting in the capacity, whether paid or unpaid, of a board member, trustee, director, governor or any similar capacity or the governing body of an **educational unit**;

(G) brought about or contributed to in fact by any criminal act or omission by the **Insured Person**;

(H) based on or arising from misuse, embezzlement, extortion, misappropriation, or breach of a fiduciary duty in the handling or managing of public or private monies, investments, or other funds held in a trust capacity;

(I) for injury to or destruction of any real or personal property owned, rented, leased, occupied, or used by or which is in the care, custody or control of the **Insured Person**;

(J) arising out of business pursuits of any **Insured Person** except activities therein which are ordinarily incident to covered **Professional Services**;

(K) based on or arising from the actual, alleged, or threatened discharge, release, escape, seepage,

migration, or disposal of any solid, liquid, gaseous or thermal irritant, contaminant, or pollutant including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste into, in, or on real or personal property, water, or the atmosphere. Waste includes materials to be recycled, reconditioned or reclaimed;

(L) involving damages due to declared or undeclared war, civil war, insurrection, rebellion, or revolution or any act or condition incident to any of the foregoing;

## VI. CONDITIONS

(A) OTHER INSURANCE; OTHER INDEMNIFICATION. This Policy is excess of and will not contribute with any other valid insurance or self-insurance (whether primary, excess, contingent, or on any other basis and whether collectible or not) specifically including but not limited to any insurance, self-insurance, or indemnification available to the **Insured Person** pursuant to Sections 35208, 35214, and 72506 of the Education Code of the State of California or pursuant to the provisions of Sections 825 and 825.4 of the Government Code of the State of California and any insurance, self-insurance, or indemnification provided on behalf of the **Insured Person** by any public entity, school district, governing board, board of trustees, board of regents or any agency established to maintain the California public school system or a four-year institution of higher education.

Coverage B, Reimbursement of Attorney's Fees is excess over and above any legal plan benefit or service available to the **Insured Person** or any amount received by, paid on behalf of, or furnished to the **Insured Person** under any plan, benefit or service.

(B) NOTICE OF CLAIM As a condition precedent to any right to payment in respect to any **Claim**, the **Insured Person** or someone acting on the behalf of the **Insured Person** must give the Company written notice of such **Claim** as soon as practicable after the **Claim** is first made but in no event later

than ninety (90) days after the Termination of this Policy. A **Claim** is first made when an **Insured Person** receives written notice of such **Claim**. The **Insured Person** shall immediately forward to the Company every demand, notice, or summons, or other process received by him or her.

If, during the **Policy Period**, an **Insured Person** becomes aware of circumstances which could give rise to a **Claim** for a **Wrongful Act** taking place before or during the **Policy Period** and gives written notice to the Company of such circumstances then any **Claim** subsequently arising from such circumstances shall be considered to have been made during the **Policy Period**. Such notice shall contain details sufficient to identify the **Insured Person**, a description of such circumstances, the manner in which the **Insured Person** first became aware such circumstances, the nature of the alleged **Wrongful Act**, and to the extent available, the names and addresses of the injured parties and of available witnesses. Notice to the Company of any Claim or circumstances shall be mailed or delivered to the address shown in Item 7 of the Declarations.

(C) EXTENDED REPORTING PERIOD. If the Company or the **Named Entity(ies)** cancels or nonrenews this Policy, other than cancellation for non-payment of premium, the **Named Entity(ies)** shall have the right, upon payment of the additional premium shown in Item 5 of the Declarations, to purchase an extension of the time granted under this Policy for one of the periods set forth in Item 5 of the Declarations following the effective date of such cancellation or non-renewal, but only with respect to a **Wrongful Act** otherwise covered hereunder taking place before the effective date of such cancellation or non-renewal. This right of extension shall lapse unless written notice of such election, together with payment of the additional premium due, is given by the **Named Entity(ies)** to the Company within ninety (90) days following the effective date of cancellation or non-renewal at the address shown in Item 7 of the Declarations. Any **Claim** made during the Extended Reporting Period

shall be deemed to have been made during the **Policy Period** immediately preceding the Extended Reporting Period.

The **Named Entity(ies)** may purchase only one of the Extended Reporting Period options stated in the Declarations. The premium due for the Extended Reporting Period shall equal the percent set forth in the Declarations of the annualized premium for this Policy for the last **Policy Period** prior to such cancellation or non-renewal. The entire premium for the Extended Reporting Period shall be deemed fully earned and non-refundable upon payment.

(D) ASSISTANCE AND COOPERATION: The **Insured Person** shall cooperate fully with the Company and the Company's representatives and selected attorneys, and upon the Company's request, shall attend hearings, depositions and trial and shall assist in discovery matters, effecting settlements and obtaining the attendance of witnesses. The **Insured Person** shall not, except at his or her own expense, voluntarily make any payments, assume any obligation, or incur any expenses other than for such immediate medical and surgical relief to others as shall be imperative at the time of the occurrence.

(E) TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO THE COMPANY. If the **Insured Person** has rights to recover any payment made by the Company under this Policy, those rights are transferred to the Company. At the Company's request, the **Insured Person** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured Person** shall do nothing after the loss to prejudice such rights.

(F) ACTION AGAINST THE COMPANY. No action shall be filed against the Company, unless as a condition precedent thereto, the **Insured Person** shall have fully complied with all terms of this Policy. Bankruptcy or insolvency of an **Insured Person** of the estate of any **Insured Person** shall not relieve the Company of its obligations nor deprive the Com

pany of its rights and defenses under this Policy.

(G) AUTHORIZATION: By acceptance of this Policy, the **Named Entity(ies)** agrees to act on behalf of the **Insured Persons** with respect to the giving and receiving of notice of cancellation or nonrenewal, the payment of premiums and the receiving of any return premiums that may become due under this Policy, the purchase of an Extended Reporting Period, the agreement to and acceptance of endorsements and the giving or receiving of any other notice provided for in this Policy (except for the Notice of Claim) and the **Insured Persons** agree that the **Named Entity(ies)** shall act on their behalf in all such matters.

(H) CHANGES. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change to any part of this Policy or estop 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 written endorsement issued to form a part of this Policy signed by an authorized representative of the Company.

(I) TERMINATION. This Policy shall terminate upon the expiration date stated in the Declarations unless extended by endorsement. This Policy may be cancelled by the **Named Entity(ies)** by making written notice to the Company or authorized agent thereof stating when thereafter such cancellation shall be effective. This Policy may be cancelled by the Company by mailing to the **Named Entity(ies)** written notice stating when, not less than ninety (90) days thereafter, such cancellation shall be effective, except that cancellation for non-payment of premium shall require only thirty (30) days' advance notice. The mailing of such notice shall be sufficient proof of notice and the effective date of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice, either by the **Named Entity(ies)** or by the Company shall be equivalent to mailing. Earned premiums shall be computed

pro rata. Premium adjustments may be made at the time cancellation is effected and, if not made, shall be made as soon as practical after cancellation becomes effective.

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**ENDORSEMENT NO. 1**

**TERRORIST ACTIVITY EXCLUSION**

With respect to this policy and any endorsements thereto, the following exclusion is added and supersedes any provision to the contrary:

This insurance does not apply to:

All injury, damage, loss, Cost or expense arising out of or related to, either directly or indirectly, any "Terrorist Activity," as defined herein, and any action taken to hinder, defend against or respond to any such activity. This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in any sequence to such injury, damage, loss, cost or expense

For the purposes of this exclusion, A. "Terrorist Activity" shall mean any deliberate, unlawful act that'

- 1. is declared by any authorized governmental official to be or to involve terrorism, terrorist activity or acts of terrorism; or
- 2. includes, involves, or is associated with the use or threatened use of force, violence or harm against any person, tangible or intangible property, the environment, or any natural resources, where the act or threatened act is intended, in whole or in part, to

- (a) promote, further or express opposition to any political, ideological, philosophical, racial, ethnic, social or religious cause or objective;
- (b) influence, disrupt or interfere with any government related operations, activities or policies;
- (c) intimidate, coerce or frighten the general public or any segment of the general public; or

(d) disrupt or interfere with a national economy or any segment of a national economy; or

3. includes, involves, or is associated with, in whole

or in part, any of the following activities, or the threat thereof:

(a) hijacking or sabotage of any form of transportation or conveyance, including but not limited to spacecraft, satellite, aircraft, train, vessel, or motor vehicle;

(b) hostage taking or kidnapping;

(c) the use or threatened use of, or release or threatened release of any nuclear, biological, chemical or radioactive agent, material, device or weapon;

(d) the use of any bomb, incendiary device, explosive or firearm;

(e) the interference with or disruption of basic public or commercial services and systems, including but not limited to the following services or systems: electricity, natural gas, power, postal, communications, telecommunications, information, public transportation, water, fuel, sewer or waste disposal;

(f) the injuring or assassination of any elected or appointed government official or any government employee;

(g) the seizure, blockage, interference with, disruption of, or damage to any government buildings, institutions, functions, events, tangible or intangible property or other assets; or

(h) the seizure, blockage, interference with, disruption of, or damage to tunnels, roads, streets, highways, or other places of public transportation or conveyance.

B. Any of the activities listed in section A. 3 above shall be considered "Terrorist Activity" except where the Insured can demonstrate to the Company, that the foregoing activities or threats thereof were motivated solely by personal objectives of the perpetrator that are unrelated, in whole or in part, to any intention to:

1. promote, further or express opposition to any

political, ideological, philosophical, racial, ethnic, social or religious cause or objective;

2. influence, disrupt or interfere with any government related operations, activities or policies;

3. intimidate, coerce or frighten the general public or any segment of the general public; or

4. disrupt or interfere with a national economy or any segment of a national economy.

C. Application of Other Exclusions  
The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorist exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this policy, such as losses excluded by a Nuclear Hazard Exclusion or a War Exclusion.

All other terms and conditions remain unchanged.

**ENDORSEMENT NO. 2**

**SERVICE OF PROCESS**

This endorsement specifies that:

We designate the Superintendent of Insurance, Insurance Commissioner, Director of Insurance, or other officer specified by law, pursuant to the laws of the State where this policy is delivered, as our true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted in the State in which this policy is delivered, by, or on behalf of, the Named Insured or any beneficiary hereunder arising out of this Policy. We designate the General Counsel of The Princeton Excess and Surplus Lines Insurance Company, 555 College Road East, Princeton, New Jersey 08543 as the person to whom the said officer is authorized to mail such process or true copy thereof.

All other terms and conditions remain unchanged.

**ENDORSEMENT NO. 3**

**WAR EXCLUSION**

This insurance does not apply to any liability, loss, cost or expense arising, directly or indirectly, out of-1 war, including undeclared or civil war, or

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.

All other terms and conditions remain unchanged.

## **CALIFORNIA NOTICE**

- 1. THE INSURANCE POLICY THAT YOU (HAVE PURCHASED) (ARE APPLYING TO PURCHASE) IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED NONADMITTED" OR "SURPLUS LINE" INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT WHICH APPLIES TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST.**
- 5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE, AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER:  
1-800-927-4357.**

**6. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.**

DATED: \_\_\_\_\_

INSURED: \_\_\_\_\_